



**JYOTI COSMETICS
(EXIM) LIMITED.**

Report  [junction.com](http://reportjunction.com)

**ELEVENTH ANNUAL REPORT
2004-2005**

JYOTI COSMETICS (EXIM) LIMITED

ELEVENTH ANNUAL REPORT

2004-2005

BOARD OF DIRECTORS

| | | |
|------------------|---|------------------------------|
| JAGDISH N. PATEL | : | CHAIRMAN & MANAGING DIRECTOR |
| VASUDEV B. PATEL | : | DIRECTOR |
| JYOTIKA J. PATEL | : | DIRECTOR |
| BHAVEN S. PATEL | : | DIRECTOR |
| ASHOK C. JARDOSH | : | DIRECTOR |
| KALPESH R. PATEL | : | DIRECTOR |



BANKERS

KALUPUR COMMERCIAL CO-OPERATIVE BANK LTD.
ASHRAM ROAD BRANCH, AHMEDABAD

INDIAN OVERSEAS BANK
NARANPURA BRANCH, AHMEDABAD



AUDITORS

MAHESH VYAS & CO.
CHARTERED ACCOUNTANTS
BHESAT VADO, PATAN,
NORTH GUJARAT



REGISTERED OFFICE

412/C PAYAL COMPLEX,
OPP. FORTUNE TOWER, SAYAJI GUNJ,
VADODARA - 390 005.



CORPORATE OFFICE

401, RAJKAMAL PLAZA - B,
NR. SAMRUDDHI BLDG., OPP. OLD HIGH COURT,
AHMEDABAD - 380 014.

JYOTI COSMETICS (EXIM) LIMITED**JYOTI COSMETICS (EXIM) LIMITED.**

REGISTERED OFFICE: 412/C, PAYAL COMPLEX, OPP. FORTUNE TOWER,
SAYAJI GUNJ, VADODARA - 390005

NOTICE

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Thursday, the 29th September, 2005 at 3.00 P.M. at 412/C, Payal Complex, Opp. Fortune Tower, Sayaji Gunj, Vadodara 390005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2005 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Vasudev B. Patel who retires by rotation and being eligible offers him self for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To considered and, if thought fit, to pass the following Resolution, with or without modification, as a Special Resolution:-

"RESOLVED that pursuant to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate to exercise its powers, including the powers conferred under this Resolution) consent of the Company be and is hereby accorded to delist the equity shares of the Company from Vadodara Stock Exchange Ltd. at Vadodara

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares without being required to seek any further approval of the members."

NOTES:

- 1 A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and such proxy(s) need not be a member.
- 2 Proxies in order to be effective must be lodged with the company at its Registered Office not less than 48 hours before the commencement of the meeting.
- 3 Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2005 to 30th September, 2005 (both days inclusive).
- 4 Members are requested to intimate the changes, if any, in their registered addresses.

By Order of the Board

Place: Ahmedabad.
Date: 16th August, 2005.

Jagdish N. Patel
Chairman

JYOTI COSMETICS (EXIM) LIMITED**EXPLANATORY STATEMENT : (Pursuant to Section 173(2) of the Companies Act, 1956)****ITEM NO. 4**

Presently, the Company's equity shares are listed on two Stock Exchanges namely The Stock Exchange, Mumbai and Vadodara Stock Exchange at Vadodara.

With the wide and extensive networking of BSE the investors have access to online dealings in the Company's equity shares across the country. Moreover, the Company's equity shares are one of the scripts which the Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has specified for settlement only in demate form by all the investors, effective 17th January, 2000. Accordingly, there is no physical movement of share certificates in transactions taking place on the stock Exchanges.

The trading volumes of the equity shares of the Company on the stock exchange at Vadodara is negligible and are disproportionate to the listing fees payable by the Company to the said Stock Exchange. Based on the information received from the Stock Exchanges on trading volumes, it is observed that out of the trading volumes on the two stock exchanges, where the Company's shares are listed, the volume on the said Stock Exchange reported nil in financial year 2004-05. The annual recurring listing fees paid to the said Stock exchange do not offer any particular benefit in the changed scenario and the proposed voluntary delisting would contribute to the cost reduction measures initiated by the Company. It is, therefore, considered desirable to delist the equity shares of the Company from the said Stock Exchange subject to the Company complying with the provisions of SEBI (Delisting of Securities) Guidelines, 2003 and obtaining requisite approvals, permissions and sanctions in respect thereof. In terms of the SEBI

As the Company's equity shares shall continue to be listed on BSE, which have nationwide terminals, no exit opportunity is required to be given as per the SEBI Delisting guidelines. Due to availability of trading terminals of BSE in most of the cities across the country, the proposed delisting of the Company's Equity Shares from the Stock Exchanges as referred to above will not be prejudicial to, or affect the interest of, the investors.

The Directors recommend the Special Resolution at Item No. 4 of the Notice for acceptance by the members.

None of the Directors of the Company is concerned or interested in the said Resolution.

By Order of the Board

Place: Ahmedabad.

Date: 16th August, 2005.

Jagdish N. Patel
Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Brief profile of the directors seeking re-appointment at the Annual General Meeting.

Mr. Vasudev B. Patel

Mr. Vasudev Patel aged about 50 years is son of Baldevbhai Patel. He is also director in M/s Nilchem Industries Ltd. He has been associated with the company since 2001. He has more than 15 years of experience of Sales & Marketing.

He has wide experience in sales and marketing especially in Paints & Adhesives.

JYOTI COSMETICS (EXIM) LIMITED**JYOTI COSMETICS (EXIM) LIMITED.**

REGISTERED OFFICE: 412/C, PAYAL COMPLEX, OPP. FORTUNE TOWER,
SAYAJI GUNJ, VADODARA - 390005

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Eleventh Annual Report together with the audited statements of accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS

| | (Amount Rs. In Lacs) | |
|--|----------------------|-----------|
| | 2004-2005 | 2003-2004 |
| Sales & Other Incomes | 34.49 | 63.04 |
| Profit/ (Loss) before Long term Loss, Depreciation - & Misc. exps w/off | (0.08) | 2.07 |
| Less : Long term Loss, Depreciation – & Misc. Exps. W/off | 9.82 | 4.36 |
| Net Profit/(Loss) for the year | (9.90) | (2.64) |
| Add : Profit/(Loss) b/f from previous year | (46.36) | (43.72) |
| Net Profit/(Loss) balance c/f to Balance sheet | (56.26) | (46.36) |

During the year under report Company has made net loss of Rs. 9.90 lacs after write off of long term investment loss, Depreciation & Misc. Exps of Rs. 9.82 lacs against previous year loss of Rs. 2.64 lacs. Sales & other income of the company was Rs.34.49 Lacs in compare to previous year Rs. 63.04 Lacs.

DIVIDEND

In view of Loss no dividend has been proposed by your Directors.

DIRECTORS

In terms of the provisions of the Companies Act, 1956 Mr. Vasudev B. Patel Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers him self for re-appointment.

PUBLIC DEPOSITS

The Company has not accepted any deposits falling under Section 58A of the Companies Act, 1956.

AUDITORS' REPORT

The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not require any further comments under Section 217 (3) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Your Company strives to incorporate the appropriate standards for good corporate governance. A separate Report on Corporate Governance is given in Annexure - A, Auditor's statement on Compliance of Corporate Governance is given in Annexure – B and Management discussion and analysis given in Annexure – C.

AUDITORS

M/s Mahesh Vyas & Co., Chartered Accountants Statutory Auditor of the Company retire at the conclusion of the Annual General Meeting and being eligible have expressed their willingness for re-appointment until conclusion of the next Annual General Meeting. Your Directors recommend their re-appointment as the Auditors of the Company.

JYOTI COSMETICS (EXIM) LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following:

In the preparation of the Annual Accounts, the applicable accounting standards have been followed.

The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

The Directors had prepared the annual accounts on a going concern basis.

PERSONNEL

Your Directors wish to place on record the appreciation for the devoted services rendered by employees at all levels.

PARTICULARS OF THE EMPLOYEES

The Particulars required under Section 217(2A) of the Companies Act, read with Companies (Particulars of Employees) Rules, 1975 are not required to be given as there is no employee drawing Rs.2,00,000/- p.m. or Rs.24,00,000/- p.a., during the year under report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

(A) CONSERVATION OF ENERGY:

The company with the services of technicians is taking adequate steps for minimizing the energy and power wastage while implementing its Project.

(B) TECHNOLOGY ABSORPTION:

As the manufacturing process will be indigenously developed, there will be little scope for technology absorption.

(C) FOREIGN EXCHANGE EARNING & OUTGO:

No Foreign Exchange earning or outgo has occurred during the year

ACKNOWLEDGMENTS

Your Directors thanks various Government Authorities, banks & other business associates for the support & assistance extended to the Company from time to time and looks forward to their unstinted co-operation in development of the Company. Your Directors sincerely thanks the members for the confidence reposed by them in the company and look forward to their valuable support for the future plans of the Company.

For & On Behalf of the Board

Place: Ahmedabad.
Dated: 16th August, 2005.

Jagdish N.Patel
Chairman

JYOTI COSMETICS (EXIM) LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE – 'A'****REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE**

The securities and Exchange Board of India (SEBI) constituted the committee on corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

REPORT ON CORPORATE GOVERNANCE**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other stakeholders.

BOARD OF DIRECTORS

| Name of Director | Category | No. of Board meetings attended | Last AGM Attendance |
|---------------------|----------------------------|--------------------------------|---------------------|
| Shri Jagdish Patel | Mg. Director | 08 | Yes |
| Shri Vasubhai Patel | Non Executive Independent | 07 | Yes |
| Smt Jyotika Patel | Non Executive Independent | 08 | Yes |
| Shri Bhaven Patel | Non Executive Independent | 08 | Yes |
| Shri Ashok Jardosh | Non Executive, Independent | 08 | Yes |
| Shri Kalpesh Patel | Non Executive, Independent | 08 | Yes |

No Directors are having Chairmanship of more than five companies where they are director.

Dates of Boardmeeting held : (1) 30.04.2004 (2) 30.07.2004 (3) 11.08.2004 (4) 30.10.2004 (5) 20.11.2004 (6) 20.01.2005 (7) 31.01.2005 (8) 18.03.2005

Details of other Directorships:

| Name of Director | Other Directorship (No of Company) |
|--------------------|------------------------------------|
| Shri Jagdish Patel | 1 |
| Shri Kalpesh Patel | 1 |
| Shri Vadudev Patel | 1 |

In line with the requirements of the code of the corporate governance, the board of directors comprises of six members. The composition of the Board is in conformity with the revised listing agreement, having one Managing Director, The Board also has four independent Director.

AUDIT COMMITTEE

The audit committee has the following non-executive Director

1. Mr. Bhaven Patel
2. Mr. Ashok Jardosh
3. Mr. Kalpesh Patel

JYOTI COSMETICS (EXIM) LIMITED

The scope of committee includes.

- Review of company's financial reporting process and the financial statement.
- Review internal control systems and functioning of internal audit process.
- Post audit review with statutory auditors.

During the year under review, Audit committee met Five times where all the members were present.

REMUNERATION COMMITTEE

No remuneration is paid to any Director .No sitting fees are payable to any Director.

SHAREHOLDERS COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing Agreement.

During the year, the company and their Registrar and Share Transfer Agents M/s Sharex Dynamics(India) Pvt. Ltd. received ten complaint, which were resolved immediately. These complaints were in nature of non-receipt of electronic credit, change of address, non-receipt of share certificate, etc. All shareholders complaints are redressed within the time frame prescribed by the SEBI/ Stock Exchanges and a certificate to this effect duly signed by a practicing company secretary has been furnished to the concerned stock exchanges where the shares are listed.

The Share received for transfer are approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

GENERAL BODY MEETING:

| Date | Type | Time | Location |
|-----------|------|-----------|--|
| 28-9-2002 | AGM | 3.00 P.M. | 412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara – 390 005. |
| 29-9-2003 | AGM | 3.00 P.M. | 412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara – 390 005. |
| 29-9-2004 | AGM | 3.00 P.M. | 412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara – 390 005. |

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

DISCLOSURES:

As per the disclosures given by the Directors of the Company there were no materially related party transactions attracting Section 297 of the Companies Act, 1956.

All the guidelines issued by the SEBI and Stock Exchange or other statutory authority on the matter related to capital markets are fully complied.

MEANS OF COMMUNICATION:

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in Western Times (English) and Western Times (Gujarati) as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

JYOTI COSMETICS (EXIM) LIMITED**GENERAL SHAREHOLDER INFORMATION:**

| | |
|-------------------------|---|
| Annual general Meeting: | Date: 29/9/2005 |
| (Date, Time and Venue) | Time: 3.00 P.M. Venue: 412-C, Payal Complex, Opp. Fortune Tower, Sayaji Gunj, Vadodara – 390 005. |
| Financial Calendar: | 1 st April 2004 to 31 st March 2005. |
| Date of Book Closure: | From: Monday, 26 th Sept. 2005 to 30 th Sept. 2005. (Both days inclusive) |
| Dividend Payment Date: | No Dividend declared. |

TENTATIVE FINANCIAL CALENDAR

| | |
|---|------------------------|
| Publication of Quarterly Results ending 30 th Sept. 2005 | Last week of Oct. 2005 |
| Publication of Quarterly Results ending 31 st Dec. 2005 | Last week of Jan. 2006 |
| Publication of Audited Results for 2005 - 06 | Last week of May 2006 |

MANAGEMENT

The company will comply with the requirements of the sub-clause V of clause 49 of Revised listing agreement.

LISTING ON STOCK EXCHANGE:

1. The stock Exchange, Mumbai
2. Vadodara Stock Exchange Ltd.

Stock code on BSE**531115****Market Price Data:**

Share price in The Stock Exchange, Mumbai:

| Month | High (Rs.) | Low (Rs.) |
|--------------|------------|-----------|
| April'04 | 0.26 | 0.15 |
| May'04 | 0.60 | 0.21 |
| June'04 | 0.26 | 0.14 |
| July'04 | 0.42 | 0.17 |
| August'04 | 0.29 | 0.19 |
| September'04 | 0.28 | 0.19 |
| October'04 | 0.48 | 0.23 |
| November'04 | 0.96 | 0.32 |
| December'04 | 1.24 | 0.44 |
| January'05 | 2.89 | 1.14 |
| February'05 | 1.85 | 1.25 |
| March'05 | 1.68 | 0.95 |

Performance in Comparison to broad based Indices such as BSE sensx, CRISIL Index etc.

Not applicable since shares are traded in B2 list of the stock Exchange, Mumbai.

JYOTI COSMETICS (EXIM) LIMITED

REGISTRAR AND SHARE TRANSFER AGENT

M/s Sharex Dynamic (India) Pvt. Ltd.
Unit No. 01, Luthra Ind. premises,
Andheri Kurla Road, Safed pool,
Andheri (E), Mumbai-400 072.

TEL. NO.022-28515606
FAX//91 -022-28512885

SHARE TRANSFER SYSTEM

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company. i.e. M/s Sharex Dynamic (India) Pvt. Ltd. are also having connectivity with the depositories viz. NSDL And CDSL.

Share Transfer are registered and dispatched within a period of thirty days from the date of the lodgment if the transfer documents are correct and valid in all respects.

Distribution of Shareholding as on 31st March, 2005:

| No. of Equity Shares Held | No. of Share holders | % of Shareholders | No. of Share held | % of Shareholders |
|----------------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|
| 1 to 500 | 301 | 7.22 | 28722 | 0.02 |
| 101 to 200 | 316 | 7.59 | 62932 | 0.05 |
| 201 to 500 | 1026 | 24.62 | 462372 | 0.34 |
| 501 to 1000 | 933 | 22.38 | 856239 | 0.63 |
| 1001 to 5000 | 1175 | 28.19 | 3435993 | 2.52 |
| 5001 to 10000 | 206 | 4.94 | 1646489 | 1.21 |
| 10001 to 100000 | 185 | 4.44 | 4749553 | 3.48 |
| 100001 and above | 26 | 0.62 | 125101000 | 91.75 |
| TOTAL | 4168 | 100.00 | 136343300 | 100.00 |

Distribution pattern as on 31st March, 2005

| | NO. OF SHARES | PERCENTAGE (%) |
|-------------------------|----------------------|-----------------------|
| Promoters and Relatives | 1142200 | 0.84 |
| Bodies Corporate | 1132000 | 0.83 |
| Banks/FII/FI/NRI | 15713 | 0.01 |
| Public | 134053387 | 98.32 |

Dematerialization of shares and Liquidity **ISIN NO. INE198D01018**

11080121 shares out of 136343300 shares of the company have dematerialized as at 31st March, 2005 representing 8.12% of total capital of the company. The company has entered into agreement with both National Securities Depository Ltd.(NSDL) and Central Depository Services Ltd.(CDSL) whereby shareholders have an option to dematerialized their shares with the depositories.

Outstanding GDRs/ ADRs/ Warrants or any Convertibles Instruments, Conversion date And Likely impact on equity: Not applicable

Register Office:

412/C, Payal Complex, Opp. Fortune Tower,
Sayaji Gunj, Vadodara – 390 005

Address for Correspondence:

401, Rajkamal Plaza- B, Nr. Samruddhi Bldg.,
Opp. Old High Court, Ahmedabad-380 014