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JYOTI RESINS AND ADHESIVES LIMITED

FOURTH ANNUAL REPORT

AS ON 30TH JUNE, 1997

JYOTI RESINS AND ADHESIVES LIMITED

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FOURTH ANNUAL REPORT AS ON 30TH JUNE, 1997.

BOARD OF DIRECTORS

JAGDISH N. PATEL	CHAIRMAN & MANAGING DIRECTOR
CHANDULAL C. PATEL	DIRECTOR
PRADUMAN R. PATEL	DIRECTOR
(REPRESENTED BY ALTERNATIVE)	
BHUPENDRA R. PATEL	

BANKERS

INDIAN OVERSEAS BANK
NARANPURA BRANCH, AHMEDABAD

KARUR VYSYA BANK LTD.
ASHRAM ROAD BRANCH, AHMEDABAD

AUDITORS

J. M. PATEL & BROS.
CHARTERED ACCOUNTANTS
12, ELLORA COMM. CENTRE, 4TH FLOOR,
SALAPOSE ROAD, AHMEDABAD - 1.

REGISTERED OFFICE

405-6, RAJKAMAL PLAZA - B,
NR.SAMRUDDHI BLDG.,OPP.HIGH COURT,
AHMEDABAD - 380 014.

FACTORY

PLOT NO. 873, VILLAGE SANTEJ,
TAL.: KALOL, DIST. : MEHSANA,
GUJARAT.

FOURTH ANNUAL REPORT

JYOTI RESINS AND ADHESIVES LIMITED

REGISTERED OFFICE : 405-6, RAJKAMAL PLAZA - B, NR. SAMRUDDHI BLDG.,
OPP. HIGH COURT, AHMEDABAD 380 014.

NOTICE

NOTICE is hereby given that the **FOURTH ANNUAL GENERAL MEETING** of the members of the company will be held on Tuesday, the 30th December, 1997 at 3.00 P.M. at Rajkamal Plaza - B, Nr. Samruddhi Bldg., Opp. High Court, Ahmedabad 380 014 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 30th June, 1997 and the Profit And 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. Chandulal C. Patel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : Ahmedabad.

Date : 30/11/97.

Jagdish N. Patel

Chairman & Managing Director

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NOTES :

1. A Member entitled to attend and vote 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 should 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 19th Dec., 1997 to 30th Dec., 1997 (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 : 30/11/97.

Jagdish N. Patel

Chairman & Managing Director

JYOTI RESINS AND ADHESIVES LIMITED**JYOTI RESINS AND ADHESIVES LIMITED**

REGISTERED OFFICE : 405-6,RAJKAMAL PLAZA - B, NR.SAMRUDDHI BLDG.,
OPP. HIGH COURT, AHMEDABAD 380 014.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their **Fourth Annual Report** together with the audited statements of accounts for the year ended 30th June, 1997.

FINANCIAL RESULTS

	1996-97 (12 months) Rs.	1995-96 (10 mths & 22 days) Rs.
Sales & Other Incomes	1,43,77,047	22,87,618
Operating Loss (PBDTM)	8,97,896	5,14,672
Net Loss after Tax	23,78,393	17,38,845
Prior period adjustment	70,515	-
Add: Brought Forward Loss	17,38,845	-
Loss Carried Forward to B/S	41,87,753	17,38,845

The Year has been a combination of achievements and disappointments. The Company was able to produce more and sell more all of its products, in a very difficult year of stagnant and sluggish market. All operating Divisions of the Company recorded highest ever sales volumes. The Company was able to improve its operating performance, reduce costs and achieve even higher quality standards. The products of the Company are being now very well established in the market and are gaining its markets against competition from other major producers like Pidelite, Asian paints, Nerolac etc. Your Directors are very much hopeful of promising results during 1997-98 year.

In view of the loss, no Dividend has been proposed by your Directors.

PERFORMANCE Vs PROMISES

As required by clause 43 of the Listing Agreement of the Stock Exchanges, we give below a statement of actual results for the year 1996-97 compared to those projected in the Prospectus dated 03.08.94 for Public Issue.

	(Rs.in Lacs)	
	<u>Projections</u>	<u>Actuals</u>
Sales & other Incomes	2003.30	143.77
Profit/(loss) before interest/depreciation/tax	346.98	(8.98)
Profit/(loss) after tax	189.06	(23.78)

After major restructuring of the plant & machinery after initial production, installation of additional equipments for the purpose of value addition and increasing efficiency of the installed plant, expansion of product range etc. the Company has been now equipped for satisfactory production by the year end. The Company could not achieve its targets for the current year due to delay in implementation of its projects. The year to come now shall reap the fruits of the situation resulting into higher sales & better profits.

ACCOUNTING YEAR

The board has decided to change the Accounting year of the company from June ending to March ending & accordingly Current Accounting year Shall be of a 9 months i.g. from 1/7/97 to 31/3/98.

DIRECTORS

In terms of the provisions of the Companies Act,1956 Mr.Chandulal C.Patel retires by rotation at the ensuing

FOURTH ANNUAL REPORT

Annual General Meeting and is eligible for re-appointment.

PUBLIC DEPOSITS

The Company has not accepted any deposits falling within the limits of the provisions of the Companies (Acceptance of Deposits) Rules, 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.

AUDITORS

M/S J.M.Patel & Bros., Chartered Accountants, Ahmedabad, Auditors of the company retire at the conclusion of the Annual General Meeting and being eligible have expressed their willingness for reappointment until conclusion of the next Annual General Meeting. Your Directors recommend their re appointment as the Auditors of the Company.

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.25,000/- p.m. or Rs.3,00,000/- p.a., during the year under report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**(A) CONSERVATION OF ENERGY :**

The information required under Section 217(1)(e) of the Companies Act, 1956 (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of Conservation of Energy is annexed hereto and forms part of this Report.

(B) TECHNOLOGY ABSORPTION :

Being the fact that the manufacturing process has been indigenously developed, there is nothing to report on the status of technology absorption.

(C) RESEARCH & DEVELOPMENT :

The Company has established an in house laboratory with the modern facilities to carry out intensive analysis of variety of raw materials & finished goods. During the year under consideration, continuous efforts were made for upgradation of the products of your company.

(D) FOREIGN EXCHANGE EARNING & OUTGO :

No Foreign Exchange earning or outgo has occurred during the year.

ACKNOWLEDGEMENTS

Your Directors thank various Government Authorities, banks & other business associates for the support & assistance extended to the Company from time to time and look forward to their unstinted co-operation in development of the Company. Your Directors sincerely thank 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.

On behalf of the Board

Place : Ahmedabad.

Date : 30/11/97.

Jagdish N.Patel

Chairman & Managing Director

JYOTI RESINS AND ADHESIVES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****Annexure I**

Information as per 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 and forming part of the Directors' Report for the financial year ended June 30, 1997.

CONSERVATION OF ENERGY**(a) Energy Conservation measures taken :**

Various measures have been taken to improve the efficiency of equipments so as to reduce process time.

(b) Additional investments and proposals, if any : Nil.**(c) Impact of measures :**

The above measures and tighter control has resulted in lower energy consumption.

(d) Total energy consumption and energy consumption per unit of production :**Power & Fuel Consumption :**

Particulars		96-97
1) Electricity		
a) Purchased Units	(KWH)	65,810
Total Amount	(Rs.)	3,02,214
Rate/Unit	(Rs./KWH)	4.59
Cost per Kg of Production	(Rs.)	0.69
b) Own generation		
Through LDO Generator Unit	(Ltrs)	17,820
Cost of LDO	(Rs.)	1,69,027
Per Ltr Cost	(Rs.)	9.50
Cost per Kg of Production	(Rs.)	0.39

On behalf of the Board

Place : Ahmedabad.
Date : 30/11/97.

Jagdish N. Patel
Chairman & Managing Director