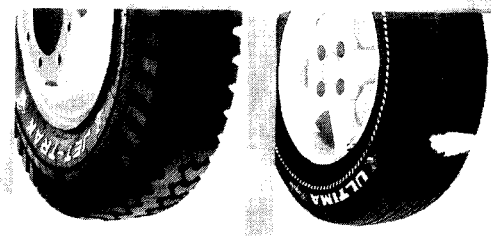


J.K. Industries Ltd.



FORGING AHEAD



ANNUAL REPORT 2003-2004

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Dear Fellow Shareholders,

This has been a challenging yet satisfying year for the Company. JK Tyre has responded splendidly to the challenges and has achieved all time high turnover of Rs. 2,258 crores for the year. It is heartening that JK Tyre has been recognized as 'Superbrand', the only tyre brand in India to achieve this coveted recognition.

Indian economy has recorded strong growth in the past 2 years with manufacturing sector making a remarkable turnaround. With the continued focus on infrastructure and strengthening of the social sector, large investments are being directed in these important segments. As a result, the economy and industrial sector in particular are poised to record higher growth in the years ahead on a sustained basis. Automobile sector, an important & significant component of the economic activity is witnessing robust demand which augurs well for the Tyre Industry. JK Tyre is well positioned to take advantage of demand growth and has taken several strategic initiatives including substantial increase in Radial capacities to maintain its market leadership.

I look forward to your continued support in our growth endeavours.

A handwritten signature in black ink, appearing to read 'Hari Shankar Singhania'.

Hari Shankar Singhania
Chairman



J.K. Industries Ltd.

Link House, 3 Bahadur Shah Zafar Marg, New Delhi 110 002

NOTICE

NOTICE is hereby given that the Fiftysecond Annual General Meeting of the Members of **J.K. Industries Ltd.** will be held at **Shripati Singhania Hall, Rotary Sadan, 94/2, Jawaharlal Nehru Road (Chowringhee Road) Kolkata -700 020** on Saturday the 26th February 2005 at 11.30 A.M. to transact the following business:

1. To receive, consider and adopt the Audited Accounts for the year ended 30th September 2004 and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri Hari Shankar Singhania who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Arvind Singh Mewar who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration from the conclusion of the 52nd Annual General Meeting until the conclusion of the next Annual General Meeting. M/s Lodha & Co. , Chartered Accountants, the retiring Auditors are eligible for reappointment.
6. To consider and if thought fit to pass, with or without modifications, the following as Ordinary Resolution :
 "RESOLVED that Shri I.M. Vittala Murthy, IAS whose appointment on the Board as Additional Director determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and if thought fit to pass, with or without modifications, the following as Special Resolution :
 "RESOLVED that pursuant to the provisions of Sections 269, 309 and 198 and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof the reappointment of Shri Vikrampati Singhania as Dy. Managing Director of the Company for a period of five years w.e.f 14th March 2004 be and is hereby approved on the terms of remuneration as set out in the explanatory statement annexed hereto which shall be deemed to form part hereof, and in the event of inadequacy or absence of profits in any financial year, the remuneration comprising salary, perquisites and benefits approved herein be paid as minimum remuneration to the said Dy. Managing Director subject to approvals, if any as may be required for a period or periods not exceeding three years.
 "RESOLVED FURTHER that the Board of Directors (including a Committee thereof) be and is hereby authorised to vary and/or revise the remuneration of the said Dy. Managing Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto".
8. To consider and if thought fit to pass, with or without modifications, the following as Special Resolution :
 "RESOLVED that pursuant to the provisions of Sections 269, 309 and 198 and other applicable provisions, if any, of the Companies Act 1956 or any statutory modification or re-enactment thereof the reappointment of Shri Swaroop Chand Sethi as Whole-time Director of the Company for a period of five years w.e.f 1st April 2004 be and is hereby approved on the terms of remuneration as set out in the explanatory statement annexed hereto which shall be deemed to form part hereof and in the event of inadequacy or absence of profits in any financial year the remuneration comprising salary, perquisites and benefits approved herein be paid as minimum remuneration to the Whole-time Director subject to the approvals, if any as may be required for a period or periods not exceeding three years.

RESOLVED FURTHER that the Chairman/Vice Chairman & Managing Director of the Company be and are hereby severally authorised to vary and/or revise the remuneration of the said Whole-time Director within the overall limits approved herein and to settle any question or difficulties in connection therewith or incidental thereto".

Regd.Office :
7, Council House Street
Kolkata 700 001
Date: 23rd December 2004

By Order of the Board

PK Rustagi
Vice President(Corp. Laws)
& Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members of the Company will remain closed from 21st February to 26th February 2005 (both days inclusive).
3. The Dividend @ 20% (Rs. 2 Per Equity Share) as recommended by the Directors, if declared at the Annual General Meeting, will be paid to the Members whose names are borne on the Company's Register of Members on 26th February 2005 or to their mandatees. In respect of shares held in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.
4. **APPOINTMENT OF DIRECTORS :**

Brief resumes of Shri Hari Shankar Singhania and Shri Arvind Singh Mewar, whose reappointment as Directors liable to retire by rotation is proposed at items 3 and 4 and the brief resume of Shri I.M. Vittala Murthy, whose appointment as Director is proposed for approval at item 6 above, are given hereunder :-

Name	Shri Hari Shankar Singhania	Shri Arvind Singh Mewar	Shri I.M. Vittala Murthy
Age	71 years	60 years	53 years
Qualification	B.Sc.	B.A (English Literature, Economics and Political Science), Hotel Management Course(U.K.)	IAS
Expertise in Specific Functional Area	Industrialist & General Management	Hotelier & General Management	Indian Administrative Service
Date of appointment on the Board of the Company (J.K. Industries Ltd)	25th March, 1974	7th April, 1975	23rd December, 2004
Name(s) of the other companies in which Directorships held (as per Sections 275 and 278 of the Companies Act 1956)	JK Corp Ltd. <i>Chairman</i> JK Paper Ltd. <i>Chairman</i>	—	Food Karnataka Ltd. <i>Chairman</i> Karnataka State Industrial Investment and Development Corporation Ltd. <i>Managing Director</i> Mysore Sales International Ltd. <i>Director</i> Karnataka Antibiotics & Pharmaceuticals Ltd. <i>Director</i> Murudeshwar Ceramics Ltd. <i>Director</i> Jindal Vijayanagar Steel Ltd. <i>Director</i>

None of the above Directors holds membership of Committee of Directors (as per clause 49 of the Listing Agreement) in any of the Companies.

Item No. 6

The Board of Directors at its meeting held on 23rd December 2004 has appointed Shri I.M. Vittala Murthy, IAS as Additional Director upon his nomination by Karnataka State Industrial Investment & Development Corporation Limited. Pursuant to Section 260 of the Companies Act, 1956 Shri I.M. Vittala Murthy holds office upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956, together with requisite deposit from a member of the Company proposing the name of Shri I.M. Vittala Murthy for appointment as a Director of the Company. Your Directors recommend this resolution for your approval. Brief resume of Shri Murthy is given in the notes appended to the Notice of this meeting.

None of the Directors, except Shri I.M. Vittala Murthy may be deemed to be concerned or interested in the proposed resolution.

Item No. 7

The present tenure of Shri Vikrampati Singhania as Dy. Managing Director of the Company determined on 13th March 2004. The Board of Directors has reappointed Shri Vikrampati Singhania as Dy. Managing Director for a further term of five years commencing 14th March 2004.

As required under para (C) of Section II of Part II of the amended Schedule XIII to the Companies Act, 1956, the relevant details to be sent alongwith the notice calling the general meeting are as under:

I. General Information :

1. Nature of Industry : Automotive Tyres and Tubes
2. Date or expected date of commencement of commercial production : The first Tyre Plant of the Company commenced commercial production in the month of January 1977.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
4. Financial performance based on given indicators : Particulars for the financial year ended 30th September 2004:

Particulars	Rs. In Crores
Net Sales and Other Income	2257.87
Operating Profit (before Interest, Depreciation and Tax)	156.01
Profit Before Tax	16.48

5. Export performance and net foreign exchange earnings : FOB value of exports during the year ended 30th September 2004 was Rs 371 Crores. JK Tyre is a preferred brand in many leading international market and is exported to 60 countries across 6 continents. In recognition of the Company being the largest tyre exporter, it has received the CAPEXIL's Top Export Award from the Government of India.
6. Foreign investments of collaborators, if any : Not Applicable

II. Information about the appointee :

1. Background, Recognition or awards details : Shri Vikrampati Singhania, M.Com., MBA(USA), aged 39 years is having over 13 years experience in managing various Industries which include Automotive Tyres, Pharmaceuticals, Sugar, Hybrid Seeds etc. He has been involved in the general management of the Company for the past 12 years. Shri Singhania is very active in chambers movement and is a member of Managing Committee of Indian Sugar Mills Association and Associated Chambers of Commerce & Industry of India (ASSOCHAM). He is also member of Young Presidents Organisation.

Shri Vikrampati Singhania is also Director on the Boards of JK Agri Genetics Limited, JK Sugar Limited, inter alia. Also Shri Singhania is a member of Shareholders/Investors Grievance Committee of J.K. Industries Limited, JK Agri Genetics Limited and JK Sugar Limited.

2. Past Remuneration : The present remuneration of Shri Vikrampati Singhania approved by the members of the Company at their Annual General Meeting held on 24th August 1998 is as under :

(A) Salary : Rs. 2.75 lacs per month with an annual increase of Rs. 10,000 per month (Salary w.e.f 14.3.2003 is Rs. 3,15,000 lacs per month)

- (B) Commission : 2% of the net profits computed under Sections 349 and 350 of the Companies Act 1956 (Not paid upto 30.9.2002)

Perquisites and other benefits

- (C) Free furnished residential accommodation with gas, electricity, water and other amenities, car with driver, reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, benefits and allowances as may be agree to with Dy. Managing Director including reimbursement of expenses on servants, telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance etc. subject to a ceiling of Rs. 10 lacs per annum. For the purpose of calculating the above ceiling, the perquisites shall be evaluated as per the Income-tax Rules, wherever applicable.
- (D) Contribution to Provident Fund and Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
- (E) Gratuity at the rate of 15 day's salary for each completed year of service.
- (F) Encashment of unavailed leave at the end of the tenure.

In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act 1956, Shri Vikrampati Singhania, Dy. Managing Director shall be entitled to minimum remuneration comprising salary, perquisites and benefits detailed above and the terms referred to in 'D', 'E' and 'F' shall not be included in the computation of limits of perquisites as mentioned in 'C' above.

3. Job Profile and his suitability : Shri Vikrampati Singhania, Dy. Managing Director of the Company is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long term development activities of the Company, besides Corporate Governance and Board co-ordination.
4. Remuneration proposed : The Remuneration Committee and the Board of Directors of the Company at their respective meeting held on 21st February 2004 approved the terms of remuneration for the five years tenure of Shri Vikrampati Singhania commencing 14th March 2004 as under:
 - (A) Salary : Rs. 3,50,000/- per month in the salary range of Rs.3,50,000/- to Rs. 5,50,000/- per month, with such increments as may be decided by the Board (including a Committee thereof) from time to time and with proportionate increases in all benefits related to the quantum of salary.
 - (B) Perquisites and other benefits : Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car with driver, reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges, for self and family and travel relating thereto; and other perquisites, benefits and allowances including reimbursement of expenses on servants, telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance, etc. not exceeding fifty per cent of annual salary. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.
 - (C) Commission : 2% of the net profits computed under Sections 349 and 350 of the Companies Act 1956.
 - (D) Contribution to Provident Fund and Superannuation Fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
 - (E) Gratuity at the rate of 15 days salary for each completed year of service.
 - (F) Encashment of unavailed leave at the end of the tenure.

The items referred to in (D), (E) and (F) shall not be included in the computation of limits of perquisites as mentioned in (B) above.

In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act 1956, in any financial year or years. Shri Vikrampati Singhania, Dy. Managing Director shall be entitled to minimum remuneration comprising, salary, perquisites and benefits as detailed above for a period not exceeding three years subject to necessary approvals.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule XIII dealing with the remuneration of managerial person. The 'Remuneration Committee' constituted by the Board in terms of the said Schedule perused remuneration of managerial persons in the automotive tyre industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri Vikrampati Singhania, before approving the remuneration as proposed hereinbefore.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri Vikrampati Singhania does not have any other pecuniary relationship with the Company.

Shri Vikrampati Singhania is son of Shri Bharat Hari Singhania, Managing Director.

III. Other Information:

- Reasons of loss or inadequate profits: At present Company is having adequate profits. However, the appointment is for a term of five years commencing 14th March 2004 and the future trend in profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
- Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms : With a view to improve overall profitability and financial health, the Company has taken major initiatives. Pursuant to a Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Courts at Calcutta and Karnataka after requisite approval of the shareholders, the restructuring of the businesses of the Company has been completed thereby three separate focussed business entities have been created. Automobile Tyres is now the sole business of the Company which will enable the Company to focus and grow in its core business.

The Department of Company Affairs has vide Notification No. GSR36(E) dated 16th January 2002 amended Schedule XIII to the Companies Act 1956. As per amended Schedule XIII the managerial person can be paid remuneration exceeding the ceiling specified in para (C) of Section II of Part – II provided the payment of remuneration is approved by a Resolution passed by the Remuneration Committee, the Company has not made any default in payment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person, a Special Resolution has been passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years and a Statement alongwith a Notice calling the General Meeting is given to the Shareholders containing the specified information.

The proposed remuneration of Shri Vikrampati Singhania has been approved by the Remuneration Committee constituted in terms of Schedule XIII to the Companies Act at its meeting held on 21st February 2004. The Company has not made any default in payment of any of its debts specified in the preceding paragraph. The specified information required to be given to the shareholders alongwith the Notice is given herewith in the preceding paragraphs. The Resolution is therefore commended to the shareholders by the Board of Directors to be passed as a Special Resolution.

Shri Vikrampati Singhania for himself and Shri Bharat Hari Singhania as relative will be deemed to be concerned or interested in the Resolution.

Item No. 8

The present tenure of Shri Swaroop Chand Sethi, Whole-time Director of the Company determined on 31st March 2004. The Board of Directors has reappointed Shri Swaroop Chand Sethi as Whole-time Director for a further term of five years commencing 1st April 2004.

As required under para (C) of Section II of Part II of the amended Schedule XIII to the Companies Act, 1956, the relevant details to be sent alongwith the notice calling the general meeting are as under:

I. General Information :

- Nature of Industry : Automotive Tyres and Tubes
- Date or expected date of commencement of commercial production : The first Tyre Plant of the Company commenced commercial production in the month of January 1977.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- Financial performance based on given indicators : Particulars for the financial year ended 30th September 2004:

Particulars	Rs. In Crores
Net Sales and Other Income	2257.87
Operating Profit (before Interest, Depreciation and Tax)	156.01
Profit Before Tax	16.48

5. Export performance and net foreign exchange earnings : FOB value of exports during the year ended 30th September 2004 was Rs 371 Crores. JK Tyre is a preferred brand in many leading international market and is exported to 60 countries across 6 continents. In recognition of the Company being the largest tyre exporter, it has received the CAPEXIL's Top Export Award from the Government of India.
6. Foreign investments of collaborators, if any : Not Applicable

II. Information about the appointee :

1. Background, Recognition or awards details : Shri S.C.Sethi aged 67 years is a Graduate in Law and holds a Masters Degree in Commerce, Business Administration and qualified Company Secretary. He has rich and varied experience of 47 years in various JK Group Companies and other Organisations. He was President and Chief Executive of J.K. Industries Limited from August 1985 to November 1994. Since November 1994 he is Whole-time Director of the Company.

Shri S.C. Sethi is also director on the Boards of JK Agri Genetics Limited, Hansdeep Investment Limited, Radial Finance Limited, Mayfair Finance Limited, Bhopal Udyog Limited, JKI Employees' Welfare Assn. Limited and Juggilal Kamlapat Udyog Limited. He is also a member of Managing Committee of Hari Shankar Singhania Elastomer & Tyre Research Institute. Shri Sethi is Chairman of the Shareholders/Investors Grievance Committee of JK Agri Genetics Limited and a member of the said Committee in J.K. Industries Ltd. Also Shri Sethi is a member of Audit Committee in J.K. Industries Limited, Mayfair Finance Limited, Juggilal Kamlapat Udyog Limited, Bhopal Udyog Limited. Shri Sethi is also Chairman of Remuneration Committee of JK Agri Genetics Limited.

2. Past Remuneration : The present remuneration of Shri S.C. Sethi approved by the members of the Company at their Annual General Meeting held on 30th July 1999 is as under : -

(A) Salary : Rs. 75,000 per month with suitable increases as determined by the Chairman/Managing Director in the range of Rs. 70,000 – Rs. 1,50,000 per month.

(B) Commission : 1% of the net profits computed under Sections 349 and 350 of the Companies Act 1956, subject to a ceiling of 50% of annual salary.

(C) Perquisites : Perquisites comprising provision of residential accommodation or house rent allowance together with furnishings, gas, electricity and water, reimbursement of medical expenses incurred and leave travel assistance for self and family, club fees, premium on personal accident insurance, car with driver, telephone at residence etc., and such other perquisites, benefits and allowances as may be agreed to between the Company through its Chairman/Managing Director and the Whole-time Director. The perquisites will be evaluated as per the Income-tax Rules wherever applicable.

(D) In the event of inadequacy or absence of profits under Sections 349 and 350 of the said Act, in any financial year, the said Whole-time Director shall be entitled to minimum remuneration comprising, (a) the then existing salary as minimum salary, and (b) perquisites, allowances and benefits detailed above not exceeding 125% of the maximum permissible salary mentioned in para (A) above and subject to the approval of the Central Government as may be required.

(E) The Whole-time Director shall also be eligible to the following perquisites which shall not be included in the Computation of the ceiling mentioned in para (D) above in terms of the provisions of Schedule XIII of the said Act :

(i) Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.

(ii) Gratuity at the rate of 15 days salary for each completed year of service.

(iii) Encashment of unavailed leave at the end of the tenure.

3. Job Profile and his suitability : Shri S.C. Sethi, Whole-time Director of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors, the Chairman and the Managing Directors of the Company.

The Company has grown manifold since commencement of automobile tyre/tubes business in 1975. Further, the Company has taken up Research & Development activities and exports in a big way besides expansion/debottlenecking at multi locational plants. Consequently the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

4. Remuneration proposed : The Remuneration Committee and the Board of Directors of the Company at their respective meeting held on 21st February 2004 approved the terms of remuneration for the 5 years tenure of Shri S.C. Sethi commencing 1st April 2004 as under : -

- (A) Salary : Rs. 1,50,000/- per month with suitable increases as determined by the Chairman/Vice Chairman & Managing Director in the range of Rs. 1,50,000/- to Rs. 2,50,000/- per month.
- (B) Perquisites and other benefits: Perquisites comprising provision of residential accommodation or house rent allowance together with furnishings, gas, electricity and water, reimbursement of medical expenses incurred and Leave travel assistance for self and family, club fees, premium on personal accident insurance, car with driver, telephone at residence etc., and such other perquisites, benefits and allowances as may be agreed to between the Company through its Chairman/Vice Chairman & Managing Director and the Whole-time Director not exceeding one hundred percent of the annual salary. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.
- (C) Commission : 1% of the net profits computed under Sections 349 and 350 of the Companies Act 1956, subject to a ceiling of 50% of annual salary.
- (D) In the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act 1956, in any financial year or years, the said Whole-time Director shall be entitled to minimum remuneration comprising salary, perquisites and benefits as detailed above for a period not exceeding three years in the aggregate subject to requisite approvals as may be required.
- (E) The Whole-time Director shall also be eligible to the following perquisites which shall not be included in the Computation of the ceiling mentioned in para (B) above in terms of the provisions of Schedule XIII of the said Act:
 - (i) Contribution to Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act 1961.
 - (ii) Gratuity at the rate of 15 days salary for each completed year of service.
 - (iii) Encashment of unavailed leave at the end of the tenure.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The executive remuneration in the industry is on the rise. Appreciating this, the Central Government has also from time to time raised the ceiling specified in Schedule XIII dealing with the remuneration of managerial person. The 'Remuneration Committee' constituted by the Board in terms of the said Schedule perused remuneration of managerial persons in the automotive tyre industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Shri S.C. Sethi, before approving the remuneration as proposed hereinbefore.
6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed Shri S.C. Sethi does not have any pecuniary relationship with the Company.

III. Other Information:

1. Reasons of loss or inadequate profits: At present Company is having adequate profits. However, the appointment is for a term of five years commencing 1st April 2004 and the future trend in profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
2. Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms : With a view to improve overall profitability and financial health, the Company has taken major initiatives. Pursuant to a Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Courts at Calcutta and Karnataka after requisite approval of the shareholders, the restructuring of the businesses of the Company has been completed thereby three separate focussed business entities have been created. Automobile Tyres is now the sole business of the Company which will enable the Company to focus and grow in its core business.

The Department of Company Affairs has vide Notification No. GSR36(E) dated 16th January 2002 amended Schedule XIII to the Companies Act 1956. As per amended Schedule XIII the managerial person can be paid remuneration exceeding the ceiling specified in para (C) of Section II of Part – II provided the payment of remuneration is approved by a Resolution passed by the Remuneration Committee, the Company has not made any default in payment of any of its debts (including public deposits) or debentures or interest payable thereon for a continuous period of 30 days in the preceding financial year before the date of appointment of such managerial person, a Special Resolution has been passed at the General Meeting of the Company for payment of remuneration for a period not exceeding three years and a Statement alongwith a Notice calling the General Meeting is given to the Shareholders containing the specified information.

The proposed remuneration of Shri S.C. Sethi has been approved by the Remuneration Committee constituted in terms of Schedule XIII to the Companies Act at its meeting held on 21st February 2004. The Company has not made any default

in payment of any of its debts specified in the preceding paragraph. The specified information required to be given to the shareholders alongwith the Notice is given herewith in the preceding paragraphs. The Resolution is therefore commended to the shareholders by the Board of Directors to be passed as a Special Resolution.

None of the Directors of the Company other than Shri Swaroop Chand Sethi is in any way concerned or interested in the aforesaid Resolution.

Regd.Office :
7, Council House Street
Kolkata 700 001
Date: 23rd December 2004

By Order of the Board

PK Rustagi
Vice President(Corp. Laws)
& Secretary

FOR ATTENTION OF THE SHAREHOLDERS

1. Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
2. Please check the Pincode in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pincode Number of your delivery post office while notifying change in your address to the Company where shares are held in physical form. Re. dematerialised holdings please see Note No. 3.
3. **Dividend Warrants, Share transfer etc. :**

(i) Members who have not so far forwarded the details of Bank Account No. etc are requested to advise the same quoting their Folio No.(s), name and address of the Bank, Account No. and name of Account holder(s) for printing on the Dividend Warrants, as deemed appropriate, to avoid fraudulent encashment of Dividend Warrants.

Members holding shares in dematerialised form should approach the Depository Participant with whom they are maintaining Account for change in address, bank mandate, nomination etc.

(ii) As per SEBI Circular the Company will pay Dividend to the shareholders through Electronic Clearing Service (ECS). The Members are requested to furnish their Bank particulars in the prescribed form to enable the Company to directly credit the dividend amount in their Bank Account. The Members may write to Secretarial Department or e-mail at - investorjki@jkmall.com

4. **Unclaimed Dividends - Transfer to Investor Education and Protection Fund :**

Pursuant to Section 205A read with Section 205C of the Companies Act 1956 the unclaimed dividend will be transferred to the Investor Education and Protection Fund on expiry of 7 years from the date the dividend became due for payment as under :-

Dividend	Due date for transfer to the said Fund
★ Financial year ended 31.03.1998	
● 15% Interim Dividend	18th June 2005
● 22.5% Final Dividend	2nd October 2005
★ Financial Year ended 31.03.1999	
● 10% Interim Dividend	27th January 2006
● 15% Final Dividend	7th September 2006

It may be noted that after the expiry of the said due date(s) for transfer of unclaimed dividend to the said Fund, no claim shall lie in respect of unclaimed dividend.

Members who have not encashed their Dividend Warrants for the said financial years and subsequent years are requested to send the same for revalidation to the Secretarial Department of the Company at New Delhi.

The unpaid dividend in respect of the prior period have already been transferred to the General Revenue Account of the Central Government or the Investor Education and Protection Fund, as the case may be, as per the provisions of the Companies Act, 1956 read with the relevant rules framed thereunder.

5. **NOMINATION:** Pursuant to Section 109A inserted in the Companies Act, 1956 individual Shareholders holding Shares in the Company singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Shareholders.