

**18<sup>th</sup> ANNUAL REPORT**

**2004-2005**



**JAIHIND SYNTHETICS LIMITED**

## **BOARD OF DIRECTORS**

MR. M. R. Sharda  
(Chairman & Managing Director)

Mr. R.D. Sharda

Mr. R. N. Sharda

Mr. D.R. Sharda

Mr. R.C. Muchal

Mr. Mahesh M. Choksi

Mr. Sandeep J. Merchant

## **BANKER**

Punjab National Bank  
State Bank of India

## **AUDITORS**

Jhawar Mantri & Associates  
Chartered Accountants

## **REGISTERD OFFICE**

Room No. 11, Purshottam Niwas,  
31, Dadiseth Agiary Lane,  
Mumbai – 400 002.

## **TRANSFER AGENTS**

System Support Services  
209, Shivai Industrial Estate,  
Sakinaka, Andheri (East),  
Mumbai – 400 072.

## NOTICE TO THE MEMBERS

**Dear Members,**

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of JAIHIND SYNTHETICS LIMITED will be held at its Registered Office at Room No. 11, Purshottam Niwas, 2<sup>nd</sup> Floor, 31, Dadi Seth Agiary Lane, Kalbadevi Road, Mumbai 400 002 on Friday the 30<sup>th</sup> September, 2005 at 04.30 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2005 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Madanlal R Sharda who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Roopnarayan R Sharda who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the company and to authorized the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Mahesh Maneklal Choksi, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, subject to retirement by rotation."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Sandeep Jamnadas Merchant, who was appointed as an Additional Director by the Board of Directors of the Company and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company, subject to retirement by rotation."

#### Registered Office :

Room No.11, Purshottam Niwas,  
2<sup>nd</sup> Floor , 31, Dadi Seth Agiary Lane,  
Kalbadevi Road,  
Place: Mumbai  
Date: 1<sup>st</sup> September 2005

BY ORDER OF THE BOARD

**(M.R.SHARDA)**

**Managing Director**

- NOTES: i) A member entitled to attend and vote 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) Proxy Form and Attendance slip is enclosed. Proxy form duly completed and signed must reach the Registered office of the Company not less than forty-eight hours before the commencement of the meeting.
- iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 29<sup>th</sup> September 2005 to 30<sup>th</sup> September 2005 (both days inclusive).
- iv) Members desiring any information as regards the Annual Accounts are requested to furnish their queries to the Company at least 7 days before the date of the meeting to facilitate satisfactory replies.
- v) Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
- vi) As per the requirement of Clause 49 of the Listing Agreement with The Stock Exchange, Mumbai, particulars of retiring Directors, who are eligible to be reappointed, are given below:

**Shri Madanlal R Sharda**

Shri Madanlal R Sharda is a member of the Board of Directors of Jaihind Synthetics Limited for last 18 years i.e. since inception of the Company. He does not hold directorship in any other Company.

**Shri Roopnarayan R Sharda**

Shri Roopnarayan R Sharda is a member of the Board of Directors of Jaihind Synthetics Limited for last 18 years i.e. since inception of the Company. He does not hold directorship in any other Company.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No. 5

Shri Mahesh Maneklal Choksi was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 28<sup>th</sup> day of March, 2005 under section 260 of the Companies Act, 1956 and hold office upto the date of the 18<sup>th</sup> Annual General Meeting of the Company. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Mahesh Maneklal Choksi as Director of the Company with the amount of Rs.500/- as deposit.

Shri Mahesh Maneklal Choksi, aged 46 years is a SSC passed and having experience of about 20 years in various businesses. He does not hold directorship in any other company.

None of the Directors of the Company is interested or concerned in the above resolution.

The Board recommends the resolution for approval of the members.

### Item No. 6

Shri Sandeep Jamnadas Merchant was appointed as Additional Director of the Company by the Board of Directors at their meeting held on 28<sup>th</sup> day of March, 2005 under section 260 of the Companies Act, 1956 and hold office upto the date of the 18<sup>th</sup> Annual General Meeting of the Company. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Sandeep Jamnadas Merchant as Director of the Company with the amount of Rs.500/- as deposit.

Shri Sandeep Jamnadas Merchant, aged 39 years is a BSc graduate and having experience of about 18 years in the field of financial consultancy. He does not hold directorship in any other company.

None of the Directors of the Company is interested or concerned in the above resolution.

The Board recommends the resolution for approval of the members.

### Registered Office :

Room No.11, Purshottam Niwas, 2<sup>nd</sup> Floor, 31, Dadi Seth Agiary Lane, Kalbadevi Road, Mumbai 400 002

Place: Mumbai

Date: 1<sup>st</sup> September 2005

BY ORDER OF THE BOARD

(M. R. SHARDA)

Managing Director

**JAIHIND SYNTHETICS LIMITED**

Registered Office: Room No. 11, Purshottam Niwas, 2<sup>nd</sup> Floor, 31, Dadi Seth Agiary Lane,  
Kalbadevi Road, Mumbai 400 002

**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/Members of JAIHIND SYNTHETICS LIMITED hereby appoint \_\_\_\_\_  
of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as  
my/our proxy of vote for me/us on my/our behalf at the 18<sup>th</sup> Annual General Meeting of the  
Company to be held on Friday, the 30<sup>th</sup> Day of September 2005 at Room No. 11, Purshottam  
Niwas, 2<sup>nd</sup> Floor, 31, Dadi Seth Agiary Lane, Kalbadevi Road, Mumbai 400 002 at 04.30 p.m. and at  
any adjournments thereof.

Reg. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Signed this \_\_\_\_\_

Affix  
Revenue  
Stamp of  
Re. 1

**Notes:**

1. The proxy Form Must be Lodged at the registered office of The Company, Not less Than 48 hours before the time of commencement of the aforesaid Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A Proxy need not be a Member.

**JAIHIND SYNTHETICS LIMITED**

Registered Office: Room No. 11, Purshottam Niwas, 2<sup>nd</sup> Floor, 31, Dadi Seth Agiary Lane,  
Kalbadevi Road, Mumbai 400 002

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the  
Company held on Friday, the 30<sup>th</sup> Day of September 2005 at Room No. 11, Purshottam Niwas, 2<sup>nd</sup>  
Floor, 31, Dadi Seth Agiary Lane, Kalbadevi Road, Mumbai 400 002 at 04.30 p.m.

Full Name of the Member (in Block Letters) \_\_\_\_\_

Reg. Folio No. \_\_\_\_\_ No of Shares held \_\_\_\_\_

Full Name of Proxy (in Block Letters) \_\_\_\_\_

Member's/ Proxy's Signature \_\_\_\_\_

NOTE: Shareholders are requested to bring this slip to the Meeting duly filled up including Folio  
Number & Number of Shares held.

## DIRECTORS REPORT

The Members,  
Jaihind Synthetics Limited.

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2005.

### **FINANCIAL RESULTS:**

	<u>2004-05</u>	<u>2003-04</u>
	<u>(Rs in Lacs)</u>	<u>(Rs in Lacs)</u>
Sales & Other Income	6.18	10.60
Profit (Loss) before Depreciation & Taxation	-10.57	-1.62
Less: Depreciation	1.88	1.88
Profit (Loss) Before Taxation	-12.45	-3.50
Less: Provision for taxation	0	0
Net Profit (Loss) after Tax	-12.45	-3.50
Add: Excess Provision for Tax w/back	0	0
Balance b/f. from Previous year	-59.26	-55.76
Carried to Balance Sheet	-71.71	-59.26

### **OPERATIONAL REVIEW:**

Your Company has faced considerable problems in the year 2004-05. In view of stiff competition, the company's sales were adversely affected and profitability for the year dipped sharply. During the financial year ended 31<sup>st</sup> March 2005 your Company has achieved a turnover and other income of Rs. 6.18 lacs showing a decrease of 42% over that of the Previous Year. The Net Loss of the Company stood at Rs. 12.45 lacs against a loss of Rs. 3.50 lacs shown in last year.

### **DIVIDEND:**

Due to loss, your Directors do not recommend any dividend for the year under review.

### **DIRECTORS:**

Shri Madanlal R Sharda and Shri Roopnarayan Sharda, Directors of the Company, retire by rotation and being eligible, offer themselves for reappointment.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby confirm that:

- A. In preparation of Annual Accounts, the applicable accounting standards were followed.
- B. The accounting policies are reasonable and prudent and are consistently followed to give true and fair view of the state of affairs of the company.
- C. Proper and sufficient care is taken 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.
- D. The Annual Accounts have been prepared on a going-concern basis.

### **FIXED DEPOSITS**

Your Company has not accepted any deposits from public.

### **CORPORATE GOVERNANCE**

As required by clause 49 of the Listing Agreement with the Stock Exchange, the Management Discussion and Analysis Report, Corporate Governance Report regarding compliance of the conditions of Corporate Governance and the Auditor's certificate on its compliance is attached to this report and form part of this Annual Report.

**ANNEXURE TO DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****A. MANDATORY REQUIREMENTS****1. Company's Philosophy on Code of Governance**

The Company believes in and practices good Corporate Governance. The Company's philosophy is aimed at assisting the top management of the Company in the efficient conduct of the business and in meeting its obligation to all its stakeholders.

**2. Board of Directors**

The Board of Directors comprises of a Managing Director and other six Non-Executive Directors. Out of above, 6(six) are Non Executive Directors of which 3(three) are Independent Directors. During the year ended 31<sup>st</sup> March 2005 six board meetings were held as on 24.04.2004, 29.07.2004, 02.09.2004, 30.10.2004, 31.01.2005 and 28.03.2005.

Attendance of each Directors at the Board Meeting 2004-2005 and last Annual General Meeting and the number of Companies and Committees where he is Directors/Member (As on signing date):

Name of Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM held on 29 <sup>th</sup> Sept 04	No. of other Companies in which Director
M.R. Sharda	Chairman/ Managing Director	6	Yes	1
R.D. Sharda	NED	5	Yes	-
R.N. Sharda	NED	5	Yes	-
D.R. Sharda	NED	4	Yes	-
R.C. Muchal	Independent NED	Nil	No	-
Mahesh Choksi	Independent NED	Nil	No	-
Sandeep Merchant	Independent NED	Nil	No	-

NED – Non-Executive Director

**3. Audit Committee**

The Audit Committee comprises of Mr. R.C. Muchal, Mr. D.R. Sharda and Mr. R.N. Sharda. Mr. R. C. Muchal is an independent Director and Mr. D.R. Sharda and Mr. R.N. Sharda are non-independent Directors. The terms of reference are wide enough covering the matters specified for Audit Committee under the Listing Agreement. Four meetings of the Committee were held on 24.04.2004, 29.07.2004, 30.10.2004 and 31.01.2005. Mr. D.R. Sharda and Mr. R.N. Sharda, Directors were present in the above meetings save that Mr. R.C. Muchal did not attend any meeting during the period under review.

**4. Remuneration of Directors**

The Remuneration of Directors is determined by the Board of Directors. Details of remuneration to Directors for the year ended 31<sup>st</sup> March, 2005 is as under:

Name of Directors	Category of Directorship	Salary	Perquisites	Total (Rs.)
M.R. Sharda	Chairman/ Managing Director	67,200	Nil	67,200