

20th ANNUAL REPORT

2006-2007

JAIHIND SYNTHETICS LIMITED

BOARD OF DIRECTORS

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

Mr. Arun Kishanlal Somani

Mr. R.N. Sharda

Mr. Bhagirath Shyamsundar Biyani

Mr. R.C. Muchal

Mr. Mahesh M. Choksi

Mr. Sandeep J. Merchant

Mr. Meghji Patel

Mr. Hasmukh Patel

Mr. Mihir Karia

Mr. Paresh Sawani

BANKER

Punjab National Bank
State Bank of India

AUDITORS

Jhawar Mantri & Associates
Chartered Accountants

REGISTERD OFFICE

7, Rustom Sidhwa Marg,
Fort, Mumbai – 400 001.

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 20th Annual General Meeting of the Members of JAIHIND SYNTHETICS LIMITED will be held at its Registered Office at 7, Rushtom Sidhiwa Marg, Mackwee Mension, Fort, Mumbai-400 001 on Saturday the 29th September, 2007 at 02.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2007 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 Arun Kishanlal Somani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Bhagirath Shyam Sunder Biyani who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mahesh M Choksi who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Sandeep J Merchant who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors, M/s Rajesh Thakkar & Associates, in place of M/s Jhavar Mantri & Associates 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

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri. Meghji Patel, who was appointed as an additional Director on 5th March 2007 under section 260 of the Companies Act 1956 and who holds office till the date of the 20th Annual General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of the Director, in accordance with the applicable provisions of the Companies Act 1956, be and is hereby appointed as Director subject to retirement by rotation.
8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri. Hashmukh Patel, who was appointed as an additional Director on 5th March 2007 under section 260 of the Companies Act 1956 and who holds office till the date of the 20th Annual General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of the Director, in accordance with the applicable provisions of the Companies Act 1956, be and is hereby appointed as Director subject to retirement by rotation.
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Shri. Mihir Karia, who was appointed as an additional Director on 5th March 2007 under section 260 of the Companies Act 1956 and who holds office till the date of the 20th Annual General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of the Director, in accordance with the

applicable provisions of the Companies Act 1956, be and is hereby appointed as Director subject to retirement by rotation.

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

“RESOLVED THAT Shri. Pareesh Sawani, who was appointed as an additional Director on 5th March 2007 under section 260 of the Companies Act 1956 and who holds office till the date of the 20th Annual General Meeting and in respect of whom Company has received notice in writing proposing his candidature for the office of the Director, in accordance with the applicable provisions of the Companies Act 1956, be and is hereby appointed as Director subject to retirement by rotation.

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

“RESOLVED THAT in accordance with the applicable provisions of the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with the stock Exchange and the provisions of Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 or any amendment or modification thereof and subject to such approvals, permission or sanction which may be necessary and such condition and modification as may be prescribed or imposed by any authority while granting such approvals, permissions or sanction which may be agreed to by any authority while granting such approvals, permission, or sanction which may be agreed to by the board of Directors (“herein after referred to as “the Board”) or any person (s) authorized by the board to delist the Securities of the company from the Jaipur Stock Exchange Limited, Jaipur, Calcutta Stock Exchange Association Limited, Kolkata and the Stock Exchange, Ahmedabad.

RESOLVED further that the board of directors of the company be and is hereby authorized to seek voluntary delisting and to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any questions, difficulties, doubts that may arise in regard to delisting of the existing securities and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one of the directors of the company or the company secretary or any persons to do various acts, deeds and things required to be done in this behalf.

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Registered Office :

7, Rushtom Sidhwa Marg,

Mackwee Menson,

Fort,

Place: Mumbai

Date: 30th June 2007

BY ORDER OF THE BOARD

M R Sharda

(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 25th September 2006 to 29th September 2006 (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 Arun Kishanlal Somani

Shri Arun Kishanlal Somani is a member of the Board of Directors of Jaihind Synthetics Limited for last 2 years i.e. March 2005. He does not hold directorship in any other Company y.

Shri Bhagirath Shyam Sunder Biyani

Shri Bhagirath Shyam Sunder Biyani is a member of the Board of Directors of Jaihind Synthetics Limited for last 2 years i.e. March 2005. He does not hold directorship in any other Company.

Shri Mahesh M Choksi

Shri Mahesh M Choksi is a member of the Board of Directors of Jaihind Synthetics Limited for last 2 years i.e. March 2005. He does not hold directorship in any other Company.

Shri Sandeep J Merchant

Shri Sandeep J Merchant is a member of the Board of Directors of Jaihind Synthetics Limited for last 2 years i.e. March 2005. He does not hold directorship in any other Company.

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

Item No. 7

Shri Meghji Patel was appointed as Director of the Company by the Board of Directors at their meeting held on 5th day of March, 2007 under section 262 of the Companies Act, 1956 and hold office upto the date up to which the director in whose place he is appointed. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Meghji Patel as Director of the Company with the amount of Rs.500/- as deposit.

Shri Meghji Patel, aged 44 years is a Commercial Pilot and having experience of about 10 years in dryfruits and spices business. 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. 8

Shri Hashmukh Patel was appointed as Director of the Company by the Board of Directors at their meeting held on 5th day of March, 2007 under section 262 of the Companies Act, 1956 and hold office upto the date up to which the director in whose place he is appointed. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Hashmukh Patel as Director of the Company with the amount of Rs.500/- as deposit.

Shri Hashmukh Patel, aged 42 years is a Matric and having experience of about 8 years in Paper industry , Textile Marketing. 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. 9

Shri Mihir Karia was appointed as Director of the Company by the Board of Directors at their meeting held on 5th day of March, 2007 under section 262 of the Companies Act, 1956 and hold office upto the date up to which the director in whose place he is appointed. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Mihir Karia as Director of the Company with the amount of Rs.500/- as deposit.

Shri Mihir Karia, aged 24 years is a Bachelor in International Economics and Finance From U.S. and having experience of about 4 years in Paper industry , 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. 10

Shri Paresh Sawani was appointed as Director of the Company by the Board of Directors at their meeting held on 5th day of March, 2007 under section 262 of the Companies Act, 1956 and hold office upto the date up to which the director in whose place he is appointed. In this regard the Company has received notice required under section 257 of the Companies Act, 1956 proposing the appointment of Shri Paresh Sawani as Director of the Company with the amount of Rs.500/- as deposit.

Shri Paresh Sawani, aged 27 years is a Chemical Engineer and having experience of about 4 years in Chemical industry. 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. 11

The securities of the company are presently listed on the stock exchanges at Jaipur Stock Exchange Limited, Calcutta Stock Exchange Association, Kolkata, The Stock Exchange, Ahmedabad, Bombay Stock Exchange (BSE). The company securities are regularly traded on BSE, whereas the trading volumes in the securities on other are either nil or insignificant. BSE has extensive networking of trading terminals, which facilitate trading by members/investors across the country. The company securities are now compulsorily traded in the dematerialized form. Accordingly, the Board of Directors of your company at its meeting held on 05.03.2007, recommended for voluntary delisting of the company's securities from all other Exchanges except BSE to, inter-alia, save the annual recurring fee paid to the said stock exchanges which does not commensurate with the benefits to the company or its investors. The proposed voluntary delisting of securities from the above Stock Exchanges would not hamper the interest of the investors as the listing of our securities are continued to be listed on BSE which has nationwide trading terminals.

Delisting of the company's securities from the aforesaid Stock Exchanges would result in administrative conveniences and saving in cost on account of listing fee, etc.

In terms of the requirement of the securities & Exchange Board of India (Delisting of securities) Guidelines 2003 and other applicable provisions, if any, approval of the Members is sought by way of Special Resolution vide item 11 of the notice, for voluntary delisting of the Company's securities from all other Stock Exchanges.

Your directors recommends for passing of the above resolution.

None of the directors of the company is interested or concerned in the said resolution.

Registered Office :

7, Rushtom Sidhwa Marg, Mackwee Mension, Fort, Mumbai 400 001

Place: Mumbai

Date: 30th June 2007

BY ORDER OF THE BOARD

M R Sharda
(M. R. SHARDA)

Managing Director

DIRECTORS REPORT

The Members,
Jaihind Synthetics Limited.

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2007.

FINANCIAL RESULTS:

| | <u>2006-07</u> | <u>2005-06</u> |
|--|----------------|----------------|
| | (Rs in Lacs) | (Rs in Lacs) |
| Sales & Other Income | 2.40 | 2.97 |
| Profit (Loss) before Depreciation & Taxation | -3.33 | -16.15 |
| Less: Depreciation | 1.53 | 1.88 |
| Profit (Loss) Before Taxation | -4.86 | -17.98 |
| Less: Provision for taxation | .11 | .12 |
| Net Profit (Loss) after Tax | -4.97 | -18.10 |
| Add: Excess Provision for Tax w/back | 0 | 0 |
| Balance b/f. from Previous year | -89.81 | -71.71 |
| Carried to Balance Sheet | -94.78 | -89.81 |

OPERATIONAL REVIEW:

Your Company has faced considerable problems in the year 2006-07. In view of stiff competition, the company's performance was adversely affected and profitability for the year dipped sharply. During the financial year ended 31st March 2007 your Company has achieved other income of Rs. 2.40 lacs showing a decrease of 24% over that of the Previous Year. The Net Loss of the Company stood at Rs. 4.97 lacs against a loss of Rs. 18.10 lacs shown in last year.

DIVIDEND:

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

DIRECTORS:

Shri Arun Kishan Lal Somani and Shri Bhagirath ShyamSunder Biyani, Mahesh M Choksi, Sandeep J Merchant 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.

VOLUNTARY DELISTING OF SECURITIES OF COMPANY

The equity shares of your company are presently listed at Jaipur Stock Exchange Limited, Jaipur, Calcutta Stock Exchange Association, Kolkata, The Stock Exchange, Ahmedabad, Bombay Stock Exchange (BSE).

It is proposed that since the shares of the company are listed in BSE which have national wide terminals, the delisting on Jaipur Stock Exchange Limited, Calcutta Stock Exchange Association, Kolkata, The Stock

Exchange, Ahmedabad would not effect the trading of our shares and hence this can be discontinued subject to such approvals in this regard. The matter of delisting of equity shares from Jaipur Stock Exchange Limited, Jaipur, Calcutta Stock Exchange Association, Kolkata, The Stock Exchange, Ahmedabad is being pursued simultaneously.

DIRECTORS

Shri Arun Kishan Lal Somani, Director of the Company retires by rotation and being eligible offers himself for reappointment.

Shri Bhagirath ShyamSunder Biyani, Director of the Company retires by rotation and being eligible offers himself for reappointment.

Shri Mahesh M. Choksi, Director of the Company retires by rotation and being eligible offers himself for reappointment.

Shri Sandeep J. Merchant, Director of the Company retires by rotation and being eligible offers himself for reappointment.

Shri Meghji Patel was appointed as Additional Director by the Board on 5th March 2007, and on receipt of requisite approval will take charge as Director with effect from 29th September 2007.

Shri Hasnukh Patel was appointed as Additional Director by the Board on 5th March 2007, and on receipt of requisite approval will take charge as Director with effect from 29th September 2007.

Shri Mihir Karia was appointed as Additional Director by the Board on 5th March 2007, and on receipt of requisite approval will take charge as Director with effect from 29th September 2007.

Shri Paresh Sawant was appointed as Additional Director by the Board on 5th March 2007, and on receipt of requisite approval will take charge as Director with effect from 29th September 2007.

None of the Directors of the Company are disqualified for being appointed as Directors in terms of Section 274 (1)(g) of the Companies Act, 1956.

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.

AUDITORS:

M/s. Jhavar Mantri & Associates, Chartered Accountants, will retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting. Directors have proposed to appoint M/s. Rajesh Thakkar & Associates as Auditors of the Company. Subject to Approval of Members at the ensuing Annual General Meeting.

The Company has received letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

AUDITOR'S REPORT:

The notes to the Accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further explanation.

EMPLOYEES:

There was no employee drawing remuneration to the extent, which requires disclosure under Section 217 (2A) of the Companies Act, 1956.

CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

As required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, the relevant information is as under: -

- a) Conservation of energy
There are no energy consumption during the year due to non operations at factory site.
- b) Absorption of Technology and R & D
The Company has not incurred any separate expenditure on Research and Development during the year.
- c) Foreign Exchange Earning & Outgo :
There are no foreign exchange earning and outgo during the year under review.

ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation of the contribution made by the employees at all levels of the organization.

BY ORDER OF THE BOARD

MR Sharda

(M R SHARDA)
Managing Director

Place: Mumbai.
Date: 30th June 2007