



**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 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 of which one is Executive Director and five are Non-Executive Directors as on March 31, 2014. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement which stipulates the at least half of the Board should comprise of Independent Directors, if the Chairman of the Board is an Executive Director.

2.2 Number of Board Meetings and Attendance:

During the year under review, five board meetings were held on May 20, 2013, August 14, 2013, September 24, 2013, November 08, 2013 and February 07, 2014.

2.3 Details of the Directors of the Company:

Name of Director	Category	No. of other Directorship in other Compines		Directorship & Committee Memberships / Chairmanship		No.of Board Meeting Attended	Attendance at last AGM
		Public	Private	Committee Membership	Committee Chairmanship		
Shri Shradchandra S.Kothari	Promoter Executive Director	1	1	-	1	5	Yes
Shri Mahendra K. Kothari	Promoter Non-Executive Director	-	4	1	1	5	Yes
Shri Shrikant K. Kothari	Promoter Non-Executive Director	-	-	-	-	5	Yes
Shri Jay K. Manek	Independent Non-Executive Director	-	-	1	1	5	Yes
Shri Lalit K. Chaudhari*	Independent Non-Executive Director	-	-	1	1	5	Yes
Shri Dinkar M. Naik**	Independent Non-Executive Director	-	1	1	-	5	Yes
Shri Mitesh Dilip Sejpal***	Independent Non-Executive Director	-	3	-	-	-	No
Shri Umesh T. Chandan****	Independent Non-Executive Director	-	-	1	1	-	No

* **Shri Lalit Chaudhari resigned as Director of the Company w.e.f. May 28, 2014.**

** **Shri Dinkar Naik resigned as Director of the Company w.e.f. May 28, 2014.**

*** **Shri Mitesh Dilip Sejpal appointed as an Additional Director of the Company w.e.f. May 29, 2014.**

**** **Shri Umesh T. Chandan appointed as an Additional Director of the Company w.e.f. May 29, 2014.**

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: Shri Mahendra K. Kothari and Shri Shrikant K. Kothari are being brothers related to each other. None of the other Directors are related to any of the Director of the Company.

2.4. Directors seeking appointment /re-appointment and ceased:

Shri Mahendra K. Kothari, Director retires by rotation and being eligible offers himself for re-appointment.

Shri Sharadchandra S. Kothari, Managing Director of the Company is re-appointed as a Managing Director of the Company for a period of 3 (three) consecutive years commencing from October 01, 2014 to September 30, 2017.

Shri Jay Kulinkant Manek, Shri Mitesh Dilip Sejpal and Shri Umesh T. Chandan are being appointed as an Independent Directors for a period of 5 (five) years from September 24, 2014 to September 23, 2019 in terms of Section 149 and any other applicable provisions of the Companies Act, 2013.

The brief profiles of the Directors seeking appointment/re-appointment are given in the Annual Report.

2.5 Review of Compliance Reports by the Board of Directors:

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

2.6 Code of Conduct:

The Board of Directors has laid down the Code of Conduct for the Board members and members of Senior Management. A certificate from the Managing Director affirming the compliance of the said Code by all the Board members and members of the Senior Management, to whom the Code is applicable, is annexed separately to this Report.

3. COMMITTEES OF THE BOARD:

3.1 Audit Committee:

The Committee's constitution and terms of reference are in compliance with provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of reference of Audit Committee are as per the guidelines set out in the Listing agreements with the Stock Exchange that inter alia includes the overview of the Company's financial reporting process, review of the half-yearly and annual financial statements, the adequacy of internal control systems, the financial and risk management policies and the significant findings and adequacy of internal audit function etc. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors.

Composition:

Presently, the Audit Committee comprises of three Directors viz. Shri Jay K. Manek as Chairman with Shri Mahendra K. Kothari, and Shri Umesh T. Chandan as its members. Shri Lalit K. Chaudhari has resigned as Director on May 28, 2014 and Shri. Umesh T. Chandan has been appointed as Non-Executive Independent Director in his place as a Member of an Audit Committee. The quorum for an audit committee meeting is two members personally present.

Representatives of the Management, Finance Department, Company Secretary, Statutory Auditors, Cost Auditors, Internal Audit Department are invitees to the meetings of the Audit Committee.

During the year under review five Audit Committee Meetings were held on May 20, 2013, August 14, 2013, September 24, 2013, November 08, 2013 and February 07, 2014.

The composition of the Audit Committee and number of meetings attended by the members are given below:

Name of Member	Designation	Category	Number of Meeting	
			Held	Attended
Shri Jay Kulinkant Manek	Chairman	Independent Director	5	5
Shri Lalit Chaudhari*	Member	Independent Director	5	5
Shri Mahendra K. Kothari	Member	Non-Executive Director	5	5

*Shri Lalit Chaudhari has resigned as a Director w.e.f. May 28, 2014 and Shri Umesh T. Chandan is appointed as a member in his place w.e.f. May 29, 2014.

**3.2 Nomination and Remuneration Committee** (formerly termed as Remuneration Committee):

In accordance with provision of Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company changed the nomenclature of Remuneration Committee by renaming it as “Nomination and Remuneration Committee” at its Board meeting held on May 28, 2014. The Committee’s constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of Reference:

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Devising a policy on Board diversity.

Composition:

Presently, the Nomination and Remuneration Committee comprises of three Non-Executive Independent Directors viz. Shri Jay K. Manek as its Chairman with Shri Umesh T. Chandan and Shri Mitesh D. Sejal as its Members. As Shri Lalit Chaudhari and Shri Dinkar M. Naik resigned on May 28, 2014, the Committee has been reconstituted for the financial year 2014-2015. During the period under review, one meeting of the Committee was held on August 14, 2013.

Name of Member	Designation	Category	Number of Meeting	
			Held	Attended
Shri Lalit Chaudhari*	Chairman	Independent Director	1	1
Shri Jay Kulinkant Manek	Member	Independent Director	1	1
Shri Dinkar M. Naik*	Member	Independent Director	1	1

*Shri Lalit Chaudhari and Shri Dinkar M. Naik have resigned as a Director w.e.f. May 28, 2014 and Shri Umesh T. Chandan and Shri Mitesh D. Sejal were appointed as a members w.e.f. May 29, 2014.

Remuneration Policy:

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The Company pays remuneration by way of salary, benefits, perquisites, Superannuation benefits and allowances to its Managing Director and CEO. The Non-Executive Directors (NEDs) are paid sitting fees for attending the Meetings of the Board of Directors and the Board Committees, which are within the limits prescribed by the Central Government.

Remuneration paid to Directors during the year ended March 31, 2014 is as under:

(₹)

Name of Directors	Sitting Fees (₹)	Salaries & Perquisites (₹)	Contribution to Provident Fund (₹)	Other Perquisites (₹)	Total (₹)
Shri Sharadchandra S. Kothari	-	-	-	-	-
Shri Mahendra K. Kothari	20,000	-	-	-	20,000
Shri Shrikant K. Kothari	10,000	-	-	-	10,000
Shri Jay K. Manek	22,000	-	-	-	22,000
Shri Lalit K. Chaudhari*	22,000	-	-	-	22,000
Shri Dinkar M. Naik*	12,000	-	-	-	12,000

* Shri Lalit Chaudhari and Shri Dinkar M. Naik was resigned as a Director w.e.f. May 28, 2014 and Shri Umesh T. Chandan and Shri Mitesh D. Sejal are appointed as Independent Directors w.e.f. May 29, 2014.

** Payable in financial year 2013-14.

3.3 Stakeholders’ Relationship Committee (formerly termed as Share Transfer/Investors’ Grievances Committee):

In accordance with Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company changed the nomenclature of Share Transfer/Investors’ Grievances Committee by renaming it as “Stakeholders’ Relationship Committee”. The Committee’s constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Terms of Reference:

- Noting transfer/transmission of shares.
- Review of dematerialised/rematerialised shares and all other related matters.
- Monitors expeditious redressal of Investor grievance matters received from Stock Exchanges, SEBI, ROC etc.,
- Monitors redressal of queries/complaints received from members relating to transfers, non-receipt of Annual Report, dividend etc.,
- All other matters related to shares.

Composition:

Presently, Stakeholders' Relationship Committee comprises of three Directors viz. Shri Umesh T. Chandan as its Chairman with Shri Sharadchandra S. Kothari, Shri Mahendra K. Kothari as its members. As Shri Lalit Chaudhari resigned on May 28, 2014, the Committee has been reconstituted for the financial year 2014-2015.

During the year under review, five Stakeholder Relationship Committee meetings was held on April 03, 2013, November 20, 2013, December 02, 2013, February 12, 2014 and March 10, 2014.

The composition of the Stakeholders' Relationship Committee and number of meetings attended by the members are given below:

Name of Member	Designation	Category	Number of Meeting	
			Held	Attended
Shri Sharadchandra S. Kothari	Chairman	Promoter Executive Director	5	5
Shri Mahendra K. Kothari	Member	Promoter Non-executive Director	5	5
Shri Lalit Chaudhari*	Member	Independent Director	5	5

*Shri Lalit Chaudhari has resigned as a Director w.e.f. May 28, 2014 and Shri Umesh T. Chandan has been appointed in his place w.e.f. May 29, 2014.

During the year under review no complaints received from shareholders.

All valid share transfers received during the year under review have been acted upon and no such transfer is pending.

3.4 Corporate Social Responsibility (CSR) Committee:

In accordance with Section 135 of the Companies Act, 2013, the Board of Directors of the Company at their meeting held on May 28, 2014, have approved the constitution of the CSR Committee which comprises of three directors viz. Shri Mitesh Dilip Sejpal (Chairman), Shri Umesh T. Chandan and Shri Sharadchandra S. Kothari as its Memebers.

Terms of Reference:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor the CSR Policy of the Company and its implementation from time to time.
- Such other functions as the Board may deem fit.

4. GENERAL BODY MEETINGS:

Details of last three annual general meetings are as under:-

Annual General Meetings:

Sr. No.	Date	Venue	Time	No. of Special Resolution Passed
37th AGM	December 30, 2011	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.	10.00 A.M.	NIL
38th AGM	September 28, 2012	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.	10.00 A.M.	NIL
39th AGM	September 24, 2013	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.	10.00 A.M.	NIL

No Special Resolution was put through postal ballot during the year under review.

**5. DISCLOSURES:****5.1 Related Party Transactions:**

During the financial year 2013-14, the Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of the Company. For disclosure regarding materially significant related party transactions, please refer Note 29 of the notes forming part of the Accounts.

5.2 Compliances by the Company:

The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters related to capital markets during last three years. There are no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority relating to the above. There were no instances of non-compliance of any matter related to the capital market during the last three years.

5.3 Accounting Standards:

The Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India, to the extent applicable in preparation of the financial statement.

5.4 Risk Management:

The Company has laid down procedure to inform the Board of Directors about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risks by means of a properly defined framework.

5.5 Code for Prevention of Insider-Trading:

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for prevention of Insider Trading for its Directors and Designated Employees and their dependents. The Code lays down guidelines, which regulates Trading Window period, seeks disclosures of annual holdings and prohibits dealing in shares of the Company during the closure of Trading Window, besides compliance with other related matters.

6. MEANS OF COMMUNICATION:

- (a) At present, the half-yearly report is not being sent to each household of the shareholders.
- (b) The quarterly results are usually published in the Free Press Journal (English), as well as Navshakti (Marathi) daily. The information of Quarterly Results is sent to The Bombay Stock Exchange to enable them to put it on their websites. During the Year under review no presentation has been made to the investors/analysts.
- (c) The Management Discussion and Analysis Report forms part of the Directors' Report.
- (d) Pursuant to inserted Clause 54 of Listing Agreement functional website of the Company - www.jdorgochem.com has become operative. The website contains the basic information about the Company.

7. CERTIFICATE BY MANAGING DIRECTOR i.e. CEO:

Shri Sharadchandra S. Kothari, Managing Director i.e. CEO of the Company issued a Certificate to the Board of Directors as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said certificate was placed before the Board Meeting held on May 28, 2014 in which the Accounts for the financial year ended March 31, 2014 were considered and approved.

8. SHAREHOLDERS INFORMATION:**(i) 40th Annual General Meeting :**

Date and Time : Wednesday the September 24, 2014 at 10.00 a.m.
Venue : 301, "Sumer Kendra" 3rd.Floor,
Pandurang Budhkar Marg, Worli,
Mumbai 400 018.

(ii) Financial Calendar 2014-2015: April 1, 2014 to March 31, 2015

(iii) Date of Book Closure: Monday, September 15, 2014 to Wednesday, September 24, 2014 (both days inclusive)

(iv) Dividend payment Date: No dividend has been recommended by the board of directors in view of accumulated losses.

(v) Tentative Calendar for financial year ending March 31, 2015:

Quarterly Financial Results	Date of Board Meeting
First Quarterly Results	August 14, 2014
Second Quarterly Results	November 14, 2014
Third Quarterly Results	February 14, 2015
Fourth Quarterly Results	May 30, 2015

(vi) Listing on the Stock Exchanges:

Presently, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE), Mumbai and National Stock Exchange (India) Limited (NSE)*

*** The Equity Shares of the Company has been delisted from National Stock Exchange (India) Limited (NSE) w.e.f. July 18, 2014**

(vii) Stock Code:

BSE Limited : 524592

NSE Limited : JDORGOCHEM

The ISIN of the company for its shares : INE263B01022

The Company has paid the annual listing fees for the year 2014-15 to Stock Exchanges.

The Company has also paid custodial fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on the basis of number of beneficial accounts maintained by them as on March 31, 2014.

(viii) Dematerialization of Shares:

As on March 31, 2014, 1,24,11,830 equity shares of the company are dematerialized i.e. 93.66% of total issued equity share capital of the Company.

(ix) Corporate Identification Number:

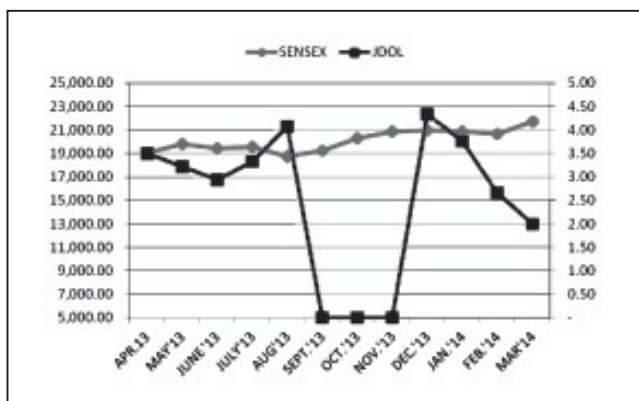
Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L24100MH1973PLC016908.

(x) Stock Price Performance - JD Orgochem Ltd. Vs. BSE Sensex April 2013 to March 2014:

Note: Based on the monthly average of High and Low price of JD Orgochem Ltd. and BSE Sensex.

Market Price Date

Month	High	Low
April'13	3.97	3.05
May '13	3.62	2.80
June'13	2.94	2.94
July'13	3.72	2.80
Aug.'13	4.40	3.90
Sept.'13	0	0
Oct.'13	0	0
Nov.'13	0	0
Dec.'13	4.79	4.09
Jan.' 14	4.25	3.27
Feb.' 14	3.11	2.21
Mar.' 14	2.14	1.85



(xi) Share Transfer System:

The Board of Directors has Constituted Stakeholders' Relationship Committee as already mentioned earlier and has delegated the power of share transfer to this Committee. The Committee holds its meetings as and when required to consider all matters concerning transfer & transmission of shares. The Company's shares are in compulsory Demat Mode and they are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). As on March 31, 2014, 1,24,11,830 Equity Shares of the Company stands dematerialized forming 93.66% of Company's issued and subscribed Equity Capital. The Company's International Security Identification Number is: **INE263B01022**.

(xii) Reconciliation of Share Capital:

As stipulated by SEBI, a qualified Practising Company Secretary carries out Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

**(xiii) Shareholding pattern as on March 31, 2014:**

Sr. No.	Particulars	No. of Shares Held	% of Shares Held
1.	Promoters	8,096,624	61.11
2.	Mutual Funds & UTI	5,300	0.04
3.	Banks Financial Institutions & Insurance Companies	42,357	0.32
4.	Foreign Institutional Investor	8,500	0.06
5.	Foreign Financial Bank	800	0.01
6.	Private Corporate Bodies	336,780	2.54
7.	Indian Public	4,367,666	32.96
8.	NRIs/OCBs	60,824	0.46
9.	Any Others-(Non-promoter Director & Relatives of Directors)	2,100	0.02
10.	Trust	329,049	2.48
	TOTAL	13,250,000	100.00

(xiv) Distribution of Shareholding as on March 31, 2014:

No. of Shares	No. of Shareholders	% of Total Shareholders	Total No. of Shares	% of Total Shares
UPTO - 500	8825	89.52	1,230,144	9.28
501 - 1,000	511	5.18	436,034	3.29
1,001 - 2,000	238	2.41	370,983	2.80
2,001 - 3,000	82	0.83	208,867	1.58
3,001 - 4,000	37	0.38	128,244	0.97
4,001 - 5,000	52	0.53	245,539	1.85
5,001 - 10,000	46	0.47	339,323	2.56
10,001 - above	67	0.68	10,290,866	77.67
TOTAL	9858	100.00	13,250,000	100.00

(xv) Following Non-Executive Directors held shares of the Company as under:

Sr. No.	Name of Directors	No. of Shares
1	Shri Mahendra K. Kothari	NIL
2	Shri Shrikant K Kothari	NIL
3	Shri Jay K. Manek	NIL
4	Shri Lalit K. Chaudhari*	300
5	Shri Dinkar M. Naik*	NIL
6	Shri Mitesh D. Sejpal**	0
7	Shri Umesh T. Chandan**	300

* Shri Lalit Chaudhari and Shri Dinkar M. Naik was resigned as a Director w.e.f. May 28, 2014

** Shri Umesh T. Chandan and Shri Mitesh D. Sejpal are appointed as Independent Directors w.e.f. May 29, 2014.

(xvi) Plant Location : Plot No. A-4/2
M.I.D.C. Industrial Area,
Patalganga Dist. Raigad,
Maharashtra - 410 220.

(xvii) Address for Correspondence :
The Shareholders may address their communications/grievances/queries to:

CONTACT PERSON :

Ms. INDIRA KARKERA – VICE PRESIDENT

M/s. SHAREPRO SERVICES (INDIA) PVT.LTD.

UNIT : JD ORGOCHEM LIMITED

1) 13AB, Samhita Warehousing Complex,
Second floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072
Tele. Nos. 67720300/67720334
Fax No. 28591568
E-MAIL : Sharepro@shareproservices.com

2) Investor Relation Centre:
912, Raheja Centre,
Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021

OR

The Compliance Officer,
JD Orgochem Limited
301, Sumer Kendra, P.B.Marg,
Worli, Mumbai 400 018
Tel. No. 022-30423048-49, Fax No. 022-30423433/34
E-Mail Address: info@jaysynth.com Investors' Complaint: jsec@jaysynth.com

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Members,
JD Orgochem Limited,

I hereby confirm that as required under Clause 49 of the Listing Agreement with the Stock Exchange(s), all the Directors and Senior Management Personnel have affirmed compliance with Company's Code of Conduct for the year ended March 31, 2014.

For JD Orgochem Limited,

**Sharadchandra S. Kothari
Chairman & Managing Director**

Mumbai, May 28, 2014

Details of compliance with mandatory requirements and extents of compliance with non-mandatory requirements:

1. Compliance with mandatory requirements:

The company has complied with the mandatory requirements of the code of corporate governance as stipulated under Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd.

2. Extent of Compliance with non-mandatory requirements:

The company has complied with the following non-mandatory requirements:

I. Remuneration Committee.

II. Moving towards unqualified financial statements.

The company does not comply with other non-mandatory requirements.

3. Certificate from the Statutory Auditors:

Certificate from the statutory auditors of the company M/s. Maganlal & Ajay Mehta Chartered Accountants, Mumbai regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement is attached.

Declaration of compliance with the Code of Conduct:

I hereby confirm that as required under Clause 49 of the Listing Agreement with The Bombay Stock Exchange Ltd., all directors and senior management personnel have affirmed compliance with JD Orgochem Ltd., code of conduct for the year ended March 31, 2014.

Mumbai, May 28, 2014

**Sharadchandra S. Kothari
Chairman & Managing Director**