

ANNUAL REPORT 2009-10

BOARD OF DIRECTORS

Mr. Nilesh Khatri	- Chairman
Mr. Govind Senma	- Director
Mr. Hasmukhbhai Senma	- Director

AUDITORS

BHAGAT & CO.
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

202, Prasad Chambers,
Pratap Road, Raopur,
Baroda-390001,
Gujarat, INDIA

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of **Jolly Merchandise Limited** will be held on **Thursday, 30th September, 2010** at 11.00 a.m. at registered office **202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA** to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on **31st March, 2010** and the Profit & Loss Account for the year ended as on that date and the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of **Mr. Nilesh Khatri** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Auditors and fix their remuneration.

**By order of the Board
For, Jolly Merchandise Limited**

**Place: Baroda
Date: 01.09.2010**

**Sd/-
Chairman**

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must reach the registered office of the Company not less than 48 hours before the time fixed for the Meeting.
2. Members/ proxies should bring attendance slip, duly filled in, for attending the meeting.
3. Members / proxies attending the meeting should bring their copy of the Annual Report for reference at the meeting. As Copies of Annual Report will not be distributed at the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **24th September, 2010 to 30th September, 2010** (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their questions to the company so as to reach at least 7 days before the date of the meeting, so that the information required will be made available at the meeting, to the best extent possible.

DIRECTORS' REPORT

To,
The Shareowners,
Jolly Merchandise Limited
Vadodara, Gujarat.

Your Directors hereby present the Annual report of your Company together with audited accounts for the accounting year ended on **31st March, 2010**.

FINANCIAL RESULTS:

PARTICULARS	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
Sales and Other Income	0	0
Total Expenditure	496295	504095
Profit/ (Loss) Before Tax	(496295)	(504095)
Provision for Tax	0	0
Net Profit/ (Loss) for the year After Tax	(496295)	(504095)
Balance c/f to Balance Sheet	15483741	14987446

DIVIDEND:

Your Directors regret that inability to recommend any dividend for the year under review due to loss incurred.

OPERATIONS:

During the year under review the company has incurred loss of Rs. **496295/-** compared to loss of Rs. **504095/-** of last year. However, your directors are confident of achieving good results of the Company in future years.

DIRECTORS:

Mr. Nilesh Khatri Director of the Company who retire by rotation at the ensuing Annual General Meeting, being eligible and offers himself for re-appointment.

CORPORATE GOVERNANCE

Your directors are happy to report that your company is fully compliant as on **31st March 2010** with the SEBI guidelines on Corporate Governance as incorporated in Clause 49 of the Listing Agreement with the Stock exchanges.

A detailed report on this subject forms part of this report.

LISTING AGREEMENT:

The securities of the company are listed with the Bombay Stock Exchange Limited (BSE).

INFORMATION AS PER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956:

As required under rule 3 of the companies (Disclosure of Particulars in the report of board of directors) Rules 1988, the particulars relating to the conservation of energy, Technology absorption and there are **no foreign exchange earnings and outgo during the year**.

AUDITORS & AUDITORS' REPORT:

M/s. Bhagat & Co., Ahmedabad, Auditors of the Company, retires and are eligible for reappointment. The members at the ensuing Annual General Meeting are requested to consider their reappointment for the year to hold the office until the conclusion of the next Annual general Meeting. The Board recommends their appointment.

Notes forming part of the accounts, which are specifically referred to by the Auditors in their Report are self explanatory and therefore do not call for any further comments.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A Management discussion and Analysis Report have been attached and forms part the Directors Report.

DIRECTOR'S RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956.

The Directors confirm that;

- In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company;
- Such accounting policies have been selected and consistently applied and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at [31st March, 2010](#) and of the profit of the Company for the year ended on that date;
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- Annual account has been prepared on a going concern basis.

PARTICULARS REGARDING EMPLOYEES:

There are no employees covered under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended and hence no information is required to be furnished.

ACKNOWLEDGEMENT:

The Directors sincerely express their deep appreciation to the Employee at all levels, Shareholders, Banks, Customers for their sustained support and co – operation during the year. Your Directors also acknowledge the support and guidance received from the RBI, SEBI, ROC, Stock Exchanges and other Regulatory Bodies. Banks and other Financial Groups also deserve special appreciation for significant contribution to your Company's operations.

**For and on behalf of the Board of Directors
For, Jolly Merchandise Limited**

**Place: Baroda
Date: 01.09.2010**

**Sd/-
Chairman**

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The depression in the global economic scenario and the reduction in market demand had an adverse effect on manufacturing cycles globally. In such a situation, it was important for manufacturing industries across sectors to look for ways to sustain themselves. Our company took an intelligent and wise decision and forayed into trading activities in order to maintain its market share and continue to stay in competition. Even during the peak of the Economic meltdown the Indian Economy still withstood the on slot of the depression as compared to the other economies of the world. India has continued to show signs of a growing economy.

PERFORMANCE

The company reported an Operating profit (PBIDT) of Rs. (4.96) Lacs. There has also been renewed focus on quality and customer service to develop long-term relationship with customers. The Company is focusing on Govt. business in line to develop new market in this regard.

DEMATERIALISATIONS

Dematerialization of Company's Shares facility is available through our Share Transfer Agent M/s Purva Sharegistry India Private Limited

INTERNAL CONTROL

The Company has an adequate system of Internal Control which enables reliable financial reporting, safeguards assets and encourages adherence to management policies. The Company also has a system for a speedy compilation of accounts and management information reports to comply with applicable laws and regulations. The Company has a reasonable budgetary control system. The actual performance is reviewed with reference to budgets monthly by the management. The Company has a well defined organization structure, authority levels, internal rules and guidelines for conducting business transactions.

OUTLOOK

The company has continued to manufacture and deliver quality products in the market even though the competition at large. Your affiliation with the Company and the strong dealer relationship has played a crucial role in helping the Company face and sustain the negative factors inflicting and affecting the markets.

Despite the efforts the non-availability of stable raw material prices give rise to fluctuating manufacturing costs thus adversely affecting the productivity levels and production cost, particularly in relation to the cheap quality and low-priced products available in the market and spurious manufacturers.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of operations and in all inter-actions with its shareholders, employees, and the Government Company is committed to achieve the highest standards of corporate governance.

Company believes that all its operations and actions must serve the underlying goal of enhancing the overall shareholder value, over a sustained period of time.

2. BOARD OF DIRECTORS:

The Board of Directors of the company is comprised of optimum number of Executive, non-executives and independent directors. The Board met [5 times](#) during the year on the following dates.

During the year, Board Meetings were held on 20.04.2009, 21.07.2009, 01.09.2009, 15.10.2009 and 25.01.2010.

S. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at Last AGM
1.	Mr. Nilesh Khatri	Promoter & Executive Director	2	N.A.
2.	Mr. Govind Senma	Promoter & Executive Director	2	N.A.
3.	Mr. Hasmukhbhai Senma	Non Executive & Independent Director	5	Yes

3. AUDIT COMMITTEE:

The Audit committee was reconstituted by the board and the present members of the audit committee are [Mr. Nilesh Khatri](#), [Mr. Govind Senma](#) and [Mr. Hasmukhbhai Senma](#)

The Committee has appointed [Mr. Nilesh Khatri](#) as chairman.

The terms of reference and powers of Audit Committee are as per Clause 49 of the Listing Agreement. The functions of the Audit Committee are as per Listing Agreement with the Stock Exchanges. This includes review of accounting and financial policies and procedures, review of financial reporting system and internal control procedure.

The Committee met [four times](#) during the year i.e. 20.04.2009, 21.07.2009, 15.10.2009 and 25.01.2010.

S. No.	Name of Audit committee member	No of meetings attended
1.	Mr. Nilesh Khatri	2
2.	Mr. Govind Senma	2
3.	Mr. Hasmukhbhai Senma	4

4. REMUNERATION COMMITTEE:

The company has not constituted the Remuneration Committee. But the Audit committee is entrusted with the responsibility of finalizing the remuneration of Executive Director.

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE:

The present members of Shareholders/Investors Grievance committee are [Mr. Nilesh Khatri](#), [Mr. Govind Senma](#) and [Mr. Hasmukhbhai Senma](#).

The role and functions of the said Committee are the effective redressal of the complaints of the shareholders regarding dematerialization, transfers, non-receipt of balance-sheet etc, The Committee will also recommend the steps to be taken for further improvement in the quality of services to the Investors.

The company has received no complaints during the year.

6. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date	Time	Venue
2006-07	29th September, 2007	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raipur, Baroda-390001, Gujarat, INDIA
2007-08	30th September, 2008	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raipur, Baroda-390001, Gujarat, INDIA
2008-09	30th September, 2009	11:00 a.m.	202, Prasad Chambers, Pratap Road, Raipur, Baroda-390001, Gujarat, INDIA

No special Resolutions were put through postal ballot as recommended under clause 49 of the Listing Agreement of the Stock Exchanges, are placed for shareholders' approval at the forthcoming Annual General Meeting. There is no non-compliance nor any penalty or stricture imposed on the company by stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

7. GENERAL SHAREHOLDER INFORMATION:

- Financial Calendar 2010-11 (tentative) :
 - Results for the quarter ended June 30, 2010:
Last week of July 2010.
 - Results for the quarter ended September 30, 2010.
Last week of October 2010.
 - Results for the quarter ended December 31, 2010,
Last week of January 2011.
 - Results for the quarter ended March 31, 2011,
Last week of April 2011.
- Book closure date : 24th September, 2010 to 30th September, 2010
(Both days inclusive)
- Registered Office : **202, Prasad Chambers, Pratap Road, Raipur, Baroda-390001, Gujarat, INDIA.**

E-mail: jollymerchandise@ymail.com
- Equity shares Listed on Stock Exchanges at : The Bombay Stock Exchange Ltd, Mumbai

Annual General Meeting

Date and Time Venue : September 30, 2010 at 11:00 A.M.
: 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

Registered Office : 202, Prasad Chambers, Pratap Road, Raopur, Baroda-390001, Gujarat, INDIA.

5. Disclosures:

1. All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form. There were no material individual transactions with related parties were not in the normal course of business to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on an arm's length basis.
2. All Accounting standards mandatorily required have been followed in preparation of financial statements and no deviation has been made in following the same.
3. Risk assessment and its minimizations procedures have been laid down by the Company and the same have been informed to Board Members. These procedures are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.
4. The company has not raised money through preferential allotment basis during the year.
5. The Company duly complies with all mandatory requirements of clause 49 of Listing Agreement with the Stock Exchange. However, the company has not adopted the non – mandatory requirement defined therein.
6. Management Discussion and Analysis forms part of the Annual Report to the shareholders and it includes discussion on matters as required under the provisions of Clause 49 of the listing agreement with Stock Exchanges.
7. No Penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

8. STOCK CODE

- Trading Symbol at : The Bombay Stock Exchange Ltd, Mumbai
Scrip Code: 519191

9. STOCK MARKET DATA: The details regarding the month wise high/low price during the year are as follows:

Note: As the Status of the Company is dormant, no Stock Market Data is available with the Company.

10. REGISTRAR AND SHARE TRANSFER AGENT : No Registrar and Share transfer agent was appointed during the year.

(Share transfer and Communication regarding Share certificates Dividends and change of Address)

11. SHARE TRANSFER SYSTEM:

Transfer of Shares in Physical form are registered and dispatched within 3 weeks from the date of their receipts, subject to the documents being valid and complete in all respects. Transfer of shares are processed by the Share Transfer Agents and approved by the Share Transfer Committee called as "Investor / Shareholders Grievance Committee", which meets at frequent intervals. Share transfers are registered and returned within 30 days from the date of receipt, if the relevant documents are complete in all respect.