

**ANNUAL REPORT**  
**2009-2010**

**JD ORGOCHEM LIMITED**

**BOARD OF DIRECTORS**

Shri. Sharadchandra S. Kothari  
(Chairman & Managing Director)  
Shri. Shrikant K. Kothari  
(Whole-Time Director)  
Shri. Mahendra K. Kothari  
Shri. Jay K. Manek  
Shri. Lalit K. Chaudhari  
Shri. Dinkar M. Naik

**COMPANY SECRETARY**

Mr. Ravindra C. Tolat

**AUDITORS**

M/s. Maganlal & Ajay Mehta  
Chartered Accountants

**SUBSIDIARY COMPANIES**

Jaysynth Anthraquinones Limited  
Jaysynth (Europe) Limited

**PRINCIPAL BANKERS**

HDFC Bank Limited  
Union Bank of India

**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 AGENTS**

Sharepro Services (India) Pvt. Ltd  
13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone  
Exchange Lane, Off.Andheri Kurla Rd,  
Sakinaka, Andheri (East),  
Mumbai – 400 072.

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

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**NOTICE**

**NOTICE** is hereby given that the Thirty-Sixth annual general meeting of the Company will be held on Friday the 24<sup>th</sup> day of September, 2010 at 10.00 a.m. at the Registered Office of the Company situated 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 31<sup>st</sup> March 2010 and the Profit and Loss Account for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint a Director in place of Shri. Lalit K. Chaudhari, 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 modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956 (including any statutory modification/s or re-enactments there for the time being in force) Securities Contract (Regulation) Act, 1956 and the Rules framed there under, the Listing Agreements executed between the Company and each Stock Exchange where equity Shares of the Company are listed, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and all such other applicable laws, rules, regulations and guidelines and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to seek voluntary delisting of the equity shares of the Company from The National Stock Exchange of India Ltd., Mumbai.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to take all necessary steps in this regard in order to comply with the legal and/or procedural formalities, including authorizing any Committee of Directors or any of the Directors/ officers/ executives of the Company to do all such acts, deeds or things to give effect to the above."

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

**"RESOLVED THAT** pursuant to Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the company hereby approves the appointment of and the terms of appointment of Shri Shrikant K. Kothari as a whole-time director for a period of one year with effect from 01/10/2010 upon principal terms and conditions set out in the explanatory statement annexed to the notice convening this meeting with liberty and power to the board of directors (hereinafter referred to as "the Board" which expression shall also include the principal remuneration committee of the board), in the exercise of its discretion, to grant increment and to alter and vary from time to time the terms and conditions of the said appointment.


**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such act, deeds and matters and things as may be necessary, proper expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the company."

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

**"RESOLVED THAT** pursuant to Sections 198,269,309,310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the company hereby approves the appointment and the terms of appointment of Shri Sharadchandra S. Kothari as Managing Director for a period of one year with effect from 01/10/2010 upon principal terms and conditions set out in the explanatory statement annexed to the notice convening this meeting with liberty and power to the board of directors (hereinafter referred to as "the Board" which expression shall also include the principal remuneration committee of the board), in the exercise of its discretion, to grant increment and to alter and vary from time to time the terms and conditions of the said appointment.

**RESOLVED FURTHER THAT** the board be and is hereby authorized to do all such act, deeds and matters and things as may be necessary, proper expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the company."

**BY ORDER OF THE BOARD**



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

MUMBAI : 13th August, 2010

**REGISTERED OFFICE :**  
**301,"SUMER KENDRA"**  
**PANDURANG BUDHKAR MARG,**  
**WORLI,**  
**MUMBAI - 400 018**

**NOTES: -**

- 01. Members entitled to attend and vote is entitled to appoint a proxy to attend and vote for himself and proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms etc. must be supported by the appropriate resolution/authority as applicable, issued on behalf of the nominating organization.**
- 02. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business of the above notice is annexed hereto.**
- 03. The register of members and share transfer books of the company will remain closed from Monday, the 20<sup>th</sup> September, 2010 to Friday, the 24<sup>th</sup> September, 2010 (both days inclusive).**
- 04. 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.**
- 05. Members are requested to quote Folio Numbers /Client ID and DP ID numbers in all their correspondence.**
- 06. Members are requested to send all their documents and communications pertaining to shares to the Company's Registrar and Share Transfer Agents Sharepro Services (India) Pvt. Ltd. at any of their addresses given herein below.**
- 07. Members are requested to intimate change in their address immediately to the Company's Registrar and Share Transfer Agents at any of their addresses given herein below.**
- 08. Members holding Shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant Share Certificates to the Company's Registrar and Share Transfer Agents at any of their addresses given herein below.**
- 09. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.**
- 10. In terms of Section 109A of the Companies Act, 1956, the Shareholder(s) of the Company may nominate a person. Shareholder(s) desires of availing this facility may submit nomination Form 2B to the Company's Registrar and Share Transfer Agents at any of their addresses given herein below.**
- 11. In terms of 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, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.**

12. Members are requested to bring their copies of Balance Sheet at the Annual General Meeting.
13. The members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
14. Members are requested to quote Ledger Folio Number/Client ID Number and DP Number in all their correspondence.
15. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of retiring Directors, the relevant details of the concerned Director, are provided in the Report on Corporate Governance forming part of the Annual Report.
16. **The Securities and Exchange Board of India ("SEBI") has vide its circulars Ref.No.MRD/DoP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 and Ref.No.SEBI/MRD/DoP/SE/RTA/Cir-03/2010 dated 7<sup>th</sup> January, 2010 specified that for securities market transactions and off-market/private transactions involving transfer/transmission of shares, deletion of name of deceased shareholder(s) and transposition of names in respect of shares held in physical form of listed companies, it shall be mandatory for the transferee(s) /shareholder(s) to furnish copy of PAN card to the Company/Registered Transfer Agent (RTAs) for registration of such transfer/transmission of shares or other requests, as aforesaid. All shareholder(s) desirous of lodging physical shares for any of the aforesaid should therefore invariably furnish copy of their PAN card at the time of lodging requests for such matters together with all requisite documents to the Company/RTA for necessary action, to avoid inconvenience.**

**REGISTRAR & TRANSFER AGENTS:  
SHAREPRO SERVICES (INDIA) PVT. LTD.  
(UNIT: JD ORGOCHEM LTD.)**

1. 13AB, SAMHITA WAREHOUSING COMPLEX,  
SECOND FLOOR, SAKINAKA TELEPHONE  
EXCHANGE LANE, OFF. ANDHERI KURLA ROAD,  
SAKINAKA, ANDHERI (EAST),  
**MUMBAI – 400 072.**

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

**Explanatory statement pursuant to Section 173 of the Companies Act, 1956.**

**ITEM NO. 4:**

As the members are aware the Company's shares are presently listed on the two Stock Exchanges namely; 1) The Bombay Stock Exchange Ltd., Mumbai, and 2) The National Stock Exchange of India, Mumbai. Consequent to technological developments the shares of the Company are traded all over India through on-line terminals provided by The Bombay Stock Exchange Ltd., Mumbai (BSE). Trading volume of shares on The National Stock Exchange of India Ltd., Mumbai is comparatively low. The continued listing of shares on The National Stock Exchange of India Ltd., Mumbai no longer confers any advantage to the Company or investors.

Under SEBI (Delisting of Securities) Guidelines, 2003, the Company is not required to offer an exit option to the investors for delisting its securities from any stock exchange, provided however, that the shares continue to remain listed on the stock Exchange with the nationwide trading terminals i.e. BSE.

The proposed voluntary delisting of the Company's equity shares will not adversely affect any investors including the members located in the State of Maharashtra. Pursuant to the SEBI (Delisting of Securities) Guidelines, 2003 it is proposed to seek the Members' approval by way of a Special Resolution for voluntary delisting of the Company's equity shares from The National Stock Exchange of India Ltd., Mumbai as set out in the Resolution at item 4 of the Notice. The proposed delisting is in the interest of the Company and the Board commends the Resolution by the Members. None of the Directors of the Company is concerned or interested in the said Resolution.

**ITEM NO.5:**

As the members of the company are aware Shri S.K.Kothari is on the board of directors of the company since 09/11/1985. Shri S.K.Kothari was re-appointed at the annual general meeting of the company held on 30<sup>th</sup> September, 2009 as a whole-time director of the company for a period of one year w.e.f. 1<sup>st</sup> October, 2009. Shri S.K. Kothari's term of office as a whole-time director of the company will be expired on 30<sup>th</sup> September, 2010 and at the meeting of the board of directors held on 13<sup>th</sup> August 2010, Shri S.K.Kothari is re-appointed as a whole-time director of the company for a period of one year w.e.f. 1st October, 2010 and members' approval is sought for his re-appointment.

The terms and conditions of his appointment are as detailed in para "A" below.

A. The terms of appointment and remuneration of Shri S.K.Kothari as a whole-time director contains following terms and conditions :-

Salary: He will not get any salary.

The draft agreement between the company and Shri S.K.Kothari inter alia also contain the following terms and conditions :-

(a) Shri S.K.Kothari shall conduct the day-to-day management of the company subject to the supervision and control of the board of directors. Shri S.K.Kothari shall not be liable to retire by rotation.

- (b) If at any time Shri S.K.Kothari ceases to be director of the company for any reason whatsoever, he shall ceased to be whole-time director.
- (c) Shri S.K.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the company without the prior approval of the Central Government.
- (d) Shri S.K.Kothari shall be provided a car with driver and also telephone facility for the use at his residence but personal long distance telephone calls will be billed by the company.
- (e) The agreement may be terminated by either party giving the other party three months' notice.
- (f) The draft agreement also sets out the mutual rights and obligations of the company and of Shri S.K.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in annual general meeting for their approval. The board commends the Resolution for acceptance by the members.

The draft of the agreement to be entered into by the Company with Shri S.K.Kothar i is available for inspection by the members of the company at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day of the company excluding public holiday.

Shri S.K.Kothari, may be deemed to be concerned or i nterested in the resolution. Shri M.K.Kothari as relative of Shri S.K.Kothari may also concerned or interested in the resolution. None of the other directors are concerned or interested in the resolution.

The above may be treated as an extract o f the terms of appointment between the company and Shri S.K.Kothari pursuant to Section 302 of the Companies Act, 1956.

#### **ITEM NO. 6:**

As the members of the company are aware Shri S.S.Kothari is on the board of directors of the company since incorporation of the company. Shri S.S.Kothari was re-appointed at the annual general meeting of the company held on 30th September, 2009 as a managing director of the company for a period of one year w.e.f. 1st October, 2009. Shri S.S. Kothari's term of office as a managing director of the company will expire on 30<sup>th</sup> September 2010 and at the meeting of the board of directors held on 13th August, 2010, Shri S.S.Kothari is re-appointed as a managing director of the company for a period of one year w.e.f. 1st October, 2010 and members' approval is sought for his re-appointment.

The terms and conditions of his appointment are as detailed in para "A" below.

- A. The terms of appointment and remuneration of Shri S.S.Kothari as a managing director contains following terms and conditions:-

Salary: He will not get any salary.

The draft agreement between the company and Shri S.S.Kothari inter alia also contain the following terms and conditions: -



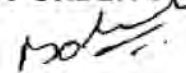
- (a) Shri S.S.Kothari shall conduct the day-to-day management of the company subject to the supervision and control of the board of directors. Shri S.S.Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri S.S.Kothari ceases to be a director of the company for any reason whatsoever, he shall cease to be managing director.
- (c) Shri S.S.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the company without the prior approval of the Central Government.
- (d) Shri S.S.Kothari shall be provided a car with driver and also telephone facility for the use at his residence but personal long distance telephone calls will be billed by the company.
- (e) The agreement may be terminated by either party giving the other party three months' notice.
- (f) The draft agreement also sets out the mutual rights and obligations of the company and of Shri S.S.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in annual general meeting for their approval. The board commends the Resolution for acceptance by the members.

The draft of the agreement to be entered into by the company with Shri S.S.Kothari is available for inspection by the members of the company at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day of the company excluding public holiday.

Shri S.S.Kothari, may be deemed to be concerned or interested in the resolution. None of the other directors are concerned or interested in the resolution.

The above may be treated as an extract of the terms of appointment between the company and Shri S.S.Kothari pursuant to Section 302 of the Companies Act, 1956.

**BY ORDER OF THE BOARD**



**R. C. TOLAT  
COMPANY SECRETARY**

**MUMBAI : 13th August, 2010**

**REGISTERED OFFICE :  
301, "SUMER KENDRA"  
PANDURANG BUDHKAR MARG,  
WORLI,  
MUMBAI - 400 018**

## ANNEXURE TO NOTICE

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

NAME OF DIRECTOR	SHRI S.S. KOTHARI	SHRI S.K. KOTHARI	SHRI LALIT K. CHAUDHARI
Date of Birth	22/11/1936	12/06/1959	18/10/1948
Date of Appointment	October 05, 1973	November 09, 1985	June 02, 2008
Qualification	B.A., B.com. L.L.B.	B.Sc.	B.Com
Experience	He is incharge of overall operations of the company. He has over 54 years of wide and varied experience in the field of finance, manufacturing, marketing and export of dyes, dye intermediates & chemicals. He has contributed immensely to the Research & Development projects of the Group.	He is having over 34 years of wide and varied experience in manufacturing of dyes, dyes intermediates and chemicals. He is well conversant with the industry, commerce and trade.	He is having more than 25 years of wide and varied experience in marketing of dyestuff. He is Deputy General Manager in a limited company.
Directorship held in other public companies	NIL	NIL	NIL
Committee position held in other Companies	<u>Chairman</u> Shareholders'/Investors' Grievance Committee - JD Orgochem Ltd.	NIL	<u>Member</u> Audit Committee, Shareholders'/Investors' Grievance Committee Remuneration Committee, - JD Orgochem Ltd.
Shares held in the Company			
a) Own	3,11,850 Equity Shares (2.35%)	40,205 Equity Shares (0.30%)	300 Equity Shares (0.002%)
b) For others on beneficial basis	4,43,049 Equity Shares (3.35%)		NIL