



# annual report

**2002 - 2003**

**J. K. Synthetics LTD.**

**J. K. Synthetics LTD.****BOARD OF DIRECTORS**

Dr. Gaur Hari Singhania	Chairman
Govind Hari Singhania	Vice Chairman
Yadupati	Managing Director & Chief Executive Officer
Ramapati	
Dr. K. B. Agarwal	
Jagendra Swarup	
Kailash Nath	
A. Karati	Nominee of ICICI Bank Ltd.
G. B. S. Wadhwa (upto 25.8.2003)	} Nominee of S.B.I. Director (Finance)
Vinay Kala (from 25.8.2003)	
Suparas Bhandari	Nominee of GIC
N. K. Jhoharia	
R. K. Tandon	
K. V. Murthy	
J. P. Bajpai	President (HO) & Secretary

**AUDITORS**

- Messrs P. L. Tandon & Co.  
Chartered Accountants

**REGISTERED OFFICE**

- KANLA TOWER, Kanpur-208 001

**BANKERS**

- State Bank of India
- Central Bank of India
- The Bank of Tokyo - Mitsubishi Limited
- The Bank of Rajasthan Ltd.
- Syndicate Bank
- Punjab National Bank
- State Bank of Bikaner & Jaipur
- Bank of Baroda
- Standard Chartered Grindlays Bank

**WORKS**

- KOTA (Rajasthan)
  - Padam Synthetics
  - J.K. Shale & Tows
  - Gopal Synthetics
  - Sir Padampat Research Centre
  - J.K. Tyre Cord
  - J.K. Acrylics
- JHALAWAR (Rajasthan)
  - J.K. Fibres
  - J.K. Industrial Yarn
  - J.K. Utilities & Technical Development
- NIMBAHERA (Rajasthan)
  - J.K. Cement Works
- GOTAN (Rajasthan)
  - J.K. White Cement Works
- BAMANIA (Rajasthan)
  - J.K. Power
- MANGROL (Rajasthan)
  - J.K. Cement Works (Mangrol)

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## NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the Members of J.K. Synthetics Ltd. will be held in the Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday, the 20th September, 2003 at 12.00 Noon to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2003, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ramapati Singhania, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Kailash Nath, who retires by rotation and, being eligible, offers himself for reappointment.

4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and in that connection to pass the following resolution as an **Ordinary Resolution** :-

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. P. L. Tandon & Company, Chartered Accountants, Kanpur, the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors or any Committee of the Board thereof, in addition to the reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and service tax, if any."

### AS SPECIAL BUSINESS :

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution** :

5. "RESOLVED that, subject to the provisions of the Companies Act, 1956 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted hereinafter], The Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions, exemptions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed, while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution), consent and approval of the Company be and is hereby accorded to the Board to delist the Equity/Preference Shares of the Company from all or any of the following Stock Exchanges viz. The Delhi Stock Exchange Association Ltd., at New Delhi and The Calcutta Stock Exchange Association Ltd., at Kolkata."

By Order of the Board

( J.P. BAJPAI )  
Secretary

Registered Office :  
Kamla Tower, Kanpur.  
Dated : 25th August, 2003

### NOTES :

- i) The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Special Business under Item No. 5 of the accompanying Notice dated 25th August, 2003 is annexed hereto.
- ii) The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2003 to 20th September, 2003, both days inclusive.
- iii) Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company at its Share Department, Kamla Tower, Kanpur-208001 in respect of their shareholding in physical segment by mentioning folio nos., if any.
- iv) Members are requested to bring their copies of the Annual Report, as Copies of the report will not be distributed again at the Meeting.
- v) Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
- vi) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- vii) Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Members, who hold shares in Dematerialised Form are requested to bring their Depository Account Number and Client I.D. Number for identification.
- viii) **Reappointment of Directors :-**

At the ensuing Annual General Meeting Shri Ramapati Singhania and Shri Kailash Nath shall retire by rotation and being eligible, offer themselves for reappointment.

Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors are given below :-

- a) **Shri Ramapati Singhania** is B. Tech (Elec. Engg.), M.B.A. and has been associated with the Company since 1st August, 1983. He was Special Executive till 6th May, 1985. He has been Whole Time Director of the Company from 6th May, 1985 to 31st August, 1999. During tenure of his office as a Whole-time Director, he had been devoting whole of his time in the conduct and supervision of the operations of Kota and Jhalawar plants. He has been actively associated with the maintenance programme, inventory control, advising factory about day-to-day affairs of all the plants at Kota and Jhalawar. He is also a Director in PHIL Corporation Ltd.
- b) **Shri Kailash Nath** is a Graduate Engineer (Elect. & Mech.) from B.H.U. and has vast experience of about 50 years in various Organisations / Companies. He was on the Board of U.P. State Cement Corporation Ltd. for 9 years. He is presently acting as Advisor / Consultant of various Companies. He visited various Countries in connection with attending the Seminars on various subjects, discussing with Plant & Machinery Suppliers of Cement Manufacturing and Technical Know-how etc.

**EXPLANATORY STATEMENT :**

As required under Section 173 of the Companies Act, 1956, the Explanatory Statement sets out all material facts concerning the Special Business referred to in the accompanying Notice dated 25th August, 2003.

**ITEM NO. 5**

Presently the Company's securities are listed on the following Stock Exchanges in India :

- i) The Stock Exchange, Mumbai (BSE), at Mumbai;
- ii) The Calcutta Stock Exchange Association Ltd.(CSE), at Kolkata;
- iii) The Delhi Stock Exchange Association Ltd.(DSE), at New Delhi; and
- iv) The Uttar Pradesh Stock Exchange Association Ltd.(UPSE), at Kanpur.

Owing to the expansion of the Bombay Stock Exchange (BSE) and emergence of the National Stock Exchange (NSE) and their extensive networking and extension of their terminals to other Cities, the Investors have access to on-line dealings in the Company's Equity/Preference Shares on such terminals across the Country. Moreover, the Company's securities are one of the scrips, which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all Investors, effective from 8th May, 2000.

The annual listing fees paid to the said Stock Exchanges, do not now offer commensurate benefits to the Company/ its Investors in the changed scenario of the nationwide trading terminals set up by BSE and NSE.

In this backdrop, the continued listing on the said Stock Exchanges is not considered necessary. It would further

contribute to reduction in administrative costs/ efforts of the Company. Therefore, the Board of Directors, at its meeting held on 28th July, 2003 has proposed to apply for voluntary delisting of the Company's Securities from the said Stock Exchanges. Due to continued listing of the Company's securities at BSE and UPSE and further availability of trading across the Country as mentioned above, the delisting proposal will not be prejudicial to the interest of the Investors including the members located in the region, where the said Stock Exchanges are situated.

Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the members' approval by way of a Special Resolution for the voluntary delisting of the Company's securities from the said two Stock Exchanges as set out in the resolution at item No. 5. In terms of the said guidelines, as the Company's securities shall continue to remain listed on BSE and UPSE, no Exit Option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board recommends the proposed Resolution as set out at Item No. 5 of the Notice for approval by the Members. None of the Directors of the Company is concerned or interested in the proposed Resolution.

By Order of the Board



( J.P. BAJPAI )  
Secretary

Registered Office :  
Kamla Tower, Kanpur.  
Dated : 25th August, 2003

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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors submit the Annual Report and audited Statements of Account for the year ended 31st March, 2003.

#### 2. FINANCIAL RESULTS

	2002-03 (Rs./Lacs)
Sales	76194.43
Other Income	541.74
Profit before Interest and Depreciation	4474.46
Less : Interest	(120.70)
Profit before Depreciation	4595.16
Depreciation	4272.27
Profit for the year	322.89
Extra Ordinary Items	1170.89
Profit before tax	1493.78
Provision for Wealth tax	2.96
Profit after tax	1490.82

#### 3. OVERALL PERFORMANCE

The working results under report pertains to only Grey and White Cement plants which were in operation during the year, while all Man made fibre plants at Kota and Jhalawar continued under closure. However, the above working results have accounted for the expenses on security, maintenance etc. relating to closed Man made fibre plants.

Production and Sales of the Company's cement business have been considerably higher than the previous year. The turnover and other income of the Company grew to Rs. 761.94 crores from Rs. 664.29 crores in the previous year registering an increase of 14.70 %. In the year 2002-03, profit before depreciation and interest (PBID) was Rs. 44.74 crores as against Rs. 47.68 crores in the previous year, which is lower by 6.17 %.

Though the PBID has been lower, the profit for the year is higher due to non-provision of interest for the current year. In view of excess liability of interest already appearing in the books of account vis-à-vis Company's liability towards interest payable to secured lenders in terms of the scheme approved by Hon'ble AAIFR, your Directors decided not to provide the interest for the current year in the books of account. Profit for the year thus is Rs. 323 lacs as against the loss of Rs. 3484 lacs during the previous year. Profit after considering Extra Ordinary Items this year is at Rs. 1494 lacs compared to net loss of Rs. 3484 lacs during the previous year.

The Company, keeping in view the prudent and conservative accounting policy, has made suitable provisions for diminution in the value of stores & spares, doubtful debts and irrecoverable advances related to closed Man made fibre plants.

#### 4. DIVIDENDS

In view of the carry forward of accumulated losses, your Directors regret their inability to recommend payment of any dividend for the year.

#### 5. FINANCE

##### 5.1 DEBENTURES

- (i) 1st, 2nd, 4th and 7th Series Debentures were redeemed long back by the Company. The unclaimed amounts relating to these Series (except 4th Series) have since been transferred by the Company to the Investor Education and Protection Fund set up by the Central Government pursuant to the provisions of Section 205 (c) of the Companies Act, 1956. In respect of 4th Series Debentures the Company has deposited the unclaimed amounts with the aforesaid Fund after the close of the financial year.
- (ii) Debenture Series 3rd, 5th, 6th, 8th, "A", "B", "C" & "PCD" are covered under the OTS Scheme approved by the Hon'ble AAIFR. Accordingly, the principal amount along with 5% simple interest arrears would be paid to all the debenture holders upon the implementation of the Scheme.

##### 5.2 SHARES

###### EQUITY

- (i) Pursuant to the Scheme approved by the Hon'ble AAIFR, all Equity Shareholders are entitled to receive one Equity Share of Rs. 10/- each of the new Company viz. J.K. Cement Limited free of cost against 10 Equity Shares held by them. Directors would notify the record date for the allotment of such shares as and when the Scheme is implemented.
- (ii) Subsequent to the close of the year, the Company has forfeited the Equity Shares of Right Issue-1993, in respect of whom, the calls in arrear have not been received, after giving last opportunity vide Notice dated 10th July, 2003.

###### PREFERENCE

In terms of the Scheme approved by Hon'ble AAIFR, all the Preference Shareholders would be paid off the principal outstandings upon the implementation of the Scheme.

#### 6. OPERATIONS

##### 6.1 CEMENT PLANTS

###### GREY CEMENT

With the successful implementation of a new Grey Cement plant at Mangrol, the production and sales of Grey Cement were higher by 25.77% and 24.40% respectively over previous year. However, reduced margins due to lower realisation and increased fuel cost affected the working results adversely. In spite of cut throat competition, the unit could market 2.89 million tonnes of Grey Cement compared to 2.32 million tonnes during the previous year.

###### WHITE CEMENT

Though the production of White Cement is regulated to match the demand in order to keep the margin intact, the production and sales of White Cement were higher during the year by 8.68 % and 10.99 % respectively over previous year, thanks to the growth in demand witnessed by White Cement Industry. White Cement unit recorded higher profits during the year due to increased volumes and economies in the power and fuel cost.

**6.2 MAN MADE FIBRE UNITS - KOTA AND JHALAWAR**

As reported last year, the Company is holding the possession of Man made fibre plants at Kota and Jhalawar in capacity of Agent for maintenance, safety and security purposes and there have been no manufacturing operations in these plants during the year under report.

Some of the fixed assets of Kota plants were revalued in 1985 and these were shown in the Balance Sheet at revalued amount. However, in view of the reason that these plants have remained closed for the last over 6/7 years, the values have gone down substantially and as such the effect of revaluation has been reversed in the books of account.

**6.3 EXPORTS**

Exports during the year amounted to Rs. 388 lacs.

**7. REHABILITATION PACKAGE**

As reported last year, Hon'ble AAIFR had formulated a Scheme of One Time Settlement (OTS) of the dues of Secured Lenders and Preference Shareholders in terms of its Order dated 31.8.2001. After surmounting many hurdles, the Scheme was accorded approval by the Hon'ble AAIFR vide their Order dated 23.01.2003. In terms of the Scheme, all the Secured Lenders (including Debenture holders) are to be paid principal outstanding and 5% of simple interest arrears calculated as on 30.09.2001 by way of One Time Settlement of the dues. All Preference Shareholders are to be paid principal outstandings. The Scheme also stipulates for payment of interest on OTS amount @ 11% for the period from 1.10.2001 till the actual date of payment. For the purpose, funds are to be raised through External Commercial Borrowings (ECB) by a new Company already incorporated in the name of "J.K. Cement Limited" against the assets of Cement undertakings which shall stand demerged immediately on deposit of Rs. 325.57 crores in Escrow Accounts with IDBI and Rs. 156.53 crores with SBI alongwith interest upto the date of final payment. As per the Scheme, Cement undertakings mean and include the assets of J.K. Cement Works at Nimbahera, J.K. Power at Bamania, J.K. Cement Works at Mangrol and J.K. White Cement Works at Gotan alongwith all liabilities (current and contingent) relating to these Cement units. The services of all the employees on payrolls of these plants will automatically stand transferred to J.K. Cement Ltd. J.K. Cement Ltd. has since obtained approval from Government of India for raising ECB vide letter dated 28.03.2003. The Scheme also stipulates the issue of one Equity Share of Rs. 10/- of J.K. Cement Ltd., free of cost to the Shareholders of J.K. Synthetics Ltd. (JKSL), for 10 Equity Shares held by them in JKSL. Keeping in view the long formalities to be complied with and detailed procedure to be followed and the delay in receipt of Government approval, the Hon'ble AAIFR has extended the time for implementation of the Scheme from 31.03.2003 to 30.08.2003 or such extended time as is approved by Financial Institutions and Banks. The above proposal has the consent of all the Financial Institutions and Banks (except UTI). Management is making its best efforts to implement the Scheme within the prescribed time.

Your directors are happy to inform that after several rounds of negotiations, tripartite settlements were entered with the

recognised Workers' Union and Staff Association and the prospective buyer for Kota plants. As per the directives of the Hon'ble AAIFR, the proposal has been referred to IDBI (OA) who has to submit its report to Hon'ble BIFR in this regard. With a view to expedite restart of Kota plants, your Directors have also submitted an alternate proposal based on joint venture with the prospective buyer, to IDBI (OA), which is under their consideration. Similarly, for Jhalawar complex and other assets, Hon'ble AAIFR has constituted an Assets Sale Committee to formulate the procedure for disposal of these assets by inviting offers through advertisement and submit its report to the BIFR who will take a decision in the matter in accordance with law.

**8. CORPORATE GOVERNANCE**

A report on Corporate Governance is enclosed as a part of Annual Report along with the Auditors' Certificate on its compliance.

**9. RESEARCH AND DEVELOPMENT**

No research activities could be carried out due to closure of Kota plants, where such research facilities are housed.

**10. SUBSIDIARIES**

The accounts of J.K. Satoh Agricultural Machines Ltd., Subsidiary Company, is annexed along with Statement pursuant to Section 212 of the Companies Act, 1956. However, the accounts of other Subsidiary Company namely Jaykay Tech Ltd. are yet to be finalised.

In both these Subsidiary Companies, there are no operations and all the assets of these Companies have since been disposed off. Your Company has also made full provision in the books of account in respect of investments made in these Companies. No substantial liabilities are likely to accrue to your Company, which may have bearing upon working results. Due to these circumstances, accounts of Subsidiary Companies have not been consolidated.

**11. PERSONNEL****11.1 INDUSTRIAL RELATIONS**

The Industrial relations during the year under review generally remained cordial in all the Cement complexes.

**11.2 PARTICULARS OF EMPLOYEES**

There is no employee getting salary in excess of the limits as specified under the provisions of sub section (2A) of Section 217 throughout or part of the financial year under review.

**12. PUBLIC DEPOSITS**

The deposits received from the public remaining unclaimed as on 31.3.2003 amounted to Rs. 13.22 Lacs in the accounts of 467 depositors against which deposits amounting to Rs. 0.33 Lacs have since been repaid. The Company is repaying the outstanding deposits as and when claimed.

Further, all unclaimed amounts for the period upto 31.03.1995 have been transferred to Investor Education and Protection Fund set up by the Central Government pursuant to the provisions of Section 205 (c) of the Companies Act, 1956.



### 13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO.

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out go in accordance with the provisions of 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 in respect of Cement plants are annexed and form part of the Report. The information in respect of man made fibre plants at Kota and Jhalawar is not being furnished as the plants during the year remained closed.

### 14. AUDITORS' REPORT

Auditors' remarks have been suitably dealt with in the notes on accounts and hence need no further explanation.

### 15. COST AUDIT

Cost Audit records have been maintained in respect of Grey Cement and White Cement plants and Cost audit would be completed in respect of these units. Central Government has granted exemption from maintenance of costing records in respect of Nylon and Polyester for the years 1998-99 to 2001-02.

### 16. DIRECTORS

#### 16.1 (a) During the year under report –

Shri G.B.S. Wadhwa, Nominee of State Bank of India, joined the Board of Directors as Director (Finance) vice Shri S.C. Malik.

#### (b) After close of the year under report –

(i) Shri Vinay Kala, Nominee of State Bank of India, joined the Board of Directors as Director (Finance) vice Shri G.B.S. Wadhwa.

(ii) Shri N.K. Jhajharia, Shri R.K. Tandon and Shri K.V. Murthy were appointed as independent Directors at the last Extra ordinary General Meeting.

16.2 Your directors, while welcoming the new incumbents, wish to place on record their warm appreciation for the valuable services and advice rendered by Shri S.C. Malik and Shri G.B.S. Wadhwa during tenure of their office.

16.3 Two of your directors namely Shri Ramapati Singhanla and Shri Kailash Nath will retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

### 17. RESPONSIBILITY STATEMENT

The Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgements 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 of the Company for that year;
- (iii) they have taken proper and sufficient care for 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;
- (iv) they have prepared the annual accounts on a going concern basis.

### 18. AUDITORS

M/s. P. L. Tandon and Co., Chartered Accountants, Kanpur, Auditors of the Company will retire from their office at the ensuing Annual General Meeting. They are, however, eligible for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. You are requested to consider their appointment.

### 19. COST AUDITORS

Pursuant to the directives of the Central Government and provisions of Section 233-B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit of Cement units.

### 20. ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the valuable support received from IDBI, ICICI and other Financial Institutions, Bankers, Suppliers and Customers. The Board also thanks the employees at all levels for their commitment and contribution.

FOR AND ON BEHALF OF THE BOARD

Kanpur  
Dated : 25th August, 2003.

CHAIRMAN

**CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below.

**1. Company's philosophy on Code of Governance**

At J. K. Synthetics Ltd., we view Corporate Governance in its widest sense, almost like trusteeship. The Company's philosophy on Corporate Governance is to enhance the long-term economic value of the Company, its Stakeholders and the Society at large by adopting better corporate practices in fair transparent manner by aligning interest of the Company with that of its Shareholders and other key Stakeholders.

Your Company continues to follow procedures, practices in conformity with the Code of Corporate Governance as outlined in clause 49 of the Listing Agreement.

**2. Board of Directors****(a) Composition/Category**

The present strength of the Board of Directors is ten, whose composition is given below :

- One Promoter, Executive Non-Independent Director
- Three Promoters, Non-Executive Non-Independent Directors
- Three Independent, Non Executive, Nominee Directors representing ICICI Bank Ltd., General Insurance Corporation (GIC) and State Bank of India (SBI) as lenders.
- Three Independent, Non-Executive Directors

The composition of the Board of Directors and also the number of Board of Directors or Board Committees of other Companies, of which the Directors are members / Chairman is given as under :

Sl. No.	Name of Director	Category Directorships	No. of other (Other than J.K. Synthetics Ltd.) in which	No. of Board Committees	
				Chairman	Member
1.	Dr. Gaur Hari Singhania <i>Chairman</i>	Promoter, Non Executive, Non Independent	8	-	1
2.	Shri Govind Hari Singhania <i>Vice Chairman</i>	Promoter, Non Executive, Non Independent	9	-	-
3.	Shri Yadupati Singhania <i>Managing Director and CEO</i>	Promoter, Executive, Non Independent	12	-	1
4.	Shri S.C. Malik * <i>Director Finance (Nominee of SBI) (Part of the year)</i>	Non-Executive, Independent	Nil	-	-
5.	Shri A. Karati <i>(Nominee of ICICI Bank Ltd)</i>	Non-Executive Independent	5	1	2
6.	Shri Suparas Bhandari <i>(Nominee of GIC)</i>	Non-Executive Independent	3	-	2
7.	Shri Ramapati Singhania	Promoter Non-Executive, Non Independent	1	-	-
8.	Dr. K. B. Agarwal	Non-Executive Independent	1	1	-
9.	Shri Jagendra Swarup	Non-Executive Independent	Nil	-	-
10.	Shri Kailash Nath	Non-Executive Independent	Nil	-	-
11.	Shri GBS Wadhwa * <i>Director Finance (Nominee of SBI) (Part of the year)</i>	Non-Executive Independent	Nil	-	-

\* ceased w.e.f 28th September, 2002

• appointed w.e.f. 25th December, 2002

**(b) Attendance of each director at the Board Meetings and the last Annual General Meeting**

During the last financial year ended March 31, 2003, five Board Meetings were held on the following dates :-

- a) 22nd April, 2002
- b) 22nd June, 2002
- c) 28th September, 2002
- d) 25th December, 2002
- e) 29th March, 2003

The attendance of each director at Board Meetings and the last Annual General Meeting (AGM) is as under :-

Sl. No	Name of Director	No. of Board Meetings attended	Attendance at last AGM held on 28.09.02
1	Dr. Gaur Hari Singhania	4	YES
2	Shri Govind Hari Singhania	4	YES
3	Shri Yadupati Singhania	3	* L.O.A.
4	Shri S.C. Malik (Part of the year)	3	YES
5	Shri G.B.S. Wadhwa (Part of the year)	1	N.A.
6	Shri A. Karati	2	* L.O.A.
7	Shri Suparas Bhandari	NIL	* L.O.A.
8	Shri Ramapati Singhania	NIL	* L.O.A.
9	Dr. K.B. Agarwal	5	YES
10	Shri Jagendra Swarup	5	YES
11	Shri Kailash Nath	5	YES

\* LOA : Leave of Absence

**3. Audit Committee****(a) Composition and Broad Terms of Reference**

The Audit Committee of the Company comprises of following three Directors :-

Dr. K. B. Agarwal (Chairman)	: Independent, Non Executive Director
Shri Jagendra Swarup	: Independent, Non Executive Director
Shri S. C. Malik	: Independent, Non Executive Director (Part of the year)
Shri Kailash Nath	: Independent, Non Executive Director (Part of the year)

All these Directors possess knowledge of Corporate Finance/Accounts / Company Law. The Company Secretary is the Secretary for such meetings. The Statutory Auditors, the Cost Auditors, the Internal Auditors of the Company and Sr. Vice President (Finance and Accounts) attend the meetings as invitees.

The broad terms of reference of the Audit Committee are as follows :-

The terms of reference of this Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956.

**(b) Meetings / Attendance**

During the financial year ended 31st March, 2003, three meetings were held on 22nd June, 2002; 29th January, 2003 and 29th March, 2003.

The Committee adopted the annual accounts for the year 2001-02 in their meeting held on 22nd June, 2002.





The attendance at the Committee Meetings is as under :-

Name of Director	No. of Meetings attended
Dr. K. B. Agarwal	3
Shri S.C. Malik ( <i>Part of the year</i> )	1
Shri Jagendra Swarup	3
Shri Kailash Nath ( <i>Part of the year</i> )	1

#### 4. Remuneration Committee

##### a) Composition

The Remuneration Committee of the Company comprises of Dr. K. B. Agarwal Chairman, Shri S.C. Malik (*Part of the year*), Shri Jagendra Swarup and Shri Kailash Nath (*Part of the year*).

##### b) Meetings / Attendance

During the financial year ended 31st March, 2003, one meeting was held on 22.06.2002.

The attendance at the Committee Meeting is as under :-

Name of the Director	No. of Meetings attended
Dr. K. B. Agarwal	1
Shri S.C. Malik ( <i>Part of the year</i> )	1
Shri Jagendra Swarup	1
Shri Kailash Nath ( <i>Part of the year</i> )	N.A.

##### c) Remuneration Policy

Remuneration of Non-Executive Directors is decided by the Board of Directors. During the year, no remuneration, except sitting fee was paid to the Non-Executive/Independent Directors [except Director (Finance), Nominee of SBI]. Remuneration payable/paid to the Managing Director & CEO is as per the approval given by the Shareholders of the Company and subsequent approval received from the Central Government in this regard. The remuneration of Nominee of SBI is decided by the State Bank of India.

##### d) Details of Remuneration to all the Directors for the year ended 31st March, 2003

(Rupees)

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	-	12004	-	12004
2	Shri Govind Hari Singhania	-	9076	-	9076
3	Shri Yadupati Singhania	720000	308879	-	1028879
4	Shri S.C. Malik ( <i>Part of the year</i> )	-	-	-	-
5	Shri G.B.S. Wadhwa ( <i>Part of the year</i> )	-	-	-	-
6	Shri A. Karai	-	-	4000	4000
7	Shri Supras Bhanderi	-	-	-	-
8	Shri Ramapati Singhania	-	-	-	-
9	Dr. K.B. Agarwal	-	-	32300	32300
10	Shri Jagendra Swarup	-	-	30400	30400
11	Shri Kailash Nath	-	-	18000	18000

#### 5. Shareholders' / Investors' Grievance Committee

##### (a) Composition

The Committee comprises of Dr. K.B. Agarwal (Chairman), Shri S.C. Malik (*Part of the year*), Shri Kailash Nath (*Part of the year*) and Shri Jagendra Swarup.

Shri J.P. Bajpai, President (H.O.) & Company Secretary is the Compliance Officer of the Committee.

##### (b) Functions

To review the status of investors' grievances and redressal mechanism and recommend measures to improve the level of investors' services.

##### (c) Meetings/Attendance

During the financial year ended 31st March, 2003, four meetings were held on 22nd April, 2002; 22nd June, 2002; 28th September, 2002 and 25th December, 2002.

The attendance at the Committee Meetings is as under :-

Name of Director	No. of Meetings attended
Dr. K.B. Agarwal	4
Shri Jagendra Swarup	4
Shri S.C. Malik ( <i>Part of the year</i> )	3
Shri Kailash Nath ( <i>Part of the year</i> )	1

The total number of the complaints received and replied to the satisfaction of the Shareholders and Debenture holders during the year ended 31st March 2003 were 3757. Outstanding complaints as on 31st March, 2003 were 327. All the pending complaints have been attended to / replied to by the Company after the period under report. The number of pending share transfers and pending requests for demat/remat as on 31st March, 2003 were as follows :-

	Particulars	No. of Requests	No. of Shares
1.	Transfers	09	923
2.	Demat	99	26966
3.	Remat	02	111

The Company has attended to all these requests after the period under report.

#### 6. General Body Meetings

Date and time when last three Annual General Meetings were held is given below :-

Financial Year	Date	Time
1999 - 2000	29th Sep. 2000	12.00 Noon
2000 - 2001	08th Dec. 2001	12.00 Noon
2001 - 2002	28th Sep. 2002	12.00 Noon

All the above meetings were held in the Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

The Chairman of the Audit Committee was present at AGM held on 28th September, 2002 to answer the queries of the Shareholders.

No Special Resolution was put through postal ballot last year nor it is proposed this year.

#### 7. Disclosures

There was no transaction of material nature with the Directors or their relatives or the Management or Subsidiaries during the year.

There was no instance of non-compliance on any matters related to the capital markets during the year.

#### 8. Means of Communications

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and the same are published regularly in the newspapers. Management discussions and Analysis form part of Annual Report, which is posted to the Shareholders of the Company.

#### 9. General Shareholders' Information

##### a) Address for Correspondence

J.K. Synthetics Ltd.,  
Share Department,  
Kamla Tower, Kanpur – 208 001.  
Telephone No. : (0512) 2311478 – 81; Fax : 2368954  
Email: [jkshr@satyam.net.in](mailto:jkshr@satyam.net.in)

##### b) Annual General Meeting

Date & Time : 20th September, 2003 at 12.00 Noon.  
Venue : Auditorium of Merchants' Chamber of  
Uttar Pradesh, 14/76, Civil Lines, Kanpur.

##### c) Financial Calendar

- |   |                      |
|---|----------------------|
| (a) First Quarter Results -                           | End of July, 2003    |
| (b) Second Quarter Results -                          | End of October, 2003 |
| (c) Third Quarter Results -                           | End of January, 2004 |
| (d) Results for the year ending<br>31st March, 2004 - | By end of June, 2004 |

##### d) Date of Book Closure

15th September, 2003 to 20th September, 2003 (both days inclusive)

##### e) Dividend payment date

Not applicable (No dividend is proposed)

##### f) Listing on Stock Exchanges

The details regarding payment of listing fee to Stock Exchanges are given below :-

Sl. No.	Name of Stock Exchange	Listing Fee paid upto	Stock Code No.
1	The Stock Exchange, Mumbai	2002-2003	306
2	The Calcutta Stock Exchange Association Ltd. Kolkata	1996-1997	10000019
3	The Delhi Stock Exchange Association Ltd., Delhi	1996-1997	00026
4	The U.P. Stock Exchange Association Ltd., Kanpur	2002-2003	JK

#### g) Stock Market Data

The monthly high and low share prices during the year are as follows :-

Month	High	Low	BSE Sensex High	BSE Sensex Low
April 2002	3.05	2.30	3512.55	3301.21
May 2002	3.00	2.60	3462.01	3114.05
June 2002	5.30	2.70	3362.42	3161.09
July 2002	6.95	3.20	3358.58	2987.65
August 2002	4.00	2.95	3181.23	2950.09
Sept. 2002	3.40	2.75	3187.26	2991.36
Oct. 2002	3.50	3.00	3009.76	2834.41
Nov. 2002	3.75	3.10	3228.82	2948.04
Dec. 2002	4.45	3.00	3398.00	3207.36
Jan. 2003	3.70	3.05	3390.12	3219.88
Feb. 2003	3.45	3.10	3322.17	3223.41
March 2003	3.25	2.55	3277.27	3048.72

#### h) Registrar/Transfer Agent

The Company has appointed M/s Alankit Assignments Ltd. having its office at 205-206, Anarkali Market Complex, Jhandewalan Extension, New Delhi - 110 055 as Registrar for demat segment. For physical segment, the Company has in-house Share Department at its Registered Office at Kamla Tower, Kanpur, which provides all related services. As regards appointment of Common Agency for share registry work, the Company, being a sick unit, had sought exemption from SEBI to which no reply has since been received. In the meanwhile, the Company is taking necessary steps to implement the same.

#### i) Share Transfer System

Share Transfer work of physical segment is attended to by the Company within the prescribed period under law and the Listing Agreements with Stock Exchanges.

All share transfers etc. are approved by a Committee of Directors, which meets periodically.

#### j) Distribution of Shareholding as on 31.3.2003

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	131138	94.71	11895281	15.98
5001 to 10000	4297	3.10	3342215	4.49
10001 to 20000	1686	1.21	2498220	3.35
20001 to 30000	462	0.33	1153851	1.55
30001 to 40000	187	0.13	672587	0.90
40001 to 50000	187	0.13	881661	1.18
50001 to 100000	252	0.18	1826546	2.45
100001 and above	252	0.18	52154019	70.07
<b>Total</b>	<b>138461</b>	<b>100 %</b>	<b>74424380</b>	<b>100 %</b>