



## NOTICE

**NOTICE** is hereby given that the Annual General Meeting of the Members of J.K. Synthetics Ltd. will be held in the Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur on Wednesday, the 28<sup>th</sup> September, 2005 at 12.00 Noon to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2005, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R.K. Tandon, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri K.V. Murthy, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Kailash Nath, who retires by rotation and, being eligible, offers himself for reappointment.
5. 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 and in that connection to pass the following resolution as an Ordinary Resolution :-

"RESOLVED that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. P.L. Tandon & Company, Chartered Accountants, Kanpur, the retiring Auditors of the Company be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors or any Committee of the Board thereof, in addition to the reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit and service tax, if any."

By Order of the Board

(J.P. BAJPAI )  
Secretary

Registered Office :  
Kamla Tower, Kanpur.  
Dated : 29th July, 2005

## NOTES :

- i) The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> September, 2005 to 28<sup>th</sup> September, 2005, both days inclusive.
- ii) Members are requested to notify immediately change of address, if any, to their Depository Participants (DPs) in respect of their shareholding in Demat Accounts and to the Company at its Share Department, Kamla Tower, Kanpur -208001 in respect of their shareholding in physical segment by mentioning folio nos., if any.

- iii) Members are requested to bring their copies of the Annual Report, as copies of the Report will not be distributed again at the Meeting.
- iv) Members seeking any information with regard to the accounts of the Company are requested to write to the Company at its Registered Office, so as to reach at least 10 days before the date of the Meeting to enable the Management to keep the information ready.
- v) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- vi) Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Members, who hold shares in Dematerialised Form are requested to bring their Depository Account Number and Client I.D. Number for identification.
- vii) **Reappointment of Directors :**

At the ensuing Annual General Meeting Shri R.K. Tandon, Shri K.V. Murthy and Shri Kailash Nath shall retire by rotation and being eligible, offer themselves for reappointment.

Pursuant to clause 49 of the Listing Agreement relating to the Code of Corporate Governance, the particulars of the aforesaid Directors are given below :

- a) **Shri R.K. Tandon** is a Science Graduate and has vast experience in the fields of Capital market, Banking and Industry. He is past President of U.P. Stock Exchange Association Ltd. and Ex-Chairman of United Mercantile Co-operative Bank Ltd. He is founder Vice President of Federation of Indian Stock Exchanges, Delhi. He is member and Trustee of several Charitable, Socio-Educational & Sports Trusts.
- b) **Shri K.V. Murthy** is a Science Graduate and is presently Additional Director of a Management Institute of repute and a Corporate Trainer. He has a vast experience of about 35 years in the Corporate Sector and has retired as Vice President (Project & Development). He had been acting as Advisor in a reputed Organisation prior to his present assignment.
- c) **Shri Kailash Nath** is a Graduate Engineer (Elect.& Mech.) from B.H.U. and has vast experience of about 51 years in various Organisations / Companies. He was on the Board of U.P. State Cement Corporation Ltd. for 9 years. He is presently acting as Advisor / Consultant of various Companies. He visited various Countries in connection with attending the seminars on various subjects, discussing with Plant & Machinery Suppliers of Cement Manufacturing and Technical Know-how etc.

By Order of the Board

(J.P. BAJPAI )  
Secretary

Registered Office :  
Kamla Tower, Kanpur.  
Dated : 29th July, 2005

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors submit the Annual Report and audited Statements of Account for the year ended 31st March, 2005.

### 2. FINANCIAL RESULTS

	2004-05 (Rs./Lacs)
Sales	<b>57307.35</b>
Other Income	<b>344.02</b>
Profit before Interest and Depreciation	<b>4871.06</b>
Add : Interest	<b>218.11</b>
Profit before Depreciation	<b>5089.17</b>
Depreciation	<b>3404.69</b>
Impairment Loss	<b>1512.38</b>
Profit for the year before Extra Ordinary Items	<b>172.10</b>
Extra Ordinary Items	<b>41484.91</b>
Profit before tax	<b>41657.01</b>
Balance from previous year	<b>(58562.97)</b>
Transfer from Debenture Redemption Reserve	<b>1580.19</b>
Transfer to Capital Redemption Reserve	<b>(501.86)</b>
Balance carried to Balance Sheet	<b>(15827.63)</b>

### 3. OVERALL PERFORMANCE

During the year under review, the Company achieved profit before depreciation of Rs. 50.89 crores compared to 43.73 crores in previous year. This was contributed by Cement plants which were in operation under the Company till 3.11.2004. All the man made fibre plants (both at Kota and Jhalawar) remained closed, hence the working results account for the maintenance, security and insurance expenses of these plants. Further, implementation of the Revival Scheme approved by Hon'ble AAIFR dated 23.1.2003 and 7.1.2005 interalia including payment of dues of Secured Lenders, sale of Cement undertakings and Kota plants and waivers of interest etc. resulted in surplus of Rs. 414.85 crores which have reduced the accumulated losses to Rs.158.28 crores.

### 4. DIVIDEND

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

### 5. FINANCE

**5.1** The scheme for payment of dues of secured creditors and preference shareholders by way of One Time Settlement (OTS) sanctioned by Hon'ble AAIFR was implemented during the year. In terms of the scheme, the requisite funds equivalent to OTS amount (principal outstanding and 5% simple interest arrears up to cut off date) alongwith interest on OTS amount for the period from 1.10.2001 to 4.11.2004

were arranged in the two Escrow Accounts with IDBI and SBI where from the secured creditors and preference shareholders have been paid. In respect of debenture holders from public, the amount earmarked had been kept in a scheduled bank. The Company had fixed 16.12.2004 as record date for determination of debenture holders, who were entitled to receive the redemption proceeds. The Company has also intimated to each and every debentureholder to surrender the debenture certificate(s) duly discharged for getting the payment as per OTS scheme. The debentureholders who have surrendered debenture certificates have been paid off of their dues as per the scheme. In respect of NRI debenture holders, payments have been made subsequent to the close of the year on receipt of approval of Reserve Bank of India.

**5.2** The unclaimed amounts relating to Public Deposits redeemed by the Company up to 31.03.1998 have been deposited by the Company in "Investors Education and Protection Fund" set up by the Central Government pursuant to the provisions of Section 205 C of the Companies Act, 1956.

**5.3** Pursuant to the scheme approved by the Hon'ble AAIFR vide their order dated 23.1.2003 all the existing Equity Shareholders of the Company whose names appeared in the Register of Members on the record date i.e.16.12.2004 have been allotted one (1) Equity share of Rs.10/- each fully paid up of J.K. Cement Ltd. free of cost on 10<sup>th</sup> March, 2005 for every ten (10) Equity Shares held by them.

### 6. OPERATIONS

#### 6.1 CEMENT PLANTS

##### GREY CEMENT

During the period from 1.4.2004 till 3.11.2004 (the date upto which the plants were in operation under the Company), the production and sales of grey cement were 19.02 Lac Tonnes and 19.23 Lac Tonnes respectively.

##### WHITE CEMENT

During the period from 1.4.2004 till 3.11.2004 (the date upto which the plants were in operation under the Company), the production and sales of white cement were 1.24 Lac Tonnes and 1.31 Lac Tonnes respectively.

#### 6.2 MAN MADE FIBRE UNITS - KOTA AND JHALAWAR

All the man made fibre plants at Kota and Jhalawar remained closed during the year. The expenses on maintenance, security and insurance of these plants have been incorporated in the accounts under review.

### 7. REHABILITATION PACKAGE

**7.1** As reported last year, a rehabilitation scheme of One Time Settlement (OTS) of dues of secured lenders and preference shareholders was sanctioned by Hon'ble AAIFR vide their order dated 23.1.2003. Necessary funds were arranged on 4.11.2004 in the Escrow Accounts of IDBI and SBI as per the scheme and immediately there upon, the Cement undertakings of the Company have demerged through slump



sale to J. K. Cement Ltd. Thus, all assets, liabilities including contingent liabilities and employees who were on the rolls of Cement undertakings stood transferred to J. K. Cement Ltd.

**7.2** Hon'ble AAIIFR during the hearing on 24.12.2004 approved a scheme for rehabilitation of Kota plants and issued an order dated 7.1.2005 in this respect. The scheme stipulated for transfer/sale to a joint venture company M/s. Arafat Petrochemicals Pvt. Ltd. (APPL) of all the assets i.e. land, buildings, plant & machinery, other fixed assets and inventories pertaining to all man made fibre plants at Kota except Sir Padampat Research Centre (SPRC) on "as is where is basis" and in consideration thereof APPL to assume entire worker's liability pertaining to Kota plants including SPRC and also to pay Rs. 15 crores in cash. The possession of the plants was handed over to APPL on 30.12.2004. Pending receipt of approval of Government of Rajasthan for sale of lease hold lands on which Kota plants are situated, the Company has entered into an "Agreement to Sell" with APPL. APPL has assumed entire workers liability and they have started making payments to the workers in terms of tripartite settlements dated 9.10.2002 and 22.10.2002 arrived at between the Company, APPL and J. K. Workers Union (CITU) and J. K. Staff Association respectively under the aegis of Labour Department, Government of Rajasthan.

In respect of Jhalawar plants and other assets, an Asset Sale Committee (ASC) consisting of representative of IDBI, SBI and the company has been formed by Hon'ble AAIIFR. ASC is scouting for the proposals for rehabilitation of Jhalawar plants. ASC is in process of selling other surplus assets. A scheme for Jhalawar plants shall be submitted in due course of time which will also deal with the remaining liabilities.

## 8. CORPORATE GOVERNANCE

A report on Corporate Governance is enclosed as a part of Annual Report along with the Auditors' Certificate on its compliance. However, note on Management Discussions and Analysis Report is not being given as none of the Company's plants are in operation.

## 9. RESEARCH AND DEVELOPMENT

Research and development activities were carried out by Cement plants till these were in operation under the Company. Due to closure of all plants, no research and development activity was carried out in man made fibre plants.

## 10. SUBSIDIARIES

The accounts of the subsidiary companies viz. J.K. Satoh Agricultural Machines Ltd., and Jaykay Tech Ltd., are annexed along with Statement pursuant to Section 212 of the Companies Act, 1956.

In both these subsidiary companies, there have been no operations and all assets of these Companies have since been disposed off/discarded. In case of Jaykay Tech Ltd., liabilities aggregating Rs. 31.79 lacs has been assumed by the Company. As decided by the Board of Directors of Jaykay Tech Ltd. it has already applied for striking off the name from the Register maintained by the Registrar of Companies under the 'Simplified

Exit Scheme-2005' announced by Ministry of Company Affairs, Government of India. Your Company has already made provisions in the books of account for the losses on account of its investment in the subsidiary companies. In view of the above, no liabilities are likely to accrue to your company, which may have bearing upon working results, hence the accounts of subsidiary companies have not been consolidated.

## 11. PERSONNEL

### INDUSTRIAL RELATIONS

The Industrial relations during the year under review generally remained cordial in the Cement plants till the date these were in operation under the Company.

### PARTICULARS OF EMPLOYEES

There is no employee getting salary in excess of the limits as specified under the provisions of sub section (2A) of Section 217 of Companies Act, 1956 throughout or part of the financial year under review.

## 12. PUBLIC DEPOSITS

The Company is not accepting any deposits from the public. The deposits received in earlier years from the public remaining unclaimed as on 31.3.2005 amounted to Rs.6.92 Lacs in the accounts of 145 depositors against which deposits amounting to Rs. 0.04 Lacs have since been repaid. The Company is repaying the outstanding deposits as and when claimed.

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

Particulars with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and out go in accordance with the provisions of 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 in respect of Cement plants are annexed and form part of the Report.

## 14. AUDITORS' REPORT

Auditor's remarks have been suitably dealt with in the notes on accounts and hence need no further explanation.

## 15. COST AUDIT

Cost Audit records have been maintained in respect of Grey Cement and White Cement plants up to 3.11.2004 and Cost audit thereof would be completed in respect of these units. The Company has already applied to the Central Government for exemption from maintenance of costing records in respect of Nylon and Polyester for the year 2002-03 and 2003-04. Approval is however, awaited.

## 16. DIRECTORS

**16.1** Three of your directors namely Shri R.K. Tandon, Shri K.V. Murthy and Shri Kailash Nath will retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

**16.2** Shri Vinay Kala, Director (Finance), Nominee of State Bank of India ceased to be director w.e.f. 4<sup>th</sup> December,

2004. Your directors wish to place on record their warm appreciation for the valuable services and advice rendered by Shri Vinay Kala during tenure of his office.

**17. RESPONSIBILITY STATEMENT**

The Directors confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- (iii) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) they have prepared the annual accounts on a going concern basis.

**18. AUDITORS**

M/s. P.L. Tandon and Co., Chartered Accountants, Kanpur, Auditors of the Company will retire from their office at the ensuing

Annual General Meeting. They are, however, eligible for re-appointment. They have furnished a Certificate to the effect that their appointment will be in accordance with the limits specified in Sub-Section (1B) of Section 224 of the Companies Act, 1956. You are requested to consider their appointment.

**19. COST AUDITORS**

Pursuant to the directives of the Central Government and provisions of Section 233-B of the Companies Act, 1956, qualified Cost Auditors have been appointed to conduct the cost audit of "Cement" for the period upto 3.11.2004.

**20. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation for the valuable support received from IDBI, ICICI and other Financial Institutions, Bankers, Suppliers and Customers. The Board also thanks the employees at all levels for their commitment and contribution.

**FOR AND ON BEHALF OF THE BOARD**



**CHAIRMAN**

Kanpur  
Dated : 29th July, 2005



## CORPORATE GOVERNANCE REPORT

The detailed report on Corporate Governance as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below :

### 1. Company's philosophy on Code of Governance

At J.K. Synthetics, we view corporate governance in its widest sense, almost like trusteeship. The company's philosophy on Corporate Governance is to enhance the long-term economic value of the company, its stakeholders i.e. the society at large by adopting better corporate practices in fair transparent manner by aligning interest of the company with that of its shareholders/ other key stakeholders.

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

### 2. Board of Directors

#### (a) Composition category

The present strength of the Board of Directors is twelve, whose composition is given below :

- One Promoter, Executive, Non-Independent Director
- Three Promoter, Non-Executive, Non-Independent Directors
- Two Independent, Non Executive, Nominee Directors representing ICICI Bank Ltd. and General Insurance Corporation as lender
- Six Independent, Non-Executive Directors

The composition of the Board of Directors, the number of Directors on the Board and Board Committees of other companies, of which the Directors are members / Chairman is given as under :

Sl. No.	Name of Director	Category	No. of other Directorships	No. of Board Committees (Other than J.K.Synthetics Ltd.) in which	
				Chairman	Member
1	Dr. Gaur Hari Singhania Chairman	Promoter, Non Executive, Non Independent	6	1	1
2	Shri Govind Hari Singhania Vice Chairman	Promoter, Non Executive, Non Independent	4	-	-
3	Shri Yadupati Singhania Managing Director and CEO	Promoter, Executive, Non Independent	11	-	2
4	Shri Vinay Kala* Director Finance (Nominee of SBI) (Part of the year)	Executive, Independent	-	-	-
5	Shri A. Karati (Nominee of ICICI Bank Ltd.)	Non-Executive, Independent	9	-	8
6	Shri Suparas Bhandari (Nominee of GIC)	Non-Executive, Independent	2	-	-
7	Shri Ramapati Singhania	Promoter, Non-Executive, Non Independent	-	-	-
8	Dr. K.B. Agarwal	Non-Executive, Independent	1	-	-
9	Shri Jagendra Swarup	Non-Executive, Independent	-	-	-
10	Shri Kailash Nath	Non-Executive, Independent	-	-	-
11	Shri N.K. Jhajharia	Non-Executive, Independent	-	-	-
12	Shri R.K. Tandon	Non-Executive, Independent	1	-	-
13	Shri K.V. Murthy	Non-Executive, Independent	-	-	-

\* ceased w.e.f. 4<sup>th</sup> December, 2004

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

During the last financial year ended March 31, 2005, five Board Meetings were held on the following dates :

- 30th April, 2004
- 30th June, 2004
- 31st July, 2004
- 29th November, 2004
- 31st January, 2005

The attendance of each director at Board Meetings and at the last Annual General Meeting (AGM) was as under :

Sl. No.	Name of Director	No. of Board Meetings attended	Attendance at the last AGM held on 27.09.2004
1	Dr. Gaur Hari Singhania	3	YES
2	Shri Govind Hari Singhania	2	YES
3	Shri Yadupati Singhania	3	YES
4	Shri Vinay Kala (Part of the year)	4	NO
5	Shri A. Karati	3	NO
6	Shri Suparas Bhandari	2	NO
7	Shri Ramapati Singhania	0	NO
8	Dr. K.B. Agarwal	4	YES
9	Shri Jagendra Swarup	5	NO
10	Shri Kailash Nath	4	NO
11	Shri N.K. Jhajharia	4	NO
12	Shri R.K. Tandon	4	NO
13	Shri K.V. Murthy	4	YES

### 3. Audit Committee

#### (a) Composition of the Committee and Broad Terms of Reference

The Audit Committee of the Company comprises of following three Directors :

- Dr. K.B. Agarwal (Chairman) : Independent, Non Executive Director
- Shri Jagendra Swarup : Independent, Non Executive Director
- Shri Kailash Nath : Independent, Non Executive Director

All these Directors possess knowledge of Corporate Finance/ Accounts / Company Law/ Industry. The Company Secretary is the Secretary for such meetings. The Statutory Auditors, the Cost Auditors, the Internal Auditors and President (Finance and Accounts) of the Company attend the meetings as invitees.

The terms of reference of Audit committee cover the matters specified for audit committee under clause 49 of the Listing Agreement as well as in Section 292 A of the Companies Act, 1956.

#### (b) Meetings / Attendance

During the financial year ended 31st March, 2005, four (4) meetings were held on :

- 30th June, 2004
- 31st July, 2004
- 29th November, 2004
- 31st January, 2005.

The Committee approved and recommended the annual accounts for the year 2003-04 in their meeting held on 30<sup>th</sup> June 2004.

The attendance at the Committee Meetings was as under :

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

#### 4. Remuneration Committee

##### a) Composition

The Remuneration Committee of the Company comprises of Dr. K.B. Agarwal (Chairman), Shri Jagendra Swarup and Shri Kailash Nath.

##### b) Meetings / Attendance :

During the financial year ended 31<sup>st</sup> March, 2005, two meetings were held on : 30.04.2004 and 31.01.2005.

The attendance at the Committee Meetings was as under :

Name of the Director	No. of Meetings attended
Dr. K.B. Agarwal	2
Shri Jagendra Swarup	2
Shri Kailash Nath	2

##### c) Remuneration Policy

Remuneration policy of the Company is directed towards rewarding performance based on review of achievements. However in view of inadequacy of profits the non-executive directors are paid sitting fees for meetings of the Board or any committee thereof attended by them. Managing Director and CEO is being paid remuneration as approved by the Central Government and the package comprises of Salary, perquisites and contribution to Provident Fund and other funds as approved by the shareholders.

##### Details of Remuneration to all the Directors for the year ended 31<sup>st</sup> March, 2005

Sl. No.	Name of Director	Salary	Benefits	Sitting Fee	Total
1	Dr. Gaur Hari Singhania	-	43450	-	43450
2	Shri Govind Hari Singhania	-	29689	-	29689
3	Shri Yadupati Singhania	540000	162060	-	702060
4	Shri Vinay Kala	-	-	-	-
5	Shri A. Karati	-	-	9000	9000
6	Shri Suparas Bhandari	-	-	6000	6000
7	Shri Ramapati Singhania	-	-	-	-
8	Dr. K.B. Agarwal	-	-	39000	39000
9	Shri Jagendra Swarup	-	-	39000	39000
10	Shri Kailash Nath	-	-	17000	17000
11	Shri N.K. Jhajharia	-	-	12000	12000
12	Shri R.K. Tandon	-	-	12000	12000
13	Shri K.V. Murthy	-	-	12000	12000

#### 5. Shareholders / Investors Grievance Committee

##### (a) Composition

The Committee comprises of Dr. K.B. Agarwal (Chairman), Shri Kailash Nath and Shri Jagendra Swarup.

Shri J.P. Bajpai, Sr. President (H.O.) & Company Secretary is the Compliance Officer of the Committee.

##### (b) Functions

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

##### (c) Meetings / Attendance

During the financial year ended 31<sup>st</sup> March, 2005, Four meetings were held on :

- (1) 18th May, 2004
- (2) 31st July, 2004
- (3) 23rd October, 2004
- (4) 14th January, 2005

The attendance at the Committee Meetings was as under :

Name of Director	No. of Meetings attended
Dr. K.B. Agarwal	4
Shri Jagendra Swarup	4
Shri Kailash Nath	0

The total number of complaints received during the year ended 31<sup>st</sup> March 2005 from the shareholders and debenture holders were 5698 out of which 5663 complaints were satisfactorily replied and outstanding complaints as on March 31<sup>st</sup>, 2005 were 35. All the pending complaints have been attended to / replied to by the Company after the period under report.

The number of pending share transfers and pending requests for dematerialisation as on 31<sup>st</sup> March, 2005 were as follows :

	Particulars	No. of Requests	No. of Shares
1.	Transfers	NIL	NIL
2.	Demat	701	419500
3.	Remat	NIL	NIL

The Company has attended to all these requests after the period under report.

#### 6. General Body Meetings :

Date and time of last three meetings held is given below :

Financial Year	Date	Time
2001 – 02	28 <sup>th</sup> Sep. 2002	12.00 Noon
2002 – 03	20 <sup>th</sup> Sep. 2003	12.00 Noon
2003 – 04	27 <sup>th</sup> Sep. 2004	12.00 Noon



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

The Chairman of the Audit Committee Shri K.B. Agarwal was present at AGM held on 27<sup>th</sup> September, 2004 to answer the queries of the shareholders.

No special resolution was put through postal ballot last year nor it is proposed this year.

## 7. Disclosures :

There was no transaction of material nature with the Directors or the Management or their subsidiaries or relatives during the year that have potential conflict with the interest of the Company.

There was no instance of non-compliance on any matter related to the capital markets during the past three years.

## 8. Means of Communications :

The Annual, Half yearly and Quarterly results are submitted to the Stock Exchanges in accordance with Listing Agreement and the same are published regularly in the newspapers. Management Discussions and Analysis does not form part of Annual Report.

## 9. General Shareholders Information :

### a) Address for Correspondence :

J.K. Synthetics Ltd.,  
Share Department,  
Kamla Tower, Kanpur – 208001  
Telephone No. : (0512) 2311478 – 81 Fax : (0512) 2368954  
Email : jkshr@satyam.net.in

### b) Annual General Meeting

Date / Time : 28th September, 2005 at 12.00 Noon.  
Venue : Auditorium of Merchants'  
Chamber of Uttar Pradesh,  
14/76, Civil Lines, Kanpur.

### c) Financial Calendar

- (a) First Quarter Results – End of July, 2005
- (b) Second Quarter Results – End of October, 2005
- (c) Third Quarter Results – End of January, 2005
- (d) Results for the year – By end of June, 2006 ending 31<sup>st</sup> March 2006

### d) Date of Book Closure

16th September, 2005 to 28th September, 2005 (both days inclusive)

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

### f) Listing on Stock Exchanges

The details regarding payment of listing fee to Stock Exchanges are given below :

Sl. No.	Name of Stock Exchange	Listing Fee paid Upto	Stock Code No.
1	The Stock Exchange, Mumbai	2004-2005	306
2	The U.P. Stock Exchange Association Ltd., Kanpur	2004-2005	JK

**Note :** The Equity and Preference Shares of the Company have been delisted from The Delhi Stock Exchange Association Ltd., New Delhi and the In-principle approval for delisting from the Calcutta Stock Exchange Association Ltd. Kolkata has been received during the year.

## g) Stock Market Data

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

Month	High	Low	BSE Sensex High	BSE Sensex Low
April 2004	15.20	4.41	5925.58	5655.09
May 2004	16.55	9.51	5757.30	4505.16
June 2004	11.30	7.42	4963.75	4644.00
July 2004	13.27	8.36	5170.32	4843.77
August 2004	16.30	11.50	5252.78	5033.69
Sept. 2004	25.35	15.10	5616.87	5198.72
Oct. 2004	24.50	17.40	5776.85	5581.49
Nov. 2004	22.25	17.00	6234.29	5704.10
Dec. 2004	20.40	3.50	6602.69	6227.83
Jan. 2005	14.35	7.20	6679.20	6102.74
Feb. 2005	10.97	9.10	6713.86	6530.06
March 2005	9.70	6.50	6915.09	6367.86

## h) Registrar/Transfer Agent

The Company has in-house share registry department at its Registered Office at Kamla Tower, Kanpur, which provides all services for Share registry both in physical and Demat segment except of electronic connectivity with the National Securities Depository Ltd. (NSDL) for which the Company is continuing its arrangement with M/s Alankit Assignments Ltd. having its office at 205-206, Anarkali Market Complex, Jhandewala Extension, New Delhi - 110 055 as Registrar for demat segment for NSDL. The Company is in the process of establishing electronic connectivity with NSDL and shortly it will transfer the electronic share registry work from Alankit Assignment to in-house as per the directives of the Securities and Exchange Board of India.

## i) Share Transfer System

Share Transfer work of physical segment is attended to by the Company within the prescribed period under law and the Listing

Agreements with Stock Exchanges. All share transfers etc. are approved by a Committee of Directors, which meets periodically.

**j) Distribution of Shareholding as on 31.3.2005**

No. of Equity Shares held	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Upto 5000	117934	89.26	11948796	16.09
5001 to 10000	7149	5.42	6093471	8.20
10001 to 20000	3412	2.58	5492386	7.39
20001 to 30000	1191	0.90	3135711	4.22
30001 to 40000	559	0.42	2053935	2.77
40001 to 50000	559	0.42	2699484	3.63
50001 to 100000	741	0.56	5582727	7.53
100001 and above	587	0.44	37262993	50.17
<b>Total</b>	<b>132132</b>	<b>100.00</b>	<b>74269503</b>	<b>100.00</b>

**k) Category of Shareholders as on 31<sup>st</sup> March 2005**

Category	No. of Share-holders	% of Share-holders	No. of Shares held	% of Share-holding
Resident Individuals	127681	96.64	47929383	64.54
FI's and Insurance Companies	13	0.01	3653928	4.92
Nationalised Banks	57	0.04	67526	0.09
Non Nationalised Banks	54	0.04	23923	0.03
Mutual Funds	17	0.01	223974	0.30
FII's	18	0.01	314242	0.42
Non - Residents/OCBs	2693	2.04	729334	0.98
Bodies Corporate	1599	1.21	21327193	28.72
<b>Total</b>	<b>132132</b>	<b>100.00</b>	<b>74269503</b>	<b>100.00</b>

**(l) Dematerialisation of Shares / Liquidity :**

80.28 % Equity shares have been dematerialised upto 31<sup>st</sup> March, 2005.

**(m) Plant Location**

Company has following plants (All located in Rajasthan) :

Plant	Location
Acrylic Fibre Plant	Gopalgram, Prithipura, Distt. Jhalawar
Tyre Cord and Yarn	
Power, Steam and Other Utilities (For captive consumption)	

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of J. K. Synthetics Limited.**

We have examined the compliance of conditions of Corporate Governance by J. K. SYNTHETICS LIMITED for the year ended on 31st March, 2005, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, there is no investor Grievance pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. L. TANDON & CO.  
*Chartered Accountants*

Place : Kanpur  
Dated : 29th July, 2005

P. P. SINGH  
*Partner*  
Membership No. 72754



**INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956**

**A. CONSERVATION OF ENERGY**

**(a) Energy conservation measures taken**

**Grey Cement**

**Nimbahera**

- Installation of Cooler for retrofit improved heat recovery.
- Installation of Dust Filters in Raw Mill & Cement Mill No. 3 & 4.
- Separate Flyash silo for feeding flyash at mill outlet.

**Mangrol**

- Grate cooler modified for better heat efficiency.
- Modified liner for CM1 to reduce power consumption.
- Calciner modification to fire Pet-coke in Kiln & calciner to reduce energy.
- Installation of High Efficiency separator in Raw Mill & Cement Mill.
- Multi flow Burner Pipe Installed.

**White Cement**

- Installation of second Putty mill to cater increased market demand.
- Increased the area/scope to install the lower wattage and energy efficient lighting at various locations for energy conservation.
- Mechanisation of 5 Kgs. Pouch packing.

**(b) Additional investments & proposals being implemented for reduction in conservation of energy.**

Information not being furnished as cement undertakings have been sold during the year.

**(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.**

These measures have resulted in lower energy consumption and reduction in cost of production.

**B. TECHNOLOGY ABSORPTION**

- (i) Research & Development, specific area in which R & D has been carried out.

**Nimbahera**

- Improved heat recovery from coolers.
- Coal mix optimization and increase in petcoke use.
- Bag filter provided for cleaner environment.

**Mangrol**

- Improved heat recovery from coolers.

- Modified cooler plates in house to reduce cooler plate failure stoppage.
- Improved separator efficiency in coal mills & raw mills.

**White Cement**

- OSHAS-18001 has been recommended by Lloyds for J.K. White Cement Works, Gotan.
- L.K. Singhanian Education Centre has been certified by Lloyds for ISO-14001.
- Installation of feldspar mill for better control on chemicals composition as well as reduce the cost of production.
- Installation of feldspar weigh feeder for better control on the chemical composition of raw meal.

**(ii) Benefits derived as a result of above R & D.**

**Nimbahera**

- Reduction in cost.
- Environment cleaner.

**Mangrol**

Smooth & continuous running of kiln & raw mill.

**White Cement**

- Consistency in quality with increased whiteness.

**(iii) Future Action Plan** Nil

**(iv) Expenditure on R & D.** Nil

**(v) Efforts in brief, made towards Technology Absorption, Adaptation and Innovation.**

**Grey Cement (Nimbahera/Mangrol)**

- Daily monitoring of power consumption.
- Condition monitoring of all critical equipments.

**White Cement**

- Monitoring of energy consumption.
- Proactive approach towards Environmental Management System.

**(vi) Details of Imported Technology** Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- (i) Activities relating to exports, Initiatives taken to increase exports development of new export market for products and services and export plans. Mentioned in the main report

(ii) Total foreign exchange used and earned :

- (a) Total foreign exchange used Mentioned in
- (b) Total foreign exchange earned Notes on A/c.

**FORM-A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

Particulars	GREY CEMENT		WHITE CEMENT	
	Current year 01.04.04 to 03.11.04	Previous Year 2003-04	Current year 01.04.04 to 03.11.04	Previous Year 2003-04
<b>(A) POWER AND FUEL CONSUMPTION</b>				
<b>1. ELECTRICITY</b>				
<b>(A) PURCHASED :</b>				
Units/KWH('000)	<b>62006</b>	95646	<b>7295</b>	11533
TOTAL AMOUNT (Rs./lacs)	<b>2714.77</b>	4068.72	<b>315.56</b>	483.97
Rate/Unit (Rs.)	<b>4.38</b>	4.25	<b>4.32</b>	4.20
<b>(B) OWN GENERATION</b>				
<b>(i) Through Diesel Generator :</b>				
Units/KWH('000)	<b>19413</b>	117246	<b>8385</b>	16308
Unit per litre of Diesel/Oil	<b>3.95</b>	4.01	<b>3.96</b>	4.03
Rate/Unit (Rs.)	<b>2.87</b>	2.72	<b>3.31</b>	3.66
<b>(ii) Through Steam Turbine Gen.Unit :</b>				
Units/KWH('000)	<b>51282</b>	90560	<b>NIL</b>	NIL
Unit per Litre of oil/Coal	<b>1.12</b>	1.04	<b>N/A</b>	N/A
Rate/Unit (Rs.)	<b>3.31</b>	2.43	<b>N/A</b>	N/A
<b>2. Coal (Grade B, C and D)</b>				
Quantity (Tonnes)	<b>252178</b>	420617	<b>18271</b>	30961
Total Cost (Rs./lacs)	<b>8279.47</b>	11466.71	<b>666.37</b>	827.25
Average Rate (Rs./Tonne)	<b>3283</b>	2726	<b>3647</b>	2672
<b>3. Furnace Oil</b>				
Quantity (K.Ltrs.)	–	–	<b>1019</b>	2917
Total Cost (Rs./lacs)	–	–	<b>130.32</b>	353.52
Average Rate K.Ltr. (Rs.)	–	–	<b>12785</b>	12118
<b>4. Other/Internal Generation</b>				
<b>(For Generation of Power from D.G.Sets)</b>				
Quantity (K.Ltrs.)	<b>19413</b>	29256	<b>2115</b>	4050
Total Cost (Rs./lacs)	<b>2201.40</b>	3193.79	<b>277.94</b>	597.67
Average Rate/K.Ltr. (Rs.)	<b>11340</b>	10917	<b>13137</b>	14755
<b>(B) CONSUMPTION PER UNIT OF PRODUCTION :</b>				
1. Electricity(Kwh/Units)	<b>93</b>	96	<b>125</b>	128
2. Furnace Oil K.Ltr./Unit)	<b>N/A</b>	N/A	<b>154</b>	157
3. Coal (Grade B,C and D) (K.Cals./Kg.)	<b>787</b>	803	<b>1232</b>	1129
4. Steam/Coal (Tonne)	<b>NIL</b>	NIL	<b>N/A</b>	N/A
5. Others (Specify)	<b>N/A</b>	N/A	<b>N/A</b>	N/A



## AUDITORS' REPORT

### TO THE MEMBERS OF J.K. SYNTHETICS LIMITED.

1. We have audited the attached Balance Sheet of J.K. SYNTHETICS LIMITED as at 31<sup>st</sup> March, 2005, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the company so far as appears from our examination of those books;
  - c) The Balance Sheet , Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts;
  - d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ;
  - e) On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2005 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 except Chairman, Vice Chairman and Managing Director & CEO.
  - f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2005;
- (ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For P.L. TANDON & CO.  
Chartered Accountants

P. P. SINGH  
Partner

Place : Kanpur  
Dated : 29th July, 2005

Membership No. 72754

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph (3) of our report of even date)

- I. In respect of its Fixed Assets :
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets other than Furniture and Fixtures & Office Equipments .
  - (b) The Fixed Assets of the Jhalawar Units of the Company were physically inspected by expert valuers during the year. We have been informed that certain items of Plant & Machinery were found missing, which had been considered by the valuers while arriving at the values of Fixed Assets for the purpose of determining impairment losses.
  - (c) The Company has disposed off its Cement undertaking and man made Fibre Units at Kota as per Scheme sanctioned by AAIFR (Refer Note No.2). The accounts have been prepared on the concept that company will continue as going concern. (Refer Note No.6)
- II. In respect of its Inventories :
  - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
In respect of goods lying in Bonded Warehouses, confirmations have not been shown to us.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on such verifications.
- III. In respect of Loans Secured or Unsecured, granted or taken by the Company to or from the Companies, Firms or other Parties covered in the Register maintained under section 301 of the Companies Act, 1956, according to the information and explanations given to us :
  - (a) The Company has / had taken unsecured loan of Rs. 6700.00 Lacs from four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum

amount involved during the year was Rs. 6700.00 Lacs and the year-end balance of loans taken from such parties was Rs. 6700.00 Lacs.

- (b) The above loans are interest free and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the company.
- (c) No terms and conditions for repayment of the loan are stipulated.
- (d) There is no overdue amount of such loans.

IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.

V. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.

- (a) To the best of our knowledge and belief and according to the information and explanations given to us, transactions that needed to be entered into the register have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 exceeding the value of Rs. Five Lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market price at that time.

VI. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA of the Companies Act, 1956 and under rules framed there under with regard to the deposits accepted from the Public.

VII. In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business.

VIII. We have broadly reviewed the books of account maintained by the company in respect of Grey and White Cement, where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209 (1) (d) of the Companies Act, 1956. We are of the opinion that prima-facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

IX. According to the information and explanations given to us, in respect of statutory and other dues.

- (a) The company has been generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, custom duty, excise duty and any other statutory dues with the appropriate authorities during the year.

Statement of Arrears of Statutory dues outstanding for more than six months :

Name of Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which amount relates
Central Excise Act, 1944	Excise & Custom	1,051.56	Various years

- (b) There are no disputed statutory dues which have not been deposited with the appropriate authorities.

X. The Company's accumulated Losses at the end of the financial year exceed the net worth of the company. The company has not incurred Cash Losses during the financial year covered by our audit and the immediately preceding financial year.

XI. According to the information and explanations given to us, the company has paid the dues of Secured Creditors in terms of OTS Scheme approved by AAIFR.

XII. As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.

XIII. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

XIV. The company is not dealing in or trading in shares, securities, debentures and other investments. All the investments are held by the company in its own name.

XV. According to the information and explanations given to us the company has not given any guarantee for loans taken by others from bank and financial institutions.

XVI. The Company has not obtained any term loan during the year.

XVII. According to the Cash Flow Statement and the information and explanations given to us, on an overall basis funds raised on short term basis have prima facie not been used during the year for long term investments and vice versa.

XVIII. The Company has not made any preferential allotment during the year.

XIX. There are no outstanding debentures at the end of the year nor any debentures issued during the year.

XX. The Company has not raised any money by Public issue during the year.

XXI. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For P.L. TANDON & CO.  
Chartered Accountants

P. P. SINGH  
Partner

Place : Kanpur  
Dated : 29th July, 2005

Membership No. 72754

**BALANCE SHEET as at 31st March, 2005**

	Schedule	31-03-2005 Rs./Lacs	31-03-2004 Rs./Lacs
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Capital	1	7434.73	7936.76
Reserves & Surplus	2	7770.08	8320.27
Revaluation Reserve	2	—	707.67
		<b>15204.81</b>	<b>16964.70</b>
Loan Funds	3		
Secured Loans		180.31	72876.57
Unsecured Loans		6963.08	7686.71
		<b>7143.39</b>	<b>80563.28</b>
<b>TOTAL</b>		<b>22348.20</b>	<b>97527.98</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	4		
Gross Block		32340.15	124848.54
Less : Depreciation & Impairment Loss		26456.00	83694.48
Net Block		5884.15	41154.06
Capital Work-in-Progress		153.12	716.66
		<b>6037.27</b>	<b>41870.72</b>
Investments	5	91.09	88.85
Current Assets, Loans & Advances	6		
Inventories		69.74	6222.33
Sundry Debtors		675.00	4095.72
Cash & Bank Balances		1059.24	4881.21
Other Current Assets		20.87	93.55
Loans & Advances		2561.31	3160.04
		<b>4386.16</b>	<b>18452.85</b>
Less : Current Liabilities & Provisions	7		
Liabilities		3993.95	21582.40
Provisions		—	3.33
		<b>3993.95</b>	<b>21585.73</b>
Net Current Assets		<b>392.21</b>	<b>(3132.88)</b>
Miscellaneous Expenditure (to the extent not written-off or adjusted)			
Deferred Revenue Expenditure		—	138.32
Profit & Loss Account		15827.63	58562.97
<b>TOTAL</b>		<b>22348.20</b>	<b>97527.98</b>
Notes & Contingent Liabilities	13		

As per our Report attached

For P. L. TANDON & Co.,  
Chartered AccountantsGAUR HARI SINGHANIA  
ChairmanGOVIND HARI SINGHANIA  
Vice ChairmanK. B. AGARWAL  
JAGENDRA SWARUP  
KAILASH NATH  
A. KARATI  
S. BHANDARI  
N. K. JHAJHARIA  
R. K. TANDON

Directors

P. P. SINGH  
PartnerYADUPATI  
Managing Director & CEOJ. P. BAJPAI  
SecretaryKanpur  
Dated : 29th July, 2005K. N. KHANDELWAL  
President (F&A)

**PROFIT & LOSS ACCOUNT For the year ended 31st March, 2005**

	Schedule	2004-2005 Rs./Lacs	2003-2004 Rs./Lacs
<b>INCOME</b>			
Gross Sales		<b>57307.35</b>	80191.73
(Includes stock transferred on sale of Cement undertaking and Kota Units)			
Less : Excise Duty		<b>8901.15</b>	14067.68
Sales Tax		<b>2604.55</b>	3408.02
Net Sales		<b>45801.65</b>	62716.03
Interest Net	8	<b>218.11</b>	357.61
Other Income	9	<b>344.02</b>	252.91
TOTAL		<b>46363.78</b>	63326.55
<b>EXPENDITURE</b>			
Materials	10	<b>4089.96</b>	6491.00
Decrease in Finished/ Process Stocks	11	<b>1875.70</b>	17.36
Other Expenses :	12		
Payments to and Provision for Employees		<b>2286.09</b>	3868.63
Manufacturing and Other Expenses		<b>22746.31</b>	32670.28
Selling and Distribution Expenses		<b>10276.55</b>	15905.92
TOTAL		<b>41274.61</b>	58953.19
Profit before depreciation		<b>5089.17</b>	4373.36
Depreciation		<b>3404.69</b>	4246.45
Add : Impairment Loss		<b>1512.38</b>	-
Profit for the year before Extra Ordinary Items		<b>172.10</b>	126.91
Extra ordinary Items (Refer Note No. 9)		<b>41484.91</b>	(687.52)
Profit/(Loss) before Tax		<b>41657.01</b>	(560.61)
Provision for Wealth Tax		-	2.99
Profit/(Loss) after tax		<b>41657.01</b>	(563.60)
Less : Appropriations :			
Transfer from Debenture Redemption Reserve		<b>1580.19</b>	-
Transfer to Capital Redemption Reserve		<b>(501.86)</b>	-
Balance from previous year		<b>(58562.97)</b>	(57999.37)
Balance Carried to Balance Sheet		<b>(15827.63)</b>	(58562.97)
Earning per share - Basic & Diluted (In Rs.)		<b>0.23</b>	0.17
Notes & Contingent Liabilities	13		

As per our Report attached

For P. L. TANDON & Co.,  
*Chartered Accountants*

GAUR HARI SINGHANIA  
*Chairman*

GOVIND HARI SINGHANIA  
*Vice Chairman*

K. B. AGARWAL  
JAGENDRA SWARUP  
KAILASH NATH  
A. KARATI  
S. BHANDARI  
N. K. JHAJHARIA  
R. K. TANDON

P. P. SINGH  
*Partner*

YADUPATI  
*Managing Director & CEO*

J. P. BAJPAI  
*Secretary*

} *Directors*

Kanpur  
Dated : 29th July, 2005

K. N. KHANDELWAL  
*President (F&A)*



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2005**

	2004-2005 Rs./Lacs		2003-2004 Rs./Lacs
<b>a. Cash flow from operating activities</b>			
Profit / (Loss) before Tax as per Profit & Loss Account	41,657.01		(560.61)
Adjusted for			
Depreciation	3,404.69	4,246.45	
Impairment Loss	1,512.38	-	
Deferred Revenue Exp. Written off	0.76	-	
Interest	326.50	566.70	
Interest Received	(544.61)	(924.31)	
Dividend Income	(4.05)	(3.56)	
Profit on sale of Fixed Assets	(6.50)	-	
Loss on sale of assets / Investments	26.29	2.95	
Profit on Sale of Investments / Reduction in Diminution	(99.34)	-	
Waiver of Interest on OTS	(36,192.92)	-	
Profit on Sale of Cement Undertakings	(22,676.27)	-	
Loss on Sale of Kota Undertakings	119.31	-	
Fresh Provision for Interest on OTS	17,115.90	-	
Provisions / Balances written back	(509.50)	363.07	4,251.30
Operating Profit before Working Capital Changes	4,129.65		3,690.69
Adjusted for			
Trade & Other Receivables	3,988.87	363.76	
Inventories	6,143.33	(361.66)	
Trade Payables	(17,040.83)	1,237.27	1,239.37
Cash Generated from Operations	(2,778.98)		4,930.06
Income Tax Refund	28.09		-
Adjusted for			
Provision for Wealth Tax	-	(2.99)	
Deferred Revenue Exp.	137.56	(6.97)	(9.96)
Net Cash from Operating Activities	(2,613.33)		4,920.10
<b>b. Cash flow from investing activities</b>			
Acquisition of Fixed Assets	(1,927.28)		(2,914.44)
Sale of Fixed Assets	139.81		9.54
Sale of Cement Fixed Assets	50,066.48		-
Sale of Kota Fixed Assets	4,478.53		-
Sale of Investments (Net)	85.44		72.73
Interest Income	595.35		924.31
Dividend Income	4.05		3.56
Net Cash from Investing Activities	53,442.38		(1,904.30)
<b>c. Cash flow used in financing activities</b>			
Calls in Arrears received during the year	-		0.08
Liabilities relating to Cement Undertakings	(4,564.26)		251.74
Deposit with Receiver/FI's/Banks (OTS)	4,918.61		-
Proceeds from Short Term Borrowing	180.31		-
Repayment of Preference Share Capital (OTS)	(502.03)		(92.83)
Repayment of Long Term Borrowings (OTS)	(27,076.17)		(0.16)
Decrease in Cash Credit (OTS)	(12,701.69)		-
Deposit with Receiver/FI's/Banks (OTS)	-		(4,478.14)
Interest Paid	(332.70)		(133.13)
Interest Paid (OTS)	(19,186.83)		-
Vehicle Loan & Bank Overdraft against Fixed Deposits	-		(154.05)
Unsecured Loan - Others	(86.26)		-
Proceeds from Unsecured Loan	4,700.00		2,000.00
Net Cash used in Financing Activities	(54,651.02)		(2,606.49)
Net Increase /(Decrease) in Cash and Cash Equivalents (a+b+c)	(3,821.97)		409.31
Opening Balance of Cash and Cash Equivalents	4,881.21		4,471.90
Closing Balance of Cash and Cash Equivalents	1,059.24		4,881.21

**SCHEDULE - 1**

**SHARE CAPITAL**

	<b>31-03-2005</b>	<b>31-03-2004</b>
	<b>Rs./Lacs</b>	<b>Rs./Lacs</b>
<b>AUTHORISED</b>		
125000000 Equity Shares of Rs.10/- each	<b>12500.00</b>	12500.00
Cumulative Redeemable Preference Shares		
200000 11% of Rs.100/- each	<b>200.00</b>	200.00
600000 14% of Rs.100/- each	<b>600.00</b>	600.00
200000 15% of Rs.100/- each	<b>200.00</b>	200.00
500000 Unclassified Shares of Rs.100/- each	<b>500.00</b>	500.00
	<b>14000.00</b>	14000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
74269503 Equity Shares of Rs.10/- each	<b>7426.95</b>	
154877 Add : Equity Shares Forfeited	<b>7.78</b>	
Cumulative Redeemable Preference Shares		
300000 14% of Rs.100/- each	-	300.00
145562 11% of Rs.100/- each	-	145.56
149294 15% of Rs.100/- each	-	149.30
Less : Payments under OTS scheme	*	92.83
		502.03
	<b>7434.73</b>	7936.76

**NOTES :**

1 The Equity Share Capital includes :

- (i) Rs. 2026.39 Lacs by way of Capitalisation of Reserves.
  - (a) Rs. 20.02 Lacs deemed as paid towards uncalled liability.
  - (b) Rs. 2006.37 Lacs as fully paid-up Bonus Shares.
- (ii) Rs. 6.00 Lacs being face value of 60,000 Equity Shares allotted to the Shareholders of erstwhile J.K.Steel and Industries Ltd., pursuant to the scheme of amalgamation.
- (iii) Rs.1747.52 Lacs being the face value of 1,74,75,219 Equity shares allotted as fully paid-up shares on conversion of Debentures and Term Loans.

\* All Preference Shares have been redeemed on 4th November 2004 as per the One Time Settlement scheme approved by Hon'ble AAIFR.

**SCHEDULE - 2**

**RESERVES & SURPLUS**

						<b>Rs./Lacs</b>
	Debenture Redemption Reserve	Capital Reserve	Capital Redemption Reserve	Share Premium Account	Total	Revaluation Reserve
As at 31st March,2004	1580.19	-	203.00	6537.08	8320.27	707.67
Add : Transfer from						
— Profit & Loss Account	-	-	501.86	-	501.86	-
— Write backs	-	1.56	-	526.58	528.14	-
	1580.19	1.56	704.86	7063.66	9350.27	707.67
Deduct : Transfer to						
— Profit and Loss Account	1580.19	-	-	-	1580.19	-
— Write backs	-	-	-	-	-	707.67
<b>As at 31st March, 2005</b>	<b>-</b>	<b>1.56</b>	<b>704.86</b>	<b>7063.66</b>	<b>7770.08</b>	<b>-</b>



### SCHEDULE - 3

#### LOANS

#### SECURED :

	31-03-2005 Rs./Lacs	31-03-2004 Rs./Lacs
Debentures	-	24693.46
Term loans	-	30683.34
Cash Credit Accounts	-	29818.66
	-	85195.46
Less : Adhoc payments to FI's//Banks/Debenture Holders	-	12711.53
	-	72483.93
Bank Overdraft	<b>180.00</b>	343.80
Intt. Accrued and due (Secured against pledge of Fixed Deposit Receipts)	<b>0.31</b>	-
Vehicle Loan from Bank	-	48.84
	<b>180.31</b>	72876.57
<b>UNSECURED</b>		
Term Loans	-	1224.60
Less : Adhoc Payment to Banks	-	58.85
	-	1165.75
<b>Other Loans and Advances</b>		
J. K. Cement Ltd.	<b>6200.00</b>	1500.00
Directors and their relatives	<b>500.00</b>	500.00
Others	<b>263.08</b>	2780.88
Deferred Sales Tax	-	1740.08
	<b>6963.08</b>	7686.71
	<b>7143.39</b>	80563.28

### SCHEDULE - 4

#### FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION			IMPAIRMENT LOSS		NET BLOCK	
	As at 01-04-2004	Additions	Deductions	As at 31-03-2005	As at 31-03-2004	For the year	Deductions	As at 31-03-2005	As at 31-03-2005	As at 31-03-2004	
Land	645.46	8.72	641.58	<b>12.60</b>	-	-	-	-	<b>12.60</b>	645.46	
Leasehold Land (including development expenses)	550.71	57.67	565.70	<b>42.68</b>	157.75	38.73	189.95	<b>6.53</b>	-	<b>36.15</b>	392.96
Buildings	10632.50	38.02	7568.91	<b>3101.61</b>	3560.75	203.67	2319.86	<b>1444.56</b>	388.23	<b>1268.82</b>	7071.75
Plant & Machinery	110685.99	719.50	82337.87	<b>29067.62</b>	78477.94	3094.91	58173.40	<b>23399.45</b>	1124.15	<b>4544.02</b>	32208.05
Railway Sidings	714.84	-	714.84	-	415.42	20.88	436.30	-	-	-	299.42
Rolling stock	122.26	-	122.26	-	83.79	2.66	86.45	-	-	-	38.47
Furnitures, Fixtures and Office Equipments	917.88	7.16	838.43	<b>86.61</b>	629.29	22.03	579.10	<b>72.22</b>	-	<b>14.39</b>	288.59
Vehicles	458.15	139.59	568.71	<b>29.03</b>	264.97	20.69	264.80	<b>20.86</b>	-	<b>8.17</b>	193.18
Library, Arms etc.	67.92	-	67.92	-	51.88	1.13	53.01	-	-	-	16.04
Live Stock	0.14	-	0.14	-	-	-	-	-	-	-	0.14
Temporary Constructions	52.69	-	52.69	-	52.69	-	52.69	-	-	-	-
	124848.54	970.66	93479.05	<b>32340.15</b>	83694.48	3404.69	62155.55	<b>24943.62</b>	1512.38	<b>5884.15</b>	41154.06
Previous Year's figures	120016.57	4882.93	50.96	<b>124848.54</b>	79475.81	4257.20	38.53	<b>83694.48</b>	-	<b>153.12</b>	716.66
Capital Work-in-Progress										<b>6037.27</b>	41870.72

#### NOTES :

- Deductions include :
  - Assets discarded & sale proceeds of Assets sold where costs are not ascertainable.
  - Land & Building of SPRC converted into Stock in Trade (Refer note no. 5).
  - Sale of Fixed Assets of Cement Undertakings and Man Made Fibre plants at Kota.
- In respect of buildings constructed on leasehold land for which lease is expiring in next 5 years, depreciation for the year has been provided in a manner to write off the written down value over the unexpired period of lease.

**SCHEDULE - 5**

**INVESTMENTS**

Name of the Bodies Corporate	31-3-2005			31-3-2004	
	No. of Shares	Class of Shares	Book Value (Rs./Lacs)	No. of Shares	Book Value (Rs./Lacs)
<b>LONGTERM INVESTMENTS</b>					
<b>A. Trade Investments</b>					
Fully paid up Shares :					
Raymond Ltd.	37740	Equity	20.63	55740	30.47
J.K.Cotton Spg. & Wvg. Mills Co. Ltd.	590360	Equity	53.13	590360	53.13
J.K. Jute Mills Co. Ltd.	70900	Equity	1.49	70900	1.49
The Plastic Products Ltd. (In liquidation)	48900	Ordy.	2.93	48900	2.94
J.K. Industries Ltd.	75	Equity	0.05	100	0.05
+ Africa Synthetic Fibres Ltd.	1788500	A Ordy.	357.45	1788500	357.45
			<u>435.68</u>		<u>445.53</u>
<b>B. Investments in Subsidiary Companies</b>					
J.K.Satoh Agricultural Machines Ltd.	540000	Equity	10.80	540000	10.80
Jaykay Tech Ltd.	600000	Equity	60.00	600000	60.00
<b>C. Other Investments and Government</b>					
<b>Securities</b> (As per Schedule 14)			379.52		414.07
			<u>886.00</u>		<u>930.40</u>
Less : Provision for Diminution in value of investments			794.91		841.55
			<u>91.09</u>		<u>88.85</u>

**NOTES :**

+ To be written-off after receipt of permission of the Government (Applied for)

	31-3-2005		31-3-2004	
	Book Value (Net of Provision)	Market Value	Book Value (Net of Provision)	Market Value
Aggregate value of Unquoted Investments	0.15	–	4.97	–
Quoted Investments	90.94	444.46	83.88	190.32
	<u>91.09</u>	<u>444.46</u>	<u>88.85</u>	<u>190.32</u>



**SCHEDULE - 6**

**CURRENT ASSETS, LOANS & ADVANCES**

	31-03-2005 Rs./Lacs	31-03-2004 Rs./Lacs
<b>A. INVENTORIES</b>		
Stores, Spare parts etc.	0.78	3851.18
Raw Materials	2.47	185.04
Goods-in-Process	25.36	987.58
Finished Goods	0.34	913.82
Material in Bonded Warehouses	15.08	284.71
Stock in Trade - Conversion of Land & Building from Fixed Assets at its Book Value (Refer Note No. 5)	25.71	-
	<u>69.74</u>	<u>6222.33</u>
<b>B. SUNDRY DEBTORS</b>		
Debts over six months		
— Considered Good		
Secured	-	35.54
Unsecured	-	288.04
— Considered Doubtful	1253.47	1804.35
Other Debts		
— Considered Good		
Secured	-	166.85
Unsecured	675.00	3605.29
— Considered Doubtful	-	1.29
	<u>1928.47</u>	<u>5901.36</u>
Less : Provision for Doubtful Debts	<u>1253.47</u>	<u>1805.64</u>
	<u>675.00</u>	<u>4095.72</u>
<b>C. CASH &amp; BANK BALANCES</b>		
Cash & Cheques in hand and remittances in transit	48.79	102.00
Balances with Scheduled Banks in :		
— Escrow Account		
Debtenture OTS Payment A/c :	3263.30	
Less : OTS amount payable to public (Account under reconciliation)	<u>3260.39</u>	-
— Current Accounts	47.87	2229.46
— Deposit Accounts	959.08	2544.90
Balances with Non-Scheduled Banks in :		
— Current Accounts :		
United Mercantile Co-operative Bank Ltd.	0.59	0.67
Chittorgarh Kendriya Sahkari Bank	-	4.18
	<u>1059.24</u>	<u>4881.21</u>
<b>D. OTHER CURRENT ASSETS</b>		
Interest accrued on Investments and Deposits	20.87	93.55
<b>E. LOANS &amp; ADVANCES</b>		
UNSECURED - Considered Good Unless Otherwise Stated		
Advances Recoverable in cash or in kind or for value to be received		
— Considered Good	1669.33	1321.98
— Considered Doubtful	589.30	640.01
Taxation (Less Provisions)	832.86	839.37
Prepaid Expenses	10.58	151.28
Deposits	48.54	602.48
Balances with Custom & Excise Departments	-	244.93
	<u>3150.61</u>	<u>3800.05</u>
Less : Provision for Doubtful Advances	<u>589.30</u>	<u>640.01</u>
	<u>2561.31</u>	<u>3160.04</u>
	<u>4386.16</u>	<u>18452.85</u>
<b>NOTE : Maximum amounts due at any time during the year :</b>		
<b>CURRENT ACCOUNTS :</b>		
United Mercantile Co-operative Bank Ltd.	3.69	2.55
Chittorgarh Kendriya Sahkari Bank	27.63	27.50

**SCHEDULE - 7**

**CURRENT LIABILITIES & PROVISIONS**

	31-03-2005 Rs./Lacs	31-03-2004 Rs./Lacs
<b>CURRENT LIABILITIES</b>		
Acceptances	–	251.59
Sundry Creditors	1673.01	12411.82
Other Liabilities	2204.67	7990.41
Temporary Book Overdraft	108.10	909.85
Investor Education & Protection Fund shall be credited by following :		
i. Unpaid Dividend	0.19	0.19
ii. Unpaid Application Money	–	1.62
iii. Unpaid Matured Deposits	6.92	9.66
iv. Interest Accrued on (i) to (iii)	1.06	7.26
	<b>3993.95</b>	<b>21582.40</b>
<b>PROVISIONS</b>		
Wealth Tax	–	3.33
	<b>3993.95</b>	<b>21585.73</b>

**SCHEDULE - 8**

**INTEREST**

	2004-2005 Rs./Lacs	2003-2004 Rs./Lacs
<i>Received :</i>	<b>544.61</b>	924.31
(Tax deducted at source Rs. 21.94 Lacs, 2003-2004 Rs. 71.60 Lacs)		
<i>Less : Paid :</i>		
Debentures	–	0.02
Others	<b>326.50</b>	566.68
	<b>326.50</b>	566.70
	<b>218.11</b>	357.61

**SCHEDULE - 9**

**OTHER INCOME**

Rent	76.49	58.26
Profit on Sale of Assets	23.17	2.59
Profit on Disposal of Investments	52.70	0.23
Dividend on Shares :		
– Trade	3.07	2.51
– Others	0.98	1.05
Claims Realised	44.78	21.69
Provisions no longer required	57.54	77.00
Refund of Excise Duty	–	20.30
Sundry Receipts/Unclaimed Balances	85.29	69.28
	<b>344.02</b>	<b>252.91</b>



## SCHEDULE - 10

### MATERIALS

	2004-2005 Rs./Lacs	2003-2004 Rs./Lacs
Opening Stock	185.04	219.15
Add : Purchases(including expenses on raising Limestone)	4177.63	6436.69
	<u>4362.67</u>	<u>6655.84</u>
Less : Returns/Adjustments/ Sales	286.94	4.69
	<u>4075.73</u>	<u>6651.15</u>
Less : Closing Stock	2.47	185.04
Raw Material Consumed	4073.26	6466.11
Add : Purchases of Other Finished Goods	16.70	24.89
	<u>4089.96</u>	<u>6491.00</u>

## SCHEDULE - 11

### DECREASE IN FINISHED / PROCESS STOCKS

#### Stocks at Commencement :

Finished Goods	913.82	810.09
Goods-in-Process	987.58	1108.67
	<u>1901.40</u>	<u>1918.76</u>

#### Stocks at Close :

Finished Goods	0.34	913.82
Goods-in-Process	25.36	987.58
	<u>25.70</u>	<u>1901.40</u>
	<u>1875.70</u>	<u>17.36</u>

## SCHEDULE - 12

### OTHER EXPENSES

#### 1. Payments to and Provisions for Employees :

Salaries,Wages,Bonus & Superannuation etc.	1626.39	2738.35
Contribution to Provident and other funds	315.33	444.25
Welfare Expenses	344.37	686.03
	<u>2286.09</u>	<u>3868.63</u>

#### 2. Manufacturing and Other Expenses :

Stores, Spare parts, Packing Materials etc.	4565.17	6176.51
Power & Fuel	14862.05	21157.38
Insurance	241.75	327.22
Repairs to Machinery	740.83	1127.17
Repairs to Buildings	241.20	340.71
Rent	102.17	151.31
Lease Rent	47.38	71.57
Rates & Taxes	14.41	48.58
Directors' Fee	1.46	1.22
Loss on Assets Discarded / Disposed off	26.29	5.54
Provision for Doubtful Debts/Advances	26.27	50.60
Bad and Doubtful Advances written off	496.62	
Less : Provision written back	467.45	
Miscellaneous Expenses	<u>29.17</u>	3.09
	<u>1848.16</u>	<u>3209.38</u>
	<u>22746.31</u>	<u>32670.28</u>

#### 3. Selling & Distribution Expenses :

Commission, Brokerage & Incentives	500.49	1011.77
Selling Expenses	628.32	1171.02
Freight & Handling Outward	9147.74	13723.13
	<u>10276.55</u>	<u>15905.92</u>
	<u>35308.95</u>	<u>52444.83</u>

**SCHEDULE - 13**

**NOTES ON THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

	<b>31.3.2005</b>	<b>31.3.2004</b>
	<b>Rs./Lacs</b>	<b>Rs./Lacs</b>
<b>1. (A) CONTINGENT LIABILITIES</b>		
(i) In respect of claims against the Company not acknowledged as debts.	<b>120.00</b>	1456.35
(ii) In respect of non-fulfilment of export obligations against advance licences (As per Show Cause Notices)	<b>196.10</b>	196.10
(iii) In respect of claims of various parties for interest /penalty on late payments.		Indeterminate
(iv) In respect of disputed demands, appeals pending with Appellate Authorities/ Courts – no provision has been considered necessary by the Management :		
(a) Excise duty (including set off claims rejected by Authorities)	–	2.93
(b) Income Tax (paid under dispute)	<b>734.09</b>	734.09
(v) In respect of interest on “Cement Retention Price” realised in earlier years	–	922.08
(vi) In respect of Sales Tax Exemption benefits availed under Rajasthan Sales Tax / Central Sales Tax Exemption Deferment Scheme, 1998	–	11731.31
(B) Estimated amount of contracts remaining to be executed on Capital account and not provided for.	–	317.90
(C) Arrears of dividend on Preference Shares :		
(i) On 11% and 15% Preference Shares from the date of reissue to date of redemption	–	268.84
(ii) On 14% Preference Shares from 1990-91 to the date of redemption	–	244.06
<b>2. (a)</b> The Company has implemented on 4.11.2004 the scheme of OTS which was approved by Hon'ble AAIFR vide its order dated 23.1.2003 when the requisite funds (equivalent to amount of OTS due of all the secured lenders and preference shareholders alongwith interest on OTS dues for the period from 1.10.2001 to 4.11.2004) were deposited in the two Escrow Accounts of IDBI and SBI as stipulated in the scheme. On the said date, Cement undertakings comprising of all assets, liabilities including contingent liabilities and employees related to Cement undertakings stood transferred through slump sale to J. K. Cement Ltd. As per the scheme, on deposit of the requisite amount, charges created on all the company's properties in favour of secured creditors stood vacated. Profit and loss account for the year under review therefore incorporates the working results of cement operations up to 3.11.2004.		
(b) During the year Hon'ble AAIFR also approved a scheme for transfer / sale of all Kota assets including land, buildings, plant & machinery, other fixed assets and inventories pertaining to man made fibre plants at Kota except SPRC on “as is where is basis” to a Joint Venture Company Arfat Petrochemicals Pvt. Ltd. (APPL). Sale consideration consists of (i) assumption of workers dues by APPL of all Kota plants (settled at Rs. 37.46 crores) in terms of Tripartite Settlement arrived at between the Company, APPL and the concerned Workers union and Staff Association under the aegis of Labour department, Government of Rajasthan and (ii) Rs. 15 crores in cash. The company has executed “Agreement to Sell” and also handed over the possession to the Joint Venture Company to facilitate start up of the plants at an early date. Necessary entries in this regard have been passed in the books of accounts. The sale deed will be executed upon receipt of approval from Government of Rajasthan.		
Further, during the year all man made fibre plants both at Kota and Jhalawar remain closed and the expenses on maintenance and security pertaining to these plants have been included in the profit & loss account.		
(c) Fixed Assets of Jhalawar plants are shown at Historical cost less depreciation provided in the books. During the year, the Company has accounted for the impairment loss on the assets of its man made fibre plants situated at Jhalawar, the manufacturing operations in these plants remained suspended from 1997. The impairment loss of Rs. 1512.38 lacs has been charged to the Profit & Loss Account based on values determined by expert valuers.		
<b>3.</b> Loans and Advances considered good include Rs. 419.46 lacs due from J. K. Cotton Spg. & Wvg. Mills Co. Ltd. (JKCM) paid in earlier years as advance against purchase of Land. JKCM is a sick Industrial Company. BIFR has approved a rehabilitation scheme on 20.12.2002 which is under implementation. The scheme envisages refund of above amount to the company. Some directors of the company are interested as director.		
<b>4.</b> UTI has not accepted the OTS scheme sanctioned by Hon'ble AAIFR vide their order dated 23.01.2003. Pursuant to the scheme, the Company has deposited UTI's share in 'No Lien Account' with IDBI (Operating Agency). Subsequently, at the request of UTI, IDBI has remitted the said amount to them as full and final settlement of their dues. On receipt of the said amount, UTI informed the Company and IDBI that they have not agreed to the OTS, but accepted the aforesaid payment under protest towards part payment of their dues. The Company and IDBI has rejected the said stand of UTI and approached AAIFR in this regard where the matter is pending. The management is of the considered view that scheme is binding upon all the concerned parties and UTI's claim is not tenable under the law. Hence, no provision for any further liability is considered necessary.		



5. Land and Buildings of SPRC at Kota has been converted into Stock in Trade on 31.3.2005 at Rs. 25.71 lacs being the book value (original cost less depreciation provided upto 31.3.2004).
6. The management plans to and is hopeful of reviving in the foreseeable future economically viable commercial activity. The accounts have been drawn up based on the going concern assumption based on the management's perception of the future of the Company.
7. Sundry Debtors and Advances considered good includes Rs. 675.00 lacs and Rs. 999.28 lacs respectively recoverable from Arfat Petrochemicals Pvt. Ltd. for sale of Kota Assets and transfer of workers dues.
8. (a) In view of carried forward unabsorbed depreciation, business losses and reliefs and concessions sought from Nodal Agency as applicable for Sick Industrial Companies under the Rehabilitation Scheme sanctioned by Hon'ble BIFR/AAIFR, the management has considered it appropriate not to provide for current tax.  
(b) Deferred Tax assets have not been recognised, considering the principal of virtual certainty as stated in the Accounting Standard AS-22 – Accounting for Taxes on Income.

## 9. EXTRA-ORDINARY ITEMS

### (A) EXPENDITURE

	Amount (Rs. Lacs)
(i) Short fall in employees cost of Man Made Fibre Plants at Kota as per Tripartite Agreement	
— Salaries, Wages and other dues	1308.89
— Less : Existing liabilities written back	1054.80
	<hr/>
— Gratuity (net of existing provision)	224.77
(ii) Employees cost of Man Made Fibre plant at Jhalawar-Salaries, Wages, etc.	32.89
(iii) Interest on OTS dues for the period 1.10.2001 to 4.11.2004	17115.90
(iv) Suppliers / Customers balances written off	7.71
(v) Provision for Doubtful Advances	16.72
(vi) Provision for obsolete stores	9.26
(vii) Loss on sale of Fixed Assets and Inventories of Man Made Fibre units at Kota as per scheme sanctioned by AAIFR	119.31
(viii) Court Receiver's remuneration	178.39
TOTAL EXPENSES (A)	<hr/> <u>17959.04</u>

### (B) INCOME

(i) Waiver of interest, etc. already provided in books in terms of scheme approved by AAIFR	36385.18
(ii) Suppliers / Customers balances written back	276.49
(iii) Excess provision written back	157.61
(iv) Profit on sale of Cement undertakings as per scheme sanctioned by AAIFR (Sale consideration Rs.46795 lacs less book value of assets and liabilities Rs.24119 lacs)	22676.28
TOTAL INCOME (B)	<hr/> <u>59495.56</u>

### (C) PRIOR PERIOD ITEMS

TOTAL (C)	<hr/> <u>51.61</u>
TOTAL ( B – A – C)	<hr/> <u>41484.91</u>

## 10. Earning per share (EPS) :

a) Net Profit available for Equity Share holders Before Extra Ordinary Items (Numerator used for calculation)	172.11
b) Number of Equity Shares used as denominator for calculating EPS	74269503
c) Basic and Diluted earnings per shares of Rs. 10 each.	
i) Before Extra ordinary items	0.23
ii) After Extra ordinary items.	56.09

## 11. Segment Reporting

The Company had two business segments viz. Man Made Fibre units which cover all the units of Synthetic Fibres and Yarns and Cement units which include Grey and White Cement plants. Cement business stood transferred w.e.f. 4.11.2004. Assets and Liabilities at the end of the year consist of only one segment i.e. man made fibre plants at Jhalawar.

(Rs./Lacs)  
(Previous year figures are in italics)

Segment Revenue	Cement	Man Made Fibre	Unallocated	Total
External Sales	<b>57139.18</b> <i>(80191.73)</i>	<b>168.17</b> <i>–</i>	– <i>–</i>	<b>57307.35</b> <i>(80191.73)</i>
Segment Results Profit/(Loss)	<b>4435.68</b> <i>(3650.14)</i>	<b>(3812.79)</b> <i>(-2509.60)</i>	<b>(668.90)</b> <i>(-1371.24)</i>	<b>(46.01)</b> <i>(-230.70)</i>
(a) Interest expenses	<b>115.37</b> <i>(517.12)</i>	<b>0.56</b> <i>(0.26)</i>	<b>210.57</b> <i>(49.32)</i>	<b>326.50</b> <i>(566.70)</i>
(b) Interest income	<b>99.27</b> <i>865.49</i>	<b>1.24</b> <i>(0.04)</i>	<b>444.10</b> <i>(58.78)</i>	<b>544.61</b> <i>(924.31)</i>
(c) Income Tax / Wealth Tax	– <i>–</i>	– <i>–</i>	– <i>(2.99)</i>	– <i>(2.99)</i>
(d) Profit / (Loss) from ordinary activities	<b>4419.58</b> <i>(3998.51)</i>	<b>(3812.11)</b> <i>(-2509.82)</i>	<b>(435.37)</b> <i>(-1364.77)</i>	<b>172.10</b> <i>(123.92)</i>
(e) Extra Ordinary Items	<b>(3.18)</b> <i>(15.86)</i>	<b>(279.16)</b> <i>(710.91)</i>	<b>41767.24</b> <i>(-7.53)</i>	<b>41484.91</b> <i>(687.52)</i>
Net Profit / (Loss)	<b>4416.40</b> <i>(4014.37)</i>	<b>(4091.26)</b> <i>(-3220.73)</i>	<b>41331.87</b> <i>(-1357.24)</i>	<b>41657.01</b> <i>(-563.60)</i>

## 12. Related Parties Disclosures :

List of related parties with whom transactions have taken place during the year :

### A. Particulars of Subsidiary/Associate Companies

1. J.K. Satoh Agricultural Machines Ltd.	Subsidiary
2. Jaykay Tech Ltd.	Subsidiary
3. J.K. Cotton Spg. & Wvg. Mill Co. Ltd.	Associate Company
4. J. K. Cement Ltd.	Associate Company

### B. Key Management Personnel :

1. Dr. Gaur Hari Singhania	Relative
2. Shri Govind Hari Singhania	Relative
3. Shri Y.P. Singhania	MD & CEO

## Details of Transactions are as follows :

	2004-2005 (Rs./Lacs)	2003-2004 (Rs./Lacs)
1. Remuneration		
– Key management personnel	Refer Note No. 16	Refer Note No.16
2. Rent, Interest and other expenses paid		
– Associate Companies	<b>225.60</b>	84.76
3. Rent and Expenses recovered	<b>86.25</b>	–
4. Outstanding balances as at March 31, 2005		
Due to		
(i) Associate Company		
– Unsecured Loan	<b>6200.00</b>	1500.00
– Others	–	33.58
(ii) Directors and their relatives (including Rs.100 lacs to a Director)	<b>500.00</b>	500.00
Due from –		
– Associate company	<b>1311.46</b>	1320.46
– Provision for Doubtful Debts / Advances		
– Associate company	<b>892.00</b>	892.00



13. The Company has given undertaking to financial institutions that without their prior consent it would not transfer, assign, pledge, hypothecate or otherwise dispose off in any manner or create any interest whatsoever in its present or future shareholdings in J.K. Cotton Spg. & Wvg. Mills Co. Ltd.
14. Due to closure of Kota and Jhalawar plants since 1996/97, the information about status of creditors with regard to their SSI units is not available.
15. Balances in Customers, Suppliers and Deposit accounts taken as per books are subject to confirmation/reconciliation and consequential adjustments.
16. The Managing Director has been paid fixed monthly remuneration upto 31.12.2004 as detailed below:

	<b>2004-2005</b>	2003-2004
	<b>Rs./Lacs</b>	Rs./Lacs
Remuneration	<b>5.40</b>	7.20
Contribution to P.F. & Superannuation	<b>1.46</b>	2.22
Perquisites	<b>0.16</b>	1.51

17. Some government securities of the book value of Rs.0.15 lacs (2003-04 Rs. 0.48 lacs) held as investments are pledged with Government Department.

18. Remuneration to Auditors:

	<b>2004-05</b>	2003-04
	<b>Rs./Lacs</b>	Rs./Lacs
Audit Fee	<b>4.41</b>	4.86
Other capacity	<b>1.63</b>	1.21
Travelling and Out of pocket expenses	<b>0.07</b>	0.51

19. Previous year's figures have been recasted / regrouped wherever necessary to conform to the classification of the year.

20. Schedules 1 to 14 and Significant Accounting Policies form integral part of the accounts and have been duly authenticated.

## INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C & 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

### A. CAPACITY, TURNOVER, PRODUCTION & STOCKS

**2004-05**

(Previous years figures are within brackets)

Sl. No.	Class of Goods manufactured	Unit	Licenced Capacity Per Annum	Installed Capacity Per Annum	Opening Stock		Actual Production	Turnover		Closing Stock	
					Quantity	Value (Rs./Lacs)		Quantity	Value (Rs./Lacs)	Quantity	Value (Rs./Lacs)
1	Portland / Pozzolana Cement	M.T.	— (4400000)	— (3550000)	21303 (12777)	343.46 (185.70)	1901910 (2991332)	1923213 (2982806)	46991.82 (65257.82)	x (21303)	x (343.46)
2	White Cement	M.T.	— (300000)	— (300000)	8418 (10432)	411.01 (494.09)	123802 (215538)	131195 (217552)	8659.05 (13976.62)	x (8418)	x (411.01)
3	Nylon Filament Yarn	M.T.	— (15000)	— (4500)	60 (60)	44.92 (44.92)	— (—)	60 (—)	44.92 (—)	x (60)	x (44.92)
4	Polyester Filament Yarn	M.T.	— (10700)	— (10700)	92 (92)	18.53 (18.53)	— (—)	92 (—)	18.53 (—)	x (92)	x (18.53)
5	Polyester Staple Fibre	M.T.	— (12000)	— (13000)	1 (1)	0.19 (0.19)	— (—)	1 (—)	0.19 (—)	x (1)	x (0.19)
6	Industrial Tyre Cord Yarn / FabricM.T.	5000 (10300)	2000 (7300)	124 (124)	52.81 (52.81)	— (—)	123 (—)	77.37 (—)	1 (124)	0.34 (52.81)	
7	Acrylic Staple Fibre	M.T.	12000 (24000)	12000 (24000)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)

**NOTES :** \* As certified by the management.

T : Turnover includes internal consumption and inter branch transfer, transportation and handling losses & lab. testing.

x : Turnover includes stocks transferred on sale of Cement Undertakings and Kota Units.

## B. RAW MATERIAL CONSUMED

Name of Material	Unit	2004-2005		2003-2004	
		Quantity	Value (Rs./Lacs)	Quantity	Value (Rs./Lacs)
Lime Stone	M.T.	2484798	2430.00	3955088	3949.28
Red Ochre	M.T.	165915	385.30	280402	644.01
Gypsum / Selenite	M.T.	82864	454.07	160029	811.43
Clay	M.T.	28559	105.39	52546	187.48
Others	M.T.		698.50		873.91
			<b>4073.26</b>		6466.11

## C. C.I.F. VALUE OF IMPORTS

	2004-2005 Rs./Lacs	2003-2004 Rs./Lacs
a) Raw Materials	—	—
b) Components, Stores & Spare Parts	471.18	522.97
c) Capital Goods	24.49	14.68
	<b>495.67</b>	537.65

## D. EXPENDITURE IN FOREIGN CURRENCY

(on accrual basis)	2004-2005	2003-2004
a) Know-how/Technical Service Fee	12.93	76.06
b) Others	157.42	487.80
	<b>170.35</b>	563.86

## E. VALUE OF RAW MATERIALS, STORES & SPARE PARTS ETC. CONSUMED

a) Raw Materials		
i) Imported Value	—	—
% of total consumption	—	—
ii) Indigenous Value	4073.26	6466.11
% of total consumption	100.00%	100.00%
	<b>4073.26</b>	6466.11
b) Stores & Spare Parts etc.		
i) Imported Value	503.54	536.23
% of total consumption	11.03%	8.68%
ii) Indigenous Value	4061.63	5640.28
% of total consumption	88.97%	91.32%
	<b>4565.17</b>	6176.51

## F. EARNING IN FOREIGN EXCHANGE

a) Export of Goods Calculated on FOB value	465.95	504.71
b) Technical Service Fee	—	—
c) Interest & Dividends	0.18	0.31
d) Others (Commission)	—	0.06
	<b>466.13</b>	505.08

As per our Report attached

For P. L. TANDON & Co.,  
Chartered Accountants

GAUR HARI SINGHANIA  
Chairman

GOVIND HARI SINGHANIA  
Vice Chairman

K. B. AGARWAL  
JAGENDRA SWARUP  
KAILASH NATH  
A. KARATI  
S. BHANDARI  
N. K. JHAJHARIA  
R. K. TANDON

P. P. SINGH  
Partner

YADUPATI  
Managing Director & CEO

J. P. BAJPAI  
Secretary

Directors

Kanpur  
Dated : 29th July, 2005

K. N. KHANDELWAL  
President (F&A)



## SCHEDULE-14

Name of the Bodies Corporate	31st March, 2005		31st March, 2004	
	No. of Shares	Book Value (Rs.)	No. of Shares	Book Value (Rs.)
<b>OTHER INVESTMENTS</b>				
<b>FULLY PAID-UP :</b>				
Param Shubham Vanijya Ltd.	4200	Equity 30000	4200	Equity 30000
Bengal & Assam Company Ltd.	10763	Ordy. 696100	10763	Ordy. 696100
J.K.Traders Ltd.	306	Ordy. 3366	306	Ordy. 3366
Habib Bank Ltd.	* 350	Ordy. 946	350	Ordy. 946
Barclays plc	144	Ordy.Stock 723	144	Ordy.Stock 723
State Bank of India	30	Ordy. 1020	30	Ordy. 1020
PNB Finance & Industries Ltd.	4	Ordy. 60	4	Ordy. 60
State Bank of Mysore	20	Ordy. 2180	20	Ordy. 2180
Bharat Nidhi Ltd.	50	Ordy. 175	50	Ordy. 175
Dalmia Cement (Bharat) Ltd.	74	Ordy. 1820	74	Ordy. 1820
The Associated Cement Companies Ltd.	410	Equity 7866	410	Equity 7866
Navodaya Sidhi Cement Ltd.	20	Equity 200	20	Equity 200
OCL India Ltd.	16	Equity 512	16	Equity 512
Tata Chemicals Ltd.	878	Ordy. 45201	878	Ordy. 45201
Anil Products Ltd.	20	Equity 343	20	Equity 343
Anil Biochem Ltd.	1	Equity -	1	Equity -
Atul Ltd.	12	Ordy. 1050	12	Ordy. 1050
Kanoria Chemicals & Industries Ltd.	450	Ordy. 14625	450	Ordy. 14625
The Burrakur Coal Co.Ltd.	266	Ordy. 133	266	Ordy. 133
The Burrakur Coal Co.Ltd	** -	-	21	2nd Cum. Pref. 30
The Central Kurkund Coal Co.Ltd.	133	Ordy. 133	133	Ordy. 133
Rewa Coal Fields Ltd. (In Liquidation)	600	Ordy. 1609	600	Ordy. 1609
New Bansaodepur Coal Co.Ltd.	350	Ordy. 6734	350	Ordy. 6734
The Searssole Coal Co.Ltd.	200	Ordy. 1208	200	Ordy. 1208
The New Beerbhoom Coal Co.Ltd.	100	Ordy. 3241	100	Ordy. 3241
The Amalgamated Coal Fields Ltd.	432	Ordy. 972	432	Ordy. 972
The Ghusick & Muslia Collieries Ltd.	97	Ordy. 1695	97	Ordy. 1695
The Bhalgora Coal Co.Ltd. (In Liquidation)	100	Ordy. 1499	100	Ordy. 1499
The Bhulanbararee Coal Co.Ltd.	100	Ordy. 2219	100	Ordy. 2219
The Bengal Coal Co.Ltd.	12	Ordy. 3379	12	Ordy. 3379
Equitable Coal Co.Ltd.	100	Ordy. 5386	100	Ordy. 5386
New Ahmedabad Advance Mills (1988) Ltd.	2	Ordy. -	2	Ordy. -
The Phoenix Mills Ltd.	15	Ordy. 525	15	Ordy. 525
The Western India Spg.& Mfg.Mills Co.Ltd.	16	Equity 3686	16	Equity 3686
The Western India Spg.& Mfg.Mills Co.Ltd.	1	4.5% Cum. Red.Pref. 875	1	4.5% Cum. Red.Pref. 875
Forbes Gokak Ltd.	20	Equity 2200	20	Equity 2200
The Elphinston Spg.& Wvg.Mills Co.Ltd.	1	Ordy. 10	1	Ordy. 10
Edward Textiles Ltd. (In Liquidation)	2	Ordy. 1040	2	Ordy. 1040
The Finlay Mills Ltd.	1	Ordy. 40	1	Ordy. 40
The Central India Spg. Wvg. & Mfg.Co.Ltd.	1	Ordy. 40	1	Ordy. 40
Svadeshi Mills Co.Ltd.	20	Ordy. 90	20	Ordy. 90
Cawnpore Textiles Ltd.	40	Ordy. 220	40	Ordy. 220
The Kohinoor Mills Co.Ltd.	2	Ordy. 88	2	Ordy. 88
The Apollo Mills Ltd.	100	Ordy. 571	100	Ordy. 571
The New Great Eastern Spg.& Wvg.Co.Ltd.	4	Ordy. 250	4	Ordy. 250
Morarjee Realities Ltd. (Formerly The Morarjee Gokuldas Spg.& Wvg.Co.Ltd.)	300	Ordy. 6150	300	Ordy. 6150
Nicholas Piramal India Ltd.	*** 360	5% Cum. Red. Pref. -	-	-
The Indore Malva United Mills Ltd.	2	Ordy. 1228	2	Ordy. 1228
The Dawn Mills Co.Ltd.	55	Ordy. 1265	55	Ordy. 1265
The Khatau Makanjee Spg. & Wvg.Co.Ltd	10	Equity 1300	10	Equity 1300
The Khatau Makanjee Spg. & Wvg.Co.Ltd	1	4% Pref. 25	1	4% Pref. 25
The Hindoostan Spg. & Wvg.Mills Ltd.	3750	Equity 95625	3750	Equity 95625
Capricon Reality Ltd	@ 2	Equity -	-	-
<b>TOTAL C/O :</b>		<b>949623</b>	<b>TOTAL C/O :</b>	<b>949653</b>

\* Includes 150 Bonus Shares, the Scrips whereof not received till 31.3.2005 but allotment letter in respect thereof is in our possession.

\*\* As per scheme of arrangement passed by the Calcutta High Court, repayment of Rs. 2/- p.share as against paid up value of Rs. 10/- p. share plus respective share of 10% of the arrear accumulated dividend as on 31.3.03 which comes to Rs. 2.5620741 per share paid by the Company during the year.

\*\*\* Pursuant to Scheme of arrangement between Morarjee Gokuldas Spg. & Wvg. Mills Co. Ltd. (Morarjee) and Canere Activities & Fine Chemicals Pvt. Ltd. (Canere) for amalgamation of Canere with Nicholas Piramal India Ltd. (NPIL), NPIL as Successor of Canere has allotted to the shareholders of Morarjee, Six (6) 5% Cumulative Redeemable Preference Shares of Rs. 10/- each credited as fully paid, for every Five (5) equity shares held by them in Morarjee.

@ As per Rehabilitation Scheme of The Hindoostan Spg. & Wvg.Mills Ltd. (HSWML) approved by BIFR, A & B unit at Mahalaxmi of HSWML have been vested with Capricon Reality Ltd. and accordingly as against 1,478 Eq.Sh.of HSWML, -1- Eq.Share of Rs. 10/- each fully paid up of Capricon Reality Ltd. has been allotted to its Shareholders.

**SCHEDULE-14 (Contd...)**

Name of the Bodies Corporate	31st March, 2005		31st March, 2004	
	No. of Shares	Book Value (Rs.)	No. of Shares	Book Value (Rs.)
		<b>TOTAL B/F :</b>		<b>949623</b>
			<b>TOTAL B/F :</b>	<b>949653</b>
Bhishma Reality Ltd.	*	2 Equity	--	--
Chaitra Reality Ltd.	**	2 Equity	--	--
The New City of Bombay Mfg.Co.Ltd.	6	Ordy. 420	6	Ordy. 420
Swan Mills Ltd.	6	Ordy. 222	6	Ordy. 222
The Monogram Mills Co.Ltd.	2	Equity 214	2	Equity 214
Shri Ambica Mills Ltd.	8	Equity 352	8	Equity 352
The New Commercial Mills Co.Ltd.	8	Equity 868	8	Equity 868
The New Commercial Mills Co.Ltd.	1	2nd Cum. 96	1	2nd Cum. 96
		Pref.		Pref.
The Model Mills Nagpur Ltd.	1	Ordy. 344	1	Ordy. 344
Minerva Mills Ltd.	1	Ordy. 268	1	Ordy. 268
The Laxmi Vishnu Textiles Ltd.	19	Ordy. 570	19	Ordy. 570
The Colaba Land & Mills Co.Ltd.	4	Ordy. 122	4	Ordy. 122
Orissa Textiles Mills Ltd.	500	Ordy. 5000	500	Ordy. 5000
The Coimbatore Spg. & Wvg. Mills Co.Ltd.	6	Ordy. 742	6	Ordy. 742
The Simplex Mills Co.Ltd.	5	Ordy. 260	5	Ordy. 260
Beharilal Ramcharan Cotton Mills Ltd.	1	Ordy. 255	1	Ordy. 255
The Mysore Spg. & Mfg.Co.Ltd.	1	Ordy. 338	1	Ordy. 338
The Gold Mohur Mills Ltd.	3	Ordy. 225	3	Ordy. 225
The Bradbury Mills Ltd.	5	Ordy. 429	5	Ordy. 429
The Sitaram Spg. & Wvg.Mills Ltd.(In Liq.)	1	Ordy. 206	1	Ordy. 206
Kothari Industrial Corporation Ltd.	24	Equity 1080	24	Equity 1080
The Laxmi Mills Co.Ltd.	13	Equity 3690	13	Equity 3690
The Combodia Dyeing & Mfg.Co.Ltd.	2	Ordy. 51	2	Ordy. 51
The Bombay Dyeing & Mfg.Co.Ltd.	810	Equity 84645	810	Equity 84645
Radha Krishna Mills Ltd.	30	Equity 750	30	Equity 750
The Rajalakshmi Mills Ltd.	30	Equity 1860	30	Equity 1860
Beard Sell Ltd.	30	Ordy. 435	30	Ordy. 435
Arvind Mills Ltd.	3779	Equity 207378	3779	Equity 207378
The Aruna Mills Ltd.	15	Ordy. 1050	15	Ordy. 1050
The Aruna Mills Ltd.	2	13% Non-Con.Debs. 157	2	13% Non-Con. Debs. 157
The Ahmedabad Mfg. & Calico Ptg.Co.Ltd.	143	Ordy. 8437	143	Ordy. 8437
The Ahmedabad Mfg. & Calico Ptg.Co.Ltd.	10	6% 3rd Cum.Pref. 559	10	6% 3rd Cum. Pref. 559
The Ahmedabad Mfg. & Calico Ptg.Co.Ltd.	2	Con.Bonds 180	2	Con. Bonds 180
The Ahmedabad Mfg. & Calico Ptg.Co.Ltd.	5	6% 2nd Cum.Pref. 304	5	6% 2nd Cum. Pref. 304
The Ahmedabad Mfg. & Calico Ptg.Co.Ltd.	8	Red.Bonds 835	8	Red. Bonds 835
DCM Limited	107	Equity 5510	107	Equity 5510
The India United Mills Ltd.	100	Defd. 454	100	Defd. 454
The Nutan Mills Ltd.	8	Ordy. 352	8	Ordy. 352
The Nutan Mills Ltd.	1	12.5% Non Con. Debs. 78	1	12.5% Non Con. Debs. 78
The Raipur Mfg.Company Ltd.	920	Ordy. 4600	920	Ordy. 4600
The Raipur Mfg.Company Ltd.	5	12.5% Non Con. Debs. 393	5	12.5% Non Con. Debs. 393
The Raipur Mfg.Company Ltd.	5	12.5% Non Con. Debs. 393	5	12.5% Non Con. Debs. 393
Arvind Products Ltd.	410	Ordy. 3075	410	Ordy. 3075
The Muir Mills Co.Ltd.	10	Ordy. 4015	10	Ordy. 4015
The Osmanshahi Mills Ltd.	1	Ordy. 390	1	Ordy. 390
The Swadeshi Cotton Mills Co.Ltd.	10	Ordy. 35	10	Ordy. 35
The Swadeshi Cotton Mills Co.Ltd.	90	Pref. Ordy. 135	90	Pref. Ordy. 135
The Swadeshi Cotton Mills Co.Ltd.	2	14% Red. Cum. Pref. 11	2	14% Red. Cum. Pref. 11
The New Victoria Mills Co.Ltd.	100	Ordy. 741	100	Ordy. 741
The Standard Industries Ltd.	336	Equity 12640	336	Equity 12640
The Century Textiles & Industries Ltd.	1440	Equity 150300	1440	Equity 150300
The Sirsilk Ltd.	60	Equity 300	60	Equity 300
Sutlej Industries Ltd.	235	Equity 12560	235	Equity 12560
Kesoram Industries Ltd.	337	Equity 13480	337	Equity 13480
		<b>TOTAL C/O :</b>		<b>1481427</b>
			<b>TOTAL C/O :</b>	<b>1481457</b>

\* As per Rehabilitation Scheme of The Hindoostan Spg.& Wvg.Mills Ltd. (HSWML) approved by BIFR, Crown Mill unit at Dadar of HSWML have been vested with Bhishma Reality Ltd. and accordingly as against 1,478 Eq.Sh.of HSWML, -1- Eq. Share of Rs. 10/- each fully paid up of Bhishma Reality Ltd. has been allotted to its Shareholders.

\*\* As per Rehabilitation Scheme of The Hindoostan Spg.& Wvg.Mills Ltd. (HSWML) approved by BIFR, Process House at Prabhadevi of HSWML have been vested with Chaitra Reality Ltd. and accordingly as against 1,478 Eq. Shares of HSWML, -1- Eq. Share of Rs. 10/- each fully paid up of Chaitra Reality Ltd. has been allotted to its Shareholders.



## SCHEDULE-14 (Contd...)

Name of the Bodies Corporate	31st March, 2005		31st March, 2004	
	No. of Shares	Book Value (Rs.)	No. of Shares	Book Value (Rs.)
	<b>TOTAL B/F :</b>	<b>1481427</b>	<b>TOTAL B/F :</b>	<b>1481457</b>
Kesoram Textile Mills Ltd.	337	Equity –	337	Equity –
The Birla Cotton Spg. & Wvg. Mills Ltd.	66	Equity 429	66	Equity 429
Jiyajeerao Cotton Mills Ltd.	112	Equity 1715	112	Equity 1715
Atherton West & Co. Ltd.	2250	Ordy. 274555	2250	Ordy. 274555
Modi Spg. & Wvg. Mills Co. Ltd.	140	Ordy. 1400	140	Ordy. 1400
The East India Electricity Supply & Traction Co. Ltd.	100	Ordy. 1012	100	Ordy. 1012
The Tata Power Co. Ltd.	256	Ordy. 11700	256	Ordy. 11700
The Amalgamated Electricity Co. Ltd.	85	Ordy. 170	85	Ordy. 170
Reliance Energy Ltd.	200	Ordy. 8200	200	Ordy. 8200
The Karachi Electric Supply Corpn. Ltd.	5	Ordy. 1278	5	Ordy. 1278
The South Madras Electric Supply Corpn. Ltd. (In Liquidation)	2	Ordy. –	2	Ordy. –
Jhansi Electric Supply Co. Ltd.	750	Ordy. 11106	750	Ordy. 11106
Birla VXL Ltd.	32	Ordy. 1392	32	Ordy. 1392
The Britannia Engg. Co. Ltd.	96	Ordy. 1101	96	Ordy. 1101
Burn & Company Ltd.	24	Ordy. 1436	24	Ordy. 1436
The India Machinery Co. Ltd.	50	Ordy. 523	50	Ordy. 523
Britannia Building Iron & Co. Ltd.	142	Ordy. 1857	142	Ordy. 1857
BESCO Limited	148	Ordy. 3774	148	Ordy. 3774
Richardson & Cruddas Ltd.	100	Equity 991	100	Equity 991
Jessop & Company Ltd.	100	Ordy. 662	100	Ordy. 662
SBL Industries Ltd.	25	Equity 100	25	Equity 100
Millars India Ltd.	75	Equity 1500	75	Equity 1500
Electro Steel Castings Ltd.	400	Equity 13500	400	Equity 13500
Gillanders Arbuthnot & Co. Ltd.	36	Ordy. 417	36	Ordy. 417
Mahindra & Mahindra Ltd.	516	Ordy. 24025	516	Ordy. 24025
Mahindra UGINE Steel Co. Ltd.	12	Equity 990	12	Equity 990
Whirlpool of India Ltd.	3606	Equity 108180	3606	Equity 108180
Royal & Sun Alliance Insurance Group plc	48	Shares 908	48	Shares 908
The Kinnison Jute Mills Co. Ltd.	8	Ordy. 2140	8	Ordy. 2140
Budge Budge Co. Ltd.	481	Equity 779	481	Equity 779
Cheviot Company Ltd.	481	Ordy. 2886	481	Ordy. 2886
Delta International Ltd.	288	Equity 1472	288	Equity 1472
The Lawrance Investment & Property Co. Ltd.	7	Ordy. 38	7	Ordy. 38
Willard India Ltd.	900	Equity 7875	900	Equity 7875
Shree Ambica Jute Mills Co. Ltd.	50	Equity 163	50	Equity 163
Birla Corporation Ltd.	2844	Equity 134616	2844	Equity 134616
The Naihati Jute Mills Co. Ltd.	10	Ordy. 70	10	Ordy. 70
The Naihati Jute Mills Co. Ltd.	4	4.5% Red. 48	4	4.5% Red. 48
		Pref.		Pref.
Kamarhatty Co. Ltd.	5	Ordy. 200	5	Ordy. 200
Kamarhatty Co. Ltd.	4	'B' Ordy. 400	4	'B' Ordy. 400
The Kelvin Jute Co. Ltd.	55	Ordy. 1306	55	Ordy. 1306
Howrah Mills Co. Ltd.	125	Ordy. 531	125	Ordy. 531
National Company Ltd.	50	Ordy. 1457	50	Ordy. 1457
The India Jute and Industries Ltd.	187	Ordy. 1964	187	Ordy. 1964
Calendonian Jute & Industries Ltd.	200	Ordy. 624	200	Ordy. 624
The Khardah Company Ltd.	87	Ordy. 2999	87	Ordy. 2999
The Jagatdal Industries Ltd.	660	Ordy. 726	660	Ordy. 726
The Rameshwara Jute Mills Co. Ltd.	50	Ordy. 140	50	Ordy. 140
Naskarpara Jute Mills Co. Ltd.	83	Ordy. 1871	83	Ordy. 1871
The Saran Engg. Co. Ltd.	60	Equity 492	60	Equity 492
The Tata Iron & Steel Co. Ltd.	* 1350	Ordy. 112500	900	Ordy. 112500
The Tata Iron & Steel Co. Ltd. (Formerly Tata SSL Ltd.)	* 12	Ordy. 225	8	Ordy. 225
Texmaco Ltd.	27	Ordy. 1350	27	Ordy. 1350
Tata Motors Ltd.	416	Ordy. 33020	416	Ordy. 33020
Reliance Ispat Industries Ltd.	674	Ordy. 14491	674	Ordy. 14491
Shri Lachminarain Jute Mfg. Co. Ltd.	50	Ordy. 1400	50	Ordy. 1400
The Calcutta Jute Mfg. Co. Ltd.	75	Ordy. 262	75	Ordy. 262
The Maheshwari Devi Jute Mills Ltd.	14	Ordy. 3954	14	Ordy. 3954
The Empire Jute Co. Ltd.	25	Ordy. 75	25	Ordy. 75
Anglo India Jute Mills Co. Ltd.	2	Ordy. 38	2	Ordy. 38
Alliance Udyog Ltd.	20	Ordy. 116	20	Ordy. 116
The Barangore Jute Factory Co. Ltd.	1	Ordy. 23	1	Ordy. 23
The Champdany Industries Ltd.	20	Ordy. 50	20	Ordy. 50
Clive Mills Co. Ltd.	15	Ordy. 348	15	Ordy. 348
GIS Ltd.	405	Equity 11745	405	Equity 11745
The Gourepore Co. Ltd.	40	Ordy. 140	40	Ordy. 140
	<b>TOTAL C/O :</b>	<b>2296882</b>	<b>TOTAL C/O :</b>	<b>2296912</b>

\* Fully Paid up Bonus Shares of Rs. 10/- each in the ratio of 1:2, allotted by the Company during the year.

**SCHEDULE-14 (Contd...)**

Name of the Bodies Corporate	31st March, 2005		31st March, 2004	
	No. of Shares	Book Value (Rs.)	No. of Shares	Book Value (Rs.)
	<b>TOTAL B/F :</b>	<b>2296882</b>	<b>TOTAL B/F :</b>	<b>2296912</b>
The Hooghly Mills Co.Ltd.	567	Ordy. 351	567	Ordy. 351
The Fort William Industries Ltd.	15	Ordy. 465	15	Ordy. 465
New Central Jute Mills Co.Ltd.	42	Ordy. 464	42	Ordy. 464
The Northbrook Jute Co.Ltd.	9	Ordy. 252	9	Ordy. 252
The Nuddea Mills Co.Ltd.	5	Ordy. 9	5	Ordy. 9
Presidency Exports & Industries Ltd.	7	Ordy. 10	7	Ordy. 10
Union Jute Co.Ltd.	4	Ordy. 647	4	Ordy. 647
Waverley Investments Ltd.	6	Ordy. 24	6	Ordy. 24
Fort Gloster Industries Ltd.	10	Ordy. 400	10	Ordy. 400
Gloster Jute Mills Ltd.	2	Ordy. -	2	Ordy. -
Kankarrah Co.Ltd.	1	Ordy. 30	1	Ordy. 30
The Alexandra Jute Mills Ltd.	3	Ordy. 289	3	Ordy. 289
Birds Jute & Exports Ltd.	1	Ordy. 4	1	Ordy. 4
Auckland International Ltd.	198	Equity 213	198	Equity 213
Abhisek Jute & Industries Ltd.	132	Equity 142	132	Equity 142
The Karanpura Development Co.Ltd.	100	Ordy. 50	100	Ordy. 50
Aviva plc	48	Ordy. 280	48	Ordy. 280
The Corporate Services Group plc	1	Ordy. 348	1	Ordy. 348
London & Associated Properties plc	120	Ordy. 220	120	Ordy. 220
The Shivrajpur Syndicate Ltd.(In Liquidation)	42	Ordy. 921	42	Ordy. 921
The Bombay Burma Trading Corporation Ltd.	80	Ordy. 2840	80	Ordy. 2840
Wimco Ltd.	300	Ordy. 5775	300	Ordy. 5775
Indian Radio & Cable Communication Ltd. ( In Liquidation )	1	Ordy. 324	1	Ordy. 324
The Mysore Tobacco Co.Ltd.	5	Ordy. 15	5	Ordy. 15
The Mysore Lamps Works Ltd.	16	Ordy. 776	16	Ordy. 776
Shree Mfg.Co.Ltd.	75	Equity 169	75	Equity 169
Carbo - Ceramics Ltd.	50	Equity 250	50	Equity 250
Incab Industries Ltd.	100	Ordy. 6900	100	Ordy. 6900
Bengal Pottaries Ltd.	17000	Ordy. 77648	17000	Ordy. 77648
Indian Aluminium Co.Ltd.	157	Equity 17850	157	Equity 17850
Hindalco Industries Ltd.	22	Equity -	-	-
Hindalco Industries Ltd.	261	Equity 29430	261	Equity 29430
Unilever plc	1714	Ordy. Sh. 476	1714	Ordy.Sh. 476
Crossess & Heaton's Ltd.	10	Ordy. Stock 306	10	Ordy. Stock 306
The Sindhu Resettlement Corpn.Ltd.	2	Ordy. 2000	2	Ordy. 2000
Hindustan Motors Ltd.	120	Ordy. 2940	120	Ordy. 2940
Universal Cables Ltd.	300	Ordy. 16500	300	Ordy. 16500
Exide Industries Ltd.	290	Equity 13050	290	Equity 13050
Eveready Industries India Ltd.	54	Ordy. 1282	54	Ordy. 1282
Diageo plc	295	Ordy. Sh. -	295	Ordy.Sh. -
Titagarh Industries Ltd	3	Equity 178	3	Equity 178
India Paper Pulp Co.Ltd.	294	Ordy. 4685	294	Ordy. 4685
The Star Paper Mills Ltd.	75	`A' Ordy. 1125	75	`A' Ordy. 1125
The Bengal Paper Mills Co.Ltd.	60	Ordy. 330	60	Ordy. 330
The Sirpur Paper Mills Co.Ltd.	90	Ordy. 2880	90	Ordy. 2880
Ballarpur Industries Ltd.	900	Ordy. 140400	900	Ordy. 140400
National Boards Limited	25	Equity 250	25	Equity 250
Speciality Papers Ltd.	25	Equity 200	25	Equity 200
Grasim Industries Ltd.	1161	Ordy. 136161	1161	Ordy. 136161
The Travancore Rayons Ltd.	125	Ordy. 938	125	Ordy. 938
NRC Limited	80	Ordy. 5200	80	Ordy. 5200
Indian Rayon & Industries Ltd.	180	Equity 12180	180	Equity 12180
The Mysore Paper Mills Ltd.	80	Ordy. 985	80	Ordy. 985
Bhatpara Jute & Properties Ltd.	169	Equity 1690	169	Equity 1690
RJM Investments Ltd.	169	Equity 1690	169	Equity 1690
Reliance Jute Mills (International) Ltd.	338	Equity -	338	Equity -
The Central Provinces Rlys.Co.Ltd.	10	Equity 111	10	Equity 111
Balrampur Commercial Enterprises Ltd.	41	Ordy. 400	41	Ordy. 400
The Travancore Sugar & Chemicals Ltd.	18	Ordy. 72	18	Ordy. 72
The Travancore Sugar & Chemicals Ltd.	15	Equity 150	15	Equity 150
United Breweries(Holdings) Ltd.	1440	Equity 44280	1440	Equity 44280
United Breweries Ltd.	960	Equity 29520	960	Equity 29520
The India Sugar & Refineries Ltd.	48	Ordy. 578	48	Ordy. 578
The Vizagapattam Sugar & Refineries Ltd. ( In Liquidation)	10	Ordy. 105	10	Ordy. 105
Gaya Sugar Mills Ltd. (In Liquidation)	190	`A' Ordy. 2200	190	`A' Ordy. 2200
	<b>TOTAL C/O :</b>	<b>2866840</b>	<b>TOTAL C/O :</b>	<b>2866870</b>

\* Pursuant to the Scheme of reduction of share capital of Indian Aluminium Co. Ltd. (Indal) sanctioned by Hon'ble High Court, Calcutta, the face value of Indal equity shares has been reduced to Rs. 2/- each fully paid up. Further in pursuant to Scheme of arrangement between Hindalco Industries Ltd. (HIL) and Indian Aluminium Co. Ltd.(Indal), the shareholders of Indal have been allotted one equity share of Rs. 10/- fully paid up of HIL for every -7- Equity Shares of Rs. 2/- each of Indal.



## SCHEDULE-14 (Contd...)

Name of the Bodies Corporate	31st March, 2005		31st March, 2004	
	No. of Shares	Book Value (Rs.)	No. of Shares	Book Value (Rs.)
	<b>TOTAL B/F :</b>	<b>2866840</b>	<b>TOTAL B/F :</b>	<b>2866870</b>
New India Sugar Mills Ltd.	525	Ordy. 22575	525	Ordy. 22575
The Oudh Sugar Mills Ltd.	100	Ordy. 782	100	Ordy. 782
Akola Oil Industries Ltd.	40	Ordy. -	40	Ordy. -
Upper Ganges Sugar & Industries Ltd.	270	Ordy. 12420	270	Ordy. 12420
Rohas Industries Ltd.	115	Ordy. 403	115	Ordy. 403
Walchandnagar Industries Ltd.	90	Ordy. 2025	90	Ordy. 2025
BRCM Ltd. ( Formerly Balrampur Chini Mills Ltd.)	10	Equity 445	10	Equity 445
Balanoor Plantations & Industries Ltd.	45	Ordy. 1350	45	Ordy. 1350
Chembrapeak Estates Ltd.	198	Ordy. 2838	198	Ordy. 2838
Jayshree Tea & Industries Ltd.	162	Equity 9315	162	Equity 9315
Industrial Investment Trust Ltd.	500	Equity 1150	500	Equity 1150
New India Investment Corpn.Ltd.	5	Ordy. 330	5	Ordy. 330
New Commercial Investment & Trading Co. Ltd.	10	Ordy. 285	10	Ordy. 285
ICICI Bank Ltd.	60	Ordy. 492	60	Ordy. 492
J.K. Investors (Bombay) Ltd.	360	Equity 30000	360	Equity 30000
The Scindia Steam Navigation Co.Ltd.	120	Ordy. 1740	120	Ordy. 1740
The Calcutta Steam Navigation Co. Ltd.	80	Ordy. 2374	80	Ordy. 2374
Hindustan Lever Limited	110	Equity 3710	110	Equity 3710
Hindustan Lever Limited	*	-	110	9% Debs -
Nav Bharat Vanijya Ltd.	3750	Ordy. 40313	3750	Ordy. 40313
Nav Bharat Vanijya Ltd.	3750	6% Bonds -	3750	6% Bonds -
Impex (India) Ltd.	3000	Ordy. 15000	3000	Ordy. 15000
Juggilal Kamlapat Udyog Ltd.	22500	Ordy. 175000	22500	Ordy. 175000
J.K.Corp Ltd.	** 385000	Equity 31570000	450000	Equity 36900000
Hoyle's Paints Ltd.	5000	Equity 50000	5000	Equity 50000
Hoyle's Paints Ltd.	100	Pref. 10000	100	Pref. 10000
Hifazat Chemicals Ltd.	36000	Equity 441514	36000	Equity 441514
DCM Shriram Industries Ltd.	107	Equity 5510	107	Equity 5510
DCM Shriram Consolidated Ltd.	107	Equity 5509	107	Equity 5509
Siel Ltd.	64	Equity 1377	64	Equity 1377
Mawana Sugars Ltd. (Formerly Siel Sugars Ltd.)	192	Equity 4132	192	Equity 4132
J.K.Steel Employees Consumers Co-operative Stores Society Ltd.	14	Equity 3500	14	Equity 3500
Bharat Chamber of Commerce	30	2% Debs. 15000	30	2% Debs. 15000
Sarnath Co-operative Housing Society Ltd.	10	Ordy. 500	10	Ordy. 500
Nav-Jyoti Investments And Dealers Ltd.	***	-	225	Equity -
R.V. Investment and Dealers Ltd.	22	Equity -	-	-
Saurashtra Chemicals Ltd.	16	Equity -	16	Equity -
Seris Ltd.	700	Equity 192500	700	Equity 192500
Stiefel Und Schuh Ltd.	1100	Equity 11000	1100	Equity 11000
GIC Housing Finance Ltd.	1600	Equity 80000	1600	Equity 80000
J.K.Agri Genetics Ltd.	10	Equity -	10	Equity -
J.K. Sugar Ltd.	15	Equity -	15	Equity -
ABB Alasthorm Power Ltd.	@ 1000	Equity 156132	-	-
IFCI Ltd.	@ 125000	Equity 2200701	-	-
<b>INVESTMENT IN MUTUAL FUND :</b>				
Grindlays Super Saver Income Fund ( Short Term Plan )	#	-	62685.321	Units 450000
<b>GOVERNMENT SECURITIES :</b>				
National Saving Certificates	-	15000	-	47500
	<b>GRANDTOTAL :</b>	<b>37951762</b>	<b>GRANDTOTAL :</b>	<b>41407459</b>

\* 9% Secured fully paid up redeemable non-convertible bonus debentures of Rs.6/- each have been redeemed during the year.

\*\* 65,000 Equity Shares sold during the year.

\*\*\* As per Scheme of amalgamation of Nav - Jyoti Investment & Dealers Ltd. (NIDL) with RV Investment and Dealers Ltd. (RVIDL), the shareholders of erstwhile NIDL have been allotted one ( 1 ) equity share of Rs. 10/- of RVIDL for every 10 equity shares held in NIDL.

# Investment in Mutual Fund, redeemed during the year.

@ Shares purchased and sold during the year :

	No. of Shares	Amount (Rs.)	Rate @ (Rs.)
<b>Purchased</b>			
IFCI Ltd.	100000	1810670.50	18.11
"	25000	390030.50	15.60
	125000	2200701.00	
ABB Alasthorm Power Ltd.	4240	661960.73	156.12
<b>Sold</b>			
ABB Alasthorm Power Ltd.	1000	156120.00	
	1240	193588.80	
	1000	156120.00	
	3240	505828.80	

**SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Concepts**

The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the applicable mandatory Accounting Standards.

**2. Fixed Assets**

Gross Block of Fixed Assets is stated at Historical Cost.

**3. Depreciation**

Depreciation on Fixed Assets is provided at the Straight Line Method rates prescribed in Schedule XIV to the Companies Act, 1956.

**4. Investments**

Investments are stated at cost. Quoted investments purchased before 31.03.1990 are stated at book value based on market value as on 31.03.1990.

Provision for diminution, other than temporary, is determined and made from time to time to recognise the decline in the value of investments.

**5. Inventories**

Inventories are stated “**at cost or net realisable value, whichever is lower**”. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used are “**First-in-First-out**” or “**Average Cost**” as applicable.

**6. Revenue Recognition**

(a) Revenue is generally recognised when no significant uncertainty as to its measurability or collectability exists.

(b) Interest payable / receivable on demands / refunds of Excise duty / Income Tax / Sales Tax are accounted for in the year of payment / receipt.

**7. Retirement benefits**

The Company's contributions to Provident Fund and Superannuation Fund are charged to Profit & Loss Account. Contribution to Gratuity Fund is made on the basis of actuarial valuation and provision for Leave encashment is made on the basis of actual liability and charged to Profit & Loss Account.



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO SUBSIDIARY COMPANIES**

Name of the Subsidiary Company	Extent of interest in the subsidiary at the end of the Financial year of the subsidiary			Net aggregate amount of the subsidiary's profit after deducting its losses or vice-versa (so far as it concerns members of the Holding Company)			
	Subsidiary's Financial Year ended on	No. of Shares held	% of total paid-up Capital	Losses not dealt with in the Holding Company's Accounts		Profit dealt with or (Losses) provided for in the Holding Company's Accounts	
				For the Financial year of the subsidiary (Rs./Lacs)	For the previous Financial Years' since it became the Holding Co's subsidiary (Rs./Lacs)	For the financial Years of the subsidiary	For the previous Financial Year's since it became the Holding Co.'s subsidiary
1. J.K. Satoh Agricultural Machines Ltd.	31st March, 2005	540000 Equity Shares of Rs.10/- each	50.70%	0.15	13.37	( See note below )	
2 Jaykay Tech Ltd.	31st March, 2005	600000 Equity Shares of Rs.10/- each	99.99%	1.01	145.70	( See note below )	

**Note :** There have been no operations and all assets of both the subsidiaries have been sold/discarded , the Company has already made full provisions for value of investments and have also written off the outstanding advances to these subsidiaries in its books.

As per our Report attached

For P. L. TANDON & Co.,  
*Chartered Accountants*

GAUR HARI SINGHANIA  
*Chairman*

GOVIND HARI SINGHANIA  
*Vice Chairman*

K. B. AGARWAL  
JAGENDRA SWARUP  
KAILASH NATH  
A. KARATI  
S. BHANDARI  
N. K. JHAJHARIA  
R. K. TANDON

} *Directors*

P. P. SINGH  
*Partner*

YADUPATI  
*Managing Director & CEO*

J. P. BAJPAI  
*Secretary*

Kanpur  
Dated : 29th July, 2005

K. N. KHANDELWAL  
*President (F&A)*

# J. K. SYNTHETICS LIMITED

Regd. Office : Kamla Tower, Kanpur - 208 001

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

NAME AND ADDRESS OF THE SHAREHOLDER .....

Number of Shares held : .....

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 28th September, 2005 at 12.00 noon in the Auditorium of the Merchants' Chamber of Uttar Pradesh, 14/76, Civil Lines, Kanpur.

\* Applicable for Investors holding Shares in electronic form.

\*\* Strike out whichever is not applicable.

SIGNATURE OF THE SHAREHOLDER OR PROXY\*\*

..... CUT HERE .....

# J. K. SYNTHETICS LIMITED

Regd. Office : Kamla Tower, Kanpur - 208 001

## PROXY FORM

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

I/We .....

being a Member/Members of J. K. Synthetics Limited hereby appoint .....

..... of .....

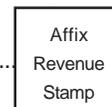
(or failing him) ..... of .....

(or failing him) ..... of .....

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 28th September, 2005 at 12.00 noon and at any adjournment thereof.

Signed this.....day of.....2005

Signature.....



\* Applicable for Investors holding Shares in electronic form.

**Note :** The Proxy Form must be deposited at the Registered Office of the Company at Kamla Tower, Kanpur-208001 not less than 48 hours before the time for holding the meeting. The Proxy need not be a member of the Company.

CUT HERE