

Report Junction.com

ANNUAL REPORT

2007-2008



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

N. K. Jhajharia

R. K. Tandon

K. V. Murthy

President (F & A) & CFO

K. N. Khandelwal

Company Secretary

Anuj Agarwal

AUDITORS

- Messrs P. L. Tandon & Co.
Chartered Accountants
Westcott Building,
The Mall, Kanpur-208 001

REGISTERED OFFICE

- KAMLA TOWER,
Kanpur-208 001

BANKERS

- HDFC Bank Ltd.
- Oriental Bank of Commerce

WORKS

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

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Annual Report
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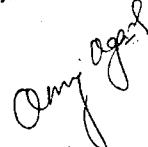
J. K. Synthetics LTD.**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of J.K. Synthetics Ltd. will be held at Sir Padampat Singhania Auditorium of Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Saturday, the 9th August, 2008 at 12.00 Noon to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, 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 Kailash Nath, 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 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



(ANUJ AGARWAL)
Secretary

Registered Office :
Kamla Tower, Kanpur.
Dated : May 27, 2008

NOTES :

- i) **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.**
- ii) The Register of Members and Share Transfer Books of the Company will remain closed from 2nd August, 2008 to 9th August, 2008 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) **Members who also hold debentures of the Company and who have not so far claimed the payment as per OTS scheme are requested to surrender the debenture certificate(s) duly discharged to the Company at its Registered Office for getting the payment and may contact Mr.R.C.Srivastava, DGM(Shares) at Ph.No. (0512) 2371478-81, E-mail-jkshr@jkcelements.com.**
- 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 DP ID and Client I.D. for identification.
- viii) Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of retiring Directors are given in the Report on Corporate Governance attached to the Directors' Report.



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors submit the Annual Report and audited Statements of Account for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

	2007-08 (Rs./Thousands)
Sales & Other Income	86696
Profit before Depreciation	25771
Depreciation	846
Profit for the year	24925
Extra Ordinary Items	1760
Profit before tax	26685
Provision for Fringe Benefit Tax	(294)
Profit after tax	26391
Balance from previous year	(1633963)
Balance carried to Balance Sheet	(1607572)

2. OVERALL PERFORMANCE

During the year under report, there has been no manufacturing operations and the Company's only left man made fibre plants at Jhalawar remained closed. Company had income only from interest, rent and profit on sale of some fixed assets and share transactions. After meeting the fixed over-heads, maintenance, security and insurance of the assets there has been a profit of Rs. 24925 Thousands during the year. After adjustment of Extra-ordinary items, profit before tax is Rs. 26685 Thousands.

3. DIVIDEND

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

4. REHABILITATION PACKAGE

The schemes approved by Hon'ble AAIFR vide their orders dated 23.01.2003 and 7.01.2005 for de-merger/ sale of cement plants and Kota plants have been fully implemented.

In respect of Jhalawar plants, Assets Sale Committee (ASC) has sought help of US based Consultants to scout a buyer/ joint venture partner but, due to various reasons inter-alia including depressed global market of both Acrylic and Tyre Cord, no concrete proposal could be worked out. The Company through Assets Sale Committee has disposed off certain surplus assets and the proceeds have been utilised for repayment of liabilities.

5. CORPORATE GOVERNANCE

A report on Corporate Governance is enclosed as 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 is in operation.

6. PARTICULARS OF EMPLOYEES

A Statement containing details of employees getting salary in excess of the limits as specified under the provisions of sub-section (2A) of Section 217 of the Companies Act, 1956 throughout or part of the financial year under review is appended. However, in terms of provisions of Section 219(1)(b)(iv) of the Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may send the request to the Company at its Registered Office.

7. PUBLIC DEPOSITS

The Company is not accepting any deposits from the public. The deposits received in earlier years from the public remained unclaimed as on 31.3.2008 amounted to Rs. 41 Thousands in the accounts of 9 depositors, against which no payment has since been made after close of the year. The Company is repaying the outstanding deposits as and when claimed.

The unclaimed amounts relating to Public deposits redeemed by the Company up to 31.03.2008 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.

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

As there has been no manufacturing operations during the year, there is nothing to be reported with regard to conservation of energy and technology absorption. However, the details of foreign exchange earnings and out go are given in the additional information in the Annual Report.

9. AUDITORS' REPORT

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

10. COST AUDIT

Since there have been no manufacturing operations in Company's only left man made fibre plant at Jhalawar since long, the Company is seeking waiver/ exemption from the Central Government for conducting Cost Audit in respect of the products relating to this plant.

11. ABRIDGED BALANCE SHEET

The Company shall be sending Abridged Balance Sheet to all its members as permitted by SEBI vide circular dated 26.04.2007. Full Balance Sheet shall be available on Company's Website. Members, who are desirous of getting full Balance Sheet may send their request to the Company at the address of its Registered Office.

12. DIRECTORS

Two of your directors namely Shri Kailash Nath and Shri K. V. Murthy will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

13. RESPONSIBILITY STATEMENT

The Directors confirm that :

- 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;
- they 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 of the Company for that year;
- 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.
- they have prepared the annual accounts on a going concern basis, subject to note No.2 of Notes to accounts.

14. 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.

15. ACKNOWLEDGEMENTS

The Board thanks the employees at all levels for their commitment and contribution.

FOR AND ON BEHALF OF THE BOARD

CHAIRMAN

Place : Kanpur

Dated : 27th May, 2008