



Annual Report 2009 - 2010

J. K. Synthetics LTD.

Board of Directors

Dr. Gaur Hari Singhania Chairman

Govind Hari Singhania Vice Chairman

Yadupati Managing Director & C.E.O.

Ramapati

Dr. K. B. Agarwal

Jagendra Swarup

Kailash Nath

N. K. Jhahharia

R. K. Tandon

K. V. Murthy (upto 30.04.2010)

President (F & A) & CFO

K. N. Khandelwal

General Manager (Comp. Law) & Secretary

Anil Kamthan

AUDITORS

Messrs P. L. Tandon & Co.

Chartered Accountants

Westcott Building,

The Mall, Kanpur-208 001

REGISTERED OFFICE

KAMLA TOWER,

Kanpur-208 001

BANKER

Oriental Bank of Commerce

CONTENTS

Notice	2
Directors' Report	3
Corporate Governance Report	4
Compliance Certificate	7
Auditors' Report	8
Balance Sheet	10
Profit & Loss Account	11
Cash Flow Statement	12
Schedules to Accounts (1 to 10)	13
Significant Accounting Policies	20
Annexure	21
Balance Sheet Abstract	24



NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of J.K. Synthetics Ltd. will be held at the Registered Office of the Company at Kamla Tower, Kanpur on Saturday, the 18th September, 2010 at 12.00 Noon to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, 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 Jagendra Swarup, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri N. K. Jhaharia, 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. The retiring Auditors, M/s. P.L. Tandon & Company, Chartered Accountants, Kanpur are, however, eligible for re-appointment.

AS SPECIAL BUSINESS :

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

5. "RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, the name of the Company be changed from 'J.K. Synthetics Limited' to 'Jay Kay Enterprises Limited' and accordingly the name 'J.K. Synthetics Limited', wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the name 'Jay Kay Enterprises Limited'."

"RESOLVED FURTHER THAT the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board thereof) be and is hereby authorized to do all such acts, deeds, matters or things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution."

By Order of the Board

(ANIL KAMTHAN)

Secretary

Dated : 21st May, 2010

Place : Kanpur

NOTES :

- i) The Company is seeking consent of the Shareholders through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to Special Resolutions relating to alteration of objects clause u/s. 17, commencement of new business u/s. 149 (2A) and inter Corporate investments/loans etc. u/s 372A of the Companies Act, 1956. The Notice along with Postal Ballot Form is being dispatched to all the Shareholders.
 - ii) The Results of Postal Ballot for the above resolutions mentioned at Sl. no. (i) shall be announced by the Chairman at the Annual General Meeting.
- 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) 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.

- iii) 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 21st May, 2010 is annexed hereto.
- iv) Copy of the relevant documents referred to in the Notice are available for inspection of the Members at the Registered Office of the Company between 3.00 p.m. and 5.00 p.m. on any working day except Saturday till the conclusion of the Annual General Meeting.
- v) The Register of Members and Share Transfer Books of the Company will remain closed from 15th September, 2010 to 18th September, 2010 both days inclusive.
- vi) 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.
- vii) Members are requested to bring their copies of the Annual Report, as Copies of the Report will not be distributed again at the Meeting.
- viii) **Members, who also hold debentures of the Company but have not so far claimed the payment as per OTS scheme of 2004, are requested to surrender the debenture certificate(s) duly discharged to the Company at its Registered Office for getting the payment as all the unclaimed amounts relating to earlier years shall be deposited by the Company in November, 2011 in Investors Education and Protection Fund set up by the Central Government in terms of provisions of Section 205 C of the Companies Act, 1956.**
- ix) 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.

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 21st May, 2010.

ITEM NO. 5

The Board of Directors is exploring the possibilities of new activities in the Company and in order to reflect the nature of new business, it has proposed subject to approval of Shareholders and the Central Government, to change the name of the Company to "Jay Kay Enterprises Limited".

The Special Resolution as set out at item No. 5 is therefore, commended for your approval.

None of the directors of the Company is concerned or interested in the resolution.

By Order of the Board

(ANIL KAMTHAN)

Secretary

Dated : 21st May, 2010

Place : Kanpur

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors submit the Annual Report and audited Statements of Account for the year ended 31st March, 2010.

1. FINANCIAL RESULTS

	2009-10 (Rs. in Lacs)
Other Income	619.00
Profit before Depreciation	213.26
Depreciation	9.54
Profit for the year	203.72
Extra Ordinary Items	661.54
Profit before tax	865.26
Provision for Interest on Income Tax	32.24
Profit after tax	833.02
Balance from previous year	16742.51
Less : Adjustment against reduction of capital	(14833.48)
Balance carried to Balance Sheet	(1076.01)

2. OVERALL PERFORMANCE

During the year, the Company had income only from interest, rent and Registrar & Transfer Agents activities. After meeting fixed over-head expenses, the profit for the year was Rs.203.72 lacs. After certain write back of provisions/suppliers' accounts, write off of non-recoverable debts, the year resulted in a surplus before tax of Rs.865.26 lacs.

3. DIVIDEND

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

4. REHABILITATION PACKAGE

As reported last, pursuant to the order of Hon'ble AAIFR all the Company's plants including Jhalawar plant have been sold and thus the Company has implemented the rehabilitation package approved by Hon'ble AAIFR in toto except few assets. Sale proceeds received are utilized for discharging of liabilities. As the Company's net worth is still negative, it continues to be a sick industrial unit within the provisions of Sick Industrial Companies (Special Provisions) Act, 1985. Despite the fact that the Company has already implemented the scheme, Workers' Union(s) and Staff Association, Kota continue to file and challenge the orders at various judicial platforms on account of one or the other ground. Thus, several cases are pending at various levels of judiciary. Company is taking effective steps to protect it from adverse consequences. Besides, several old litigations and claims filed by various parties are also daunting the Company's efforts for revival.

5. REDUCTION OF EQUITY SHARE CAPITAL

During the year under report with a view to restructure its Balance Sheet and after seeking your approval, the Company filed a petition to Hon'ble Allahabad High Court seeking their confirmation for reduction of its paid-up Equity Share Capital & Reserves by adjusting the same against accumulated losses of the Company, which was approved by the Hon'ble Allahabad High Court by an Order dated 18th December, 2009. Accordingly the paid-up Equity Share Capital of the Company has been reduced from Rs.74,26,95,030 divided into 74269503 Equity Shares of Rs.10/- each to Rs.3,71,34,752 divided into 37134752 Equity Shares of Re.1/- each. New Share Certificates have been in process of dispatch to all the shareholders, who hold the shares in physical form.

As required, the Company has filed application for listing of new shares with Bombay and U.P. Stock Exchanges, which is still in process and on getting approval the Demat Accounts of shareholders, who are holding shares in Demat form shall get credit with new equity shares.

6. CHANGE OF NAME OF THE COMPANY

As all the existing manufacturing activities of the Company have been dispensed with and the Board of Directors is exploring possibilities of new avenues, it has decided to change the name of the Company to 'Jay Kay Enterprises Limited', which may synchronise its new activities. Necessary resolution in this regard is contained in the notice of ensuing Annual General Meeting of the Company. You are requested to consider and approve the same.

7. ALTERATION IN OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION

The Company proposes to alter its Objects Clause contained in the Memorandum of Association so as to incorporate certain new business activities. Necessary resolutions in this regard are being circulated to the shareholders through Notice of Postal Ballot as required by law. You are requested to exercise your option through postal ballot and give your consent to the proposal.

8. NOTICE OF POSTAL BALLOT

Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, a notice is being sent to all the

shareholders seeking their assent/ dissent through Postal Ballot on the proposed Special Resolutions under Sections 17, 149(2A) and 372A of the Companies Act, 1956. You are requested to consider and approve the same.

9. CORPORATE GOVERNANCE

A report on Corporate Governance is annexed as part of the Directors' 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 were in operation.

10. COMPLIANCE CERTIFICATE

A Compliance Certificate as per the provisions of Companies (Compliance Certificate) Rules, 2001 has been obtained and the same is annexed herewith as part of the Directors' Report.

11. PARTICULARS OF EMPLOYEES

Statement of Employee 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.

12. PUBLIC DEPOSITS

The Company is not accepting any deposits from the public. The unclaimed amounts relating to Public deposits redeemed by the Company relating to earlier years had 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 last year and there is no unclaimed amount remaining outstanding with the Company as on date.

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

As there has been no manufacturing operation 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.

14. ABRIDGED BALANCE SHEET

The Company shall be sending Abridged Balance Sheet to all its members as permitted by SEBI guidelines 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 its Registered Office.

15. DIRECTORS

- Two of your directors namely Shri Jagendra Swarup and Shri N.K. Jhajharia will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.
- After close of the year, Shri K.V. Murthy has ceased to be a director consequent upon his resignation with effect from 1st May, 2010. Your directors wish to place on record their warm appreciation for the valuable services and advice rendered by Shri K.V. Murthy during tenure of his office.

16. RESPONSIBILITY STATEMENT

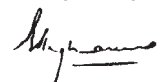
The Directors confirm that :

- 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.

17. 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.

FOR AND ON BEHALF OF THE BOARD



(GAUR HARI SINGHANIA)
CHAIRMAN

Place : Kanpur

Dated : 21st May, 2010



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

Corporate Governance, at J.K. Synthetics Limited, is taken in its real spirit and hence implemented in widest ambit possible. The Company's philosophy and endeavour has always been on the cultivation and follow-up of best corporate procedures and practices which result into enhancement of the long term economic value of not only the Company but also its stakeholders and the society at large.

Corporate Governance is not merely compliance and not simply creating checks and balances, it is an ongoing measure of superior delivery of Company's objects with a view to translate opportunities into reality.

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

2. Board of Directors

(a) Composition/Category

The present strength of the Board of Directors is 9 (Nine). The composition is given below :

- Chairman, Promoter, Non-Executive, Non-Independent Director.
- One Promoter, Executive, Non-Independent Director.
- Two Promoter, Non-Executive, Non-Independent Directors.
- Five 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 during the year is given as under :

Sl. No.	Name of Director	Category	Inter-se relationships between Directors		No. of other Directorships @	No. of Board Committees (Other than J.K. Synthetics Ltd.) in which*	
			Director with whom related	Relation		Chairman	Member
1	Dr. Gaur Hari Singhania <i>Chairman</i>	Promoter, Non Executive, Non Independent	Yadupati Singhania	Son	5	—	—
			Govind Hari Singhania	Brother			
2	Shri Govind Hari Singhania <i>Vice Chairman</i>	Promoter, Non Executive, Non Independent	Dr. Gaur Hari Singhania	Brother	1	—	—
3	Shri Yadupati Singhania <i>Managing Director and CEO</i>	Promoter, Executive, Non Independent	Dr. Gaur Hari Singhania	Father	8	—	—
4	Shri Ramapati Singhania	Promoter, Non-Executive, Non Independent	Nil	N.A.	—	—	—
5	Dr. K.B. Agarwal	Non-Executive, Independent	Nil	N.A.	2	—	—
6	Shri Jagendra Swarup	Non-Executive, Independent	Nil	N.A.	—	—	—
7	Shri Kailash Nath	Non-Executive, Independent	Nil	N.A.	—	—	—
8	Shri N.K. Jhajharia	Non-Executive, Independent	Nil	N.A.	—	—	—
9	Shri R.K. Tandon	Non-Executive, Independent	Nil	N.A.	1	—	—
10	Shri K.V. Murthy**	Non-Executive, Independent	Nil	N.A.	—	—	—

@ Excludes directorships on private limited companies, foreign companies and companies under Section 25 of the Companies Act, 1956.

* Chairmanship/ Membership of the Audit Committee and the Shareholders' Grievance Committee alone has been considered.

** Ceased to be director consequent upon his resignation, after close of the financial year.

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

During the financial year ended 31st March, 2010, Four Board Meetings were held on the following dates :

- 26th May, 2009
- 28th July, 2009
- 26th October, 2009
- 29th January, 2010

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 19.09.09
1	Dr. Gaur Hari Singhania	2	YES
2	Shri Govind Hari Singhania	4	NO
3	Shri Yadupati Singhania	4	YES
4	Shri Ramapati Singhania	—	NO
5	Dr. K.B. Agarwal	4	NO
6	Shri Jagendra Swarup	4	YES
7	Shri Kailash Nath	—	NO
8	Shri N.K. Jhajharia	4	NO
9	Shri R.K. Tandon	3	YES
10	Shri K.V. Murthy	3	NO

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 Compliance Officer is the Secretary for such meetings. Sri K. N. Khandelwal, President (F & A) & CFO of the Company regularly attends the meetings. The Statutory Auditors of the Company attend the meetings as invitee.

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, 2010, 4 (Four) meetings were held on :

- 26th May, 2009
- 28th July, 2009
- 26th October, 2009
- 29th January, 2010

The Audit Committee approved and recommended the Annual Accounts for the year ended 31st March, 2009 in its meeting held on 26th May, 2009.

The attendance at the Audit Committee Meetings was as under :

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

4. Remuneration Committee

(a) Composition

The Remuneration 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

(b) Meetings / Attendance

During the financial year ended 31st March, 2010, only one meeting was held on 28th July, 2009. Dr. K. B. Agarwal and Shri Jagendra Swarup attended the said meeting.

(c) Remuneration Policy

Remuneration policy of the Company is directed towards rewarding performance, based on review of achievements. The non-executive directors are paid only sitting fees for meetings of the Board or any committee thereof attended by them.

The details of number of Equity Shares of the Company held by **Non-Executive Directors** as on 31st March, 2010 are as under :

Name of Director	No. of Equity Shares held	Name of Directors	No. of Equity Shares held
Dr. Gaur Hari Singhania	209866	Shri Jagendra Swarup	Nil
Shri Govind Hari Singhania	141978	Shri N. K. Jhajharia	Nil
Shri Ramapati Singhania	248318	Shri R. K. Tandon	17859
Dr. K. B. Agarwal	50	Shri K. V. Murthy	128
Shri Kailash Nath	Nil		

d) Details of Remuneration to the Directors for the year ended 31st March, 2010

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	–	–	–	–
2	Shri Govind Hari Singhania	–	95047	–	95047
3	Shri Yadupati Singhania	–	–	–	–
4	Shri Ramapati Singhania	–	–	–	–
5	Dr. K.B. Agarwal	–	–	34000	34000
6	Shri Jagendra Swarup	–	–	33000	33000
7	Shri Kailash Nath	–	–	–	–
8	Shri N.K. Jhajharia	–	–	12000	12000
9	Shri R.K. Tandon	–	–	9000	9000
10	Shri K.V. Murthy*	–	–	9000	9000

* Ceased to be director consequent upon his resignation, after close of the financial year

5. Shareholders' / Investors' Grievance Committee

(a) Composition

The Shareholder's/Investors' Grievance 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

Shri Anil Kamthan, General Manager (Company Law) & Secretary is the Compliance Officer of the Committee.

(b) Functions

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

(c) Meetings / Attendance

During the financial year ended 31st March, 2010, 4 (Four) meetings were held on :

- 26th May, 2009
- 28th July, 2009
- 26th October, 2009
- 29th January, 2010

The attendance at the above Meetings was as under :

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

The total number of the complaints received during the year ended 31st March, 2010 from the shareholders and debenture holders were 60, out of which all 60 complaints were satisfactorily replied/redressed within stipulated period and no complaints were outstanding as on 31st March, 2010.

The number of pending share transfers and pending requests for dematerialisation as on 31st March, 2010 were as follows :

Particulars	No. of Requests	No. of Shares
1. Transfers	Nil	Nil
2. Demat	1	200
3. Remat	NIL	NIL

Pending Demat request as referred to above has not been physically received by the Company and has been rejected/deleted from the beneficiary (NSDL) Server after close of the financial year.

6. General Body Meetings

Dates and time of last three Annual General Meetings held are given below :

Financial Year	Date	Time
2006 – 07	8th September, 2007	12.00 Noon
2007 – 08	9th August, 2008	12.00 Noon
2008 – 09	19th September, 2009	12.00 Noon

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

The Chairman of the Audit Committee, Dr. K.B. Agarwal was not present at AGM held on 19th

September, 2009 to answer the queries of the Shareholders, as he was out of India on that day. Four (4) Special Resolutions were passed at the last Annual General Meeting held on 19th September, 2009. No Special Resolution was passed in the earlier two Annual General Meetings. Further, no Special Resolution was put through postal ballot as required under the provisions of Section 192A of the Companies Act, 1956 last year. However, three Special Resolutions are proposed to be put through postal ballot this year.

7. Disclosures

- There were no significant transactions of material nature with the related parties viz. Promoters, Directors or the Management or their subsidiaries or relatives during the year that have potential conflict with the interest of the Company. Suitable disclosures as required by the Accounting Standard (AS-18) have been made in the Annual Report.
- There are no pecuniary relationship or transactions of non-executive directors vis-à-vis the Company that have potential conflict with the interest of the Company at large.
- 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.
- The Company has Complied with the non-mandatory requirements of Clause 49 of the Listing Agreement as far as possible.

(v) Disclosures regarding appointment or re-appointment of Directors :

According to the Articles of Association of the Company, two directors namely Shri Jagendra Swarup and Shri N. K. Jhajharia will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors are given below :

- Shri Jagendra Swarup** has been a director of the Company since 2001. He is a Senior Advocate. He has been in practice for over 34 years and has vast experience in the legal field and particularly on matters relating to Corporate Laws, Banking and Taxation. He is the legal advisor to leading Indian Companies and Banks. He is member of various Associations and is holding important positions in various fields viz. professional, political, commercial, educational and social. He has been a member of Legislative Council of U.P. for the last so many consecutive terms.
- Shri N.K. Jhajharia** is a Commerce Graduate with vast experience in the fields of Commerce and Industry. He is past President, Merchants' Chamber of U.P. and Ex-member, Executive Body of Federation of Indian Chamber of Commerce and Industry (FICCI). He is President, Advisor and Executive member of various Educational and Social Institutions/ Organisations. He is also past President of Rotary Club of Kanpur West. He had been President of Yarn Merchant Association for several years.

8. Code of Conduct

The Board of Directors has already adopted the Code of Ethics & Business Conduct for the Directors and Senior Management Personnel. This Code is a comprehensive code applicable to all Directors, Executives as well as Non-Executives and members of the Senior Management.

A copy of the Code has been put on the Company's website www.jksynthetics.com

The Code has been circulated to all the members of the Board and Senior Management Personnel and compliance of the same has been affirmed by them. A declaration signed by the Managing Director & CEO in this regard is given below :

"I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management personnel of the Company, affirmation that they have complied with the code of Ethics and Business Conduct framed for Directors and Senior Management Personnel in respect of the financial year 2009-10.

Yadupati Singhania

(Managing Director & CEO)"

9. 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.

All vital information relating to the Company and its performance, including quarterly results etc. are being simultaneously posted on Company's website www.jksynthetics.com and on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre (NIC).

10. General Shareholders Information

a) Address for Correspondence

Share Department,
J.K. Synthetics Ltd.,
Kamla Tower, Kanpur – 208001
Telephone No. : (0512) 2371478 – 81 Fax : (0512) 2399854
Email : jksr@jkcement.com

b) Annual General Meeting

Date / Time : Saturday, 18th September, 2010 at 12.00 Noon.
Venue : Regd. Office of the Company at Kamla Tower, Kanpur.

c) Financial Calendar (Tentative)

- First Quarter Results – On or before 14th August, 2010
- Second Quarter Results – On or before 14th November, 2010



- (c) Third Quarter Results – On or before 14th February, 2011
(d) Results for the year ending 31st March, 2011 – On or before 30th May, 2011

d) Date of Book Closure

15th September, 2010 to 18th September, 2010 (both days inclusive)

e) Dividend payment date : Not applicable (No dividend is proposed)

f) Postal Ballot

Three Special Resolutions are to be passed through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Notice along with Explanatory Statement in respect of these is being sent to all the Shareholders separately.

g) Listing on Stock Exchanges/Stock Code

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 Bombay Stock Exchange Ltd., Mumbai	2009-2010	500306
2	The U.P. Stock Exchange Association Ltd., Kanpur	2009-2010	JK

As required, the Company has filed applications for listing of new shares issued to respective shareholders upon reduction of Equity Share Capital with Bombay and U.P. Stock Exchanges, which are still pending for approval.

h) ISIN Number

The existing ISIN INE 903A101017 of Equity Share has been de-activated due to activity "Reduction of Share Capital". However, the application for allotment of new common ISIN of Equity Share is pending with NSDL.

i) Stock Market Data

The monthly high / low share prices during the year 2009-10 are as follows :

Month	High Rs.	Low Rs.	BSE Sensex High	BSE Sensex Low
April, 2009	2.40	1.75	11492.10	9546.29
May, 2009	4.41	1.51	14930.54	11621.30
June, 2009	4.25	2.70	15600.30	14016.95
July, 2009	3.55	2.07	15732.81	13219.99
August, 2009	3.15	2.71	16002.46	14684.45
September, 2009	3.00	2.41	17142.52	15356.72
October, 2009	2.70	2.01	17493.17	15805.20
November, 2009	2.55	2.02	17290.48	15330.56
December, 2009	3.56	2.35	17530.94	16577.78
January, 2010	3.19	2.57	17790.33	15982.08
February, 2010	3.09	2.46	16669.25	15651.99
March, 2010	2.87	2.50	17793.01	16438.45

j) Registrar/Share Transfer Agent

The Company has full fledged in-house share registry department (as per common agency concept of SEBI) at its Registered Office at Kamla Tower, Kanpur, which provides all services for Share registry both in physical and Demat segments.

k) Share Transfer System

Share Transfer work and other activities of physical segment are attended to by the Company (in-house) within the prescribed period under law and as per the Listing requirements. The various activities of physical segment including share (s) transfer are approved by a Committee of Directors, which meets periodically.

l) Distribution of Shareholding as on 31.3.2010

No. of Equity Shares held	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Upto 500	108286	93.99	8201311	22.09
501 to 1000	3325	2.89	2731152	7.35
1001 to 2000	1648	1.43	2451645	6.60
2001 to 3000	879	0.76	2218420	5.97
3001 to 4000	231	0.20	827759	2.23
4001 to 5000	299	0.26	1448080	3.90
5001 to 10000	310	0.27	2245689	6.05
10001 and above	230	0.20	17010696	45.81
Total	115208	100.00	37134752	100.00

m) Category of Shareholders as on 31st March 2010

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Promoters and Promoter Group	26	0.02	2963411	7.98
Mutual Funds/ UTI	16	0.01	104738	0.28
Financial Institutions/ Banks	105	0.09	31990	0.09
Insurance Companies	9	0.01	1521063	4.10
Foreign Institutional Investors	17	0.02	101869	0.27
Bodies Corporate	1027	0.89	8110122	21.84
Individuals	113940	98.90	23102550	62.21
Others	68	0.06	1199009	3.23
Total	115208	100.00	37134752	100.00

(n) Dematerialisation of Shares / Liquidity

Due to reduction of Share Capital as per Order dated 18.12.2009 of the Hon'ble High Court of Judicature at Allahabad, 3,29,03,141 new Equity Shares of Re.1/- each representing 88.61% of the paid up Equity Capital of the Company have been issued/ allotted on 23.03.2009 to the respective shareholders in lieu of existing Equity Shares of Rs.10/- each held by them as on Record date (08.03.2009) fixed for the purpose in demat segment and there is no change in above figures till 31.03.2010. The above shares will be up-loaded in the respective accounts of beneficiaries after receipt of listing approval from the designated Stock Exchange i.e. BSE.

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 31st March, 2010, 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 are no investor Grievances 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

RAJENDRA GUPTA
Partner

Place : Kanpur
Dated : 21.05.2010

Membership No. 73250

**COMPLIANCE CERTIFICATE
(F.Y. 2009-2010)**

To,
The Members,
J. K. Synthetics Ltd.
(CIN: L99999UP1961PLC001187)

I have examined the registers, records, books and papers of M/s. J K Synthetics Ltd. (the Company) as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2010 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

- The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, prescribed under the Act and the rules there under.
- The Company being a public limited Company, comments on maximum number of members are not required.
- The Board of Directors duly met 4 times respectively on 26.05.2009, 28.07.2009, 26.10.2009 and 29.01.2010, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.
- The Company closed its Register of Members from 15th September 2009 to 19th September 2009 and necessary compliance under Section 154 of the Act has been made.
- The Annual General Meeting for the financial year ended on 31st March 2009 was held on 19.09.2009 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in Minute Book maintained for the purpose.
- No Extra Ordinary Meeting was held during the financial year.
- The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
- The Company has not entered into transactions falling within the provision of Section 297 of the Act.
- The Company has made necessary entries in the register maintained under Section 301 of the Act.
- As there were no instances falling within the purview of Section 314 of the Act the Company has not obtained approval from the directors, members or the Central Government as the case may be.
- Duly constituted Committee of Directors has approved the issue of duplicate shares during the financial year.
- The Company has :
 - delivered all the certificates on lodgment thereof for transfer/transmission in accordance with provisions of the Act;
 - Not Applicable;
 - Not applicable;
 - the amount in the unpaid dividend account has been kept in abeyance pursuant to attachment orders of the prescribed authority in respect of some shareholders. In view of this, the dividend on such shares which have remained unclaimed or unpaid for a period of seven years has not been transferred to investors protection fund.
 - The Company has duly complied with the requirement of Section 217 of the Act.
- The Board of Directors of the Company is duly constituted.
- The appointment of the Managing Director has been made in compliance with the provisions of Section 269 of the Act read with Schedule XIII to the Act.
- The Company has not appointed any sole selling agents during the financial year.
- The Company was not required to obtain any approvals of the Central Government, Company Law Board, Registrar except approval of the Hon'ble High Court of Allahabad for reduction of equity share capital under the provisions of Section 100 of the Act and which approval was obtained during the financial year and filed and registered with the Registrar of Companies by filing Form No. 21.
- The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- The Company has issued 3,71,34,752 equity shares of Re. 1/- each in lieu of existing equity shares of Rs. 10/- each pursuant to the Orders of the Hon'ble High Court of Allahabad for reduction of equity capital, during the financial year.
- The Company has not bought back any shares during the financial year.
- There was no redemption of preference shares or debentures during the financial year.
- The Company has kept in abeyance rights to dividend, for last several years in respect of some of the shares, pursuant to the attachment Orders passed by the prescribed authorities.
- The Company has not invited/accepted deposits including unsecured loans falling within the purview of Section 58 A of the Act during the financial year as informed to me by the Company.
- The amounts borrowed by the Company during the financial year ended 31st March, 2010 is within the borrowing limits of the Company and that necessary resolutions as per Section 293(1) (d) of the Act have been passed in duly convened Annual General Meeting of the Company.

- The Company has made loans and investments under Section 372 A in compliance with the provisions of the Act and has made necessary entries in register kept for the purpose.
- The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year.
- The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year.
- The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year.
- The provisions of the Memorandum of Association with respect to share capital of the Company has been altered pursuant to the Order of the Hon'ble High Court of Allahabad passed for reduction of equity share capital during the financial year and Form No.21 filed with the Registrar of Companies.
- The provisions of the Articles of Association with respect to share capital of the Company has been altered pursuant to the Order of the Hon'ble High Court of Allahabad passed for reduction of equity share capital during the financial year.
- There was no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for any offences under the Act.
- The Company has not received any money as security from its employees during the financial year.
- As per information provided to me by the Company, the Company has not constituted any provident fund pursuant to Section 418 of the Act.

For **Banthia & Company**
Company Secretaries

Place : Kanpur
Date : 21.05.2010

G. K. Banthia, Proprietor
C.P. No. : 1405

Annexure - A

Registers as maintained by the Company

1. Register of Members U/s 150.	2. Board Meeting Minutes Book U/s 193.
3. General Meetings Minutes Book. U/s 193.	4. Directors' Attendance Register as per Table A.
5. Directors' Particulars Register U/s 303.	6. Register of Particulars of Contracts U/s 301.
7. Directors Shareholding Register U/s 307.	8. Register of Loans and Investments U/s 372 A.
9. Register of Transfer of Shares.	10. Demat Securities Register (Register of Securities Dematerialized).
11. Register of Charges U/s 143.	12. Register of Duplicate Certificates under Issue of Share Certificate Rules, 1960.

Annexure-B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government and other authorities during the financial year ending 31st March 2010.

S.No	Form No./ Return	Filed under Section	For	Date of Filing	Whether filed within prescribed Time (Yes/No)	If delay in filling whether requisite/ additional fee paid Yes/No
1.	23 AC	220	Balance Sheet	17.10.2009	Yes	N.A.
2.	23ACA	220	P & L A/c	17.10.2009	Yes	N.A.
3.	25 C	269/ Schedule XIII	Appointment of MD	10.11.2009	Yes	N.A.
4.	20B	159	Annual Return	14.11.2009	Yes	N.A.
5.	23	192	Reduction of capital/ appointments of MD, Chairman & Vice Chairman.	14.11.2009	No.	Yes
6.	21	102	Reduction of Capital	30.12.2009	Yes	N.A.

For **Banthia & Company**
Company Secretaries

Place : Kanpur
Date : 21.05.2010

G. K. Banthia, Proprietor
C.P. No. : 1405