

## **NOTICE**

**Notice** is hereby given that the **16<sup>th</sup> Annual General Meeting** of the company will be held on Thursday 30<sup>th</sup> September 2010 at 4.00 P.M. at the registered office of the Company at 5, Malhar House, Nr. Tomato Restaurant, B/h. Ratnam Complex, C.G. Road, Ahmedabad – 380 006 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the Profit and Loss Account for the period ended on that and the Reports of Directors and the Auditors.
2. To appoint a Director in place of Mr. Jivan Pardeshi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. Arvind A. Thakkar, Chartered Accountants, Ahmedabad, as auditors of the Company to hold office until the conclusion of next Annual General Meeting and fix their remuneration.

### **SPECIAL BUSINESS**

4. To consider and if thought fit to pass with or without modifications the following as an ORDINARY resolution:

**“RESOLVED THAT** Mr. Navneet Singh, appointed as an additional director pursuant to section 260 of Companies Act, 1956 be and is hereby appointed as Director under provisions of section 257 of the Companies Act, 1956.”

**“FURTHER RESOLVED** that Directors of the company be & is hereby severally authorized to do all the acts deeds & things necessary and incidental for proper implementation of the same”.

**For and on behalf of Board of Directors**

**Place: Ahmedabad**

**Date: 03.09.2010**

**Sd/-  
Chairman**

Notes:

- 1 Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business is annexed herewith.
- 2 A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and on a poll, to vote instead of himself. A proxy need not be member of the company. A proxy may be sent in the Form enclosed and in order to be effective must reach the Registered Office of the company at least 48 hours before the commencement of the meeting.
- 3 Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
- 4 Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting. As Copies of Annual Report will not be distributed at the Annual General Meeting.
- 5 The Register of Members and Share Transfer Books of the Company was closed from **Friday 24<sup>th</sup> September, 2010 to Thursday 30<sup>th</sup> September,2010** (both days inclusive).
- 6 Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

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

**Item No. 4**

Mr. Navneet Singh was appointed as additional director w.e.f. 24<sup>th</sup> March 2010, of the company under section 260 of the companies act,1956. Company has received notice from one of it share holder signifying has intention to appoint Mr. Navneet Singh as director under section 257 of the companies act with requisite fees.

The directors recommend appointment of Mr. Navneet Singh, none of the director is interested in appointment of Mr. Navneet Singh.

**For and on behalf of Board of Directors**

**Place :Ahmedabad**

**Date: 03.09.2010**

**Sd/-  
Chairman**

## DIRECTOR'S REPORT

To,  
The Members,  
JYOTI COSMETICE (EXIM) LIMITED.

Your Directors have pleasure in presenting the **16<sup>th</sup> Annual Report** of the Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS:

( Amt. In Rs.)

PARTICULARS	2009-2010	2008-2009
Sales	137500	9072226
Other Income	552	1130928
	<b>138052</b>	<b>10203154</b>
<b>TOTAL</b>		
Cost of Material Sold	137500	7980441
Admin.,Selling & Distribution Exp.	132640	1807374
Other Exp.	0	40700
Depreciation	47644	56532
<b>TOTAL</b>	<b>317784</b>	<b>9885047</b>
Profit/(Loss) Before Tax	(179732)	318107
Less: Provision for Income Tax	Nil	Nil
Profit/(Loss) for the year after Taxation	(179732)	318107
Balance of Profit Brought Forward	(4636380)	(4954487)
Transfer to B/S	(4836212)	(4636380)

### OPERATIONS:

During the year under review total income earned was Rs.138052 against expenditure of Rs. 317784 resulting into Net profit (Loss) of Rs. (179732) compared to Net Profit of Rs 318107 in previous year. But your directors foresee the bright future of the Company.

### DIVIDEND

In order to conserve resources, the Board of Directors has thought it prudent not to recommend payment of dividend for the year under review.

### PARTICULARS OF EMPLOYEES:

There is no employee having remuneration in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended.

### TRANSFER OF UNPAID/UNCLAIMED DIVIDEND:

The company has no liability on account of unpaid/unclaimed dividend which may be required to be transferred and credited to the Investor Education and Protection Fund as per requirements of section 205C of the companies act,1956. The company has also no outstanding unpaid/unclaimed interest liability on Deposits or Debentures or no outstanding unpaid/unclaimed principal amount of any Deposit & Debentures or application money.

**COMPLIANCE TO CODE OF CORPORATE GOVERNANCE:****(CLAUSE 49 OF THE LISTING AGREEMENT)**

Your directors have complied with the listing agreement as constituted under the Listing agreement. The details corporate Governance report is given in Annexure: A

**LISTING AGREEMENT:**

The securities of the company are listed with the Bombay Stock Exchange Limited (BSE), Mumbai. The company has paid the annual listing fees for the year 2009–2010.

**DEMATERIALISATION OF THE SECURITIES OF THE COMPANY:**

The Company has signed Tripartite Agreement with NSDL & CDSL for dematerialization of its Equity shares. The Equity shares are now available for dematerialization the ISIN allotted to shares of the company is **INE198D01018**. Shareholders are requested to take benefit of dematerialization.

**DEPOSITS :( SECTION 58A)**

During the year under review your company has neither invited nor accepted any public deposits or deposits from the private parties as defined under section 58A of the companies act, 1956.

**DIRECTORS RESPONSIBILITY STATEMENT (SECTION 217(2AA)):**

Pursuant to the provisions contained in section 217(2AA) of the companies act,1956 the Directors of your company confirm :

- 1) The applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) Such accounting policies have been selected and applied consistently and reasonable and prudent judgments and estimates made, 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 the loss of the company for that period.
- 3) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- 4) The annual accounts have been prepared on a going concern basis.

**APPOINTMENT OF AUDITORS:**

M/s. Arvind A. Thakkar, Chartered Accountants, Ahmedabad, are proposed to be re-appoint as auditor of the company for the financial year 2010–2011. The auditors of the Company retire at the forthcoming Annual General Meeting. The board will fix the remuneration of newly appointed auditors of the company. The necessary certificate under section 224(1B) of the Companies Act, 1956 has been received from the auditor.

The Statutory Auditors of the Company have submitted auditors report on the accounts of the Company for the accounting year ended 31<sup>st</sup> March, 2010 which is self-explanatory and needs no comments.

**DIRECTORS**

Mr. Navneet Singh appointed as additional Director will retire at the ensuing Annual General Meeting. Company has received notice under section 257 for appointment of Mr. Navneet Singh as director of the company retiring by rotation.

Mr. Jivan Pardeshi, director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**AUDITORS OBSERVATION:**

The statutory Auditors of the company have not made any adverse observation in their report. Notes to the Accounts are self explanatory in nature.

**EMPLOYEES (SECTION 217(2A)):**

There is no employees of the company who were in receipt of the remuneration of Rs.24,00,000/- in the aggregate if employed for the year and in receipt of the monthly remuneration of Rs.2,00,000/- in the aggregate if employed for a part of the year. Hence, the information required under section 217(2A) of the companies act,1956 being not applicable are not given in this report.

**FORMATION OF THE AUDIT COMMITTEE (SECTION 292A):**

The company has already formed an Audit committees comprising independent Non-Executive Directors as per requirements of Section 292A and clause 49 of the listing Agreement. The terms of reference and powers, authorities, responsibilities assigned to the committees are framed as per the guideline of clause 49 of the Listing Agreements. A detailed system of working of the committee is given in report on Corporate Governance forming part of this report.

**DISCLOSURE OF PARTICULARS WITH RESPECT:**

**A) CONSERVATION OF ENERGY,RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION,ADOPTION INNOVATION:**

The Disclosure of particulars with respect to conservation of energy pursuant to the provision of section 217(1)(e) of the Companies act,1956 read with the companies(Disclosure of particulars in the report of Board of Directors) rules 1988, are not applicable to the company. However, the company makes its best efforts for conservation of energy. The company has not carried out any specific research and development activities. The company has not imported or absorbed any new technology during the year under review.

**B) FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information regarding Foreign Exchange Earnings and out go is as follows :

- a) Earnings in Foreign Exchange : Nil
- b) Outgo in Foreign Exchange : Nil

**ACKNOWLEDGEMENT:**

The management is grateful to the Government Authorities, Bankers, Vendors, Employees, for their continued assistance and co-operation. The Directors also wish to place on record the confidence of members in the company.

**For & on behalf of the Board of Directors**

**Place: Ahmedabad**

**Date: 03.09.2010**

**Sd/-  
Director**

**REPORT ON CORPORATE GOVERNANCE:**  
(Pursuant to Clause 49 of the Listing Agreement)

Your company in tune with the requirements of the provisions of Corporate Governance has taken all measures considered necessary for ensuring its compliance.

A detailed Corporate Governance Compliance Report as on **31/03/2010** is given below:

**COMPANY'S POLICY:**

The company believes in functioning in a transparent manner with the basic philosophy being to enhance the shareholders value, keeping in mind the need of other stakeholders on compliance thereof. The following information is placed before the shareholders. The company firmly believes that its system and actions must be devoted for enhancing corporate performance and maximizing shareholder value in the long run.

**BOARD OF DIRECTORS:**

The Board of Directors of the Company comprises following Directors:

Name of Current Director's	Designation	Category	No. of Board Meetings attended during the year	Weather attended last AGM
Mr. Deenkar Shrimali (Resigned w.e.f.27.03.2010)	Non-Executive	Director	11	Yes
Mr. Ramanlal Trivedi	Non-Executive & independent	Director	11	Yes
Mr. Navneet Singh (Appointed w.e.f.24.03.2010)	Non-Executive & independent	Additional director	1	No
Mr. Jivan Pardeshi	Non-Executive & independent	Director	10	Yes

The Board of Directors met **11 times** during the year dated **24.04.2009, 30.04.2009, 11.05.2009, 13.07.2009, 30.07.2009, 07.09.2009, 15.09.2009, 10.10.2009, 30.10.2009, 25.01.2010, 24.03.2010**. The attendances of the Directors of the company at the Board Meeting are as follows:

Director	No. of Meetings		Attended Last AGM
	Held	Attended	
Mr. Deenkar Shrimali	11	11	Yes
Mr. Ramanlal Trivedi	11	11	Yes
Mr. Navneet Singh	1	1	No
Mr. Jivan Pardeshi	11	10	Yes

## AUDIT COMMITTEE

### Terms of Reference

1. To review the adequacy of internal control systems and internal Audit Reports and their compliance thereof.
2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To recommend the appointment of auditors and fixation of audit fees.
4. To review the financial statements before submission to the Board.

### COMPOSITION OF AUDIT COMMITTEE

The Constitution of Audit committee meets the requirement of section 292A of Companies Act, 1956 and clause 49 of Listing Agreement.

The Committee met 4 times during the year dated 30.4.2009, 30.07.2009, 30.10.2009 and 25.01.2010 the attendance of members of the committee was as follow:

Director	Category	No. Meetings Attended
Mr. Jivan Pardeshi	Chairman	4
Mr. Deenkar Shrimali(Resigned w.e.f.27.03.2010)	Member	4
Mr. Ramanlal Trivedi	Member	4
Mr. Navneet Singh(Appointed w.e.f.24.03.2010)	Member	0

### SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

As a measure of Good Corporate Governance and to focus on the shareholders' grievances and towards strengthening investor relations, an investors' Grievance Committee has been constituted as a committee of the Board, to redress / minimize the grievance of shareholders/ Investors

The functions of the committee include:

To specifically look into redressing investors' grievances pertaining to:

- a) Transfer of shares
- b) Dividends
- c) Dematerialization of shares
- d) Replacement of lost/stolen/mutilated share certificates
- e) Any other related issues

The committee comprises of the following Directors namely:

Director	Category	No. Meetings Attended
Mr. Jivan Pardeshi	Chairman	4
Mr. Deenkar Shrimali(Resigned w.e.f.27.03.2010)	Member	4
Mr. Ramanlal Trivedi	Member	4
Mr. Navneet Singh(Appointed w.e.f.24.03.2010)	Member	0

During the year under review, no complaint was received from Shareholders/ investors or Stock Exchanges or SEBI.

**REMUNERATION COMMITTEE:**

Constitution of Remuneration Committee by listed public company pursuant to the Listing Agreement is voluntary. Presently company does not pay any remuneration to any Executive or non-executive Director other than sitting fees for attending Board Meetings. All directors waived off their right to receive sitting fees for attending the board meeting of the Company.

**GENERAL BODY MEETING:**

The location and time of the Annual General Meetings held during the last three years is as follows:

Date	Venue	Time
September 29, 2007	412-C, Payal complex, Opp. Fortune Tower, Sayaji Gunj, Vadodara - 390 005	11.00 AM
September 29, 2008	401, Rajkamal Plaza B, Nr. Old High court, Ahmedabad - 380 014	11.00 AM
September 30, 2009	5, Malhar House, Nr. Tomato Restaurant, B/h. Ratnam Complex, C.G. Road, Ahmedabad - 380 006.	11.00 AM

**STATUTORY DISCLOSURES:**

1. There were no transactions of a materially significant nature with the promoters, the directors or the management, their subsidiaries or relatives that may have potential conflict with the interest of the company at large.
2. Transactions with related parties during the year are disclosed in the notes forming part of accounts in the Annual Report.
3. There has been no instance of non-compliance, penalties or strictures on any matter relating to the capital market and listing.

**MEANS OF COMMUNICATION:**

Half-yearly report sent to each household of shareholders : No

Quarterly Results-Which newspapers normally published in : Western Times (English & Gujarati)

Presentation made to Institutional Investors or to Analyst : No

**MANAGEMENT DISCUSSION ANALYSIS REPORT:****Outlook:**

The company is confident in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Indian companies and hope to improve its Turnover

**Internal Controls Systems and their adequacy:**

The company has adequate internal control systems to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance of law and regulations. The internal control system is supported by the internal audit process. The Internal