

JAYSYNTH DYESTUFF (INDIA) LIMITED

NOTICE

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of the Shareholders of the Company will be held at its Registered Office at 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018 on Friday, the 12th day of August, 2011 at 10.00 a.m. to transact the following business:-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2011 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 re-appoint Shri P.M. Kale, as a Director 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 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 Parag S. Kothari as Managing Director for a period of five years with effect from 1/06/2011 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

MUMBAI: 30th May, 2011
Registered Office :
301,"Sumer Kendra"
Pandurang .Budhkar Marg,
Worli, Mumbai - 400 018

P. S. Kothari
Chairman & Managing Director



NOTES: -

01. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE 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.**
02. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of 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 Friday 05th August, 2011 to Wednesday 10th August, 2011 (Both days inclusive) (both days inclusive).
04. The Shares of the Company are listed on The Bombay Stock Exchange Ltd. The Company has paid up-to-date the Annual Listing fees to The Bombay Stock Exchange Ltd., Mumbai.
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 M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given 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 M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given below.
09. Members who hold shares in dematerialised 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 M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given 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/ ID Number and DP Number in all their correspondence.
15. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment 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 shareholders(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 TransferAgent (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:

M/S.Sharepro Services (India) Pvt. Ltd.

(Unit: Jaysynth Dyestuff (India) 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
Nariman Point,
Mumbai – 400 021.

BY THE ORDER OF THE BOARD



P. S. Kothari

Chairman & Managing Director

Registered Office:

301,"Sumer Kendra"

Pandurang Budhkar Marg,

Worli, Mumbai - 400 018.

Explanatory Statement Pursuant To Section 173 of The Companies Act,1956.

Item No. 4:

As the members of the Company are aware Shri P.S.Kothari was appointed as Managing director of the company w.e.f. 01/06/2006 for a period of five years. Shri P.S. Kothari's term of office as a managing director of the company will expire on 31st May, 2011 and at the meeting of the board of directors held on 30th May, 2011, Shri P.S.Kothari is re-appointed as a managing director of the company for a period of five years w.e.f. 1st June, 2011 with revised remuneration and members' approval is sought for his re-appointment.

On the recommendations of the Remuneration Committee, the Board, vide Resolution passed on 30th May, 2011 approved the terms and conditions of the re-appointment of Shri Parag S. Kothari as Managing Director, subject to the approval of the shareholders at the ensuing General Meeting. The approval of the members is being sought to the terms, conditions and stipulations for the appointment of Shri Parag S.Kothari as 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 Parag S. Kothari as Managing Director together with the Memorandum of concern or interest, is given below:

1. Tenure of Agreement :

For a period of 5 years commencing from 01st June, 2011 to 31st May, 2016.

2. Nature of Duties :

- (a) Shri Parag S. Kothari shall attend to the business 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 any other executive body or any committee of the Company.
- (b) Shri 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. (a) **Remuneration** : Basic salary upto a maximum of Rs.1,00,000/- per month. The next annual increment will be effective from 1st April 2012. The annual increments which will be effective 1st April each year, will be decided by the Board and will be merit-based and also take into account the Company's performance.

Allowances – at the rate not exceeding Rs.10,000/- per month.

- (b) **Bonus /Ex-gratia** : As may be determined by the Board of Directors of the Company.

- (c) **Commission** : On the net profits of the Company determined in accordance with the relevant provisions of the Companies Act, 1956 at a rate to be determined by the Board of Directors from time to time at a maximum limit of 1% of the net profit of the Company , but not exceeding an amount equivalent to twice the salary in (a) above. The commission may be paid on pro-rata basis every month or on annual basis or partly monthly and partly annual basis at the discretion of the Board.

- (d) **Minimum Remuneration** : In the event of inadequacy or insufficiency of profits as per Schedule XIII of the Companies Act, 1956 or other applicable laws, Company will pay remuneration as stated herein.

He shall not be paid any sitting fees for attending meetings of the Board or Committee thereof.

4. Perquisites :

- i. **Housing Accommodation** - Company's owned/hired/leased accommodation or House Rent Allowance as per the Company's policy subject to a maximum of 50% of the basic salary in lieu of Company provided accommodation, along with benefits of gas, fuel, water, electricity, telephones as also upkeep of and maintenance of such accommodation.
- ii. **Leave Travel Allowance** - Once in a year for self and family, subject to a ceiling of one month's basic salary.
- iii. **Travelling** - Spouse accompanying on any official domestic and overseas trip will be governed as per the policy of the Company.
- iv. **Medical Reimbursement** - Reimbursement of domiciliary expenses incurred in India for self and family at actuals. Reimbursement of additional medical insurance

premium upto Rs.15,000/- per annum for self and family and hospitalization expenses not covered under the insurance policy for self and family at actuals.

- v. **Club Fees** - Fees of one Corporate Club in India (including admission and membership fee)
- vi. **Provident Fund** - As per the Rules of the Company
- vii. **Leave and Encashment of Leave** - As per the Rules of the Company
- viii. **Gratuity** - As per the payment of Gratuity Act on completion of five years of continuous service with the group.
- ix. **Personal Accident Insurance** - Coverage of Rs.10,00,000/- for self as per the Rules of the Company.
- x. **Car** - Car for use on Company's business as per the policy of the Company.
- xi. **Education allowance** - Children education allowances will be paid as may be decided by the Board of Directors.
- xii. **Entertainment expenses** – Reimbursement of entertainment actual expenses properly incurred in the course of business of the Company.

5. 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 Kothari, unless specifically provided otherwise.
2. The terms and conditions of appointment of Shri 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 Kothari shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
4. The terms and conditions of the appointment of Shri 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 Kothari, subject to such approvals as may be required.

5. This appointment may be terminated by giving six months' notice on either side or the Company paying six months' remuneration in lieu of such notice.
6. The employment of Shri Kothari may be terminated by the Company without notice or payment in lieu of notice:
 - (a) If Shri Kothari is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - (b) In the event of any serious or repeated or continuing breach (after prior warning) or non-observance by Shri Kothari of any of the stipulations contained in the Agreement to be executed between the Company and Shri Kothari; or
 - (c) In the event the Board expresses its loss of confidence in Shri Kothari.
7. In the event Shri 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.
8. Upon the termination by whatever means of Shri Kothari's employment :
 - (a) Shri Kothari 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 Shri Kothari is at the material time a Director or other officer;
 - (b) Shri Kothari 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.

9. If and when the Agreement expires or is terminated for any reason whatsoever, Shri Kothari will cease to be the Managing Director and also cease to be a Director. If at any time, Shri Kothari ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, Shri Kothari ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

The draft of the agreement to be entered into by the company with Shri P.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 P.S.Kothari pursuant to Section 302 of the Companies Act, 1956.

Shri Parag S. Kothari himself and Shri Nikhil S. Kothari as a relative of Shri Parag S. Kothari are deemed to be concerned or interested in the resolution. No other Director is concerned or interested in the Resolution.

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

MUMBAI: 30th May, 2011

BY THE ORDER OF THE BOARD



P. S. Kothari
Chairman & Managing Director

Annexure To The Notice

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

Name Of Director	Parag Sharadchandra Kothari	Prakash Mahadeo Kale
Date of Birth	31st January, 1967	08th December, 1948
Date of Appointment	26th April, 2006	28th January, 2006
Experience	He has a bachelor degree in Electrical Engineering from Moore School and Bachelor in Economics from Wharton School, University of Pennsylvania, USA. He is having wide and varied experience in Industry and Trade of over nineteen years.	He is B.Tech., Chemical Engineer from UDCT, Madras. He has served with ICICI Bank Ltd., for over twenty five years at various Management Levels. He has wide and varied experience in the field of Corporate Finance and Management. He is a Business Consultant and Advisor.
Directorship held in other Public Companies	Nil	Nil
Committee position held in other Companies	<u>Chairman</u> Shareholders'/Investors' Grievance Committee – Jaysynth Dyestuff (India) Ltd.	<u>Member</u> 1. Audit Committee 2. Remuneration Committee
No. of Shareholdership		
a) Own	14,44,618 Equity Shares (16.62%)	NIL
b) For others on beneficial basis	NIL	NIL

JAYSYNTH DYESTUFF (INDIA) LIMITED

Directors' Report

Your Directors hereby present their Twenty Sixth Annual Report for the year ended March 31, 2011.

1. Financial Results :

The financial results of your company for the year ended March 31, 2011 as compared to the previous year ended March 31, 2010 are summarized below:

(Rs. in Lacs)		
Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Gross Sales	9377.44	8641.60
Other Income	417.98	228.74
Total Income	9795.42	8870.34
Profit before extraordinary items & depreciation	682.31	655.07
Depreciation	(48.92)	(37.57)
Profit for the Year	633.39	617.50
Provision for Tax & Wealth Tax	(128.63)	(106.42)
Excess/(Short) Provision for Tax & FBT	(0.02)	0.10
Deferred Tax	(58.00)	79.25
Profit after Tax	446.74	590.43
Transfer to Capital Redemption Reserve	(70.00)	0
Transfer to General Reserve	(200.00)	(250.00)
Balance Brought Forward	1157.63	817.20
Balance Carried to Balance Sheet	1334.37	1157.63

2. Dividend :

The Directors do not recommend any dividend for the year ended March 31, 2011 with a view to plough back the profit for the growth requirement of business.

3. Review of operations :

The Net sales for the year ended March 31, 2011 was Rs.9377.44 lacs, with increase of 8.51%, as against Rs.8641.60 lacs for the corresponding previous year. Operating margins were under pressure due to increase in input cost and expenses. Net profit after tax is lower as compared to previous year on account of higher tax incidence. The company is slowly consolidating its position in highly competitive business segment in which it operates.