



# **JYOTI RESINS & ADHESIVES LIMITED**

405-406 RAJKAMAL PLAZA-B, NR. SAMRUDDHI BUILDING  
OPP. OLD HIGH COURT, AHMEDABAD - 380014.

CIN No.: L24229GJ1993PLC020879

## **21<sup>st</sup>** **Annual Report** **2013 - 2014**



## **TWENTYFIRST ANNUAL REPORT 2013 - 2014**

### **BOARD OF DIRECTORS**

JAGDISH N. PATEL	:	CHAIRMAN & MANAGING DIRECTOR
CHANDULAL C. PATEL	:	DIRECTOR
UTKARSH J. PATEL	:	DIRECTOR
HARSHAD G. PATEL	:	DIRECTOR
KALPESH R. PATEL	:	DIRECTOR
UMAKANT G. PATEL	:	DIRECTOR

### **BANKERS**

**KALUPUR COMMERCIAL CO-OPERATIVE BANK LTD.  
ASHRAM ROAD BRANCH, AHMEDABAD**

**UNION BANK OF INDIA  
ASHRAM ROAD BRANCH, AHMEDABAD**

**AXIS BANK LIMITED  
NAVRANGPURA BRANCH, AHMEDABAD**

### **AUDITORS**

**RAMAN M. JAIN & CO.  
CHARTERED ACCOUNTANTS  
B-31-33, GHANSHYAM AVENUE,  
4TH FLOOR, OPP. C.U.SHAH COLLEGE,  
INCOME-TAX, AHMEDABAD-380 014.**

### **REGISTERED OFFICE**

**405-6, RAJKAMAL PLAZA - B,  
NR. SAMRUDDHI BLDG, OPP. OLD HIGH COURT,  
AHMEDABAD-380014.**

### **FACTORY**

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



**CIN No.: L24229GJ1993PLC020879**

**NOTICE**

NOTICE is hereby given that the TWENTY FIRST ANNUAL GENERAL MEETING of the members of the company will be held on Tuesday, the 30th September, 2014 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 2014 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. Umakant G. 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.

**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, 2014 to 30th September, 2014 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.
5. Members are requested to bring their copy of the Annual Report at the meeting and produce the Attendance Slip at the Entrance where the Annual General Meeting will be held.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, SHAREX DYNAMIC (INDIA) PVT LTD, UNIT NO 1 LUTHRA INDL.PREMISESANDHERI KURLA ROAD SAFED POOLANDHERI EAST, MUMBAI 400 072 and also notify the e-mail address as and when there is any change.
8. Members holding shares in physical mode are requested to immediately notify the Company or its Share Transfer Agent about any change of address and their bank particulars. Members holding shares in dematerialized form are requested to immediately notify their respective Depository Participants about any change of address and their bank particulars.
9. A Statement pursuant of Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. Process and manner for members opting for e-voting are as under :

In compliance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 the Company is pleased to provide e-voting facility to all the

## JYOTI RESINS & ADHESIVES LTD

shareholders of the Company. For this purpose the Company has entered into an agreement with National Securities Depository Limited to provide the facility of electronic voting ("E-Voting") in respect of the Resolution proposed at this AGM.

I. The instructions for e-voting are as under :

- (i) Open your web browser during the voting period and navigate to <https://www.evoting.nsdl.com/>
- (ii) Enter the login credentials (i.e., user-id & Password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID.

User-ID	For Members holding shares in Demat Form:- For NSDL : 8 Characters DP ID followed by 8 Digits Client ID For CDSL : 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Postal Ballot Form/via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., Please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- (iii) After entering these details appropriately, click on "LOGIN".
- (iv) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password field. The new password has to be minimum eight characters consisting of at least one upper case(A-Z), one lower case(a-z), one numeric value(0-9) and as special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through NSDL. System will prompt you to change your password and update any contact details like mobile, email ID etc. on 1st Login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'
- (vii) If you are holding shares in Demat Form and had logged in to <https://evoting.nsdl.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- (viii) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'.
- (ix) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [info@euro7000.com](mailto:info@euro7000.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_Event no."

**II. In case of Shareholders' receiving Physical copy :**

- (i) Initial password is provided as below/at the bottom of the Postal Ballot Form :

EVEN (E Voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of (a) above, to cast vote.

**III. General Information :**

- (a) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- (b) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- (c) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (e) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 2ND September, 2014.
- (f) E-Voting right cannot be exercised by a proxy.
- (g) The Voting period begins on September 22, 2014 (10.00 a.m. IST) and ends on September 24, 2014 ( 5.30 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2ND September, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
- (h) Ms. Meenu Maheshwari, Practicing Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting procedure in a fair and transparent manner.
- (i) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.

The result of the e-voting will be declared on or after the date of the AGM i.e. 30th September, 2014. Such results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

**By Order of the Board**

**Place : AHMEDABAD**  
**Date : 2ND SEPTEMBER, 2014**

**JAGDISH N. PATEL**  
**CHAIRMAN**

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Twenty First Annual Report together with the audited statements of accounts for the year ended 31st March, 2014.

**FINANCIAL RESULTS :**

Particulars	2013-2014 Rs.	2012-2013 Rs.
Sales & Other Incomes	1527,02,598	1052,43,736
Operating Profit (PBDTM)	616,54,659	3,99,17,253
Net Profit after Tax	24,16,951	46,86,591
Brought Forward Loss	16,06,104	62,92,694
Profit / Loss Carried Forward to B/S	8,10,848	(16,06,104)

**PERFORMANCE :**

During the year under report Company has earned net Cash profit of Rs. 616.55 lacs in compare to previous year Rs. 399.17 lacs. Company has earned Net Profit of Rs. 24.17 lacs against previous year Rs. 46.87 lacs after providing depreciation, miscellaneous expenses and prior period item. During the year Turnover and other income of the Company was increased to Rs.1527.03 Lacs from Rs. 1052.44 lacs. Director have continued their efforts to reduce expenses & increase turnover of the Company. Your directors are hopeful about better performance of the company in coming years.

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

**DIRECTORS :**

In terms of the provisions of the Companies Act, 1956 Mr. Umakant G. 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, Certificate by Managing Director regarding compliance of clause 49 of listing agreement in Annexure 'D' and Management discussion and analysis in Annexure – E.

**AUDITORS :**

M/s. Raman M. Jain & Co. Chartered Accountant retires as auditors of the company at the ensuing Annual General Meeting and being eligible, offers them for reappointment.

**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.

**AUDIT COMMITTEE :**

During the year under review, the Audit Committee was constituted in accordance with the provisions of the Companies Act, 2013 and listing agreement entered into by the Company with the Stock Exchanges.

**FIXED DEPOSITS :**

During the year under review, the Company has not accepted any deposit from the public.

**CORPORATE GOVERNANCE :**

Your Company has complied with the Corporate Governance guidelines as per Clause 49 of the Listing Agreement with the Stock Exchanges.

A report on Corporate Governance practices followed by your Company, in terms of Clause 49(VI) of the Listing Agreement and a Certificate from the Auditors of the company regarding compliance with Corporate Governance guidelines as stipulated and Management Discussion & Analysis reports have been attached by way of separate section as part of this Annual Report.

**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 : 2nd September 2014.**

**Jagdish N. Patel  
Chairman & Managing Director**



**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, 2014.

**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		2013-2014	2012-2013
<b>Electricity</b>			
a) Purchased Units	(KWH)	69,711	71,526
Total Amount	(Rs.)	4,78,721	4,83,568
Rate/Unit	(Rs./KWH)	6.87	6.76
Cost per Kg of Production	(Rs.)	0.36	0.46
b) Own generation			
(i) Through LDO/Diesel Generator	Unit (Ltrs)	972	1,403
Cost of LDO/Diesel	(Rs.)	55,414	68,589
Per Ltr Cost	(Rs.)	57.03	48.90
Cost per Kg of Production	(Rs.)	0.04	0.06
(ii) Through Fire Woods	Unit (Kgs)	1,00,060	91,960
Cost of Fire woods	(Rs.)	3,25,487	2,78,948
Per Kgs. Cost	(Rs.)	3.25	3.03
Cost per Kg of Production	(Rs.)	0.24	0.27

**For & On Behalf of the Board**

Place : Ahmedabad.

Dated : 2nd September 2014

**Jagdish N. Patel**  
**Chairman & Managing Director**

**ANNEXURE - 'B'****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	13	Yes
Shri Chandulal Patel	Executive Director	13	Yes
Shri Utkarsh Patel	Executive Director	13	Yes
Shri Harshad Patel	Non Executive Independent	13	Yes
Shri Kalpesh Patel	Non Executive Independent	13	Yes
Shri Umakant Patel	Non Executive Independent	13	Yes

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

**Dates of Board meeting held :**

(1) 01-04-2013      (2) 30-04-2013      (3) 31-07-2013      (4) 02-09-2013      (5) 15-10-2013      (6) 31-10-2013  
(7) 20-12-2013      (8) 31-12-2013      (9) 07-01-2014      (10) 31-01-2014      (11) 28-02-2014      (12) 25-03-2014  
(13) 30-03-2014

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 three Independent Director.

**AUDIT COMMITTEE :**

The audit committee has the following non-executive Director

1. Mr. Kalpesh Patel - Chairman
2. Mr. Harshad Patel - Director
3. Mr. Umakant 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 four times where all the members were present.

**REMUNERATION COMMITTEE :**

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

Remuneration paid to Mr. Jagdish Patel during the year is Rs 10,80,000/- and no other perquisites were paid.

**SHAREHOLDERS COMMITTEE :**

The Investor Grievances & Share transfer Committee has the following Non-Executive Directors.

1. Mr. Kalpesh Patel - Chairman
2. Mr. Harshad Patel - Director
3. Mr. Umakant Patel - Director

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



## JYOTI RESINS & ADHESIVES LTD

The Share received for transfer are approved on 10th, 20th 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 2013-2014.

**Jagdish N. Patel**  
Managing Director

### GENERAL BODY MEETING :

Date	Type	Time	Location
30-09-2011	AGM	3.00 P.M.	405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
29-09-2012	AGM	3.00 P.M.	405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
30-09-2013	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.

### 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, Time and Venue) :	Date : 30/9/2014 Time : 3.00 P.M.
Venue :	405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad.
Financial Calendar :	1st April 2013 to 31st March 2014
Date of Book Closure :	24th Sept. 2014 to 30th Sept. 2014 (Both days inclusive)
Dividend Payment Date :	No Dividend declared

### TENTATIVE FINANCIAL CALENDAR :

Publication of Quarterly Results ending 30th Sept. 2014	Last week of Oct.2014
Publication of Quarterly Results ending 31st Dec. 2014	Last week of Jan.2015
Publication of Audited Results for 2014 - 15	Last week of May 2015
Annual General Meeting for 2014 - 15	Last week of September 2015

### LISTING ON STOCK EXCHANGE:

The Bombay stock Exchange, Mumbai

### Stock code on BSE

514448