



JD ORGOCHEM LIMITED

43rd Annual Report 2016-17

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CORPORATE INFORMATION

EXECUTIVE DIRECTOR

Mahendra Krushnakumar Kothari
Chairman and Managing Director
(DIN: 00183613)

NON-EXECUTIVE DIRECTORS

Nikhil Sharadchandra Kothari
(DIN: 00184152)
Shrikant Krushnakumar Kothari
(DIN: 00184811)

KEY MANAGERIAL PERSONNEL

Mahendra Krushnakumar Kothari
Chairman and Managing Director
(DIN: 00183613)
Narendra Ramanlal Shah
Chief Financial Officer
Karishma Nadir Khetani (upto 31st January, 2017)
Company Secretary and Compliance Officer
Hiral Ramesh Shah (w.e.f. 25th May, 2017)
Company Secretary and Compliance Officer

PRINCIPAL BANKERS

HDFC Bank Limited
Union Bank of India

STOCK EXCHANGE

BSE Limited
CIN: L67120MH2005PLC155188
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Tel No.: 022 - 22721233
Fax No.: 022 - 22721919

REGISTERED OFFICE ADDRESS

JD Orgochem Limited
CIN: L24100MH1973PLC016908
301, Sumer Kendra, P. B. Marg,
Worli, Mumbai - 400 018
Tel. No.: 022-3042 3048
Fax No.: 022-3042 3434
E-mail Id: investor.relations@jdorgochem.com
Website: www.jdorgochem.com

FACTORY ADDRESS/PLANT LOCATIONS

PATALGANGA PLANT
Plot No.A-4/2, MIDC Industrial Area,
Patalganga, Taluka-Khalapur,
Dist. Raigad, Maharashtra - 410 220

INDEPENDENT DIRECTORS

Bharati Ravindra Chandan
(Woman Director)
(DIN: 07263623)
Mitesh Dilip Sejpal
(DIN: 06562026)
Umesh Trikamdas Chandan
(DIN: 00184677)

STATUTORY AUDITOR

M/s. Maganlal & Ajay Mehta
Chartered Accountants
3, Bastion Road (A.K. Naik Road),
2nd Floor, Fort, Mumbai - 400 001

INTERNAL AUDITOR

M/s. Hiren C. Sanghavi & Associates
Chartered Accountants
A-62, Vandana Mahalaxmi Co-op Hsg Society,
Veera Desai Road, Andheri (East)
Mumbai - 400 058

SECRETARIAL AUDITOR

M/s. KDT & Associates
Practising Company Secretary
308, Balaji Darshan, Tilak Road,
Santacruz (West) Mumbai - 400 054

REGISTRAR AND TRANSFER AGENT (UPTO 31ST MAY, 2016)

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai - 400 072
Tel No.: 022-67720300/67720334
Fax No.: 022-28375646
E-mail Id: sharepro@shareproservices.com
Website: www.shareproservices.com

REGISTRAR AND TRANSFER AGENT (W.E.F. 01ST JUNE, 2016)

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai - 400 083
Tel. No.: 022 - 4918 6270
Fax No.: 022 - 4918 6060
E-mail Id: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited
Ground Floor, Asian Building,
17 R. Kamani Marg, Ballard Estate
Mumbai - 400 001

NOTICE OF 43RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of JD Orgochem Limited will be held on Wednesday, 27th September, 2017 at 10.00 a.m. at Textile Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai – 400 025 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 together with Board's Report and the Auditors' Report thereon.
2. To appoint a Director in place of Shrikant K. Kothari (DIN: 00184811), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditor in place of retiring Statutory Auditor and to determine his remuneration. For this purpose, to consider and if thought fit, to pass, with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 of the Companies Act, 2013, and other applicable provisions, if any, of the Companies Act, 2013, and pursuant to the recommendation of the Audit Committee and the Board of Directors, Hiren C. Sanghavi of M/s. Hiren C. Sanghavi & Associates, Chartered Accountants, (Firm Registration No.112057W) holding valid peer review certificate be and is hereby appointed as Statutory Auditor of the Company in place of Maganlal Thacker of M/s. Maganlal & Ajay Mehta, Chartered Accountants (Firm Registration No.105730W), retiring Statutory Auditor to hold office for a term of 5 years commencing from conclusion of 43rd Annual General Meeting till the conclusion of 48th Annual General Meeting of the Company subject to ratification of his appointment by the Members at every subsequent Annual general Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to fix his remuneration as may be mutually agreed upon and do all such acts, deeds, matters and things as may be considered necessary and desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

4. Re-appointment of Mahendra K. Kothari (DIN: 00183613) as Managing Director of the Company.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Articles of Association of the Company, consent of Members of the Company is accorded to re-appoint Mahendra K. Kothari (DIN: 00183613) as Managing Director for a period of one(1) year w.e.f. 04th November, 2016 to 03rd November, 2017, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mahendra K. Kothari.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof, or any Key Managerial Personnel be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to sub-delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to above resolution and matters related thereto."

5. **Service of Documents**

To consider, and if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, whereby, a document may be served to any Member by the Company by sending it to him/her by ordinary post, by registered post, by speed post, by courier, by electronic mode or any other modes as may be prescribed, consent of the Members be and is hereby accorded to charge the Member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through ordinary post, registered post, speed post, by courier, by electronic mode or any other modes as may be prescribed for delivery of documents pursuant to any request by the Member for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the Member.

RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to this resolution."

6. **Change in place of keeping and inspection of Registers, Returns etc.**

To consider, and if thought fit, to pass with or without modification, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 88, 94 and other applicable provisions, if any, of the Companies Act, 2013

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read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and in supersession to the earlier resolution passed in this regard at 42nd Annual General Meeting of the Company, the approval of the Members be and is hereby accorded to shift and maintain the Registers and Index of Members, as required to be maintained under Section 88 and copies of Annual Return filed under Section 92 of the Companies Act, 2013, at the Registered Office of Link Intime India Private Limited, Registrar and Transfer Agent of the Company from C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West), Mumbai - 400 078 to C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai - 400 083 or at such other places where the Registrar and Transfer Agent may shift from time to time within the city limits of Registered Office of the Company.

RESOLVED FURTHER THAT any of the Key Managerial Personnel of the Company be and is hereby severally authorized to do all such acts, deeds or things, as may be necessary and expedient, to give effect to this resolution."

Place: Mumbai
Date: 02nd August, 2017

By Order of the Board of Directors
JD Orgochem Limited

Registered Office:
301, Sumer Kendra,
P.B Marg, Worli,
Mumbai - 400 018
CIN: L24100MH1973PLC016908
Website: www.jdorgochem.com
E-mail id: investor.relations@jdorgochem.com

Hiral Shah
Company Secretary and Compliance Officer
A50014

Notes:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect with the special business to be transacted at the meeting is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF MEETING.**
A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.
3. Corporate Members intending to send their authorised representatives to attend and vote at the 43rd Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote on their behalf at the 43rd Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives are requested to bring the Attendance Slip, duly filled in, for attending the 43rd Annual General Meeting, alongwith their copy of Annual Report.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 21st September, 2017 to Wednesday, 27th September, 2017 (both days inclusive) for the purpose of 43rd Annual General Meeting.
7. Route Map to the venue of the 43rd Annual General Meeting of the Company forms part of this Notice.
8. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in dematerialised form, the members may please contact their respective Depository Participant. Further, Form SH-13 for nomination is annexed to the Annual Report.
9. Members are requested to send all communications relating to Transfer, Transmission, Transposition of shares, issue of Duplicate Share Certificate, change of address or any other changes as the Members as may be required etc. to the Registrar and Transfer Agent at the following address:

Link Intime India Private Limited
(Unit: JD Orgochem Limited)
C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.
Tel. No.: 022- 4918 6270
Fax No.: 022- 4918 6060
E-mail id: rnt.helpdesk@linkintime.co.in
Website - www.linkintime.co.in

If the shares are held in electronic form, then change of address and change in the Bank Account Mandate etc. should be furnished to their respective Depository Participants.

10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Report and other communications through electronic mode to those Members who have registered their E-mail address either with the Company or with the Depository Participants. Members holding shares in physical mode are requested to register their E-mail address with the Company or its Registrar and Transfer Agent. If there is any change in the E-mail address already registered with the Company, Members are requested to immediately notify such change to the Company or its Registrar and Transfer Agent in respect of shares held in physical form and to Depository Participants in respect of shares held in electronic form.
11. In terms of circular issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number ("PAN") for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participants, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Transfer Agent of the Company.
12. Statutory Registers and documents referred to in the Notice and Explanatory statement are open for inspection by the Members at the Registered Office of the Company on all days (excluding Saturdays and Sundays) during normal business hours upto the date of the 43rd Annual General Meeting and will also be available for inspection at the meeting.
13. Disclosure pursuant to Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2), with respect to Directors seeking appointment/re-appointment at the 43rd Annual General Meeting is annexed to this Notice.
14. The Annual Report of the Company for the financial year 2016-17, circulated to the Members of the Company, is also uploaded on the website of the Company at www.jdorgochem.com.
15. The Members are requested to send their queries, if any on Annual Report to the Company Secretary and Compliance Officer by sending an email at investor.relations@jdorgochem.com or to the Registered and Transfer Agent by sending an email at rnt.helpdesk@linkintime.co.in not less than seven days before the meeting, so that requisite information/explanation can be provided in time.
16. E-voting
 - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions under Secretarial Standards on General Meetings (SS-2), the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be considered at the 43rd Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited (CDSL). The Members may cast their votes using an electronic voting system from a place other than the venue of the 43rd Annual General Meeting ("remote E-voting").
 - ii. The facility for voting through electronic voting system or polling paper shall be made available at the 43rd Annual General Meeting and the Members attending the 43rd Annual General Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the 43rd Annual General Meeting.
 - iii. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through remote e-voting. If a member casts votes by all the three modes, then the vote casted through remote e-voting shall prevail and the vote casted through other means shall be treated as invalid.
 - iv. The Members who have cast their vote by remote e-voting may also attend the 43rd Annual General Meeting but shall not be entitled to cast their vote again.
 - v. The remote E-voting period commences on Saturday, 23rd September, 2017 (9.00 a.m. IST) and ends on Tuesday, 26th September, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Wednesday, 20th September, 2017 may cast their vote by remote E-voting. The remote E-voting module shall be disabled by Central Depository Services (India) Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
 - vi. The Company has appointed Kaushal Dalal of M/s. Kaushal Dalal & Associates (Membership Number: F7141, Certificate of Practice Number: 7512), Practicing Company Secretary, to act as the Scrutiniser to scrutinise remote e-voting process and voting at the 43rd Annual General Meeting in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same purpose.

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- vii. The consolidated Results of remote e-voting and voting at the 43rd Annual General Meeting shall be declared within 48 hours after the conclusion of 43rd Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.jdorgochem.com and on the website of Central Depository Services (India) Limited www.evotingindia.com and the same shall also be communicated to BSE Limited where the shares of the Company are listed.
- viii. The results shall also be displayed on the notice board of the Company at its Registered Office.
- ix. Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the notice of 43rd Annual General Meeting alongwith the Annual Report as on the cut-off date i.e. Friday, 25th August, 2017 but before e-voting cut-off date i.e. Wednesday, 20th September, 2017 may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or at rnt.helpdesk@linkintime.co.in. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at the Toll Free No.: 1800-200-5533.

A. The instructions for shareholders voting electronically are as under:

- i. The voting period begins on Saturday, 23rd September, 2017 (9.00 a.m. IST) and ends on Tuesday, 26th September, 2017 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, 20th September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com.
- iii. Click on Shareholders/Members.
- iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN of JD Orgochem Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.3

In compliance with the provisions of Section 139 of the Companies Act, 2013 and the Rules thereunder Maganlal Thacker of M/s. Maganlal & Ajay Mehta, Chartered Accountants (Firm Registration No.105730W) who is present Statutory Auditor of the Company completes his term as Statutory Auditor of the Company at the conclusion of 43rd Annual General Meeting.

In view of the above, the Board of Directors of the Company on recommendation of its Audit Committee has recommended to its Members the appointment of Hiren C. Sanghavi of M/s. Hiren C. Sanghavi & Associates, Chartered Accountants (Firm Registration No. 112057W) in place of Maganlal Thacker of M/s. Maganlal & Ajay Mehta, Chartered Accountants (Firm Registration No.105730W) from conclusion of this 43rd Annual General Meeting to the conclusion of 48th Annual General Meeting and to fix his remuneration in consultation with the Board of Directors of the Company. Hiren C. Sanghavi of M/s. Hiren C. Sanghavi & Associates, Chartered Accountants, (Firm Registration No. 112057W) has confirmed that his appointment if made will be within the limits prescribed under the Companies Act, 2013.

The Board of Directors recommends the resolution for approval of Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the said resolution.

ITEM NO.4

Re-appointment of Mahendra K. Kothari was recommended by the Nomination and Remuneration Committee to the Board of Directors at its meeting held on 20th October, 2016 subject to approval of the Members in the ensuing General Meeting for a period of one (1) year commencing from 04th November, 2016 to 03rd November, 2017.

Mahendra K. Kothari has completed his Diploma in Mechanical Engineering. He has vast and varied experience in manufacturing of dyes, dyes intermediates and chemicals for more than 35 years. He is well versed in project management and has successfully implemented various projects of the group. He is well conversant with the industry, commerce and trade.

Members are informed that his re-appointment is passed by special resolution as he has attained the age of 70 years. As per the provisions of sub-section (3) of section 196 of Companies Act, 2013, Mahendra K. Kothari:

- is an undischarged insolvent and has not been adjudged as insolvent at any time;
- has not suspended the payment of his creditors and has not made at any time, composition with them;
- has not been convicted by the court at any time for any offence.

As per Section – II of Schedule V (Part II), in case of the Company which has no profit or inadequate profit, where the effective capital is negative or less than ₹ 5 crores the Managing Director is eligible for a remuneration of ₹ 30 Lakhs which can be doubled subject to the approval from the shareholders by way of special resolution.

However, the Company is paying a remuneration of ₹ 2.70 Lakhs per annum to Mahendra K. Kothari which is in accordance with the limits provided in Schedule V.

Therefore, the Board recommends the resolution as set out in Item No.4 of notice as a special resolution, for approval of the members.

The terms of appointment as approved by the Nomination and Remuneration Committee of the Board and the Board of Directors at their meeting held on Thursday, 20th October, 2016 are as under:

Mahendra K. Kothari shall hold office and act as Managing Director of the Company for the period of one (1) year commencing from 04th November, 2016 to 03rd November, 2017.

He shall be entitled to retain all fees and commission which may be received 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.

He will not be entitled to receive any buying or selling commission and shall not become interested directly or through your wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government, if any.

Except Shrikant K. Kothari being the brother of Mahendra K. Kothari, none of the Directors and the Key Managerial Personnel of the Company is concerned or interested financially or otherwise in the said resolution.