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# **JD ORGOCHEM LTD.**

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**Annual Report 2007-08**

**BOARD OF DIRECTORS**

Shri. Sharadchandra S. Kothari  
Chairman & Managing Directors

Shri. Shrikant K. Kothari  
Whole-Time Director

Shri. Mahendra K. Kothari

Shri Phool Chand Rai  
[Expired 31/01/2008]

Shri. Umesh T. Chandan

Shri Jay K. Manek

Shri Lalit Chaudhari  
[Appointed w.e.f. 02/06/2008]

**COMPANY SECRETARY**

Mr. Ravindra C. Tolat

**AUDITORS**

M/S. Maganlal & Ajay Mehta  
Chartered Accountants

**SUBSIDIARY COMPANIES**

Jaysynth Anthraquinones Limited  
Jaysynth (Europe) Limited

**REGISTERED OFFICE**

301, Sumer Kendra,  
Pandurang Budhkar Marg,  
Worli,  
Mumbai: 400 018

**Plants:**

Plot Nos. A-4/2,  
M.I.D.C. Industrial Area,  
Patalganga,  
Dist. Raigad – 410 220

**REGISTRAR & TRANSFER AGENT**

Sharepro Services (India) Pvt. Ltd.  
Satam Estate, 3<sup>rd</sup> Floor  
Above Bank of Baroda  
Chakala, Andheri (East),  
Mumbai: 400 099

912, Raheja Centre,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai: 400 021.

**PRINCIPAL BANKERS**

HDFC Bank Limited  
Union Bank of India

**CONTENTS**

	Page Nos.
Notice .....	1 - 2
Director's Report .....	3 - 15
Auditor's Report .....	16 - 19
Balance Sheet .....	20
Profit & Loss Account .....	21
Schedule A to R .....	22-33
Cash Flow Statement .....	34
Statement relating to Subsidiary Companies .....	35
General Business Profile .....	36
Consolidated Accounts .....	37-50
Annual report of Subsidiary Companies :	
Jaysynth Anthraquinones Limited .....	51 - 65
Jaysynth Europe Limited .....	66 - 70

## JD ORGOCHEM LIMITED

### NOTICE

**NOTICE** is hereby given that the Thirty-fourth Annual General Meeting of the Company will be held on Tuesday the 30<sup>th</sup> day of September, 2008 at 10.00 a.m. at Registered Office of the Company at 301, Sumer Kendra Pandurang Budhkar Marg, Worli, Mumbai- 400 018 to transact the following business :-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Director in place of Shri. Umesh Chandan Who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

#### SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provision of Section 260 of the Companies Act, 1956 Shri. Lalit Chaudhari, who was appointed as an Additional Director w.e.f. 2<sup>nd</sup> June, 2008 by the Board of Directors of the Company and holds office up to the date of ensuing Annual General Meeting of the company in respect of whom the company has received a notice in writing from the member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the Director of the company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**BY ORDER OF THE BOARD**

**R. C. TOLAT**

**COMPANY SECRETARY**

MUMBAI : 29th August, 2008

#### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 25<sup>th</sup> September, 2008 to Tuesday, the 30<sup>th</sup> September, 2008 (both days inclusive).
3. Members desirous of getting any information about the accounts of the Company are requested to send their queries so as to reach at least ten days before the meeting at the Company's Registered Office at 301, SUMER KENDRA, P.B.MARG, WORLI, MUMBAI - 400 018, so that the information required can be made readily available at the meeting.
4. The Shares of the Company are listed with The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 021, and on The National Stock Exchange of (India) Ltd., Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1 G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. The Company has paid the Annual Listing fees upto date, to the above Stock Exchanges.
5. Consequent upon introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which shall be made available on request) to the Company.
6. Members are requested to intimate change in their address immediately to M/s. Sharepro Services (India) Pvt. Ltd., the Company's Registrar and Transfer Agents, at any of their addresses given below.
7. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith relevant Share Certificates to M/s. Sharepro Services (India) Pvt. Ltd., the Company's Registrar and Transfer Agents, at any of their addresses given below.
8. Members are requested to bring copies of Annual Report to the Annual General Meeting.
9. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.

10. Members are requested to quote Ledger Folio Number/Client ID and DP ID numbers in all their correspondence.
11. In terms of the Notification issued by the Security and Exchange Board of India, Equity Shares of the Company are under compulsory demat trading by all investors. Shareholders are therefor, advised to dematerialise their shareholding to avoid inconvenience in future.

**REGISTRAR & TRANSFER AGENTS:**

M/S.SHAREPRO SERVICES (INDIA) PVT. LTD.  
(UNIT : JD ORGOCHEM LTD.)

1. SATAM ESTATE, 3RD FLOOR,  
ABOVE BANK OF BARODA, CHAKALA,  
ANDHERI [EAST],  
MUMBAI - 400 099

2. 912, RAHEJA CENTRE,  
FREE PRESS JOURNAL MARG,  
NARIMAN POINT,  
MUMBAI - 400 021.

**Explanatory statement pursuant to Section 173 of the Companies Act, 1956.**
**Item No. 4 :**

Shri. Lalit Chaudhari, was appointed as an Additional Director on 2<sup>nd</sup> June, 2008, pursuant to Section 260 of the Companies Act, 1956. He holds office as a director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with required deposit, proposing the candidature of Shri. Lalit Chaudhari, for the office of director under the provisions of Section 257 of the Companies Act, 1956. Shri Lalit Chaudhari, was also appointed as a member of the company's Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievance Committee w.e.f 2<sup>nd</sup> June, 2008. Brief profile of the Director is given in the Annexure to the Notice in pursuance of Clause 49 of the Listing Agreement. None of the Directors, except Shri Lalit Chaudhari himself, are concerned or interested in the Ordinary Resolution.

**BY ORDER OF THE BOARD**

MUMBAI : 29<sup>th</sup> August, 2008

**REGD.OFFICE :**  
301, Sumer Kendra,  
P.B. Marg, Worli,  
Mumbai - 400 018.

**R.C.TOLAT**  
**COMPANY SECRETARY**

**ANNEXURE TO NOTICE DATED AUGUST 29, 2008**

Details of the Directors seeking appointment / re-appointment at the forth coming, Annual General Meeting with pursuance of Clause 49 of the Listing Agreement.

<b>Name of Director</b>	<b>Umesh T Chandan</b>	<b>Lalit Chaudhari</b>
Date of Birth	02-09-1961	18-10-1948
Date of Appointment	January 28, 2006	June 2, 2008
Experience	He has wide experience of accounting and financial matters.	He is a B com having wide Experience of Administration and over 25 years wide and varied experience in Dyes, Dyes intermediate and Chemicals. He is Deputy General Manager of Sales in a company.
Directorship held in other public companies	NIL	NIL
Committee position held in other Companies	<b>Member</b> Remuneration committee - JD Orgochem Ltd.	<b>Member</b> Remuneration committee Shareholders'/ Investors' Grievance Committee, Audit Committee - JD Orgochem Ltd.
No. of Shareholdership		
a) Own	300	300
b) For others on beneficial basis	NIL	NIL

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors hereby present their 34<sup>th</sup> Report together with the audited statement of Accounts for the year ended March 31, 2008.

**1. FINANCIAL RESULTS :**

(Rs. In Lacs)

PATICULARS	YEAR ENDED MARCH 31, 2008	YEAR ENDED MARCH 31, 2007
Gross Sales	121.73	148.49
Other Income	81.89	27.10
<b>Total Income</b>	<b>203.62</b>	<b>175.59</b>
<b>Loss before Depreciation, Taxes and Extraordinary Income.</b>	<b>(153.23)</b>	<b>(3833.31)</b>
Depreciation	(369.97)	(611.45)
<b>Net Loss before Extraordinary item</b>	<b>(523.20)</b>	<b>(4444.76)</b>
Extraordinary Income	1555.08	-
<b>Net Profit/ (Loss)</b>	<b>1031.88</b>	<b>(4444.76)</b>
Prior period Adjustment	(0.90)	4.81
Fringe Benefits Tax	(0.60)	(1.55)
Revaluation Reserve Transferred	5.08	-
Opening Balance of Profit & Loss A/c	(35119.34)	(30677.84)
<b>Balance carried to Balance Sheet</b>	<b>(34083.88)</b>	<b>(35119.34)</b>

**2. DIVIDEND :**

In view of accumulated losses, your Directors do not propose any dividend for the year under review.

**3. PERFORMANCE :**

Asset Reconstruction Company (India) Ltd (ARCIL) and Stressed Assets Stabilization Fund (SASF) in exercise of power granted under Section 13 (4) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI ACT) has taken possession of all movable and immovable assets of Turbhe plant of the Company on 29.12.2006. During the year under review, Asset sales committee (ASC) formed by secured creditors have sold and transferred the assets of Turbhe unit and entire sales proceeds were distributed amongst the Secured Creditors. The Company's plant at Patalganga was partially restarted during the year under review.

Your Company has recorded gross sales of Rs. 121.73 lacs during the year under review as against Rs.148.49 lacs during the previous year.

The Company incurred loss of Rs.523.20 lacs during the year under review, as against loss of Rs.4444.76 lacs during the previous year. However, inclusion of Extraordinary Income amounting to Rs.1555.08 Lacs upon sale of Turbhe unit by Secured Creditors under SARFAESI, Act., resulted into net profit of Rs.1031.88 lacs for the year under review.

During the year under review, your Company produced 76.20 tons of Dyes.

**4. SCHEME OF COMPROMISE/ARRANGEMENT :**

A Scheme of Compromise/Arrangement between Secured Creditors (First Charge holders), Secured Creditors (Second Charge holders) & Equity Share holders is approved by the Hon'ble High Court of Bombay on 20<sup>th</sup> June, 2008. According to said Scheme of Compromise and Arrangement Secured Loans & Debentures and Share Capital of the Company are restructured. Face value Equity Shares is reduced from Rs. 10/- to Re.1/-. Your Company has made necessary application to the Bombay Stock Exchange Ltd. & National Stock Exchange India Ltd. to re-list Equity Shares of Re.1/- each.

The Guarantor(s)/Promoter(s) are required to bring advance subscription of Rs.5.00 Crores towards the right issue envisaged in the said Scheme. Accordingly, Promoters have brought Rs.6.60 Crore as advance subscription for right issue.

**5. FINANCE :**

Due to Cash losses and stringent financial conditions experienced by the Company, debenture redemption amounts have remained outstanding against privately placed Non-convertible Debentures (Series VI) besides default in payment of interest on the said Debentures. The Company also defaulted in payment of interest and installments to the Secured Creditors.

However, as mentioned in Para 4 above, all secured loans including debentures stand restructured as per the Scheme of Compromise / Arrangement which has become operative. Necessary steps are being taken to implement the said Scheme for restructuring the Company's financial obligations.

**6. DIRECTORS :**

Shri P.C. Rai a Director of the Company expired on 31.01.2008, your Directors of placed on record its sincere appreciation of the valuable services rendered by him during his tenure as a Director of the Company.

Shri Umesh T. Chandan, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri. Lalit Chaudhari, who was appointed as an Additional Director w.e.f. 2<sup>nd</sup> June, 2008 by the Board of Directors of the Company and holds office up to the date of ensuing Annual General Meeting of the company. The company has received a notice in writing from the member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the company.

**7. AUDITORS :**

The Company's Auditors M/s. Maganlal & Ajay Mehta, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**8. QUALIFICATION IN AUDITORS' REPORT :**

The Auditors, in their report for the financial year under review, have under Serial No. 3(v)(a) mentioned that "No provision has been made for interest, additional interest and liquidated damages payable for non/delayed payment of interest / installment / lease rentals to the Lenders / Debentures / Debenture holders as the same has been waived in view of the Scheme of Compromise / Arrangement between Secured Creditors (First Charge Holders) Secured Creditors (Second Charge holders) and Equity Shareholders of the company which is approved by the Hon'ble High Court of Bombay as mentioned in note no. 13 of Schedule "R".

The Auditors Remarks is self-explanatory.

The Auditor's in their report under Serial No. 3(v)(b) have mentioned that adequacy of the provisions made for meeting the workers' liabilities cannot be ascertained, as referred to in Note No. 13 of Schedule 'R'.

Dues payable to the workers on account of retrenchment and resignations were provided in the accounts in earlier years on estimated basis. The litigation in the matter is still going on in the Court. Therefore, financial liability on this account cannot be ascertained at this stage and, therefore, no additional provision has been made subsequently.

The Auditors' in their Report at serial No. 3(v)(c), have mentioned that no provision in has been made in the accounts for the diminution in the value of investments in the Shares of Jaysynth Anthraquinones Ltd., (JAL) and Jaysynth Polychem Pvt. Ltd. (JPPL) as well as of advances given as referred to in Note No. 14 of Schedule 'R' resulting into the accumulated losses by Rs. 1830.66 lacs.

JAL has filed a Reference with the Hon'ble BIFR and a Scheme for Rehabilitation of the company shall be prepared by the Operating Agency. the exact provision in respect of the same shall be made upon formulation of the Rehabilitation Scheme and approval of the same by BIFR.

The Auditors in their report at serial no. 3(vi) have mentioned that Shri S. S. Kothari and Shri M. K. Kothari are disqualified from being appointed as Directors in terms of clause (g) of the sub-section (1) of section (1) of Section 274 of the Companies Act, 1956.

Shri S. S. Kothari and Shri M. K. Kothari are not re-appointed as Directors at the ensuing Annual General Meeting as they are not due for-appointment. Shri S. S. Kothari and Shri M. K. Kothari are permanent Directors as provided in Articles 132(a) of Articles of Association.

**9. CONSOLIDATED FINANCIAL STATEMENT :**

The Directors are pleased to enclose consolidated financial statements of the Company which consolidate and present the results of the Company, with its wholly owned subsidiaries as a single economic entity, prepared in accordance with the Accounting Standard (AS-21). The aforesaid Consolidated Financial Statements form part of this Annual Report.

**10.DIRECTORS' RESPONSIBILITY STATEMENT :**

In terms of Section 217 (2AA) of the Companies Act, 1956, the Directors hereby state that:

- i. in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently, and have made judgments 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 March 31, 2008 and of the loss of the Company for the year ended on that date;
- iii. the Director had taken proper and sufficient care has been taken for the 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;
- iv. the Annual Accounts have been prepared on a going concern basis.

**11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO :**

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of this Report. There are no foreign exchange earnings & outgoings during the year under review.

**12. CORPORATE GOVERNANCE :**

Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a separate Section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors confirming compliance forms part of this Report.

**13. SUBSIDIARY COMPANIES :**

The information required under Section 212 of the Companies Act, 1956 relating to subsidiary Companies is attached.

**14. MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

As per clause 49 of the Listing Agreements with the Stock Exchanges, a separate Section on Management Discussion and Analysis Report is appended to this Report.

**15. PARTICULARS OF EMPLOYEES :**

The Company has no employees covered under provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

**16. FIXED DEPOSITS :**

Your Company has not accepted any Fixed Deposit from the public.

**17. INDUSTRIAL RELATION :**

As regards Turbhe Unit, the case of retrenched workmen is still pending before Industrial Tribunal, Thane. As regards transfer of employees of Turbhe Unit to Viramgam Unit, the writ petition is still pending before the Hon'ble High Court Bombay and the stay on Industrial Court order is continuing. As the workers did not report at Viramagam despite of order from High Court their services were terminated. The dispute regarding Termination of their services is also pending before Industrial Tribunal Thane. As mentioned in para 3 above, The Asset Sales Committee (ASC) formed by secured creditors have sold and transferred the assets of Turbhe unit and entire sales proceeds were distributed amongst the Secured Creditors.

Dues of the worker at Patalganga Unit were settled pursuant to the consent order passed by the High Court. However, some of the workers filed appeal against the Consent Order before the Division Bench, which was dismissed. Appeal filed by the workmen before Hon'ble Supreme Court also stands dismissed.

**18. RESEARCH AND DEVELOPMENT :**

As Company's plant at Patalganga was partially operating, no Research and Development activity is carried out during the year under review.

**19. ACKNOWLEDGMENTS :**

Your Directors would like to express their grateful appreciation for the assistance and co-operation extended by the Financials Institution during this difficult period.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE : MUMBAI**  
**DATED : August 29, 2008**

**S. S. KOTHARI**  
**CHAIRMAN & MANAGING DIRECTOR**



**ANNEXURE I TO THE DIRECTORS' REPORT**

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 & forming part of the Directors Report for the year ended March 31, 2008.

**FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

**A: POWER & FUEL CONSUMPTION :**

<b>1. ELECTRICITY :</b>	<b>2007-08</b>	<b>2006-07</b>
<b>a) Purchased:</b>		
Units (in KWH)	23640	-
Total Amount (Rs. In Lacs)	3.50	-
Rate/Unit (Rs.) Average	14.76	-
<b>b) Own Generation :</b>		
Through Diesel Generator Units (in KWH)	-	-
Units per litre of Diesel Oil	-	-
Cost/Unit (Rs.)	-	-
<b>2. FURNACE OIL &amp; LDO</b>		
Quantity (K. Litres)	-	-
Total Amount	-	-
Average Rate (Rs./Litre)	-	-
<b>3. OTHER/INTERNAL GENERATION</b>	-	-

**B: CONSUMPTION PER UNIT OF PRODUCTION :**

In view of the multi-stage, multi-product nature of production covering large number of Dyes, Dye Intermediates & Chemicals, the company is not in a position to furnish the information required.

**FORM B : FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY & RESEARCH & DEVELOPMENT (R&D) 2005-06.**

**RESEARCH & DEVELOPMENT :**

NIL

**I. SPECIFIC AREAS IN WHICH R & D WAS CARRIED OUT BY THE COMPANY:**

NIL

**II. BENEFITS DERIVED AS A RESULT OF ABOVE R & D:**

NIL

**III. FUTURE PLAN OF ACTION:**

NIL

**IV. EXPENDITURE ON R & D:**

NIL

**V. TECHNOLOGY, ABSORPTION, ADAPTATION & INNOVATION:**

NIL

**VI. FOREIGN EXCHANGE EARNINGS & OUTGO :**

The Company has neither received any Foreign Exchange nor spent any Foreign Exchange during the year under review.



**ANNEXURE-II TO THE DIRECTORS' REPORT  
CORPORATE GOVERNANCE REPORT**

**1. THE COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE:**

The Company's Corporate Governance Policy aims towards attainment of the high level of transparency, integrity, accountability and fairness in all facets of its operations. The Corporate Governance Policy is dedicated towards the welfare of the Company's all stakeholders, including its employees, shareholders, consumers and community at large. Good corporate governance contributes to a sustainable economic development of corporations by enhancing their performance and increasing shareholders' value.

**2. BOARD OF DIRECTORS :**

**2.1 Composition of Board:**

The Board of Directors comprised of six Directors consisting of four Non-executive Directors who account for sixty seven percent of the Board's strength as against requirement of fifty percent as per the listing agreement. The Non-executive Directors are persons with experience in business and industry, finance and administration. The Chairman is Managing Director and there is also a Whole-time Director. Thus, the Company has a balanced Board, comprising Executive and Non-Executive Directors.

**2.2 Number of Board Meetings and Attendance :**

During the year under review, seven Board Meetings were held on 27<sup>th</sup> April, 2007, 7<sup>th</sup> June, 2007, 24<sup>th</sup> July, 2007, 8<sup>th</sup> August, 2007, 25<sup>th</sup> September, 2007, 31<sup>st</sup> October, 2007, and 30<sup>th</sup> January, 2008.

**2.3 Details of the Directors of the Company :**

The composition of the Board of Directors and details of other limited companies Directorship and Committee membership/ Chairmanship\*

NAME OF DIRECTOR	CATEGORY	NO.OF OTHER DIRECTOR -SHIP	DIRECTORSHIP & COMMITTEE MEMBERSHIPS/ CHAIRMANSHIP		NO.OF BOARD MEETING ATTENDED	ATTENDANCE AT LAST AGM
			COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP		
SHRI SHRADCHANDRA S.KOTHARI	PROMOTER EXECUTIVE DIRECTOR	-	-	-	7	YES
SHRI MAHENDRA K. KOTHARI	PROMOTER NON-EXECUTIVE DIRECTOR	-	-	-	6	YES
SHRI SHRIKANT K. KOTHARI	PROMOTER EXECUTIVE DIRECTOR	-	-	-	7	YES
SHRI P.C. RAI #	NON-EXECUTIVE INDEPENDENT DIRECTOR	-	-	-	7	YES
SHRI UMESH CHANDAN	NON-EXECUTIVE INDEPENDENT DIRECTOR	-	-	-	7	YES
SHRI JAY K. MANEK	NON-EXECUTIVE INDEPENDENT DIRECTOR	-	-	-	7	NO
SHRI LALIT CHAUDHARI+	NON-EXECUTIVE INDEPENDENT DIRECTOR	-	-	-	-	NO

- \* This does not include Private Companies, Section 25 Companies.
- # Shri P C. Rai expired on 31.01.2008
- + Shri Lalit Chaudhari was appointed as additional Director w.e.f. 02.06.2008.

**Note :** This includes information in respect of other Companies Membership/ Chairmanship in Committees referred to in Clause 49 of the Listing Agreement, viz. Audit Committee, and Investors Grievances Committee.

As per the disclosures made to the company none of the director of the company is a member in more than 10 committees nor have they acted as Chairman of more than five committees across all companies in which he is director.

**Note:** No Director is related to any other Director on the Board, except Shri Mahendra K. Kothari and Shri Shrikant K. Kothari who are brothers.

## **2.4 Brief Profile of Directors seeking appointment / re- appointment at the forthcoming Annual General Meeting:**

### **i. Shri Umesh Chandan-**

Shri Umesh Chandan (47 years) is a Director of the Company since 28/01/2006. He is proprietor of Dyechem Corporation and has more than 15 years of wide and varied experience in the area of marketing of dyes and chemicals. He is well conversant with trade and industry. He is not a Director in any other Company.

### **ii. Shri Lalit Chaudhari —**

Shri Lalit Chaudhari (59 years) is having Bachelor degree in Commerce from the University of Pune. He is a Director of the Company since 02/06/2008. He is having more than 25 years of wide and varied experience of administration and marketing of dyes, intermediates and chemicals. He is well conversant with trade and industries. Shri Lalit Chaudhari is a Deputy General Manager in Jaysynth Impex Ltd. He is not a Director in any other Company.

## **2.5 Review of Compliance Reports by the Board of Directors:**

A Compliance Certificate confirming the due compliance with the statutory requirements is placed at the Board meeting for the review by the Board of Directors. Instances of non-compliance, if any, are also separately reported to the Board.

## **2.6 Code of Conduct:**

The Company has framed a code of conduct for the members of the Board of Directors and Senior Management personnel, with the said code of conduct is given as Annexure I to this report. All the Board Members and Senior Management Personnel have affirmed their compliance with the code of conduct. A declaration signed by the Managing Director of the Company forms part of this Report.

## **3. COMMITTEES OF THE BOARD**

### **3.1 Audit Committee**

Terms of reference of Audit Committee are as per the guidelines set out in the Clause 49 of the Listing Agreement with the Stock Exchange as well as Section 292A of the Companies Act, 1956. The Audit Committee reviews reports of Internal Audit Department. The Audit Committee provide reassurance to the Board of Directors on the existence of an effective internal control system. The Audit Committee is empowered to investigate any activity within its terms of reference and to seek information it requires from any employee.

The Audit Committee for the financial year ended 31st March, 2008 consisted of Shri Mahendra K. Kothari as Chairman with Shri P.C.Rai and Shri Jay K. Manek as members. Shri P.C.Rai expired on 31.01.2008. Shri Lalit Chaudhari is inducted as member of Audit Committee w.e.f. 02.06.2008.

Representatives of the statutory auditors, are permanent invitees to the Audit Committee meetings. Shri R. C. Tolat, Company Secretary acts as a Secretary to the Committee. Such of the executives and directors as considered appropriate are invited to attend Audit Committee meetings. No employee of the company has been denied access to Audit Committee.

During the period under review five meetings of audit committee were held.