

EIGHTEENTH ANNUAL REPORT 2011-2012 of SYNERGY COSMETICS (EXIM) LIMITED

(Formally known as JYOTI COSMETICS (EXIM) LIMITED)

BOARD OF DIRECTOR

RAMANLAL NAGJIBHAI TRIVEDI	-DIRECTOR
AMITKUMAR RAMESHCHANDRA RANA	-DIRECTOR
KRUNAL GOPALDAS RANA	-DIRECTOR

AUDITOR

M/S. Y. D. & CO.
Chartered Accountants
LUDHIANA

SHARE TRANSFER AGENT

SHAREX DYNAMIC INDIA PRIVATE LIMITED

Unit No. 1, Luthra Industrial Premises,
1st Floor, 44-E, M, Vasanti Marg,
Andheri-Kurla Road, Safed Pool,
Mumbai-400072.
Ph No: 22-2264 1376 / 2270 2485
Fax No: 22-2264 1349

REGISTERED OFFICE

614, Front Gali, Opp. Old Railway Station Road,
Kalupur, Ahmedabad-380013,
Gujarat, India.
E mail: synergycosmeticslimited@yahoo.in

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N O T I C E

NOTICE is hereby given that the **Eighteenth Annual General Meeting** of the Members of **SYNERGY COSMETICS (EXIM) LIMITED** (Formerly known as Jyoti Cosmetics (Exim) Limited) will be held at the Registered Office of the Company at 614, Front Gali, Opp. Old Railway Station Road, Kalupur, Ahmedabad-380001, Gujarat, INDIA on Saturday, 1st day of September, 2012 at 11:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at **31st March, 2012** and the Profit & Loss Account for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of **Mr Ramanlal Nagjibhai Trivedi**, who retires by rotation and being eligible, offers him-self for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s. Y. D. & Co., Chartered Accountants, Ludhiana [FRN: 018846N] be and are hereby appointed as the Statutory Auditors of the Company for the financial year **2012-13**, to hold office as such from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at a remuneration as to be decided by the Board of Directors in consultation with them, apart from out-of-pocket expenses that may be incurred by them for the purpose of audit."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr Amitkumar Rameshchandra Rana, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 16th September, 2011 being the date of appointment and who holds office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose **Mr Amitkumar Rameshchandra Rana**, be and is hereby appointed as a Director, subject to retire by rotation of the Company.

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr Krunal Gopaldas Rana, who was appointed as an Additional Director in the category of independent director of the Company w.e.f. 22nd December, 2011 being the date of appointment and who holds office as such up to the date of the ensuing Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose **Mr Krunal Gopaldas Rana**, be and is hereby appointed as a Director, subject to retire by rotation of the Company

**By Order of the Board
For, SYNERGY COSMETICS (EXIM) LIMITED**

PLACE: AHMEDABAD

DATE: 03.08.2012

**(RAMANLAL NAGJIBHAI TRIVEDI)
CHAIRMAN**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME SCHEDULED FOR HOLDING THE MEETING.
2. Members/ proxies are requested to bring their copies of Annual Report along with duly filed and signed attendance sheets attached with it for attending the meeting.



3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
5. The Register of Members and Share Transfer Register of the Company will remain closed from 30th August, 2012 to 31st August, 2012.
6. M/s. Sharex Dynamic India Private Limited having registered office at Unit No. 1, Luthra Industrial Premises, 1st Floor, 44-E, M, Vasanti Marg, Andheri-Kurla Road, Safed Pool, Mumbai-400072 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
7. Additional information as required in terms of paragraph 3 of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:

Mr Ramanlal Nagjibhai Trivedi is Director of the Company. He has been associated with the Company w.e.f. 30th April, 2009. He is Member of the Audit Committee and Share Transfer and Grievances Committee of the Company. Mr Ramanlal Nagjibhai Trivedi retires by rotation and being eligible offers himself for re-appointment.
8. The relevant Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The Explanatory Statement sets out all the material facts relating to the Special Business mentioned under are accompanying this notice:

Item No.4

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company Mr Amitkumar Rameshchandra Rana, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 16th September 2011 Who holds the office of Directors up to the date of the ensuing Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of Mr Amitkumar Rameshchandra Rana, a director subject to retirement by rotation.

None of the Directors except Mr Amitkumar Rameshchandra Rana is concerned or interested in this resolution.

Your Directors recommend this resolution for your approval.

Item No.5

In terms of provisions of section 260 of Companies Act 1956 and provisions of Articles of Association of company Mr Krunal Gopaldas Rana, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 22nd December 2011 Who holds the office of Directors up to the date of the ensuing Annual General Meeting.

In Pursuant to section 257 of the Companies Act 1956 together with requisite deposit fee signifying his intention to propose the name of Mr Krunal Gopaldas Rana, a director subject to retirement by rotation.

None of the Directors except Mr Krunal Gopaldas Rana is concerned or interested in this resolution.

Your Directors recommend this resolution for your approval.

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors here by present the Eighteenth Annual Report on business and operations of the Company together with the Audited statements of Accounts for the financial year ended on 31st March 2012.

FINANCIAL PERFORMANCE:

Key aspects of Company' financial performance for the year 2011-12 is tabulated below:

[Amount in Rupees]

Particular	2011-12	2010-11
Total Income	5958725876	Nil
Total Expenditure	5958764833	376189
Profit/(Loss) Before Extraordinary items and Taxation	(38957)	(376189)
Extraordinary items	Nil	Nil
Profit/(Loss) before Tax (PBT)	(38957)	(376189)
Less: current Tax	Nil	Nil
Net Profit/(Loss) after Tax for the year	(38957)	(376189)

REVIEW OF OPERATIONS:

During the year under review due to sluggish market condition and financial crisis company faces huge set back. So company unable to generate targeted revenue from the operation the Company hence total Income was stood at Rs. 5958725876/- and has incurred net loss of Rs. 38957/- for the year ended 31st March, 2012.

The management has taken measures as part of its continuous improvements to strengthen operations and viability.

DIVIDEND:

Your Directors have not declared any dividend during the year under review due to loss incurred.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

DIRECTORS:

Mr Ramanlal Nagjibhai Trivedi Director of the Company is retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

Mr Amitkumar Rameshchandra Rana and Mr Krunal Gopaldas Rana were appointed as additional directors of the Company with effect from 16.09.2011 and 22.12.2011 respectively and are eligible for re-appointment as directors of the Company at the forthcoming Annual General Meeting and whose period of office will be liable to retire by rotation.

Mr Jivanbhai Ramanbhai Pardeshi and Mr Navneet Singh were ceased as a Director of the Company with effect from 16.09.2011 and 22.12.201 respectively due to resignation. The management appreciated the services given by him during the tenure of the office as a Director.

AUDITORS AND AUDITORS' REPORT:

M/s. Y. D. & Co., Chartered Accountants, Ludhiana, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The observations made by the Auditors' in their Auditors' Report and the Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

CHANGE OF NAME

The name of the Company has been changed to **SYNERGY COSMETICS (EXIM) LIMITED** in terms of Certificate dated 20th day of May, 2011 issued by the Registrar of Companies, Gujarat, pursuant to approval of the shareholders in Extra Ordinary General Meeting held on vide Special Resolution dated 5th day of May, 2011, the name of the company was changed from **JYOTI COSMETICS (EXIM) LIMITED** to **SYNERGY COSMETICS (EXIM) LIMITED**.



MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement forming part of this report is annexed herewith. The Audit Committee of the Company has regularly reviewed internal Control System of the company.

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

CORPORATE GOVERNANCE REPORT:

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act 1956, are not applicable to our Company, as our Company is not engaged in manufacturing activities.

The foreign exchange earning on account of the operation of the Company during the year was Rs. Nil.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Banks, Government Authorities, Customers, and Shareholders during the year. Your directors also wish to take on record their deep sense of appreciation for the committed services of the employees at all levels, which has made our Company successful in the business.

**For and on Behalf of the Board
For, SYNERGY COSMETICS (EXIM) LIMITED**

PLACE: AHMEDABAD

DATE: 03.08.2012

**(RAMANLAL NAGJIBHAI TRIVEDI)
CHAIRMAN**



Annexure to Director's Report

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 Auditor reviews and ensures that the audit observations are acted upon. The Audit Committee of the Board reviews the Internal Audit reports and the adequacy and effectiveness of internal controls.

Human Resources

The relationship with the employees continues to be cordial. The Company recognizes the importance and contribution of its employees for its growth and development and constantly endeavors to train nurture and groom its people. The Company puts emphasis on attracting and retaining the right talent. The company places emphasis on training and development of employees at all levels and has introduced methods and practices for Human Resource Development.

Cautionary Statement:

Statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations may be forward looking statement within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



Annexure to Director's Report

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2012

1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at the Company is by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practicing it to achieve desired results.

It is evident that real onus of achieving the desired level of Corporate Governance, lies in the proactive initiatives taken to achieve desired results and not in the external measures like breadth and depth of a code or stringency of enforcement of norms.

2. BOARD OF DIRECTORS

The Board of Directors is having non-executive and independent directors as on 31st March, 2012. The Board of Directors is consisting of three Directors. The Directors manages the day to day affairs of the Company. Non-executive and independent directors did not have any pecuniary relationship of transactions with the company during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2011-12 the Board met 7 (Seven) times on 30.05.2011, 02.06.2011, 12.08.2011, 16.09.2011, 12.11.2011, 22.12.2011, 13.02.2012. The maximum gap between two meetings was not more than 4 months.

Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2011-12

Name of the Director	Designation/ Category	No. of Board Meetings		Last AGM attended
		Held	Attended	
Mr. Ramanlal Nagjibhai Trivedi	Executive & Non Independent	7	7	Yes
*Mr. Amitkumar Rameshchandra Rana	Non Executive & Independent	7	4	No
# Mr. Krunal Gopaldas Rana	Non Executive & Independent	7	4	No
**Mr. Jivanbhai Ramanbhai Pardeshi	Non Executive & Independent	7	3	Yes
## Mr. Navneet Singh	Non Executive & Independent	7	3	Yes

** Ceased as Director as on 16.09.2011

* Appointed as Director as 16.09.2011

Ceased as Director as on 22.12.2011

Appointed as Director as 22.12.2011

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

3. AUDIT COMMITTEE

The Audit Committee of the Company presently comprises of three Directors being Mr. Ramanlal Nagjibhai Trivedi, Mr. Amitkumar Rameshchandra Rana and Mr. Krunal Gopaldas Rana

MR AMITKUMAR RAMESHCHANDRA RANA is Chairman of the Committee.

The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956, and Listing Agreement.

Role/ Functions of the Committee:

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management – operational and financial.
- Reviewing with the management, external auditors and the adequacy of the internal control system.