JYOTI RESINS & ADHESIVES LIMITED

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

COMPANY REGISTRATION NO.: 04-20879

19th

Annual Report

2011 - 2012

NINETEENTH ANNUAL REPORT
2011-2012

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

INDIAN OVERSEAS BANK
NARANPURA 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.

NOTICE

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of the company will be held on Saturday, the 29th September, 2012 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 2012 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. Kalpesh R. 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.

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 then 48 hours before the commencement of the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2012 to 29th September, 2012 (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 : 29th August 2012.

Jagdish N. Patel
Chairman

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Nineteenth Annual Report together with the audited statements of accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS :

Particluars	2011-2012 Rs.	2010-2011 Rs.
Sales & Other Incomes	7,31,82,995	4,54,68,099
Operating Profit (PBDTM)	2,21,65,375	36,12,578
Net Profit after Tax	55,56,700	16,12,531
Brought Forward Loss	1,18,49,394	1,34,61,925
Loss Carried Forward to B/S	62,92,694	1,18,49,394

During the year under report Company has earned net Cash profit of Rs. 221.65 lacs in compare to previous year Rs. 36.13 lacs. Company has earned Net Profit of Rs. 55.57 lacs against previous year Rs. 16.13 lacs after providing depreciation, miscellaneous expenses and prior period item. During the year Turnover and other income of the Company was increased to Rs.731.83 Lacs from Rs. 454.68 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. Kalpesh R. 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.

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 : 29th August 2012.

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, 2012.

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				2011-2012	2010-2011
Electricity					
a)	Purchased Units		(KWH)	55,940	47,136
	Total Amount		(Rs.)	3,63,812	2,97,193
	Rate/Unit		(Rs./KWH)	6.50	6.31
	Cost per Kg of Production		(Rs.)	0.53	0.67
b)	Own generation				
	(i)	Through LDO/Diesel Generator	Unit (Ltrs)	943	593
		Cost of LDO/Diesal	(Rs.)	42,680	24,459
		Per Ltr Cost	(Rs.)	45.26	41.21
		Cost per Kg of Production	(Rs.)	0.06	0.06
	(ii)	Through Fire Woods	Unit (Kgs)	80,685	46,970
		Cost of Fire woods	(Rs.)	2,17,768	1,11,414
		Per Kgs. Cost	(Rs.)	2.70	2.37
		Cost per Kg of Production	(Rs.)	0.32	0.25

For & On Behalf of the Board

Place : Ahmedabad.
Dated : 29th August 2012

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	16	Yes
Shri Chandulal Patel	Executive Director	16	Yes
Shri Utkarsh Patel	Non Executive Independent	16	Yes
Shri Keyur patel	Non Executive Independent	5	No
Shri Harshad Patel	Non Executive Independent	12	Yes
Shri Kalpesh Patel	Non Executive Independent	16	Yes
Shri Umakant Patel	Non Executive Independent	16	Yes

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

Dates of Board meeting held :

(1) 01-04-2011 (2) 04.04.2011 (3) 30.04.2011 (4) 01.07.2011 (5) 11.07.2011 (6) 25-07-2011
(7) 30.07.2011 (8) 11.08.2011 (9) 29.08.2011 (10) 15.10.2011 (11) 31.10.2011 (12) 14.12.2011
(13) 02.01.2012 (14) 31.01.2012 (15) 15.03.2012 (16) 31.03.2012

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. 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 6,00,000/- 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.

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.

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 2011-2012.

Jagdish N. Patel
Managing Director

GENERAL BODY MEETING :

Date	Type	Time	Location
29-09-2009	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
30-09-2010	AGM	3.00 P.M.	405-6,Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad
30-09-2011	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 disclosers 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 : 29/9/2012 Time : 3.00 P.M.
Venue	:	405-6, Rajkamal Plaza-B, Opp. Sakar-III, Income Tax, Ahmedabad.
Financial Calendar	:	1st April 2011 to 31st March 2012
Date of Book Closure	:	From 23rd Sept. 2012 to 29th Sept. 2012. (Both days inclusive)
Dividend Payment Date	:	No Dividend declared.

TENTATIVE FINANCIAL CALENDAR :

Publication of Quarterly Results ending 30th Sept. 2012	Last week of Oct.2012
Publication of Quarterly Results ending 31st Dec. 2012	Last week of Jan.2013
Publication of Audited Results for 2012 - 13	Last week of May 2013
Annual General Meeting for 2012 - 13	Last week of September 2013
LISTING ON STOCK EXCHANGE:	**The Bombay stock Exchange, Mumbai**
Stock code on BSE	**514448**

Market Price Data :

Share price in The Stock Exchange, Mumbai :

Month	High (Rs.)	Low (Rs.)
April'11	8.09	5.80
May'11	8.70	5.08
June'11	7.99	4.51
July'11	8.77	6.04
August'11	7.87	6.47
September'11	8.27	6.75
October'11	9.00	6.66
November'11	8.90	6.01
December'11	9.92	7.10
January'12	10.38	7.22
February'12	8.60	6.27
March'12	10.75	8.20

Performance in Comparison to broad based Indices such as BSE sensex, 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 Dynamic (India) Pvt. Ltd.
Unit No. 01, Luthra Ind. Premises, Andheri Kurla Road,
Safed Pool, Andheri (E), Mumbai-400072.
TEL. NO.: 022-28515606 FAX : // 91 –022-28512885

SHARE TRANSFER SYSTEM :

The share transfer work is handled by the Registrar and Share Transfer Agent of the Company i.e.M/s Sharex Dynamic (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 lodgments if the transfer documents are correct and valid in all respects.

Distribution of Shareholding as on 31st March, 2012 :

No. of Equity Shares Held			No. of Shareholders	% of Shareholders	No. of Share held	% of Shareholders
1	to	100	460	30.01	36000	0.90
101	to	200	181	11.81	34526	0.86
201	to	500	338	22.05	136319	3.41
501	to	1000	259	16.89	236522	5.92
1001	to	5000	230	15.00	589704	14.74
5001	to	10000	29	1.89	216870	5.42
10001	to	100000	24	1.57	690737	17.27
100001	and	above	12	0.78	2059322	51.48
		TOTAL	**1533**	**100.00**	**4000000**	**100.00**

Distribution pattern as on 31st March, 2012 :

	NO. OF SHARES	PERCENTAGE (%)
Promoters and Relatives	1069529	26.74%
Bodies Corporate	207764	5.19%
Public	2722331	68.06%
Other – Clearing Member	376	0.01%

Dematerialization of shares and Liquidity : ISIN NO. INE577D01013

3922099 shares out of 4000000 shares of the company have dematerialized as at 31st March, 2012 representing 98.05% of total capital of the company. The company has entered into agreement with both National Securities Depository ltd.(NSDL) and Central Depository Sevices 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 Likely impact on equity : Not applicable

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

Address for Correspondence : 405-6, Rajkamal Plaza-B, Nr. Samruddhi Building,
Opp. Old High Court, Ahmedabad-380014.

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, 2012. 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 Raman M. Jain & Co.
Chartered Accountants

Place : Ahmedabad. — **Raman M. jain**
Date : 29th August 2012. — **Partner**
M.No. 045790