

39TH
ANNUAL REPORT
2012-2013

JD ORGOCHEM LIMITED

BOARD OF DIRECTORS

Shri. Sharadchandra S. Kothari
(Chairman & Managing Director)
Shri. Mahendra K. Kothari
Shri. Shrikant 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

PRINCIPAL BANKERS

HDFC Bank Limited
Union Bank of India

REGISTERED OFFICE

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

Plant

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 R
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-ninth annual general meeting of the company will be held on Tuesday the 24th day of September, 2013 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 March 31, 2013 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. Dinkar M. Naik, 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 a Special 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 01/10/2013 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, 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".

Mumbai August 14, 2013

BY ORDER OF THE BOARD



R. C. TOLAT
Company Secretary

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 Wednesday, the 18th September, 2013 to Tuesday, the 24th September, 2013 (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, 5th 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 20th May, 2009 and Ref. No. SEBI/MRD/DoP/SE/RTA/Cir-03/ 2010 dated 7th 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 /Registrar & 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.

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

ITEM NO. 4:

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 28th September, 2012 as a managing director of the company for a period of one year w.e.f. 1st October, 2012. Shri S.S. Kothari's term of office as a managing director of the company will expire on 30th September 2013 and at the meeting of the board of directors held on 14th August, 2013, 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, 2013 and members' approval is sought for his re-appointment. The terms and conditions of his appointment are as detailed in para "A" below.

On the recommendations of the Remuneration Committee, the Board, vide resolution passed on 14th August, 2013 approved the terms and conditions of the re-appointment of Shri S.S. Kothari as a Managing Director, subject to the approval of the shareholders at the ensuing Annual General Meeting. The approval of the members are being sought to the terms, conditions and stipulations for the appointment of Shri S.S. Kothari as a Managing Director and the remuneration payable to him.

As required under Section 302 of the Companies Act, 1956 (the Act), an abstract of the main terms and conditions of the appointment of Shri S.S. Kothari as Managing Director together with the Memorandum of concern or interest, is given below :

1. Term:

Shri S.S. Kothari shall hold office and act as Managing Director of the Company for the further period of one year with effect from 1st October 2013 till 30th September 2014.

2. Nature of Duties:

- (a) Shri S.S. Kothari shall be in overall charge of business and administration of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and any other executive body or any committee of the Company.

- (b) Shri S.S. Kothari undertakes to employ the best of his skill and ability to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

3. Remuneration:

(a) Salary:

No Salary shall be paid.

(b) Provident Fund and Superannuation Fund, etc:

The Company shall contribute to Provident Fund to the extent not taxable under the Income Tax Act, 1961 as per company's rule.

- (c) Shri S.S. Kothari shall not receive any buying or selling commission and he shall not become interested 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 is entitled to retain all fees and commission which may be received by him as a Director of any other Company or as a Trustee of any Fund or any association or as a Trustee for the holders of debentures or debenture stocks issued by any other Company.

- (e) Shri S.S. Kothari shall not be entitled to sitting fees for attending meetings of the Board or Committee thereof. He shall however, be reimbursed the actual traveling expenses incurred by him for attending meetings of the Board of Directors and/or Committee thereof.

- (f) Shri S.S. Kothari shall be entitled to the reimbursement of expenses actually and properly incurred for the business of the Company.

4. Other Terms:

1. All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to Shri S.S. Kothari, unless specifically provided otherwise.
2. The terms and conditions of appointment of Shri S.S. Kothari also include clauses pertaining to adherence with the Company's Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.
3. Shri S.S. Kothari shall not be liable to retire by rotation as a Director subject to the provisions of Section 256 of the Companies Act, 1956.
4. The terms and conditions of the appointment of Shri S.S. Kothari may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule XIII to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Shri S.S. Kothari, subject to such approvals as may be required.
5. This appointment may be terminated by giving three months' notice on either side or as may be mutually agreed upon.

6. In the event Shri S.S. Kothari is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate the contract on such terms as the Board may consider appropriate in the circumstances.
7. Upon the termination by whatever means of Shri S.S. Kothari's employment:
 - (a) He shall immediately tender his resignation from office as a Director of the Company and from such other offices held by him in any subsidiaries and associated companies and other entities without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorized to appoint some person in his name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which he is at the material time a Director or other officer;
 - (b) He shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of the subsidiaries and associated companies.
8. If and when the appointment expires or is terminated for any reason whatsoever, Shri S.S. Kothari will cease to be the Managing Director and also cease to be a Director. If at any time Shri S.S. Kothari ceased to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Appointment shall forthwith terminate.

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.

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.

Shri S.S. Kothari is interested in this resolution, since it relates to his own appointment. No other Director is concerned or interested.

REGISTERED OFFICE :

301, "Sumer Kendra"
Pandurang Budhkar Marg,
Worli, Mumbai - 400 018.

BY ORDER OF THE BOARD


R.C.TOLAT

Company Secretary

MUMBAI: August 14, 2013

ANNEXURE TO THE NOTICE

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

Name of Director	Shri S.S. Kothari	Shri D. M. Naik
Date of Birth	22/11/1936	25/11/1948
Date of Appointment	October 05, 1973	April 15, 2009
Qualification	B.A., B.Com. L.L.B.	B.Sc. Diploma holder in Management studies and Financial Management also having Master degree in Administrative Management from the University of Bombay.
Experience	He is in charge of overall operations of the company. He has over 56 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 more than 25 years of wide and varied experience of administration and marketing of dyes, dye intermediates & chemicals. He is well conversant with trade and industry.
Directorship held in other Public Companies	NIL	Tattva Healthcare Pvt. Ltd. .
Committee position held in other Companies	<u>Chairman</u> Shareholders'/Investors' Grievance Committee - JD Orgochem Ltd.	<u>Member</u> Remuneration Committee. – JD Orgochem Ltd.
Shares held in the Company		
a) Own	4,43,049 Equity Shares(3.34%)	NIL
b) For others on beneficial basis	NIL	NIL

DIRECTORS' REPORT

To,
The Members,

Your directors hereby present their 39th Annual Report along with the audited statement of accounts of the Company for the year ended March 31, 2013

1. FINANCIAL RESULTS:

Particulars	(₹ in Lacs)	
	Year ended March 31, 2013	Year ended March 31, 2012
Gross sales	0	0.24
Other income	130.30	122.06
Total Income	130.30	122.30
Profit /(Loss) before depreciation, taxes and extraordinary item	(272.19)	10.77
Depreciation	(305.50)	(352.09)
Loss before extraordinary income	(577.69)	(341.32)
Tax expenses related to prior year	(0.00)	(0.01)
Loss for the year	(577.69)	(341.33)

2. DIVIDEND:

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

3. PERFORMANCE:

Your company has recorded no sales during the year under review as against ₹ 0.24 lacs during the previous year. There was no manufacturing activity at company's patalganga unit during the year under review.

The company incurred operating loss of ₹ 577.69 lacs during the year under review, as against loss of ₹ 341.32 lacs during the previous year.

4. FINANCE:

Repayment schedule of Zero Coupon Loan (ZCL) of ₹ 916.80 lacs is altered and will now be repaid sixteen installments of Rs. 57.30 lacs each commencing from 31st March, 2013 and ending on 31st December, 2016. First such installment of ₹57.30 lacs is paid during the year under review.

5. DIRECTORS:

Shri Dinkar M. Naik who retires by rotation at the ensuing annual general meeting and being eligible, offers himself for re-appointment.

6. 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.

7. QUALIFICATION IN AUDITORS' REPORT:

The auditors', in their report for the financial year under review, have on the basis of qualified opinion mentioned that "Adequacy of the provisions made for meeting workers' liability cannot be ascertained, as referred to in Note No.7.1 & 8.1 of Notes to Financial Statement."

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

The auditors', in their report for the financial year under review have mentioned that "No provision has been made in the accounts for advances of Rs.178 lacs given to M/s.Jaysynth Polychem Private Limited in earlier years as referred to in note no. 14.1 of Notes to Financial Statement resulting into the understatement of accumulated losses by ₹178 lacs."

Your Directors are of the opinion that, there are fair chance of recovery of advance of Rs.158 lacs from Jaysynth Polychem Pvt. Ltd.,

The auditor's, in their Report on the other legal and regulatory requirements, have mentioned that on the basis of written representation received from all the directors of the company as on March 31, 2013 and taken on record by the board of directors and information about the company's failure to redeem its debentures on due date in earlier years and failure continued for more than one year, we report that all the directors are disqualified as on March 31, 2013 from being appointed as a director of any other public company in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956."

None of the Director of the Company is Director on the Board of any other Limited Company; according to information given by the respective director.

8. 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 as at March 31, 2013 and of the loss of the Company for the year ended on that date;
- iii. the director have taken proper and sufficient care 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.