

# **JYOTI COSMETICS (EXIM) LIMITED**

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**TWELTH ANNUAL REPORT**  
**2005-2006**

# JYOTI COSMETICS (EXIM) LIMITED

ANNUAL REPORT

2005 - 2006

## 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.**

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

**NOTICE**

NOTICE is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the members of the company will be held on Friday, the 29th September, 2006 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 31<sup>st</sup> March 2006 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 Mrs. Jyotika J. Patel who retires by rotation and being eligible offers her 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, Register office of the Company be shifted from 412/C Payal Complex, Opp. Fortune Tower, Sayaji Gunj, Vaodara - 390005 To 401, Rajkamal Plaza -B, 4<sup>th</sup> Floor, Opp. Sakar III, Income Tax, Ahmedabad - 380 014. with effect from 5<sup>th</sup> October, 2006.

**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 then 48 hours before the commencement of the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2006 to 30th September, 2006 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.

**By Order of the Board**

Place: Ahmedabad.

**Jagdish N.Patel**

Date: 14<sup>th</sup> August, 2006.

**Chairman**

**EXPLANATORY STATEMENT : (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

**ITEM NO. 4**

At present all Commercial & Corporate activities of the company are carried out from Ahmedabad office hence, for administrative convenience it is thought fit to shift the Register office from Vadodara to Ahmedabad.

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

**By Order of the Board**

**Place: Ahmedabad.**

**Jagdish N.Patel**

**Date: 14<sup>th</sup> August, 2006.**

**Chairman**

**ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING**

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

**Mrs. Jyotika J. Patel**

Mrs. Jyotika Patel aged about 49 years is wife of Jagidhbhai Nathalal Patel. She is associated with company since last 2 years she is not associated with other company.

She has wide experience in office administrative work.



JYOTI COSMETICS (EXIM) LTD.

**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 Twelfth Annual Report together with the audited statements of accounts for the year ended 31st March, 2006.

**FINANCIAL RESULTS**

	(Amount Rs. In Lacs)	
	2005-2006	2004-2005
Sales & Other Incomes	54.26	34.49
Profit/ (Loss) before Depreciation & Prior period items	4.88	(8.47)
Less : Depreciation & Prior Period items	1.52	1.43
Net Profit/(Loss) for the year	3.36	(9.90)
Add : Profit/(Loss) b/f from previous year	(56.26)	(46.36)
Net Profit/(Loss) balance c/f to Balance sheet	(52.90)	(56.26)

During the year under report Company has made net profit of Rs. 3.36 lacs after write off of Depreciation & Prior period exps. of Rs. 1.52 lacs against previous year loss of Rs. 9.90 lacs. Sales & other income of the company was Rs.54.26 Lacs in compare to previous year Rs. 34.49 Lacs. Directors of the company are hopeful for performance of the company that it will improve in coming years.

**DIVIDEND**

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

**DIRECTORS**

In terms of the provisions of the Companies Act, 1956 Mrs. Jyotika J. Patel Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers her 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.

**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.**

**Jagdish N.Patel**

**Dated: 14<sup>th</sup> August, 2006**

**Chairman**

**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.

The Company is taking necessary steps to comply with the Clause 49 of the revised Listing agreement. Given below is the report of the Directors on the corporate governance.

**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 attended	Last AGM Attendance
Shri Jagdish Patel	Mg. Director	08	Yes
Shri Vasubhai Patel	Non Executive Independent	08	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) 30.04.2005 (2) 16.05.2005 (3) 30.07.2005 (4)16.08.2005 (5) 30.09.2005 (6) 31.10.2005 (7) 31.01.2006 and (8) 31.03.2006

**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 - Chairman
2. Mr.Ashok Jardosh - Director
3. Mr.Kalpesh Patel - Director

**JYOTI COSMETICS (EXIM) LTD.**

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 Investor Grievances & Share transfer Committee has the following Non-Executive Directors.

Mr. Bhaven Patel	-	Chairman
Mr.Ashok Jardosh	-	Director
Mr.Kalpesh Patel	-	Director

During the year, the company and their Registrar and Share Transfer Agents M/s Sharex Dynamics(India) Pvt. Ltd. received seven 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 15<sup>th</sup> and 30<sup>th</sup> of the each month and are given effect by the Registrar and Share Transfer Agent.

**CODE OF CONDUCT**

The Company has already informed the code of conduct & prevention of insider trading as prescribed by the Securities and Exchange Board of India to Directors & Senior Management personnel. A declaration signed by the Managing Director in this regard is given below.

"I hereby confirm that the Company has obtained affirmation from all the members of the Board and senior management personnel of the Company that they have complied with the code of conduct and ethics policy of the Company framed for directors & senior management personnel in respect of the Financial year 2005-2006."

**Jagdish N. Patel**  
**Managing Director**

**GENERAL BODY MEETING:**

Date	Type	Time	Location
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.
29-9-2005	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.

**GENERAL SHAREHOLDER INFORMATION :**

Annual general Meeting : Date: 29/9/2006  
 (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<sup>st</sup> April 2005 to 31<sup>st</sup> March 2006

Date of Book Closure : From: Monday, 25<sup>th</sup> Sept. 2006 to 30<sup>th</sup> Sept. 2006  
 (Both days inclusive)

Dividend Payment Date : No Dividend declared.

**TENTATIVE FINANCIAL CALENDAR**

Publication of Quarterly Results ending 30 <sup>th</sup> Sept. 2006	Last week of Oct.2006
Publication of Quarterly Results ending 31 <sup>st</sup> Dec. 2006	Last week of Jan.2007
Publication of Audited Results for 2006 - 07	Last week of May 2007
Annual General Meeting for 2006 - 07	Last week of August 2007

**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'05	1.45	0.96
May'05	1.50	0.95
June'05	3.24	1.10
July'05	2.04	1.41
August'05	5.30	1.42
September'05	4.45	1.96
October'05	2.00	1.08
November'05	1.51	1.20
December'05	1.40	0.92
January'06	1.37	1.00
February'06	1.06	0.85
March'06	0.87	0.60

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) LTD.****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 31<sup>st</sup> March, 2006 :**

No. of Equity Shares Held	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholders
1 to 100	453	8.07	42371	0.03
101 to 200	443	7.89	88100	0.07
201 to 500	1397	24.89	628458	0.46
501 to 1000	1547	27.56	1434268	1.05
1001 to 5000	1387	24.71	3630182	2.66
5001 to 10000	201	3.58	1625527	1.19
10001 to 100000	159	2.83	3746781	2.75
100001 and above	26	0.47	125147613	91.79
<b>TOTAL</b>	<b>5613</b>	<b>100.00</b>	<b>136343300</b>	<b>100.00</b>

**Distribution pattern as on 31<sup>st</sup> March, 2006**

	NO. OF SHARES	PERCENTAGE (%)
Promoters and Relatives	1142200	0.84
Bodies Corporate	1182012	0.86
Banks/FII/FI / NRI	61891	0.05
Public	133957197	98.25

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

11080021 shares out of 136343300 shares of the company have dematerialized as at 31<sup>st</sup> March, 2006 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 Seviles 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 Building,  
Opp. Old High Court, Ahmedabad-380 014