

**14TH
ANNUAL REPORT
2007 - 2008**



JYOTI COSMETICS (EXIM) LIMITED

JYOTI COSMETICS (EXIM) LIMITED
FOURTEENTH ANNUAL REPORT 2007 - 2008

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

C. J. SHAH & CO.
CHARTERED ACCOUNTANTS
307, SUR SARTHI COMPLEX,
OPP. CENTRAL BANK, AMBAWADI,
AHMEDABAD - 380 006.

REGISTERED OFFICE

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

ANNUAL REPORT 2007-2008**JYOTI COSMETICS (EXIM) LIMITED****NOTICE**

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Monday, the 29th September, 2008 at 11.00 a.m. at Rajkamal Plaza - B, Nr. Samruddhi Bldg., Opp. Old High Court, Ahmedabad 380 014 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2008 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. Kalpesh R. 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.

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 24th September, 2008 to 30th September, 2008 (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 : 21ST August, 2008

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. Kalpesh R. Patel

Mr. Kalpesh R. Patel aged about 37 years is commerce graduate from Gujarat University. He has vast knowledge of legal matters; he has worked as recovery officer for 15 years. He at present handles all recovery matters in company.

The Board therefore recommends his re-appointment. Mr. Kalpesh R. Patel may be deemed to be interested in the resolutions relating to his re-appointment.

ANNUAL REPORT 2007-2008**JYOTI COSMETICS (EXIM) LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the audited statements of accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	(Amount Rs. In Lacs)	
	2007-2008	2006-2007
Sales & Other Incomes	21.35	28.49
Profit before Depreciation & Prior period items	3.64	1.26
Less : Depreciation & Prior Period items	0.65	0.89
Net Profit for the year	2.99	0.37
Add : Profit/(Loss) b/f from previous year	(52.53)	(52.90)
Net Profit/(Loss) c/f to Balance sheet	(49.54)	(52.53)

During the year under report Company has made net profit of Rs. 2.99 lacs against previous year Rs. 0.37 lacs after write off of Depreciation of Rs. 0.63 lacs. Sales & other income of the company was Rs.21.35 lacs in compare to previous year Rs. 28.49 lacs. to eliminate unnecessary loss company has reduced it operation in marketing of Adhesives & Paints. Directors of the company are expecting that performance of the company will improve in coming years in exploring new market.

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. Kalpesh R. 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 M/s C. J. Shah & Co., Chartered Accountant 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.

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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 intelligently 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.

Date : 21ST August, 2008

Jagdish N.Patel
Chairman

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ANNUAL REPORT 2007-2008**JYOTI COSMETICS (EXIM) LIMITED****ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE - 'A'
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 in compliance thereof. The following information is placed before the shareholders.

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	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) 30.04.2007 (2) 28.06.2007 (3) 31.07.2007 (4) 14.08.2007 (5) 22.10.2007 (6) 31.10.2007 (7) 31.01.2008 and (8) 31.03.2008

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

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. 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 |

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During the year, the company and their Registrar and Share Transfer Agents M/s Sharex Dynamics(India) Pvt. Ltd. received three 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.

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 2007-2008.

Jagdish N. Patel
Managing Director

GENERAL BODY MEETING:

Date	Type	Time	Location
29-9-2005	AGM	3.00 P.M.	412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara – 390 005.
29-9-2006	AGM	3.00 P.M.	412-C, Payal Complex, Opp. Fortune Tower, Sayaji gunj, Vadodara – 390 005.
29-9-2007	AGM	11.00 A.M.	401, Rajkamal Plaza-B, Nr. Samruddhi Bldg., Opp. Old High Court, Ahmedabad – 380 014.

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

DISCLOSURES:

Transaction with related parties are disclosed in 'D' of Schedule XI forming part of the financial statements for the period. Adequate care was taken to ensure that potential conflict of interest did not harm the interests of the Company at large.

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 : 29/09/2008.

(Date, Time and Venue) Time : 11.00 A.M.

Venue : 401, Rajkamal Plaza-B, Nr. Samruddhi Bldg., Opp. Old High Court, Ahmedabad - 380014

Financial Calendar : 1st April 2007 to 31st March 2008

Date of Book Closure : From : 24th Sept. 2008 to 30th Sept. 2008 (Both days inclusive)

Dividend Payment Date : No Dividend declared.

TENTATIVE FINANCIAL CALENDAR

Publication of Quarterly Results ending 30th Sept. 2008 : Last week of Oct.2008

Publication of Quarterly Results ending 31st Dec. 2008 : Last week of Jan.2009

Publication of Audited Results for 2008 - 09 : Last week of May 2009

Annual General Meeting for 2008 - 09 : Last week of August 2009

LISTING ON STOCK EXCHANGE : The stock Exchange, Mumbai

Stock code on BSE : 531115