

KAMADGIRI SYNTHETICS LTD.

The Mill of the 21st Century

15th Annual Report - 2002



BOARD OF DIRECTORS	Pradip Kumar Goenka Lalit Kumar Goenka Basanti Lal Jain Brijesh Ramakant Tibrewal	Chairman & Managing Director Whole-time Director Executive Director Director
AUDITORS	R.S. Agrawal & Associates Chartered Accountants, Mumbai	
BANKERS	Bombay Mercantile Co-operative Bank Ltd., Mumbai. Union Bank of India, Jankikund State Bank of India, Umbergaon, Bank of Baroda, Thakurdwar.	
REGISTERED OFFICE	10, Singhania Wadi, 187, Dadiseth Agiary Lane, Mumbai - 400 002.	
PLANT	31/3, Ganga Devi Road, Umbergaon - 396 171. Dist. - Valsad (Gujarat)	
REGISTRAR & SHARE TRANSFER AGENT	Sharex India Pvt. Ltd., 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001. Tel : 022-2702485 / 2641376 Fax : 022-2641349 E-mail : sharexindia@vsnl.com	

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CHAIRMAN'S NOTE

Dear Shareholders,

I have great pleasure in extending to you all a very warm welcome to the Fifteenth Annual General Meeting of your company and present before you the performance of your company.

BUSINESS AND INDUSTRIAL ENVIRONMENT:

The Industrial scenario has been dismal since last five years. The open market policy of the government has put the oldest textile industry on the threshold of unhealthy competition from South East Asian countries. The exports of textiles has been affected as the industry has lost its prime position of foreign exchange earner.

The only solution to cross border competition is continuous technological upgradation, cost control and quality control. Your management is paying continuous attention to rationalization and modernisation of its plant at Umbergaon.

This year's budget has offered no more incentives to the corporate sector, Government policies a rather incentive offered in earlier budgets has been rolled back. The reintroduction of TDS on dividend has been taken negatively by the capital market which resulted slump in market.

PERFORMANCE APPRAISAL:

Operation

The economic slow down has its effect on the sales and turnover of the company which was down to Rs. 3905.71 Lacs. The profit before tax was at Rs. 6.14 Lacs. The sales registered during the financial year decreased by 27.40% and the profit after tax reduced by 96.55%.

Exports

During the Financial Year 2001-2002 your company's export division registered sales of Rs. 32.71 Lacs only. Your company has initiated several export promotion measures to increase exports.

Brand Equity

Efforts have been made in right direction to popularise company's brand "True Value".

A website is being developed for displaying company's products on internet. The shareholders may visit website in future for details about company's products.

Financial Performance

Profitability from operation reduced by 96.55% to Rs. 2.53 Lacs in Financial Year 2001-2002.

The Debt: Equity Ratio stood at 2.88:1 in Financial Year 2001-2002 as against 2.84:1 in the previous Financial Year 2000-2001

Dividend

Your Board has maintained consistency by recommending dividend out of reserves @ 10% for the year ended 31st March, 2002, 10th year in row.

Shareholders Value

The earning per share decreased from Rs. 2.44 to Rs. 0.08 and Book Value per share fell from Rs.37.85 to Rs.29.94. The market price of the company's share was decreased to Rs.13 per share from Rs. 15 mainly due to low volume of trading and difficult market condition.

THE FUTURE:

The year in retrospect had been really very bad in the history of the company so far. The turnover and profit slumped drastically. I am still optimistic about the turnaround in sales and profitability and expect sustainable growth in the current financial year.

Your management is trying its level best to maintain equilibrium, cost reduction, economies of scale to achieve positive results in the years to come.

CONCLUSION:

On behalf of the Board I take this opportunity to convey their sincere appreciation to all the company's employees, shareholders, investors, Bank and Financial Institutions for their continued co-operation and support.

For KAMADGIRI SYNTHETICS LTD.

Place: Mumbai
Dated: 9th July, 2002

Pradip Kumar Goenka
Chairman & Managing Director



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NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of the KAMADGIRI SYNTHETICS LIMITED will be held on Monday, the 9th September, 2002 at 10.30 a.m. at Singhania Wadi, 187, Dadiseth Agiary Lane, Mumbai - 400 002 to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended on that date alongwith Directors' and Auditors' Reports thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri. B. L. Jain 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 the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT in pursuance of Section 257 of the Companies Act, 1956 Shri Brijesh Ramkant Tibrewal be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT in partial modification of the Resolution passed in the Extra Ordinary General Meeting held on 21st February, 2000 consent of the Company be and is hereby accorded to under Section 310 and other applicable provisions of the Companies Act, 1956 ("the Act") to an increase in the remuneration payable to Shri B. L. Jain, Executive Director with effect from 1st April, 2002 until the expiry of the tenure of his appointment i.e. 26th August, 2004, on such terms and conditions as set out in the revised draft agreement between the Company and Shri B. L. Jain, a copy whereof initialled by the Chairman for the purposes of identification is placed before this meeting, with liberty to the Board of Directors of the company ("the Board") to alter and vary such remuneration, subject to the overall ceiling specified in part II of Schedule XIII of the Companies Act, 1956 read with Section 198, 309 and other applicable provisions of the said Act or any amendments thereto or re-enactment thereof as may be agreed between the Board and Shri B. L. Jain."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds, matters and things necessary, desirable or expedient for giving effect to this resolution."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable statutory provisions, if any, to the re-appointment of Shri. Pradip Kumar Goenka as Managing Director of the Company and to his receiving remuneration, benefits and amenities for the period from 27th August, 2002 to 26th August, 2007, upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Shri. Pradip Kumar Goenka, a draft whereof is placed before the meeting and, for the purposes of identification, is subscribed by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Shri. Pradip Kumar Goenka, provided however that the remuneration payable to Shri. Pradip Kumar Goenka shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto."

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

"RESOLVED THAT the Company hereby accords its approval and consent under Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956, and all other applicable statutory provisions, if any, to the re-appointment of Shri. Lalit Kumar Goenka as Whole-time Director of the Company, for a period of five years with effective from 27th August, 2002 and to his receiving remuneration, benefits and amenities as Whole-time Director of the the Company upon the terms, conditions and stipulations contained in an agreement to be entered into between the Company and Shri. Lalit Kumar Goenka, a draft whereof is placed before the meeting and, for the purposes of identification, is subscribed by the Managing Director, which agreement is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Shri. Lalit Kumar Goenka, provided however that the remuneration payable to Shri. Lalit Kumar goenka shall not exceed the maximum limits for payment of managerial remuneration in accordance with the laws, policies, rules, regulations or guidelines in force from time to time".



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"RESOLVED FURTHER THAT the Board of Directors be and it is hereby authorised to take all necessary or desirable steps for the aforesaid purpose and matters incidental thereto.

By Order of the Board of Directors

Regd. Office :
10, Singhanian Wadi, 187, Dadiseth Agiary Lane,
Mumbai - 400002.

Pradip Kumar Goenka
Chairman & Managing Director.

Place : Mumbai.
Dated : 9th July, 2002

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. Proxy forms in order to be valid should be deposited at the Registered Office of the Company not less than 48 hours before the time for the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Item nos. 5 to 8 of the Notice is annexed hereto.
4. Dividend, if declared, will be paid to those members whose names appear in the Register of the Members of the Company as on 9th September, 2002
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday 6th day of September, 2002 to Monday, 9th day of September, 2002. (both days inclusive)
6. Unpaid/Unclaimed Dividend : Pursuant to Section 205 A of the Companies Act, 1956, the unclaimed dividend for the financial year 1995-96, 1996-97, 1997-98, 1998-99, 1999-00 and 2000-01 will be transferred to the Central Government - Investors Education & Protection Fund A/c 7 year after the date of declaration. Members who have not encashed their dividend warrants for the aforesaid period are requested to claim the same from the Company before it is transferred to Investors Education & Protection Fund.
7. Members are requested to :
 - i) Quote their Folio Number in all correspondence with the Company.
 - ii) Notify immediately to the Company any change in their Address and the mandate.

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

Item No. 5

Shri. Brijesh Ramakant Tibrewal was appointed as an additional Director of the Company on 9th July, 2002 in pursuance of section 260 of the Companies Act, 1956 and Article of 86 of the Article of Association to hold office upto the date of forthcoming Annual General Meeting of the Company.

In pursuance of Section 257 of the Companies Act, 1956 Shri Brijesh Ramakant Tibrewal is eligible to stand for Directorship of the Company. The Company has received a notice from a member together with requisite deposit proposing candidature of Shri. Brijesh Ramakant Tibrewal for the Directorship of the Company.

Shri. Brijesh Ramakant Tibrewal has wide and varied experience of the textile industry and his appointment as Director will help in achieving better production and productivity of its plant at Umbergaon.

Your Director recommend appointment of Shri. Brijesh Ramakant Tibrewal as a Director of the Company.

Except Shri. Brijesh Ramakant Tibrewal none of the Directors is interested or concerned in this resolution.

Item No. 6

At the Extra Ordinary General Meeting held on 21st February, 2000 the members' had accorded their approval and consent to the remuneration payable to Shri. B. L. Jain, Executive Director, with liberty to the Board of Directors ("the Board") to alter and vary such remuneration within the limits specified in Part II of Schedule XIII to the Companies Act, 1956 ("the Act") or any amendments thereto, as may be agreed to by the Board and Shri. B. L. Jain, Executive Director.

The Board at its meeting held on 9th July, 2002 resolved that subject to the overall ceiling specified in the Schedule XIII and Section 198 and 309 of the Act, and the approval of the shareholders in General Meeting, the remuneration payable to Shri. B. L. Jain, Executive Director be varied for the residual period of his service as set out below with effect from 1st April 2002.

1. Salary : Salary of Rs. 20,000.00 p.m.
2. Perquisites : The perquisites payable to the Executive Director are listed below, however such perquisites and allowances will be subject to a ceiling of maximum of 125% of the salary of the Executive Director.

Category A :

1. Housing :
 - (a) The expenditure incurred by the company on hiring unfurnished accommodation for the Executive Director will be subject to ceiling of 60% of the salary over and above 10% payable by the Executive Director which shall be deducted by the Company.



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(b) In case the Executive Director is provided accommodation owned by the Company, 10% of the salary of the Executive Director shall be deducted by the Company.

(c) In case no accommodation is provided by the Company, the Executive Director be entitled to house rent allowance to the ceiling laid down in (a) above.

Explanation I : The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income-tax Rules 1962 subject to the ceiling of 10% of the salary.

2. Medical Expenses Reimbursement : Reimbursement of Medical and surgical expenses actually incurred for the self and family, subject to a ceiling of one month salary per year or three months salary in a block of three year.
3. Leave travel concession : For self and family once in year in accordance with the rules of the company.
4. Club Fees : The Executive Director shall be entitled to draw fees for two clubs but excluding admission and life membership fee.

Explanation II : For the purpose of the Section II family means the spouse, depended children and depended parents.

Category B :

1. Provident fund and superannuation fund, Gratuity and leave encashment at the end of the tenure : Company's contribution to provident fund, super annuation fund or annuity fund, gratuity and encashment of leave at the end of tenure will not be included in computation of the ceiling of remuneration specified in paragraph I of section II of Schedule XIII.

Gratuity : Gratuity payable at a rate not exceeding half month salary for each completed year of service subject to a ceiling of Rs. 350000/-.

Category C :

1. Car and telephone : The Company shall provide a car on company's business and telephone at residence and these shall not be considered as perquisites, personal long distance calls if any on telephone and use of car for the personal purpose shall be billed by the company to the Executive Director.
2. Leave : Leave with full pay and allowance at the rate applicable to the senior executive of the company but normally not exceeding one month leave for every 11 months of service.
3. Reimbursement of entertainment expenses : The Executive Director shall be entitled to reimbursement of actual entertainment expenditure incurred by him in connection with the business of the Company.

Explanation III : for the purpose of calculating the above ceiling perquisite and allowances shall be evaluated as per Income-tax Act & rules, wherever applicable. In the absence of such rules perquisites and allowances shall be evaluated at actual cost.

The revised draft agreement to be entered into between the company and Shri B. L. Jain, Executive Director has been kept for inspection of the members' at the Registered Office of the Company at 10, Signhania Wadi, 187, Dadiseth Agiary Lane, Mumbai - 400 002 between 11.00 a.m. to 1.00 p.m. on all working days.

Yours Directors' recommend payment of increased remuneration to Shri B. L. Jain, Executive Director for the residual tenure of his office.

Shri. B. L. Jain is interested or concerned in this resolution.

None of other Directors is interested or concerned in this resolution.

Item No. 7 & 8

At the meeting of the Board of Directors held on 9th July, 2002, Shri. Pradip Kumar Goenka was re-appointed as the Managing Director of the company for the period of five years with effect from 27th August, 2002. At that meeting, the Board also re-appointed Shri. Lalit Kumar Goenka as Whole - time Director of the Company respectively, for five years with effect from 27th August, 2002 to 26th August, 2007. The material terms of the appointment and remuneration payable to Mr. Pradip Kumar Goenka, and Shri. Lalit Kumar Goenka as embodied in the Agreement to be entered into with them upon receipt of the approval of the Members are as follows :

1. Period :

Mr. Pradip Kumar Goenka Five years from 27th August, 2002
Mr. Lalit Kumar Goenka Five years from 27th August, 2002

2. **Nature of Duties** : Shri. Pradip Kumar Goenka, Managing Director & Shri. Lalit Kumar Goenka, Whole-time Director shall devote sufficient time and attention to the business and affairs of the Company and shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to them by the Board of Directors. They shall be accorded and shall possess and exercise all such powers as may be required of them and powers be granted to them for the proper performance, discharge and execution of their duties and responsibilities. They shall at all times be subject to the superintendence, control and direction of and shall be responsible and accountable directly to the Board of Directors.

3. **Remuneration** : The Managing Director & Whole - time Director shall be entitled to the following emoluments, benefits and perquisites during the period of their employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII of Companies Act, 1956 :

1) Salary

i) Salary of Shri. Pradip Kumar Goenka, Managing Director, in the scale of Rs. 9000.00 p.m.

ii) Salary of Shri. Lalit Kumar Goenka, Whole-time Director, Rs. 7250 p.m.

2) **Perquisites** : Perquisites shall be restricted to a ceiling of 125% of the annual salary. The perquisites payable to Managing Director, Whole-time Director are categorised as under :

Category A :

1. Housing :

(a) The expenditure incurred by the company on hiring unfurnished accommodation for the Managing Director & Whole-time Director will



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be subject to ceiling of 60% of the salary over and above 10% payable by the Managing Director & Whole-time Director which shall be deducted by the Company.

- (b) In case the Managing Director & Whole-time Director are provided accommodation owned by the Company, 10% of the salary of the Managing Director & Whole-time Director shall be deducted by the company.
- (c) In case no accommodation is provided by the Company, the Managing Director & Whole-time Director be entitled to house rent allowance to the ceiling laid down in (a) above.

Explanation I : The expenditure on incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income tax Rules 1962 subject to the ceiling of 10% the Salary.

2. Medical Expenses Reimbursement : Reimbursement of Medical and surgical expenses actually incurred for the self and family, subject to a ceiling of one month salary per year or three months salary in a block of three year.
3. Leave travel concession : For self and family once in year in accordance with the rules of the company.
4. Club Fees : The Managing Director & Whole-time Director shall be entitled to draw fees for two clubs but excluding admission and life membership fee.

Explanation II : For the purpose of the Section II family means the spouse, dependent children and dependent parents.

Category B :

1. Provident fund and superannuation fund Gratuity and leave encashment at the end of the tenure : Company's contribution to provident fund, super annuation fund or annuity fund, gratuity and encashment of leave at the end of tenure will not be included in computation of the ceiling of remuneration specified in paragraph I of section II of Schedule XIII.

Gratuity : Gratuity payable at a rate not exceeding half month salary for each completed year of service subject to a ceiling of Rs. 350000/-.

Category C :

1. Car and telephone : The Company shall provide a car on company's business and telephone at residence and these shall not be considered as perquisites, personal long distance calls if any on telephone and use of car for the personal purpose shall be billed by the company to the Managing Director & Whole-time Director.
2. Leave : Leave with full pay and allowance at the rate applicable to the senior executive of the company but normally not exceeding one month leave for every 11 months of service.
3. Reimbursement of entertainment expenses : The Managing Director & Whole-time Director shall be entitled to reimbursement of actual entertainment expenditure incurred by him in connection with the business of the Company.

Explanation III : for the purpose of calculating the above ceiling perquisite and allowances shall be evaluated as per Income-tax Act & rules, wherever applicable. In the absence of such rules perquisites and allowances shall be evaluated at actual cost.

4. Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of section II of part II of Schedule XIII to the Companies Act, 1956, as may be amended from time to time.
5. In the event of any increase in the limits of the emoluments, benefits and perquisites payable in accordance with the laws, policies, rules, regulations or guidelines in force from time to time, the company may, in its discretion, increase the remuneration payable to them, subject to obtaining such approvals as may be required.
6. Other Terms :

i) They shall not become interested or otherwise concerned directly or through their wives and/or minor children in any selling agency of the company without the prior approval of the Central Government.

ii) The appointments may be terminated by the Company or by them by giving not less than three months' prior notice in writing.

iii) The Agreements also set out the mutual rights and obligations of the Company and these Directors.

In compliance with the applicable provisions of the Companies Act, 1956, Ordinary Resolutions in terms as set out in items 7 & 8 of the accompanying notice are now being placed before the Members in the General Meeting for their approval.

The draft agreement to be entered into between the Company and Shri Pradip Kumar Goenka, Managing Director, Company and Shri Lalit Kumar Goenka, Whole-time Director has been kept for inspection of the members at the Registered Office of the Company at 10, Singhania Wadi, 187, Dadiseth Agiary Lane, Mumbai - 400 002 between 11.00 a.m. to 1.00 p.m. on all working days.

Except Shri Pradip Kumar Goenka and Shri Lalit Kumar Goenka, none of other Directors is interested or concerned in the said Ordinary Resolutions.

The explanatory statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956 of the agreements to be entered into between the company and Shri. Pradip Kumar Goenka and Shri Lalit Kumar Goenka.

By Order of the Board of Directors

Regd. Office :
10, Singhania Wadi, 187, Dadiseth Agiary Lane,
Mumbai - 400002.

Place : Mumbai.
Dated : 9th July, 2002

Pradip Kumar Goenka
Chairman & Managing Director



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DIRECTORS' REPORT

To,
The Members,

Yours Directors' have pleasure to present performance and future plans through Fifteen Annual Report of the Company with the Audited Statement of Accounts for the year ended 31st March, 2002.

1. FINANCIAL EVALUATION OF PERFORMANCE :

1. The statement of Accounts shows Turnover of Rs. 3905.71 Lacs (Rs. 5379.91 Lacs in previous year) and Pre-tax cash profit of Rs. 175.99 Lacs (Rs. 277.11 Lacs) and after providing non cash expenses of Rs. 169.85 Lacs (Rs. 195.22 Lacs) Taxation Rs. 3.95 Lacs (Rs. 7.00 Lacs), Net profit is Rs. 2.53 (Rs. 73.45 Lacs). The details of which are as follows :

	(Rs. in Lacs)	
Year Ended March, 31	2002	2001
Turn over	3905.71	5379.91
Profit Before Depreciation & Tax	172.61	273.73
Provision for Depreciation	166.47	191.84
Profit Before Taxation	6.14	81.89
Add : Prior Period Adjustment	0.34	(1.44)
Provision for Taxation	3.95	7.00
Profit After Tax	2.53	73.45
Cash Profit	175.99	277.11

2. Disposable Profit and Appropriation thereof recommended by your Directors.

Year Ended March, 31	2002	2001
Net Profit	2.53	73.45
Balance of Profit and Loss brought forward from previous year	157.04	155.47
Disposable Profit	159.57	228.92
Appropriation :		
Proposed Dividend	30.00	60.00
General Reserve	0.00	5.76
Dividend tax on Proposed Dividend	0.00	6.12
Balance carried to Balance Sheet	129.57	157.04

3. DIVIDEND :

Your Directors are pleased to recommend a dividend of 10% out of reserve on Subscribed Share Capital as on 31st March, 2002 to maintain consistency in payment of dividend. The rate of dividend has been reduced by 10% taking into consideration the prevailing depressed market conditions. The said dividend if declared will be paid to all those members whose names appear in the Register of Members as on the date of the forthcoming Annual general Meeting subject to deduction of tax at source on any payment beyond Rs. 1000/-.

4. OPERATION :

GREY FABRICS : The production of Grey Fabrics in the weaving division was 27.00 Lacs metres compared to 34.17 Lacs Metres registered in the previous year which constituted a decrease of 20.98%. The company has been regularly taking effective steps to cut down costs and attain economies of scale.

SPUN YARN : The sales of spun yarn registered in the Financial year 2001-02 was Rs. 21.91 crores as against Rs. 22.57 crores which



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fell by 2.92% over the previous year.

TRUE VALUE : The sales of the company's own brand "True Value" has been encouraging and company expect better performance in the coming years.

5. TURNOVER & PROFITABILITY :

The market condition is still recessionary and textiles is not much in demand in the local and international market except progress made by few manufacturers of branded textiles products.

Your company registered a turnover of Rs. 3905.71 Lacs as against Rs. 5379.91 Lacs. registered in the previous year representing a decrease of 27.40%

The net has gone down substantially to Rs. 2.53 Lacs as against Rs. 73.45 Lacs recorded in the previous year. The main reason for the set back in the profit is increase in the cost of production, stiff competition and constrained margin.

Your Directors' are trying to be in control of the situation and taking effective corrective steps to improve turnover and profitability of the company.

6. EXPORTS :

There has been nothing commendable achieved in the export front except few enquiries received by the company from overseas buyers. The export slashed down to Rs. 32.71 Lacs as compared to previous export turnover of Rs. 566.83 Lacs.

7. ACQUISITION OF FIXED ASSETS :

During the year under review Company added the fixed assets i.e. Plant & Machinery worth Rs. 141.48 Lacs (Rs. 212.22 Lacs). During the year under review company sold old Machinery worth Rs. 203.80 Lacs.

The addition of the fixed assets will in long run lead to better turnover and profitability.

8. LISTING:

The Equity Shares of the Company remain listed on Bombay Stock Exchange (BSE), however trading in the shares is not frequent, Your company has paid Annual Listing Fee for the year 2002-03 to BSE.

9. DEMATERIALIZATION :

The Equity Shares of the company has been demated by joining the depositories viz. National Security Depository Limited (NSDL) and Central Depository Services Limited (CDSL). The ISIN No. allotted to the company is INE535CO1013.

At present 64.66 % of the total shareholding has been demated with 64.66 % on NSDL and 0.00 % with CDSL. Your company is regularly sending option letters to all transferee(s) giving an opportunity to the investors to get the securities in the electronic mode from the physical mode.

10. CORPORATE GOVERNANCE :

The Corporate Governance Code is applicable to the company from the next financial year i.e. 2002-03. Your Directors' as an investors friendly measure closely monitoring investors grievances and taking effective steps to broadbase the Board of the company.

11. COST AUDIT :

Your company is following the order issued under Section 209(1) (d) of the Companies Act, 1956 as amended, in respect manufacture of textiles. The company has been maintaining cost accounting records as required in the above referred provisions of the Companies Act, 1956 as amended. Your company has forwarded relevant form for the appointment Ms. Ketki D Visariya as Cost Accountant, for the Financial Year 2002-03 to the Central Government for its approval.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING :

The particulars regarding conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgoing as required by Section 217 (1)(e) of Companies Act, 1956 are given in the addendum to the report.

13. PARTICULARS OF EMPLOYEES :

None of the employees of the company qualify for remuneration under section 217(2A) of the Companies Act, 1956 as amended and hence no particulars are given.

14. FIXED DEPOSITS :

The Company has not accepted any fixed deposits from public during the financial year 2001-02.

15. INSURANCE :

All the properties, assets of the Company are sufficiently insured against the risk of fire and other risks.

16. HUMAN RESOURCE DEVELOPMENT :

Your company gives great importance to the development of human resource. Your company has adopted plenty of measures to motivate



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