



JYOTI RESINS AND ADHESIVES LIMITED

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SIXTH ANNUAL REPORT
AS ON 31ST MARCH 1999

JYOTI RESINS AND ADHESIVES LIMITED.

SIXTH ANNUAL REPORT AS ON 31ST MARCH, 1999.

BOARD OF DIRECTORS

JAGDISH N. PATEL	CHAIRMAN & MANAGING DIRECTOR
CHANDULAL C. PATEL	DIRECTOR
GIRISH M. PATEL	DIRECTOR

BANKERS

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

INDIAN OVERSEAS BANK
NARANPURA 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. OLD HIGH COURT,
AHMEDABAD 380 014.

FACTORY

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

JYOTI RESINS AND ADHESIVES LIMITED

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

NOTICE

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the members of the company will be held on Wednesday, the 29th September, 1999 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, 1999 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. Girish M. 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.

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 pursuant to the provisions of Sections 198, 269, 309 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any amendment or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the Re-appointment of Mr.Jagdish N.Patel as Managing Director of the Company for a period of Five years w.e.f. 01/04/1999 upon terms and conditions as set out in the Explanatory Statement appended hereto with a liberty to the Board to alter and vary any of the terms and conditions of the said appointment and /or agreement, if any, entered in such manner as may be agreed to between the Board of Directors and Mr. Jagdish N. Patel so as not to exceed the limits specified in schedule XIII of the Companies act, 1956 or any amendment thereto."

By Order of the Board

Place : Ahmedabad.
Date : 04/09/99.

Jagdish N.Patel
Chairman & Managing Director

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 in order to be effective 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 27th Sept., 1999 to 29th Sept., 1999 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 in respect of Special Business:**ITEM NO.4 :**

Mr. Jagdish N. Patel was appointed the Managing Director of the Company w.e.f. 01/04/1995 for a period of 5 years. Upon expiry of his tenure, the Board of Directors at its meeting held on 30/03/1999 have decided to reappoint Mr. Jagdish N. Patel as the Managing Director of the Company for a further period of 5 years w.e.f. 01/04/1999. The Resolution set out in the notice is placed before the meeting for the approval of the members of the Company. The terms and conditions of reappointment of Mr. Jagdish N. Patel are given below :

SALARY : Rs. 23,500/- per month.

PERQUISITES : The following perquisites shall be provided :

CATEGORY "A" :

- (a) **HOUSING** : Free furnished residential accommodation whether rented or company's owned premises subject to maximum of 50% of salary over and above 10% payable by the Managing Director or HRA @ 60% of salary if no accommodation is provided.
NOTE : Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962.
- (b) **REIMBURSEMENT OF MEDICAL EXPENSES** : Medical Expenses incurred by him and his family, subject to a ceiling of one month's salary in a year or three months salary over a period and block of three years or such other higher reimbursement as may be approved by Board under special circumstances.
- (c) **LEAVE TRAVEL CONCESSION** : For him and his family members, once in a year anywhere in India or shall be eligible for overseas travel in lieu of domestic travel once in two years.
- (d) **PERSONAL ACCIDENT INSURANCE** : Premium not to exceed Rs. 4,000 p.a.
- (e) **CLUB FEES** : Fees of clubs subject to a maximum of Two clubs. This will not include admission and life membership fees.
- (f) Any other allowances or perquisites (e.g. Transport Allowance, Education Allowance, Newspaper-Magazine Allowance etc.) as may be approved by the Board subject to ceiling given under Schedule XIII and other provisions of the Companies Act, 1956.

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CATEGORY "B" :

- (a) **COMPANY'S CONTRIBUTION TO PROVIDENT FUND** : As per Company's rules.
- (b) **COMPANY'S CONTRIBUTION TO SUPERANNUATION SCHEME** : As per Company's rules subject to Income Tax Rules, 1962.
- (c) **LEAVE** : As per Company's rules.
- (d) **GRATUITY** : The Gratuity shall not exceed half month's salary for each completed year of service subject to a ceiling of Rs.2,50,000.

CATEGORY "C" :

- (a) Use of Company car and driver on Company's business use will not be considered as a perquisite. Personal use of the Company car will be billed to Mr. Jagdish N. Patel.
- (b) Use of residential telephone on Company's business use will not be considered as a perquisite. Charges for personal long distance calls will be billed to Mr. Jagdish N. Patel.

The monetary value of the perquisites will be restricted to an amount equal to the annual salary or Rs.4,50,000/- p.a., whichever is less.

The present stature of the Company and its position in the market as a supplier of quality resins, paints and adhesives is entirely due to the initiative, vision, dynamism and untiring efforts of Mr. Jagdish N. Patel. Hence the shareholders are requested to reappoint Mr. Jagdish N. Patel as the Managing Director of the Company for a further period of 5 years.

Mr. Jagdish N. Patel may be deemed to be interested/concerned in the Resolution. No other Directors of the Company has any interest/concern in the Resolution.

By Order of the Board

Place : Ahmedabad.
Date : 04/09/99.

Jagdish N. Patel
Chairman & Managing Director

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 **Sixth Annual Report** together with the audited statements of accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

	1998-99 (12 months) Rs.	1997-98 (9 months) Rs.
Sales & Other Incomes	2,97,32,472	2,18,31,528
Operating Loss (PBDTM)	25,83,755	30,63,527
Net Loss after Tax	40,63,808	42,62,701
Brought Forward Loss	84,50,454	41,87,753
Loss Carried Forward to B/S	1,25,14,262	84,50,454

The Year has been a combination of achievements and disappointments. Though the Company was able to produce more and sell more all of its products, in a very difficult year of stagnant and sluggish market, due to increased cost of production, which could not be passed on to the market, your Company has sustained losses during year under Report. However, as a result of several cost reduction measures undertaken by the Management, the ratio of operating loss to sales & other incomes has been low by 5.35% as compare to previous year. The demand for the products of the Company is now gaining momentum resulting in increased volume of sales. Your Directors are very much hopeful of promising results during the current year.

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

DIRECTORS

In terms of the provisions of the Companies Act, 1956 Mr. Girish M. Patel retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The tenure of Mr. Jagdish N. Patel, Managing Director expired on 31/3/99 and the Board has reappointed him as the Managing Director for a further period of 5 years w.e.f. 1/4/1999, subject to the approval of the shareholders at the ensuing Annual General Meeting, upon such terms & conditions as agreed upon between him and the Company.

There are no other changes in the Board of Directors.

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.

JYOTI RESINS AND ADHESIVES LIMITED**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.50,000/- p.m. or Rs.6,00,000/- p.a., during the year under report.

Y2 K COMPLIANCE

The Y2 K problem is not significant in the case of the company as none of the production related Electronic machines are logged on calendar. Only the Company's Accounting & Share Transfer packages are to be made Y2 K compliant which the Company expects to be in compliance by the end of October '99 and the cost for this would be very minimal.

LISTING OF SHARES

The Shares of the Company continue to be listed on Stock Exchanges at Mumbai (BSE) & Ahmedabad (ASE). The Listing fees have been paid to each of the Stock Exchanges.

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.

ACKNOWLEDGMENTS

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.

Dated : 04/09/1999.

Jagdish N. Patel

Chairman & Managing Director