

JYOTI RESINS & ADHESIVES LIMITED



**TWELFTH ANNUAL REPORT
2004-2005**

JYOTI RESINS AND ADHESIVES LIMITED

TWELFTH ANNUAL REPORT

2004-2005

BOARD OF DIRECTORS

JAGDISH N. PATEL	:	CHAIRMAN & MANAGING DIRECTOR
CHANDULAL C. PATEL	:	DIRECTOR
GIRISH M. PATEL	:	DIRECTOR
KEYUR J. PATEL	:	DIRECTOR
KALPESH R. PATEL	:	DIRECTOR
UMAKANT G. 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

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



FACTORY

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

JYOTI RESINS AND ADHESIVES LIMITED

JYOTI RESINS AND ADHESIVES LIMITED.

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

NOTICE

NOTICE is hereby given that the **TWELFTH ANNUAL GENERAL MEETING** of the members of the company will be held on Friday, the 30th September, 2005 at 3.00 P.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 2005 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. Jagdish N. 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.

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, the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board' which term shall be deemed to include any Committee or any person which the Board may nominate to exercise its powers, including the powers conferred under this Resolution) consent of the Company be and is hereby accorded to delist the equity shares of the Company from The Stock Exchange - Ahmedabad at Ahmedabad.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper and to settle all questions, difficulties or doubts that may arise in regard to the aforesaid voluntary delisting of shares without being required to seek any further approval of the members."

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 26th September, 2005 to 30th September, 2005 (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: 16th August, 2005.

Jagdish N. Patel

Chairman

JYOTI RESINS AND ADHESIVES LIMITED**EXPLANATORY STATEMENT : (Pursuant to Section 173(2) of the Companies Act, 1956)****ITEM NO. 4**

Presently, the Company's equity shares are listed on two Stock Exchanges namely, The Stock Exchange, Mumbai and The Stock Exchange- Ahmedabad.

With the wide and extensive networking of BSE the investors have access to online dealings in the Company's equity shares across the country. Moreover, the Company's equity shares are one of the scripts which the Securities and Exchange Board of India (hereinafter referred to as 'SEBI') has specified for settlement only in demate form by all the investors, effective 17th January, 2000. Accordingly, there is no physical movement of share certificates in transactions taking place on the stock Exchanges.

The trading volumes of the equity shares of the Company on the stock exchange at Ahmedabad is negligible and are disproportionate to the listing fees payable by the Company to the said Stock Exchange. Based on the information received from the Stock Exchanges on trading volumes, it is observed that out of the trading volumes on the two stock exchanges, where the Company's shares are listed, the volume on the said Stock Exchange reported nil in financial year 2004-05. The annual recurring listing fees paid to the said Stock exchange do not offer any particular benefit in the changed scenario and the proposed voluntary delisting would contribute to the cost reduction measures initiated by the Company. It is, therefore, considered desirable to delist the equity shares of the Company from the said Stock Exchange subject to the Company complying with the provisions of SEBI (Delisting of Securities) Guidelines, 2003 and obtaining requisite approvals, permissions and sanctions in respect thereof. In terms of the SEBI

As the Company's equity shares shall continue to be listed on BSE, which have nationwide terminals, no exit opportunity is required to be given as per the SEBI Delisting guidelines. Due to availability of trading terminals of BSE in most of the cities across the country, the proposed delisting of the Company's Equity Shares from the Stock Exchanges as referred to above will not be prejudicial to, or affect the interest of, the investors.

The Directors recommend the Special Resolution at Item No. 4 of the Notice for acceptance by the members.

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: 16th August, 2005.

Chairman

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

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

Mr. Jagdish N. Patel

Mr. Jagdish Patel aged about 51 years is son of Nathalal Patel. He is also director in M/s Jyoti Cosmetics (Exim) Ltd. He has been associated with the company since 1993. He has more than 20 years of experience of Paints & Adhesives Industries.

He has wide experience in sales and marketing especially in Paints & Adhesives.

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

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

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, 2005.

FINANCIAL RESULTS

	2004-2005	2003-2004
	Rs.	Rs.
Sales & Other Incomes	1,20,44,572	1,74,93,567
Operating Profit (PBDTM)	6,88,323	10,38,719
Net Loss after Tax	(7,84,308)	(4,74,513)
Brought Forward Loss	1,57,96,497	1,53,21,984
Loss Carried Forward to B/S	1,65,80,805	1,57,89,083

During the year under report Company has earned net Cash profit of Rs. 6.88 lacs in compare to previous year Rs. 10.39 lacs, after providing depreciation, miscellaneous expenses and prior period item Rs.15.92 lacs, Company has made Net Loss of Rs. 7.84 Lacs in compare to previous year Rs.4.74 Lacs, Turnover of the company was Rs.120.45 Lacs in compare to previous year Rs. 174.94 lacs.

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

DIRECTORS

In terms of the provisions of the Companies Act, 1956 Mr. Jagdish N. 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 – B, Auditor's statement on Compliance of Corporate Governance is given in Annexure – C and Management discussion and analysis in Annexure – D.

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.

JYOTI RESINS AND ADHESIVES LIMITED

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 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 up gradation of the products of your company.

(D) 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.

Dated: 16th August, 2005.

Jagdish N.Patel

Chairman & Managing Director

JYOTI RESINS AND ADHESIVES LIMITED**ANNEXURE TO THE DIRECTORS' REPORT****ANNEXURE - 'A'**

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 on March 31, 2005.

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

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		2004-2005	2003-2004
Electricity			
a) Purchased Units	(KWH)	43,530	61,240
Total Amount	(Rs.)	2,33,995	3,06,785
Rate/Unit	(Rs./KWH)	5.38	5.01
Cost per Kg of Production	(Rs.)	0.94	0.75
b) Own generation			
(i) Through LDO/Diesal Generator	Unit (Ltrs)	168	15,100
Cost of LDO/Diesal	(Rs.)	4,414	3,14,036
Per Ltr Cost	(Rs.)	26.27	20.80
Cost per Kg of Production	(Rs.)	0.02	0.77
(ii) Through Fire Woods	Unit (Kgs)	37,305	10,850
Cost of Fire woods	(Rs.)	43,263	17,687
Per Kgs. Cost	(Rs.)	1.16	1.63
Cost per Kg of Production	(Rs.)	0.17	0.04

For & On Behalf of the Board

Place: Ahmedabad.

Dated: 16th August, 2005

Jagdish N.Patel
Chairman & Managing Director

JYOTI RESINS AND ADHESIVES LIMITED**ANNEXURE - 'B'****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, 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	05	Yes
Shri Chandulal Patel	Executive Director	05	Yes
Shri Girish Patel	Non Executive Independent	05	Yes
Shri Keyur Patel	Non Executive Independent	05	Yes
Shri Kalpesh Patel	Non Executive, Independent	05	Yes
Shri Umakant Patel	Non Executive, Independent	05	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Dates of Boardmeeting held : (1) 30.04.2004 (2) 30.07.2004 (3) 16.08.2004 (4) 30.10.2004 and (5) 31.01.2005

Details of other Directorships:

Name of Director	Other Directorship (No of Company)
Shri Jagdish Patel	1
Shri Kaplesh 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.

JYOTI RESINS AND ADHESIVES LIMITED**AUDIT COMMITTEE**

The audit committee has the following non-executive Director

1. Mr. Keyur Patel
2. Mr.Kalpesh Patel
3. Mr.Umakant Patel

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 four times where all the members were present.

REMUNERATION COMMITTEE

No remuneration is paid to any Director except Shri Jagdish Patel & Shri Chandulal Patel. The remuneration Paid to Mr Jagdish Patel & Shri Chandulal Patel, Directors is governed by the requirement of other applicable provisions of the Companies Act, 1956. No sitting fees are payable to any Director.

The Details of Remuneration paid to Mr. Jagdish Patel during the year is Rs 480000/- and Mr. Chandulal Patel is Rs.56000/-and no other perquisites where paid.

SHAREHOLDERS COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing Agreement.

During the year, the company and their Registrar and Share Transfer Agents M/s Sharex Dynamics(India) Pvt. Ltd. received no any complaint.

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.

GENERAL BODY MEETING:

Date	Type	Time	Location
30-9-2002	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
30-9-2003	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
30-9-2004	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad

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.

JYOTI RESINS AND ADHESIVES LIMITED**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.

GENERAL SHAREHOLDER INFORMATION:

Annual general Meeting: Date: 30/9/2005
(Date, Time and Venue) Time: 3.00 P.M.
Venue: 405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad.

Financial Calendar: 1st April 2004 to 31st March 2005.

Date of Book Closure: From: Monday, 26th Sept. 2005 to 30th Sept. 2005. (Both days inclusive)

Dividend Payment Date: No Dividend declared.

TENTATIVE FINANCIAL CALENDAR

Publication of Quarterly Results ending 30th Sept. 2005 Last week of Oct. 2005

Publication of Quarterly Results ending 31st Dec. 2005 Last week of Jan. 2006

Publication of Audited Results for 2005 - 06 Last week of May 2006

MANAGEMENT

The company will comply with the requirements of the sub-clause V of clause 49 of Revised listing agreement.

LISTING ON STOCK EXCHANGE: 1. The stock Exchange, Mumbai
2. Ahmedabad Stock Exchange

Stock code on BSE 514448

Market Price Data:

Share price in The Stock Exchange, Mumbai:

Month	High (Rs.)	Low (Rs.)
April'04	0.65	0.30
May'04	1.01	0.30
June'04	0.85	0.41
July'04	0.95	0.45
August'04	0.90	0.45
September'04	0.72	0.41
October'04	0.88	0.49
November'04	1.87	0.52
December'04	2.77	1.11
January'05	2.84	1.60
February'05	2.20	1.60
March'05	1.95	1.01

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.