



**ELEVENTH ANNUAL REPORT
2003-2004**

JYOTI RESINS AND ADHESIVES LIMITED.

JYOTI RESINS AND ADHESIVES LIMITED.

ELEVENTH ANNUAL REPORT

2003 - 2004

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 G. 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 0014.

NOTICE

NOTICE is hereby given that the **ELEVENTH ANNUAL GENERAL MEETING** of the members of the company will be held on Thursday, the 30th September, 2004 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 2004 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 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 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 Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956. consent of the Company be and is hereby accorded to the appointment of Shri Jagdish N. Patel as Managing Director of the Company for a period of five years with effect from 1st April, 2004 upon the terms & conditions as set out in the explanatory statement appended hereto with a liberty to the Board to alter and vary any of the terms & conditions of the said appointment so as not to exceed the limit prescribed in Schedule XIII of the Companies Act, 1956 or amendment thereto."

By Order of the Board

Place : Ahmedabad.
Date : 16th August, 2004.

Jagdish N. Patel
Chairman

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 27th September, 2004 to 30th September, 2004 (both days inclusive).
4. Members are requested to intimate the changes, if any, in their registered addresses.

EXPLANATORY STATEMENT U/S 173 (2) OF THE COMPANIES ACT, 1956 FOR ITEM NO. 4

Shri Jagdish N. Patel was appointed Managing Director of the Company with effect from 01.04.1999. In recognition of his valuable services to the company, the board of directors has proposed that Shri Jagdish N. Patel be appointed as Managing Director of the Company w.e.f. 01.04.2004 on a monthly remuneration of Rs. 50,000/- p.m. & all perquisites, as may be permissible, which will be restricted to an amount equal to the annual salary of Rs. 6,00,000/- p.a. for a period of five years subject to approval of members of the company in the Annual General Meeting to be held on 30th September, 2004.

None of the Directors of the company except Shri Jagdish N. Patel is interested or concerned in the resolution.

By Order of the Board

Place : Ahmedabad.
Date : 16th August, 2004.

Jagdish N. Patel
Chairman

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

REGISTERED OFFICE : 405-6, RAJKAMAL PLAZA - B, NR. SAMRUDDHI BLDG.,
OPP. OLD HIGH COUT, AHMEDABAD 380 0014.

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Eleventh Annual Report together with the audited statements of accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS

	2003-2004 Rs.	2002-2003 Rs.
Sales & Other Incomes	1,74,87,543	4,03,94,785
Operating Profit (PBDTM)	10,46,133	2,47,973
Net Loss after Tax	(4,67,099)	(15,83,717)
Brought Forward Loss	1,53,21,984	1,37,38,267
Loss Carried Forward to B/S	1,57,89,083	1,53,21,984

During the year under report Company has earned net Cash profit of Rs. 10.46 lacs in compare to previous year Rs. 2.48 lacs, after providing depreciation, miscellaneous expenses and prior period item Rs. 15.13 lacs, Company has made Net Loss of Rs. 4.67 Lacs in compare to previous year Rs. 15.84 Lacs, Turnover of the company was Rs. 174.87 Lacs in compare to previous year Rs. 403.95 lacs (inclusive of trading in shares).

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

DIRECTORS

In terms of the provisions of the Companies Act, 1956 Mr. Girish M. 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 G. 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.

DIRECTORS RESPONSIBILITY STATEMENT

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

JYOTI RESINS AND ADHESIVES LIMITED.

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, 2004.

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, 2004.

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:

<u>Particulars</u>		<u>2003-2004</u>	<u>2002-2003</u>
1) Electricity			
a) Purchased Units	(KWH)	61,240	53,990
Total Amount	(Rs.)	3,06,785	2,91,974
Rate/Unit	(Rs./KWH)	5.01	5.41
Cost per Kg of Production	(Rs.)	0.75	0.87
b) Own generation			
Through LDO/Diesel Generator	Unit (Ltrs)	15,100	16,045
Cost of LDO/Diesel	(Rs.)	3,14,036	3,00,729
Per Ltr Cost	(Rs.)	20.80	18.74
Cost per Kg of Production	(Rs.)	0.77	0.90

For & On Behalf of the Board

Place: Ahmedabad.
Dated: 16th August, 2004.

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	09	Yes
Shri Chandulal Patel	Executive Director	09	Yes
Shri Girish Patel	Non Executive Independent	09	Yes
Shri Keyur Patel	Non Executive Independent	09	Yes
Shri Kalpesh Patel	Non Executive, Independent	09	Yes
Shri Umakant Patel	Non Executive, Independent	09	Yes

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

Dates of Boardmeeting held : (1) 30.04.2003 (2) 01.05.2003 (3) 30.06.2003 (4) 24.07.2003 (5) 31.07.2003 (6) 30.10.2003 (7) 01.01.2004 (8) 30.01.2004 and (9) 31.03.2004

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.

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 five times where all the members were present.

JYOTI RESINS AND ADHESIVES LIMITED.**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.134400/-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 (India) Pvt. Ltd. received one complaint, which were resolved immediately. These complaints were in nature of non-receipt of electronic credit, change of address, non-receipt of share certificate, etc. All shareholders complaints are redressed within the time frame prescribed by the SEBI/ Stock Exchanges and a certificate to this effect duly signed by a practicing company secretary has been furnished to the concerned stock exchanges where the shares are listed.

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
05-9-2001	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad.
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

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, which is being developed.

GENERAL SHAREHOLDER INFORMATION :

Annual general Meeting (Date, Time and Venue)	Date: 30/9/2004 Time: 3.00 P.M. Venue:405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad.
Financial Calendar	1st April 2003 to 31st March 2004.
Date of Book Closure	From : Monday, 27th Sept. 2004 to 30th Sept. 2004. (Both days inclusive)
Dividend Payment Date	No Dividend declared

Tentative Financial Calendar

Publication of Quarterly Results ending 30th Sept. 2004	Last week of Oct.2004
Publication of Quarterly Results ending 31st Dec. 2004	Last week of Jan.2005
Publication of Audited Results for 2004 - 05	Last week of May 2005

JYOTI RESINS AND ADHESIVES LIMITED.**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'03	0.70	0.50
May'03	1.00	0.45
June'03	1.00	0.65
July'03	1.35	0.73
August'03	1.30	0.75
September'03	1.15	0.45
October'03	0.60	0.32
November'03	0.70	0.57
December'03	1.14	0.45
January'04	1.00	0.50
February'04	0.84	0.51
March'04	0.74	0.40

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.

REGISTRAR AND SHARE TRANSFER AGENT

M/s Sharex (India) Pvt. Ltd.
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort, Mumbai-400001.

TEL. NO. 022-22702485. 22641376
FAX // 91 -022-22641349

SHARE TRANSFER SYSTEM

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e. M/s Sharex (India) Pvt. Ltd. are also having connectivity with the depositories viz. NSDL And CDSL.

Share Transfer are registered and dispatched within a period of thirty days from the date of the lodgement if the transfer documents are correct and valid in all respects.

Distribution of Shareholding as on 31st March, 2004:

No. of Equity Shares Held	No. of Share holders	% of Shareholders	No. of Share held	% of Shareholders
1 to 500	720	43.64	191288	0.35
501 to 1000	325	19.70	309192	0.57
1001 to 2000	209	12.67	380568	0.70
2001 to 3000	100	6.06	274970	0.51
3001 to 4000	33	2.00	120175	0.22
4001 to 5000	80	4.85	390604	0.72
5001 to 10000	87	5.27	679692	1.26
10001 and above	96	5.82	51653511	95.65
TOTAL	1650	100.00	54000000	100.00

JYOTI RESINS AND ADHESIVES LIMITED.**Distribution pattern as on 31st March, 2004**

	NO. OF SHARES	PERCENTAGE (%)
Promoters and Relatives	1185800	2.20
Bodies Corporate	358911	0.66
Banks/FII/FI / NRI	500	0.00
Public	52452789	97.13

Dematerialization of shares and Liquidity ISIN NO. INE577D01013

3914590 shares out of 54000000 shares of the company have dematerialized as at 31st March, 2004 representing 7.24% of total capital of the company. The company has entered into agreement with both National Securities Depository Ltd.(NSDL) and Central Depository Services Ltd.(CDSL) whereby shareholders have an option to dematerialized their shares with the depositories.

Outstanding GDRs/ ADRs/ Warrants or any
Convertibles Instruments, Conversion date And : Not applicable
Likely impact on equity

Plant Location : Plot No. 873, Village Santej, Tal. Kalol,
Dist. Mehsana, Gujarat.

Address for Correspondence : 405-6, Rajkamal Plaza-B, Nr. Samruddhi Building,
Opp. Old High Court, Ahmedabad - 380 014.

Registrar and share transfer Agent : M/S Sharex (India) Pvt. Ltd.,
17/B, Dena Bank Building, 2nd Floor,
Horniman Circle, Fort, Mumbai-400001.

ANNEXURE - 'C'**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE :**

(Auditors' Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchanges.)

**To the Members of
Jyoti Resins & Adhesives Ltd.**

We have examined the compliance of conditions of corporate governance by M/s Jyoti Resins & Adhesives Ltd. for the year ended on 31st March, 2004. as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the requirement of one- half of the Board comprising of independent directors being complied with as on the date of this report, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the record maintained by the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mahesh G. Vyas & Co.
Chartered Accountants.

Place : Ahmedabad.
Date : 16th August, 2004.

Mahesh G. Vyas
Proprietor.