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# ANNUAL REPORT

## 2004-2005



# 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.**Supras Bhandari** Nominee of GIC**N. K. Jhajharia****R. K. Tandon****K. V. Murthy****J. P. Bajpai** Sr. President (HO) & Secretary**AUDITORS**

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

**REGISTERED OFFICE**

- KAMLA TOWER, Kanpur-208 001

**BANKERS**

- HDFC Bank Ltd.

**WORKS**

- JHALAWAR (Rajasthan)
  - J. K. Fibres
  - J. K. Industrial Yarn
  - J. K. Utilities & Technical Development

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# Annual Report

## 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 Wednesday, the 28<sup>th</sup> September, 2005 at 12.00 Noon to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2005, 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 R.K. Tandon, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri K.V. Murthy, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kailash Nath, who retires by rotation and, being eligible, offers himself for reappointment.
5. 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."

By Order of the Board

  
(J.P. BAJPAI )  
Secretary

Registered Office :

Kamla Tower, Kanpur.

Dated : 29th July, 2005

## NOTES :

- i) The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2005 to 28<sup>th</sup> September, 2005, both days inclusive.
- ii) 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.

- iii) Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.
- iv) 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.
- v) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HERSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- vi) 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.
- vii) **Reappointment of Directors :**

At the ensuing Annual General Meeting Shri R.K. Tandon, Shri K.V. Murthy 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 R.K. Tandon** is a Science Graduate and has vast experience in the fields of Capital market, Banking and Industry. He is past President of U.P. Stock Exchange Association Ltd. and Ex-Chairman of United Mercantile Co-operative Bank Ltd. He is founder Vice President of Federation of Indian Stock Exchanges, Delhi. He is member and Trustee of several Charitable, Socio-Educational & Sports Trusts.
- b) **Shri K.V. Murthy** is a Science Graduate and is presently Additional Director of a Management Institute of repute and a Corporate Trainer. He has a vast experience of about 35 years in the Corporate Sector and has retired as Vice President (Project & Development). He had been acting as Advisor in a reputed Organisation prior to his present assignment.
- c) **Shri Kailash Nath** is a Graduate Engineer (Elect.& Mech.) from B.H.U. and has vast experience of about 51 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.

By Order of the Board

Registered Office :

Kamla Tower, Kanpur.

Dated : 29th July, 2005

  
(J.P. BAJPAI )  
Secretary

**DIRECTORS' REPORT****TO THE MEMBERS**

Your Directors submit the Annual Report and audited Statements of Account for the year ended 31st March, 2005.

**2. FINANCIAL RESULTS**

	2004-05 (Rs./Lacs)
Sales	57307.35
Other Income	344.02
Profit before Interest and Depreciation	4871.06
Add: Interest	218.11
Profit before Depreciation	5089.17
Depreciation	3404.69
Impairment Loss	1512.38
Profit for the year before Extra Ordinary Items	172.10
Extra Ordinary Items	41484.91
Profit before tax	41657.01
Balance from previous year	(58562.97)
Transfer from Debenture Redemption Reserve	1580.19
Transfer to Capital Redemption Reserve	(501.86)
Balance carried to Balance Sheet	(15827.63)

**3. OVERALL PERFORMANCE**

During the year under review, the Company achieved profit before depreciation of Rs. 50.89 crores compared to 43.73 crores in previous year. This was contributed by Cement plants which were in operation under the Company till 3.11.2004. All the man made fibre plants (both at Kota and Jhalawar) remained closed, hence the working results account for the maintenance, security and insurance expenses of these plants. Further, implementation of the Revival Scheme approved by Hon'ble AAIFR dated 23.1.2003 and 7.1.2005 interalia including payment of dues of Secured Lenders, sale of Cement undertakings and Kota plants and waivers of interest etc. resulted in surplus of Rs. 414.85 crores which have reduced the accumulated losses to Rs.158.28 crores.

**4. DIVIDEND**

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

**5. FINANCE**

5.1 The scheme for payment of dues of secured creditors and preference shareholders by way of One Time Settlement (OTS) sanctioned by Hon'ble AAIFR was implemented during the year. In terms of the scheme, the requisite funds equivalent to OTS amount (principal outstanding and 5% simple interest arrears up to cut off date) alongwith interest on OTS amount for the period from 1.10.2001 to 4.11.2004

were arranged in the two Escrow Accounts with IDBI and SBI where from the secured creditors and preference shareholders have been paid. In respect of debenture holders from public, the amount earmarked had been kept in a scheduled bank. The Company had fixed 16.12.2004 as record date for determination of debenture holders, who were entitled to receive the redemption proceeds. The Company has also intimated to each and every debentureholder to surrender the debenture certificate(s) duly discharged for getting the payment as per OTS scheme. The debentureholders who have surrendered debenture certificates have been paid off of their dues as per the scheme. In respect of NRI debenture holders, payments have been made subsequent to the close of the year on receipt of approval of Reserve Bank of India.

5.2 The unclaimed amounts relating to Public Deposits redeemed by the Company up to 31.03.1998 have been deposited by the Company in "Investors Education and Protection Fund" set up by the Central Government pursuant to the provisions of Section 205 C of the Companies Act, 1956.

5.3 Pursuant to the scheme approved by the Hon'ble AAIFR vide their order dated 23.1.2003 all the existing Equity Shareholders of the Company whose names appeared in the Register of Members on the record date i.e.16.12.2004 have been allotted one (1) Equity share of Rs.10/- each fully paid up of J.K. Cement Ltd. free of cost on 10<sup>th</sup> March, 2005 for every ten (10) Equity Shares held by them.

**6. OPERATIONS****6.1 CEMENT PLANTS****GREY CEMENT**

During the period from 1.4.2004 till 3.11.2004 (the date upto which the plants were in operation under the Company), the production and sales of grey cement were 19.02 Lac Tonnes and 19.23 Lac Tonnes respectively.

**WHITE CEMENT**

During the period from 1.4.2004 till 3.11.2004 (the date upto which the plants were in operation under the Company), the production and sales of white cement were 1.24 Lac Tonnes and 1.31 Lac Tonnes respectively.

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

All the man made fibre plants at Kota and Jhalawar remained closed during the year. The expenses on maintenance, security and insurance of these plants have been incorporated in the accounts under review.

**7. REHABILITATION PACKAGE**

7.1 As reported last year, a rehabilitation scheme of One Time Settlement (OTS) of dues of secured lenders and preference shareholders was sanctioned by Hon'ble AAIFR vide their order dated 23.1.2003. Necessary funds were arranged on 4.11.2004 in the Escrow Accounts of IDBI and SBI as per the scheme and immediately there upon, the Cement undertakings of the Company have demerged through slump



sale to J. K. Cement Ltd. Thus, all assets, liabilities including contingent liabilities and employees who were on the rolls of Cement undertakings stood transferred to J. K. Cement Ltd.

**7.2** Hon'ble AAIFR during the hearing on 24.12.2004 approved a scheme for rehabilitation of Kota plants and issued an order dated 7.1.2005 in this respect. The scheme stipulated for transfer/sale to a joint venture company M/s. Arafat Petrochemicals Pvt. Ltd. (APPL) of all the assets i.e. land, buildings, plant & machinery, other fixed assets and inventories pertaining to all man made fibre plants at Kota except Sir Padampat Research Centre (SPRC) on "as is where is basis" and in consideration thereof APPL to assume entire worker's liability pertaining to Kota plants including SPRC and also to pay Rs. 15 crores in cash. The possession of the plants was handed over to APPL on 30.12.2004. Pending receipt of approval of Government of Rajasthan for sale of lease hold lands on which Kota plants are situated, the Company has entered into an "Agreement to Sell" with APPL. APPL has assumed entire workers liability and they have started making payments to the workers in terms of tripartite settlements dated 9.10.2002 and 22.10.2002 arrived at between the Company, APPL and J. K. Workers Union (CITU) and J. K. Staff Association respectively under the aegis of Labour Department, Government of Rajasthan.

In respect of Jhalawar plants and other assets, an Asset Sale Committee (ASC) consisting of representative of IDBI, SBI and the company has been formed by Hon'ble AAIFR. ASC is scouting for the proposals for rehabilitation of Jhalawar plants. ASC is in process of selling other surplus assets. A scheme for Jhalawar plants shall be submitted in due course of time which will also deal with the remaining liabilities.

## 8. CORPORATE GOVERNANCE

A report on Corporate Governance is enclosed as a part of Annual Report along with the Auditors' Certificate on its compliance. However, note on Management Discussions and Analysis Report is not being given as none of the Company's plants are in operation.

## 9. RESEARCH AND DEVELOPMENT

Research and development activities were carried out by Cement plants till these were in operation under the Company. Due to closure of all plants, no research and development activity was carried out in man made fibre plants.

## 10. SUBSIDIARIES

The accounts of the subsidiary companies viz. J.K. Satoh Agricultural Machines Ltd., and Jaykay Tech Ltd., are annexed along with Statement pursuant to Section 212 of the Companies Act, 1956.

In both these subsidiary companies, there have been no operations and all assets of these Companies have since been disposed off/discarded. In case of Jaykay Tech Ltd., liabilities aggregating Rs. 31.79 lacs has been assumed by the Company. As decided by the Board of Directors of Jaykay Tech Ltd. it has already applied for striking off the name from the Register maintained by the Registrar of Companies under the 'Simplified

Exit Scheme-2005' announced by Ministry of Company Affairs, Government of India. Your Company has already made provisions in the books of account for the losses on account of its investment in the subsidiary companies. In view of the above, no liabilities are likely to accrue to your company, which may have bearing upon working results, hence the accounts of subsidiary companies have not been consolidated.

## 11. PERSONNEL

### INDUSTRIAL RELATIONS

The Industrial relations during the year under review generally remained cordial in the Cement plants till the date these were in operation under the Company.

### 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 of Companies Act, 1956 throughout or part of the financial year under review.

## 12. PUBLIC DEPOSITS

The Company is not accepting any deposits from the public. The deposits received in earlier years from the public remaining unclaimed as on 31.3.2005 amounted to Rs.6.92 Lacs in the accounts of 145 depositors against which deposits amounting to Rs. 0.04 Lacs have since been repaid. The Company is repaying the outstanding deposits as and when claimed.

## 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.

## 14. AUDITORS' REPORT

Auditor's 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 up to 3.11.2004 and Cost audit thereof would be completed in respect of these units. The Company has already applied to the Central Government for exemption from maintenance of costing records in respect of Nylon and Polyester for the year 2002-03 and 2003-04. Approval is however, awaited.

## 16. DIRECTORS

**16.1** Three of your directors namely Shri R.K. Tandon, Shri K.V. Murthy and Shri Kailash Nath will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

**16.2** Shri Vinay Kala, Director (Finance), Nominee of State Bank of India ceased to be director w.e.f. 4<sup>th</sup> December,

**J. K. Synthetics LTD.**

2004. Your directors wish to place on record their warm appreciation for the valuable services and advice rendered by Shri Vinay Kala during tenure of his office.

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 the limits specified in Sub-Section (1B) of Section 224 of the Companies Act, 1956. You are requested to consider their appointment.

**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; and
- (iv) they have prepared the annual accounts on a going concern basis.

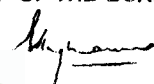
**19. COST AUDITORS**

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" for the period upto 3.11.2004.

**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



CHAIRMAN

**18. AUDITORS**

M/s. P.L. Tandon and Co., Chartered Accountants, Kanpur, Kanpur  
Auditors of the Company will retire from their office at the ensuing Dated : 29th July, 2005

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## 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, 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 i.e. the society at large by adopting better corporate practices in fair transparent manner by aligning interest of the company with that of its shareholders/ 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 twelve, whose composition is given below :

- One Promoter, Executive, Non-Independent Director
- Three Promoter, Non-Executive, Non-Independent Directors
- Two Independent, Non Executive, Nominee Directors representing ICICI Bank Ltd. and General Insurance Corporation as lender
- Six Independent, Non-Executive Directors

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

Sl. No.	Name of Director	Category	No. of other Directorships	No. of Board Committees (Other than J.K.Synthetics Ltd.) in which	
				Chairman	Member
1	Dr. Gaur Hari Singhania Chairman	Promoter, Non Executive, Non Independent	6	1	1
2	Shri Govind Hari Singhania Vice Chairman	Promoter, Non Executive, Non Independent	4	-	-
3	Shri Yadupati Singhania Managing Director and CEO	Promoter, Executive, Non Independent	11	-	2
4	Shri Vinay Kala Director Finance (Nominee of SBI) (Part of the year)	Executive, Independent	-	-	-
5	Shri A. Karati (Nominee of ICICI Bank Ltd.)	Non-Executive, Independent	9	-	8
6	Shri Suparas Bhandari (Nominee of GIC)	Non-Executive, Independent	2	-	-
7	Shri Ramapati Singhania	Promoter, Non-Executive, Non Independent	-	-	-
8	Dr. K.B. Agarwal	Non-Executive, Independent	1	-	-
9	Shri Jagendra Swarup	Non-Executive, Independent	-	-	-
10	Shri Kailash Nath	Non-Executive, Independent	-	-	-
11	Shri N.K. Jhajharia	Non-Executive, Independent	-	-	-
12	Shri R.K. Tandon	Non-Executive, Independent	1	-	-
13	Shri K.V. Murthy	Non-Executive, Independent	-	-	-

\* ceased w.e.f. 4<sup>th</sup> December, 2004

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

During the last financial year ended March 31, 2005, five Board Meetings were held on the following dates :

- 30th April, 2004
- 30th June, 2004
- 31st July, 2004
- 29th November, 2004
- 31st January, 2005

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

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 27.09.2004
1	Dr. Gaur Hari Singhania	3	YES
2	Shri Govind Hari Singhania	2	YES
3	Shri Yadupati Singhania	3	YES
4	Shri Vinay Kala (Part of the year)	4	NO
5	Shri A. Karati	3	NO
6	Shri Suparas Bhandari	2	NO
7	Shri Ramapati Singhania	0	NO
8	Dr. K.B. Agarwal	4	YES
9	Shri Jagendra Swarup	5	NO
10	Shri Kailash Nath	4	NO
11	Shri N.K. Jhajharia	4	NO
12	Shri R.K. Tandon	4	NO
13	Shri K.V. Murthy	4	YES

### 3. Audit Committee

#### (a) Composition of the Committee 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 Kailash Nath : Independent, Non Executive Director

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

The terms of reference of Audit 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, 2005, four (4) meetings were held on :

- 30th June, 2004
- 31st July, 2004
- 29th November, 2004
- 31st January, 2005

The Committee approved and recommended the annual accounts for the year 2003-04 in their meeting held on 30<sup>th</sup> June 2004.

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Dr. K.B. Agarwal	3
Shri Jagendra Swarup	4
Shri Kailash Nath	3

#### 4. Remuneration Committee

##### a) Composition

The Remuneration Committee of the Company comprises of Dr. K.B. Agarwal (Chairman), Shri Jagendra Swarup and Shri Kailash Nath.

##### b) Meetings / Attendance :

During the financial year ended 31<sup>st</sup> March, 2005, two meetings were held on : 30.04.2004 and 31.01.2005.

The attendance at the Committee Meetings was as under :

Name of the Director	No. of Meetings attended
Dr. K.B. Agarwal	2
Shri Jagendra Swarup	2
Shri Kailash Nath	2

##### c) Remuneration Policy

Remuneration policy of the Company is directed towards rewarding performance based on review of achievements. However in view of inadequacy of profits the non-executive directors are paid sitting fees for meetings of the Board or any committee thereof attended by them. Managing Director and CEO is being paid remuneration as approved by the Central Government and the package comprises of Salary, perquisites and contribution to Provident Fund and other funds as approved by the shareholders.

##### Details of Remuneration to all the Directors for the year ended 31<sup>st</sup> March, 2005

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	-	43450	-	43450
2	Shri Govind Hari Singhania	-	29689	-	29689
3	Shri Yadupati Singhania	540000	162060	-	702060
4	Shri Vinay Kala	-	-	-	-
5	Shri A. Karati	-	-	9000	9000
6	Shri Suparas Bhandari	-	-	6000	6000
7	Shri Ramapati Singhania	-	-	-	-
8	Dr. K.B. Agarwal	-	-	39000	39000
9	Shri Jagendra Swarup	-	-	39000	39000
10	Shri Kailash Nath	-	-	17000	17000
11	Shri N.K. Jhaharia	-	-	12000	12000
12	Shri R.K. Tandon	-	-	12000	12000
13	Shri K.V. Murthy	-	-	12000	12000

**Note :** Salary to Managing Director & CEO was paid upto 31.12.2004

#### 5. Shareholders / Investors Grievance Committee

##### (a) Composition

The Committee comprises of Dr. K.B. Agarwal (Chairman), Shri Kailash Nath and Shri Jagendra Swarup.

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

##### (b) Functions

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

##### (c) Meetings / Attendance

During the financial year ended 31<sup>st</sup> March, 2005, Four meetings were held on :

- (1) 18th May, 2004
- (2) 31st July, 2004
- (3) 23rd October, 2004
- (4) 14th January, 2005

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Dr. K.B. Agarwal	4
Shri Jagendra Swarup	4
Shri Kailash Nath	0

The total number of complaints received during the year ended 31st March 2005 from the shareholders and debenture holders were 5698 out of which 5663 complaints were satisfactorily replied and outstanding complaints as on March 31st, 2005 were 35. 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 dematerialisation as on 31<sup>st</sup> March, 2005 were as follows :

	Particulars	No. of Requests	No. of Shares
1.	Transfers	NIL	NIL
2.	Demat	701	419500
3.	Remat	NIL	NIL

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

#### 6. General Body Meetings :

Date and time of last three meetings held is given below :

Financial Year	Date	Time
2001 - 02	28 <sup>th</sup> Sep. 2002	12.00 Noon
2002 - 03	20 <sup>th</sup> Sep. 2003	12.00 Noon
2003 - 04	27 <sup>th</sup> Sep. 2004	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 Shri K.B. Agarwal was present at AGM held on 27<sup>th</sup> September, 2004 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 the Management or their subsidiaries or relatives during the year that have potential conflict with the interest of the Company.

There was no instance of non-compliance on any matter related to the capital markets during the past three years.

#### 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 does not form part of Annual Report.

#### 9. General Shareholders Information :

##### a) Address for Correspondence :

J.K. Synthetics Ltd.,  
Share Department,  
Kamla Tower, Kanpur - 208001  
Telephone No. : (0512) 2311478 - 81 Fax : (0512) 2368954  
Email : jkshr@satyam.net.in

##### b) Annual General Meeting

Date / Time : 28th September, 2005 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, 2005
- (b) Second Quarter Results - End of October, 2005
- (c) Third Quarter Results - End of January, 2006
- (d) Results for the year - By end of June, 2006 ending 31<sup>st</sup> March 2006

##### d) Date of Book Closure

16th September, 2005 to 28th September, 2005 (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	2004-2005	306
2	The U.P. Stock Exchange Association Ltd., Kanpur	2004-2005	JK

**Note :** The Equity and Preference Shares of the Company have been delisted from The Delhi Stock Exchange Association Ltd., New Delhi and the In-principle approval for delisting from the Calcutta Stock Exchange Association Ltd. Kolkata has been received during the year.

#### g) Stock Market Data

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

Month	High	Low	BSE Sensex High	BSE Sensex Low
April 2004	15.20	4.41	5925.58	5655.09
May 2004	16.55	9.51	5757.30	4505.16
June 2004	11.30	7.42	4963.75	4644.00
July 2004	13.27	8.36	5170.32	4843.77
August 2004	16.30	11.50	5252.78	5033.69
Sept. 2004	25.35	15.10	5616.87	5198.72
Oct. 2004	24.50	17.40	5776.85	5581.49
Nov. 2004	22.25	17.00	6234.29	5704.10
Dec. 2004	20.40	3.50	6602.69	6227.83
Jan. 2005	14.35	7.20	6679.20	6102.74
Feb. 2005	10.97	9.10	6713.86	6530.06
March 2005	9.70	6.50	6915.09	6367.86

#### h) Registrar/Transfer Agent

The Company has in-house share registry department at its Registered Office at Kamla Tower, Kanpur, which provides all services for Share registry both in physical and Demat segment except of electronic connectivity with the National Securities Depository Ltd. (NSDL) for which the Company is continuing its arrangement with M/s Alankit Assignments Ltd. having its office at 205-206, Anarkali Market Complex, Jhandewala Extension, New Delhi - 110 055 as Registrar for demat segment for NSDL. The Company is in the process of establishing electronic connectivity with NSDL and shortly it will transfer the electronic share registry work from Alankit Assignment to in-house as per the directives of the Securities and Exchange Board of India.

#### 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 31.3.2005**

No. of Equity Shares held	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Upto 5000	117934	89.26	11948796	16.09
5001 to 10000	7149	5.42	6093471	8.20
10001 to 20000	3412	2.58	5492386	7.39
20001 to 30000	1191	0.90	3135711	4.22
30001 to 40000	559	0.42	2053935	2.77
40001 to 50000	559	0.42	2699484	3.63
50001 to 100000	741	0.56	5582727	7.53
100001 and above	587	0.44	37262993	50.17
Total	132132	100.00	74269503	100.00

**k) Category of Shareholders as on 31<sup>st</sup> March 2005**

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Resident Individuals	127681	96.64	47929383	64.54
FI's and Insurance Companies	13	0.01	3653928	4.92
Nationalised Banks	57	0.04	67526	0.09
Non Nationalised Banks	54	0.04	23923	0.03
Mutual Funds	17	0.01	223974	0.30
FII's	18	0.01	314242	0.42
Non - Residents/OCBs	2693	2.04	729334	0.98
Bodies Corporate	1599	1.21	21327193	28.72
Total	132132	100.00	74269503	100.00

**(l) Dematerialisation of Shares / Liquidity :**

80.28 % Equity shares have been dematerialised upto 31<sup>st</sup> March, 2005.

**(m) Plant Location**

Company has following plants (All located in Rajasthan) :

Plant	Location
Acrylic Fibre Plant	Gopalgram, Prithipura, Distt. Jhalawar
Tyre Cord and Yarn	
Power, Steam and Other Utilities (For captive consumption)	

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of J. K. Synthetics Limited.**

We have examined the compliance of conditions of Corporate Governance by J. K. SYNTHETICS LIMITED for the year ended on 31<sup>st</sup> March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there is no investor Grievance pending for a period exceeding one month.

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 P. L. TANDON & CO.  
Chartered Accountants

Place : Kanpur  
Dated : 29<sup>th</sup> July, 2005

P. P. SINGH  
Partner  
Membership No. 72754