

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.

CONTENTS	PAGE NOS.
Notice	
Director's Report	
Auditor's Report	
Balance Sheet	
Profit & Loss Account	
Cash Flow Statement	
Notes to Accounts	

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

Registered Office :
301, "Sumer Kendra",
Pandurang Budhkar Marg,
Worli, Mumbai – 400 018.

BY ORDER OF THE BOARD



R. C. TOLAT
Company Secretary

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 fo 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.

9. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

The information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of board of directors) Rules, 1988, is annexed hereto and form part of this report. Information regarding foreign exchange earnings and outgo is also given in the annexure forming part of this report.

10. CORPORATE GOVERNANCE:

A separate report on corporate governance along with General Shareholders' information as prescribed under Clause 49 of the Listing Agreement is annexed as a part of this report along with the Auditor's Certificate on corporate governance.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As per clause 49 of the Listing Agreements with the Stock Exchanges, a separate Section on management discussion and analysis report is appended to this report.

12. PARTICULARS OF EMPLOYEES:

The company has no employees covered under provisions of Section 217(2A) of the Companies Act, 1956 read with companies (particulars of employees) rules, 1975.

13. FIXED DEPOSITS:

Your company has not accepted any Fixed Deposit from the public.

14. INDUSTRIAL RELATION:

As already reported, possession of the erstwhile Turbhe Unit of the company was taken over by majority of Secured Creditors under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) in 2006. As regards to the retrenched workmen of the said Turbhe Unit, the legal case is still pending before Industrial Tribunal, Thane. As regards to employees of Turbhe Unit whose services were transferred to Viramgam Unit, the writ petition is still pending before the Hon'ble High Court Bombay and the stay on Industrial Court order is continuing. As the workers did not report at Viramagam despite of the order from High Court their services were terminated. The dispute regarding termination of their services is also pending before Labour Court, Thane. With regards to the issue of lockout matter of the said Turbhe Unit, upon the appeal by the Company, the Hon'ble High Court, stayed the order of the Hon'ble Industrial Court and the matter is pending for final hearing.

Dues of the workers at Patalganga unit, as already informed, were settled pursuant to the consent order passed by the High Court. However, some of the workers filed appeal against the consent order before the division bench, which was dismissed. Appeal filed before Hon'ble Supreme Court of India by some of the workmen was withdrawn by the concerned employees. Thereafter, the workers union took up the same in conciliation before Asst. Commissioner Labour. On failure of the conciliation, the Labour Commissioner referred the matter to Industrial Tribunal, Thane, for adjudication. Company has challenged the order of adjudication passed by Labour Commissioner before the Hon'ble Division Bench, Bombay which is pending for hearing.

15 ACKNOWLEDGMENTS:

Your directors acknowledge and thank the customers, shareholders, vendors, state government authorities, business associates, and banks for the support extended to the Company. Your Directors also record their appreciation for the commitment and dedication of the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

A handwritten signature in black ink, appearing to read 'S S K', is written over a diagonal line that extends from the top right towards the center.

S. S. KOTHARI

CHAIRMAN & MANAGING DIRECTOR

PLACE : MUMBAI

DATED : : May 20, 2013

ANNEXURE I TO THE DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 & forming part of the Directors Report for the year ended March 31, 2013.

Form A: Form for Disclosure of particulars with respect to Conservation of Energy.

A: Power & Fuel Consumption:

1. Electricity :	2012-13	2011-12
a) Purchased:		
Total Amount (Rs. In Lacs)	-	-
b) Own Generation:		
Through Diesel Generator Units (in KWH)	-	-
Units per litre of Diesel Oil	-	-
Cost/Unit (Rs.)	-	-
2. Furnace Oil & LDO		
Quantity (K. Litres)	-	-
Total Amount	-	-
Average Rate (Rs./Litre)	-	-
3. OTHER/INTERNAL GENERATION	-	-

B: Consumption per unit of production :

There was no production during the year.

Form B: Form of Disclosure of Particulars with respect to absorption of Technology & Research & Development (R&D).

Research & Development :

Nil

I. Specific areas in which R & D was carried out by the Company :

Nil

II. Benefits derived as a result of above R & D:

Nil

III. Future plan of Action :

Nil

IV. Expenditure on R & D:

Nil

V. Technology, Absorption, Adaptation & Innovation :

Nil

VI. Foreign Exchange Earnings & Outgo :

(₹ in Lacs)

	2012-13	2011-12
Foreign Exchange Earned	0	47.28

ANNEXURE- II - TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance policy has been developed with a tradition of a fair and transparent governance and disclosure practices. Transparency, integrity, professionalism and accountability based values form the basis of Company's philosophy for corporate governance. The Company strives to improve the governance practices to meet stakeholders' expectations and strictly complies with regulatory guidelines on corporate governance.

2. BOARD OF DIRECTORS:

2.1 Composition of Board:

The strength of board of directors was six members with Shri Sharadchandra S. Kothari as Chairman & Managing Director. There are five non-executive directors who account for eighty three percent of the Board's strength, out of which one non executive directors belong to promoter group. The non-executive directors are persons with experience in business and industry, finance and administration.

2.2 Number of Board Meetings and Attendance:

During the year under review, five board meetings were held on 11th May, 2012, 13th August, 2012, 28th September, 2012, 5th November, 2012, and 8th February, 2013. The maximum gap between two meetings did not exceed four months as stipulated under Clause 49 of the Listing Agreements.

2.3 Details of the Directors of the Company:

The composition of the Board of directors and details of other limited companies directorship and Committee membership/ Chairmanship*

Name of Director	Category	No. of Other Directorship		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	-	2	-	-	5	Yes
Shri Mahendra K. Kothari	Promoter Non-Executive Director	-	4	-	1	5	Yes
Shri Shrikant K. Kothari	Promoter Non-Executive Director	-	-	-	-	5	Yes
Shri Jay K. Manek	Independent Non-Executive Director	-	-	2	-	5	Yes
Shri Lalit K. Chaudhari	Independent Non-Executive Director	-	-	2	1	5	Yes
Shri Dinkar M. Naik	Independent Non-Executive Director	-	1	1	-	5	Yes

* Excludes directorships contemplated under Section 278 of the Companies Act, 1956.

Note: This includes information in respect of other company's membership/ chairmanship in committees referred to in Clause 49 of the listing agreement, viz. audit committee, and Investors grievances committee.

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.

Board appointments are made by the issue of formal letter of appointment.

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 directors of the Company.

2.4 Brief Profile of directors seeking appointment/re- appointment at the forthcoming Annual General Meeting:

i. Shri Sharadchandra S. Kothari -

Shri Sharadchandra Shoorji Kothari is B.A., B.Com., LL.B. from University of Bombay. He is a director of the company since 05.10.1973 (since incorporation). He has over 56 years of wide and varied experience in the field of finance, manufacturing, marketing and export of dyes, dye intermediates and chemicals. He has contributed immensely to the research & development projects of the Group. He is well conversant with the industry, commerce and trade. He is on the board of Jaysynth Polychem Pvt. Ltd., and Jay Instruments & Systems Pvt. Ltd.

ii. Shri Dinkar M. Naik -

Shri Dinkar M. Naik is a B.Sc. from the University of Bombay and is Diploma holder in Management studies and Financial Management, also having Master degree in Administrative Management from the University of Bombay. 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. He is a Director on the Board of M/s. Tattva Healthcare Pvt. Ltd.

2.5 Review of Compliance Reports by the Board of Directors:

A compliance certificate confirming the due compliance with the statutory requirements is placed at the board meeting for the review by the board of directors. Instances of non-compliance, if any, are also separately reported to the Board.

2.6 Code of Conduct:

The company has framed a code of conduct for the members of the board of directors and Senior Management personnel. All the board members and senior management personnel have affirmed their compliance with the code of conduct. A declaration signed by the managing director of the company forms part of this report.

3. COMMITTEES OF THE BOARD:

3.1 Audit Committee:

Terms of Reference:

Terms of reference of audit committee are in accordance with those specified in Clause 49 of the Listing Agreement with the Stock Exchange and Section 292A of the Companies Act, 1956. The audit committee is empowered to investigate any activity within its terms of reference and to seek information it requires from any employee.

Composition, Meetings and attendance there at:

The audit committee consists of three directors, viz, Shri Mahendra K. Kothari as chairman with Shri Lalit K. Chaudhari and Shri Jay K. Manek as members. Two thirds of the members are independent directors. The quorum for an audit committee meeting is two members personally present. All members of the committee are financially literate within the meaning of Explanation I of clause 49 II (A) (ii) of the Listing Agreement.

The audit committee met on four occasions during Financial Year ended 31st March 2013 held on 11th May, 2012, 13th August, 2012, 05th November, 2012 and 8th February, 2013. Shri Mahendra K. Kothari, Shri Jay K. Manek and Shri Lalit K. Chaudhari attended all four meetings. Such of the executives and directors as considered appropriate are invited to attend audit committee meetings. Representatives of the statutory auditors are permanent invitees to the audit committee meetings. Internal Audit officials and such of the executives and directors as considered appropriate are invited to attend audit committee meetings. No employee of the company has been denied access to audit committee.

The Company Secretary acts as a secretary to the committee.

3.2 Share Transfer/Investors' Grievances Committee:

Terms of Reference:

The committee monitors the company's response to investor complaints. It has also been authorized to approve the issue of duplicate share certificates in lieu of those lost, misplaced, mutilated or destroyed. The committee's meetings are held as often as required to consider all matters concerning transfer and transmission of shares, issue of share certificates, splitting and consolidation of share certificates. The committee also looks into the Investors complaints on transfer of shares, non-receipt of company's balance sheet, non-receipt of declared dividends etc. and redressal thereof.

The committee comprises of Shri Sharadchandra S. Kothari, Shri Mahendra K.Kothari and Shri Lalit K. Chaudhari. Shri Ravindra C. Tolat, company secretary is the compliance officer.

Meeting and attendance during the period under review:

During the year ended 31st March 2013 the committee held 12 Meetings. Shri Sharadchandra S. Kothari, Shri Mahendra K. Kothari and Shri Lalit K. Chaudhari attended all 12 meetings.

During the period under review no complaint was received from shareholders. All valid share transfers in respect of physical shares received during the year under review have been acted upon and no such transfer is pending as on March 31, 2013. Similarly, there were no pending rematerialisation requests as on March 31, 2013.

3.3 Directors' Remuneration Committee:

Terms of Reference:

A remuneration committee has been constituted to review and recommend payment of sitting fees for attending the board meeting and meeting of committee/sub-committee appointed by the Board payable to directors and reimbursement of actual expenses incurred by the directors for attending the board meeting or meeting of any committee/ sub-committee appointed by the board of directors and to determine the remuneration, including commission, payable to managing / whole-time directors; subject to the provisions of the Companies Act, 1956 and the notifications, if any, issued there under.

While approving the remuneration, the committee to take into account financial position of the company, trend in the industry, qualification, experience, past performance, past remuneration of the candidate and to strike balance of interest of the company and shareholders while determining the remuneration package.

Composition:

The committee comprised of three independent directors, namely Shri Lalit K. Chaudhari, Shri Jay K. Manek and Shri Dinkar M. Naik

The committee met once during the year under review.

Remuneration paid to directors during the year ended 31st March, 2013 is as under:

Name of Director	Sitting Fees	Salaries & Perquisites	Contribution to Provident Fund	Other Perquisites	Total
Shri Sharadchandra S. Kothari	-	-	-	-	-
Shri Mahendra K. Kothari	18,000	-	-	-	18,000
Shri Shrikant K. Kothari	10,000	-	-	-	10,000
Shri Jay K. Manek	20,000	-	-	-	20,000
Shri Lalit K. Chaudhari	20,000	-	-	-	20,000
Shri Dinker M. Naik	12,000	-	-	-	12,000

4. GENERAL BODY MEETINGS:

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

Date	Venue	Time	No. of Special Resolution Passed
36 th 24 th AGM September, 2010	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400 018.	10.00 A.M.	The Resolution was passed to seek voluntary delisting of the equity shares of the Company from “The National Stock Exchange of India Ltd., Mumbai
37 th 30 th AGM December, 2011	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400 018.	10.00 A.M.	NIL
38 th 28 th AGM September, 2012	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai – 400 018.	10.00 A.M.	NIL

Postal Ballot Resolutions:

No special resolution was put through postal ballot. No special resolution requiring a postal is being proposed for the ensuing Annual General Meeting.

5. DISCLOSURES:

(i) Related Party Transactions:

- i) A summary of transactions with related parties, in the ordinary course of business, is placed before the audit committee.
- ii) There was no material individual transaction during the financial year ended 31st March, 2013 with related parties that were not in the ordinary course of business.
- iii) All material transaction during the financial year ended 31st March, 2013 either with related parties or others were at arm's length.
- iv) There were no material significant transactions during the financial year ended 31st March, 2013 with related parties such as promoters, directors, key managerial personnel, relatives or subsidiaries that could have potential conflict with the company.
- v) The mandatory disclosure of transactions with related parties in compliance with the Accounting Standard (AS-18) is part of this annual report is given in Note 30 of the notes forming part of the Accounts.

(ii) Compliances by the Company:

The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during last three years. There are no penalties or strictures imposed on the company by the Stock Exchange 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.

(iii) 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 statements.

(iv) Risk Management:

The company has laid down procedure to inform the board about the risk assessment and minimization procedures.

6. MEANS OF COMMUNICATION:

- (a) at present, the half-yearly report is not being sent to each household of the shareholders.
- (b) annual reports in respect of each financial year are mailed to all shareholders as soon as it is ready for dispatch. Each annual report contains the annual accounts in respect of that financial year, director's report with annexures and auditors' reports. Also included in each annual report is the notice convening the annual general meeting, corporate governance report, management discussion and analysis and cash flow statement.
- (c) the quarterly results are usually published in the Free Press Journal (English), Mumbai as well as Navshakti (Marathi), Mumbai. The information of quarterly results is sent to stock exchanges to enable them to put it on their websites. The quarterly results are also displayed on the Company's website – www.idorgochem.com. During the year ended March 31, 2013 no presentation has been made to the investors/analysts. The company does not display official news releases.

(d) the management discussion and analysis report forms part of the directors' report.

(e) The website contains the basic information about the Company. The website also displays several other details/information of interest to various stakeholders.

7. CERTIFICATE BY CEO:

Shri Sharadchandra S. Kothari, Managing Director & CEO 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 20, 2013 in which the accounts for the financial year ended March 31, 2013 were considered and approved.

8. SHAREHOLDERS INFORMATION:

(i) 39th Annual General Meeting:

Date and Time: Tuesday the 24th September, 2013 at 10.00 a.m.

Venue : 301, "Sumer Kendra" 3rd Floor,
Pandurang Budhkar Marg, Worli,
Mumbai 400 018.

(ii) Financial Calendar 2012-2013:

Annual General Meeting: 24th September, 2013.

Adoption of Unaudited Financial Results for four quarters for FY 2013 -14

Quarter ended 30th June	- by 15 th August, 2013
Quarter ended 30th Sept.	- by 15 th November, 2013
Quarter ended 31st Dec.	- by 15 th February, 2014
Quarter ended 31 st March	- by 30 th May, 2014

(iii) Book Closure Date:

18th September, 2013 to 24th September, 2013 (both days inclusive)

(iv) Dividend payment Date:

No dividend has been recommended by the board of directors in view of accumulated losses.

(v) Listing on the Stock Exchanges:

Shares of the company are listed on two Stock Exchanges:

- i The Bombay Stock Exchange Ltd. Code No. 524592
- ii The National Stock Exchange of India Ltd. Code No. JDORGOCHEM

The ISIN No. of the company's share is **INE263B01022**

Up-to date listing fees has been paid to The Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.

(vi) Share Transfer System:

The board of directors has constituted share transfer/ investor's grievances committee as already mentioned earlier and has delegated the power of share transfer to this committee. The committee holds its meetings regularly as and when required to consider all matters concerning transfer and 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 Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL).

Liquidity - The shares of the company are traded on both, The Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

(vii) Outstanding GDRs/ADRs etc.:

The company has not issued any global depository receipt / american depository receipt / warrant or any convertible instruments pending conversion or any other instrument likely to impact the equity capital share capital of the Company.

(viii) Dematerialisation of Shares:

As on 31st March 2013, 1,24,09,730 equity shares of the company stand dematerialized forming 93.66% of company's issued and subscribed equity capital.

(ix) Registrar & Transfer Agents:

SHAREPRO SERVICES (INDIA) PVT. LTD.

R.O.: 13AB, samhita Warehousing complex,
Second floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road, Sakinaka,
Andheri (East),
Mumbai – 400 072.

Investor Relation Centre:

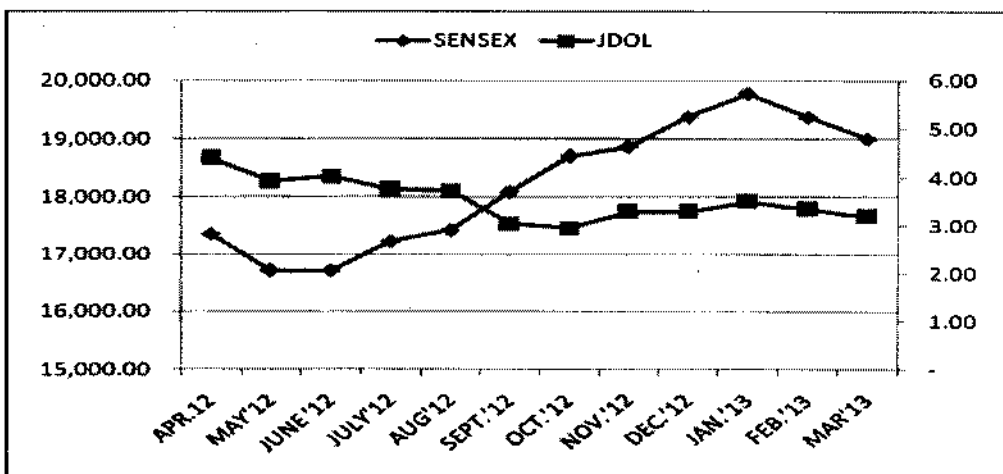
912, Raheja Centre,
Free Press Journal Marg,
Nariman Point,
Mumbai – 400 021

(x) Stock Price Performance - JD Orgochem Ltd. Vs. BSE Sensex April 2012 to March 2013:

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

Market Price Data:

Month	High	Low
April '12	4.80	4.05
May '12	4.25	3.62
June '12	4.49	3.71
July '12	4.14	3.10
Aug. '12	4.40	3.07
Sept. '12	3.40	2.76
Oct. '12	3.30	2.65
Nov. '12	3.88	2.95
Dec. '12	3.55	3.06
Jan. '13	4.35	3.02
Feb. '13	3.92	3.00
Mar. '13	3.44	2.87



(xi) Shareholding pattern as on March 31, 2013 :

Sr. No.	Particulars	No. of Shares Held	% of Shares Held
1.	Promoters	8,094,089	61.09
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	381,633	2.88
7.	Indian Public	4,325,448	32.64
8.	NRIs/OCBs	60,724	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

(xii) Distribution of Shareholding as on March 31, 2013 :

No. of Shares	No. of Shareholders	% of Total Shareholders	Total No. of Shares	% of Total Shares
UPTO - 500	8838	89.49	1,231,288	9.29
501 - 1,000	510	5.16	436,081	3.29
1,001 - 2,000	243	2.46	378,653	2.86
2,001 - 3,000	81	0.82	206,668	1.56
3,001 - 4,000	38	0.38	132,744	1.00
4,001 - 5,000	53	0.54	249,724	1.89
5,001 - 10,000	45	0.46	334,026	2.52
10,001 - above	68	0.69	10,280,816	77.59
TOTAL	9876	100.00	13,250,000	100.00

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

SR.NO.	NAME	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

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

(xv) **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 LTD.

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 Secretary,
JD Orgochem Ltd.,
301, Sumerkendra, 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

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, 2013.

Mumbai, May 20, 2013


S. S. Kothari
Chairman & Managing Director

AUDITORS' CERTIFICATE

TO THE MEMBERS OF JD ORGOCHEM LIMITED

We have examined the compliance of the conditions of Corporate Governance by JD Orgochem Limited for the year ended March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with The Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd.

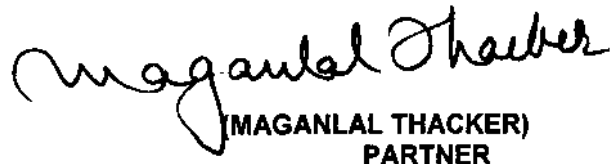
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that in respect of investor grievances received during the year ended March 31, 2013 no investor grievances are pending against the Company as on May 20, 2013 as per the records maintained by the Company and presented to Investors / Shareholders Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For MAGANLAL & AJAY MEHTA
Chartered Accountants**


**(MAGANLAL THACKER)
PARTNER**

Place : Mumbai
Dated : May 20, 2013

Membership No.4549

ANNEXURE-III TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW –

The Indian economy is going through a phase of slowing growth and high inflation combined with a global prospect that is not entirely supportive of economic enhancement. These are challenging times. U.S. microeconomic prospects are clouded by the uncertainty surrounding the temporary appropriations and the debt ceiling. In the Euro Zone, plagued by contingent risks of political uncertainty and adjustment fatigue, GDP shrank. It is as yet unclear how effective the emerging package of stimulus measures will be and how quickly they will turn around the economy.

India's GDP growth in 3rd quarter of 2012-13, at 4.5% was the weakest in the last 15 quarters. With merchandise exports recording positive growth for the second successive month in February and non-oil imports contracting, the trade deficit narrowed significantly. For April-February 2012-13 however, the trade deficit was higher than its level a year ago with adverse implication for the current account deficit (CAD), already at a record high. Although capital inflows, mainly in the form of portfolio investment and debt flows, provided adequate financing, the growing vulnerability of the external sector to abrupt shifts in the sentiment remains a key concern.

On the inflation front, some softening of global commodity prices and lower pricing power of corporate domestically. However, the unrelenting rise in food inflation is keeping headline wholesale price inflation above the threshold level and consumer price inflation in double digits. On the external sector front the key challenge is to reduce the CAD, which is well above the sustainable threshold. The foremost challenge for returning the economy to a high growth trajectory is to revive investment. A competitive interest rate is necessary for this, but not sufficient. Sufficiency conditions include bridging the supply constraints, staying the course on fiscal consolidation, both in terms of quantity and quality, and improving governance.

INDUSTRIAL STRUCTURE AND OUTLOOK –

The Indian dyestuff industry has established as reliable global supplier of dyestuffs and dye intermediates, particularly for reactive acid vat & direct dyes. India has a share of about 6% of global production in the dye. The dye industry is dispersed like chemical industries. There are fewer units in organized sector and large producers in unorganized sector. Most of these units are located in western part of the country especially in Gujarat and Maharashtra State.

About six hundred varieties of organic dyes and pigments are produced in India, but per capita consumption of dyestuff is lower than the world average. Disperse and reactive dyes largest product segments in the country for about 45 per cent of the consumption of dyes. These two segments lead in significant share of textile and synthetic dye consumption.

The business environment for dyestuff industry globally has been changing at a fast rate and if the Indian dyestuff business have to hold against competition they have to change and adopt their strategies, methodology of working and organizational structure. Highly developed technology, in-depth research capabilities, backward and forward linkages and development of domestic capacity to reduce the dependence on imports are some of the crucial factors that need to be taken into consideration. Safety, health and environment protection issues have become the major talking point in the Indian dyestuff industry.

PERFORMANCE –

Due to financial constraints, the company could not restart the manufacturing operations at Patalganga Unit, as the same requires heavy capital expenditure. During the year company has sold some parts of plant & machinery also to generate funds for meeting unavoidable expenditure. Your company has recorded No sales during the year under review as against ₹0.24 lacs during the previous year. The company has incurred loss of ₹ 577.69 lacs during the year under review, as against loss of ₹ 341.32 lacs during the previous year. Total revenue for the year ended 31st March 2013 is registered at ₹130.30 lacs as against ₹122.30 lacs during the previous year. The expenditure for the year under review was of ₹ 707.98 lacs as against ₹463.62 lacs for the previous year.

OPPORTUNITIES AND THREATS –

Based on the unprecedented fiscal measures taken by the governments and the central banks of all major world economies it is expected the tide to turn for the better. However all the major economic forecasts are portraying a gloomy economic scenario. The sustaining pharma and agro demand is the silver lining for the country.

With large scale operations, dyes at lower prices are likely to be imported in the country from China, which may adversely affect the profitability of dye manufacturers in the country. The threat of cheaper import of dyes from China has increased as it has made huge investments in manufacture of textile dyes. The weak monsoon in most part of the country is the major threat to dye stuff industry.

Pollution control is strictly monitored and can make closure some units in the event of non conforming to pollution norms set by authorities. High interest rate coupled with inflationary trend and high energy costs are likely to hamper growth in dye industry.

Government has given more importance to infrastructure development this is likely to be of great benefit to the industry as a whole. Developed economies are looking at outsourcing dyes from developing countries; this is likely to give boost to Indian dyestuff industry.

RISKS AND CONCERNS -

Indian dyes and textile chemicals industry is not insulated from the global meltdown. According to Industry sources, the export of Indian dyestuff is expected to go down in the future due to global

melt-down and tough competition from China. As some of the Chinese companies were shut down temporarily the Indian dyestuff industry faced less competition. But now, the Chinese companies are back in the business, which is likely to affect the export business of Indian dyestuff industry.

The installed capacity is unutilized due to absence of world class plant capacities, use of obsolete equipment and technology, insufficient research, and development effort, lack of market support, absence of diversification and long term product planning.

The Government requires to take steps to meet the challenges posed by the legislation viz. Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) proposed by European Union. Under this proposed legislation, exporters of chemicals to European Union Countries are required to register their products with complete safety data.

INTERNAL CONTROL SYSTEMS –

Your company has appropriate internal control system for the business process, with regard to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibilities down the line have been laid down. Regular internal audit and checks are in effect. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems and suggests improvement for them as and when required.

HUMAN RESOURCES –

The company had 2 employees as on 31st March 2013 as against 3 employees as on 31st March 2012. It is the policy of the company to engage employees with qualification and experience that matches the job requirement.

CAUTIONARY NOTE –

Statements in this report may not be based on historical information or facts may be "forward looking" within the meaning of applicable securities laws and regulations, including but not limited to, those relating to general business plans strategy of the Company, its future outlook and growth prospects, future development in its business, its competitive and regulatory environment and management's current views and assumptions, which may remain constant due to risk and uncertainties. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feed stocks availability and prices, cyclical demand and pricing in the Company's principal markets, change in Government regulation's tax regimes, competitors actions, economic developments within India and countries within which the Company conducts its business and other factors such as litigation and labour negotiations.

Independent Auditor's Report

**To the Members of
JD ORGOCHEM LIMITED.**

Report of Financial Statements

We have audited the accompanying financial statements of JD ORGOCHEM LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Qualified Opinion

- i) Adequacy of the provision made for meeting workers liability cannot be ascertained as referred to in note no.7.1 & 8.1 of Notes to Financial Statement.
- ii) No provision has been made in the accounts for advances of ₹ 178 lacs given to 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.

Qualified Opinion

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

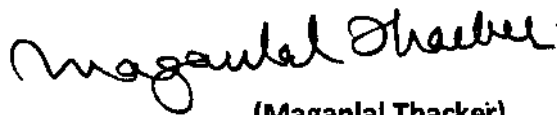
- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on the other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e) on the basis of written representations received from the directors 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.

For MAGANLAL & AJAY MEHTA
Chartered Accountants
Firm Registration No. -105730W



(Maganlal Thacker)

PARTNER

Membership No. 4549

Place : Mumbai

Date : May 20, 2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of JD ORGOCHEM LIMITED. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
(b) As informed to us, the company had verified part of its fixed assets in regular programme of periodical verification during the year. According to the information and explanations given to us, the extent of discrepancies noticed on physical verification and the extent of un-reconciled differences for years prior to 31st March 1992, which are not material, are not yet been finally determined, since the same continue to be under scrutiny by the company. As explained to us, adjustments necessary on these counts will be made only after the said scrutiny is completed and reconciled with the book records.
(c) The accounts of the company have been prepared on the basis that the company is a going concern. The company has fixed assets at its unit at Patalganga. The Hon'ble High Court of Bombay on 20/06/2008 has approved the Scheme of Compromise/Arrangement between Secured Creditors and equity shareholders and the scheme has been effective from 04/07/2008. The company's plant at Patalganga was partially restarted in earlier year. During the year the company has sold some part of plant & machinery which is not substantial. Also no manufacturing activity is carried out during the year under reference and hence we are still unable to express any opinion about the company's ability to continue as a going concern in the foreseeable future.
- 2 (a) As explained to us, inventories have been physically verified during the year by the management.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- 3 (a) The company has granted interest-free unsecured loan in earlier years to two parties listed in the register maintained under Section 301 of the Companies Act, 1956, the amount aggregates to ₹ 228.91 lacs for which, as informed to us, no terms of repayment has been stipulated and hence overdue amount cannot be ascertained. Out of above, ₹178 lacs due is considered doubtful of recovery for which no provision has been made in the accounts as referred to in Note No.14.1 of the Notes to Financial Statement.

- b) The company has taken interest-free unsecured loan in earlier years from a party listed in the register maintained under Section 301 of the Companies Act, 1956, whose outstanding balance at the year end is ₹ 18.54 lacs for which, as informed to us, no terms of repayment has been stipulated and hence overdue amount cannot be ascertained.
- 4 In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services, During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- 5 a) On the basis of the Audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the transactions in which directors were interested and which were required to be entered into the register maintained under section 301 of the companies Act, 1956 have been entered.
- (b) In our opinion and according to the information and explanation given to us and excluding certain transactions of purchase and sale of goods and material of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, where each of such transactions is in excess of rupees five lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time and other relevant circumstances.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public except from an agent and a director. Therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules there under are not applicable to the company
- 7 As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209(1)(d) of the companies Act, 1956 in respect of the company's products to which the said rules are made applicable and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate and / or complete.

9 (a) As per the records of the Company, undisputed statutory dues of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues other than mentioned in (b) below have generally been regularly deposited with the appropriate authorities.

(b) As per records of the Company, the following undisputed statutory dues were outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

Nature of Dues	Period to which the amount relates	(₹ In lacs)
Power (Electricity)	01.05.2001 to 28.02.2002	111.69
Sales Tax	01.06.2001 to 31.03.2004	82.85
Gram Panchayat Tax	01.04.2000 to 31.03.2011	105.76

(c) As per records of the company, the following disputed dues have not been deposited.

Nature of Dues	Forum where dispute is Pending	(₹ In lacs)
Custom Duty (Shown as contingent liability)	Commissioner of Customs - Mumbai	510.99
Custom Duty	Central Excise & Gold Appellate Tribunal (CEGAT) - Mumbai	53.99
Gram Panchayat Tax (Shown as contingent liability)	Gram Panchayat , Vadgaon, Taluka Khalapur, Dist. Raigad	12.91

10 As per the accounts of the company, the company has accumulated losses of ₹ 8190.92 lacs at the end of the financial year and the accumulated losses of the company are not less than fifty percent of its net worth.

As per the accounts of the company, the company has incurred cash loss of ₹ 47.93 lacs during the financial year under reference. However no such cash loss was incurred in the immediately preceding financial year.

11 Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

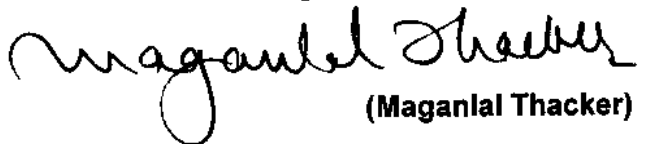
12 According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- 13 The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 14 According to information and explanations given to us, the Company has made investments in shares and securities in earlier years. These investments are held by the company in its own name.
- 15 According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
- 16 In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17 Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
- 18 Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
- 19 The Company has issued debenture certificate during the year for Zero Coupon Non-Convertible Debentures issued as per the scheme of compromise/arrangement by Bombay High Court order dated 20th June 2008 which is secured by first pari passu charge on all the existing asset of the company situated at Patalganga Unit.
- 20 The Company has not raised any money by public issue during the year.
- 21 Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For MAGANLAL & AJAY MEHTA

Chartered Accountants

Firm Registration No. -105730W


(Maganlal Thacker)

.PARTNER

Place : Mumbai

Date : May 20, 2013

Membership No. 4549

JD ORGOCHEM LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

		(₹ in lacs)	
	Note	As at 31st March 2013	As at 31st March 2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	132.50	132.50
Reserves and Surplus	4	(2,742.81)	(2,165.12)
Share application money pending allotment	5	500.00	500.00
Non-Current Liabilities			
Long Term borrowings	6	3,398.84	3,608.25
Other Long Term Liabilities	7	1,014.93	1,007.70
Long Term Provisions	8	49.11	48.89
Current Liabilities			
Trade Payables	9	20.37	27.20
Other Current Liabilities	10	8.48	27.38
Short-Term Provisions	11	27.10	23.47
TOTAL		2,408.52	3,210.27
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	1,016.58	1,358.50
Non-current investments	13	913.41	1,137.66
Long term loans and advances	14	316.66	546.84
Current Assets			
Inventories	15	52.76	52.76
Trade receivables	16	3.75	12.82
Cash and cash equivalents	17	77.70	81.66
Short-term loans and advances	18	15.51	12.58
Other current assets	19	12.15	7.45
TOTAL		2,408.52	3,210.27

Notes on Financial Statements

1 to 35

As per our Report of even date
FOR MAGANLAL & AJAY MEHTA
Chartered Accountants
Firm Registration No. -105730W

MAGANLAL THACKER

Partner

Membership No : 4549

Place : Mumbai

Date : May 20, 2013

S. S. KOTHARI

Chairman & Managing Director

S. K. KOTHARI

S. K. KOTHARI

Director

R. C. TOLAT

Secretary

JD ORGOCHEM LIMITED

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	₹ in lacs	
		Year ended 31st March 2013	Year ended 31st March 2012
INCOME			
Revenue from operations	20	-	0.24
Other Income	21	<u>130.30</u>	<u>122.06</u>
Total Revenue		<u>130.30</u>	<u>122.30</u>
EXPENSES			
Cost of Materials Consumed	22	-	0.21
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	23	-	(0.26)
Employee benefit expense	24	16.53	15.20
Financial costs	25	0.97	0.91
Depreciation and amortization expense	12	305.50	352.09
Other expenses	26	<u>384.99</u>	<u>95.47</u>
Total expenses		<u>707.99</u>	<u>463.62</u>
Loss		(577.69)	(341.32)
Tax expenses			
Tax expenses related to prior year		<u>-</u>	<u>0.01</u>
Loss for the year		<u>(577.69)</u>	<u>(341.33)</u>
Basic & Diluted Earning per equity share of face value of ₹.1/- each (in ₹)	27	(4.36)	(2.57)

Notes on Financial Statements

1 to 35

As per our Report of even date
FOR MAGANLAL & AJAY MEHTA
Chartered Accountants
Firm Registration No. -105730W

Maganlal Thacker
MAGANLAL THACKER
Partner
Membership No : 4549
Place : Mumbai
Date : May 20, 2013

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S. S. KOTHARI
Chairman & Managing Director

Sickkotharu
S. K. KOTHARI
Director

Do
R. C. TOLAT
Secretary

JD ORGOCHEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	(₹ in lacs)	
	<u>Year ended</u> <u>March 31, 2013</u>	<u>Year ended</u> <u>March 31, 2012</u>
A. Cash flow from operating activities:		
Net profit before tax and extraordinary items	(577.69)	(341.32)
Adjustments for :		
Depreciation	305.50	352.09
Diminution & Amount written off in the value of investment	224.25	0.04
Profit on sale of fixed assets	(124.11)	(60.63)
Interest & Finance Charges	0.97	0.91
Operating profit before working capital changes	<u>(171.08)</u>	<u>(48.90)</u>
Inventories	-	(0.05)
Trade and other receivables	232.21	8.16
Trade payables	(14.66)	53.38
Cash generated from operations	<u>46.47</u>	<u>12.59</u>
Interest & Finance Charges	(0.97)	(0.91)
Direct taxes (Net)	(0.60)	0.64
Net cash from operating activities	<u>44.90</u>	<u>12.32</u>
B. Cash flow from investing activities :		
Sale of fixed assets	160.52	155.82
Net cash From investing activity	<u>160.52</u>	<u>155.82</u>
C. Cash flow from financing activities :		
Repayment of Long Term Borrowings (Net)	(209.40)	(160.60)
Net cash used in financing activities	<u>(209.40)</u>	<u>(160.60)</u>
Increase in cash and cash equivalents	(3.96)	7.54
Cash and cash equivalents at the beginning of the year	81.66	74.12
Cash and cash equivalents at the end of the year	<u>77.70</u>	<u>81.66</u>

As per our Report of even date
FOR MAGANLAL & AJAY MEHTA
Chartered Accountants
Firm Registration No. -105730W

Maganlal Thacker

MAGANLAL THACKER
Partner
Membership No : 4549
Place : Mumbai
Date : May 20, 2013

S.S.K.
S. S. KOTHARI
Chairman & Managing Director

S.K.K.

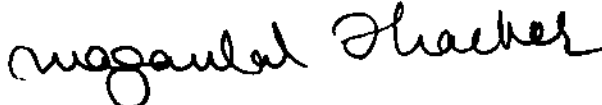
S. K. KOTHARI
Director

R.C.T.
R. C. TOLAT
Secretary

To,
The Board of Directors
JD ORGOCHEM LIMITED
MUMBAI

We have examined the above Cash Flow Statement of **JD ORGOCHEM LIMITED** for the year ended March 31, 2013. The statement has been prepared by the Company and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **MAGANLAL & AJAY MEHTA**
CHARTERED ACCOUNTANTS



MAGANLAL THACKER
PARTNER
Membership No.4549

Place: Mumbai
Date : May 20, 2013

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

Note : 1 General Information

JD Orgochem Limited (the company) is headquartered at Mumbai, Maharashtra, India carries on the business of Manufacturing and trading of dyes & dye intermediates .

Note : 2 Significant accounting policies

A) Method of accounting :

- i) The Financial Statement are prepared under the historical cost convention or on the basis of going concern and as per applicable Indian Accounting Standards. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis except certain items of income such as insurance claims, overdue interest from debtors etc., have been considered to the extent the amount is ascertainable / accepted by the parties. All assets & Liabilities have been classified as current & non current as per company's normal cycle and other criteria set out in Schedule VI of the Companies Act 1956.
- ii) Use of Estimates : The preparation of the financial statement in conformity with Generally Accepted Accounting Principles (GAAP) requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision of doubtful debts, future obligations under employees retirement benefit plans, income taxes and useful lives & impairment of fixed assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.
- iii) Inflation : Assets and Liabilities are recorded at historic cost as a going concern basis. These costs are not adjusted to reflect the changes in the purchasing power of money.

B) Fixed assets :

Fixed Assets are stated at cost (net of modvat availed) which includes all expenses for commissioning / putting the assets into use. Financing cost relating to borrowed funds, adjustment arising consequent to fluctuation in foreign exchange rate & other expenses attributable to acquisition of fixed assets are capitalised and included in the gross book value of fixed assets to which they relate. Impairment loss, if any, are reduced from the gross block of the assets.

C) Depreciation :

- i) Lease hold Land is amortised over the period of lease.
- ii) In respect of the assets, for which loss on account of impairment is accounted, depreciation is provided on Straight Line method at revised rates so as to allocate the reduced carrying amount of these assets over their remaining useful life. In respect of other assets, the depreciation is provided on Straight Line method at the rates prescribed under Schedule XIV of the Companies (Amendment) Act, 1988.

D) Impairment of assets :

An asset is treated as impaired, if the carrying amount of fixed assets exceeds the recoverable amount on the reporting date and in such case the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by present value of estimated future cash flows.

E) Investment :

- i) Investments are stated at cost inclusive of all expenses incidental to their acquisition.
- ii) Investments in shares of companies registered outside India are stated at cost by converting the rate of exchange prevalent at the time of acquisitions thereof.
- iii) Appropriate provision has been made in the accounts for diminution in the value of investments in accordance with AS-13 issued by the Institute of Chartered Accountants of India.

F) Inventories :

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence and deterioration, if any. Cost of semi finished goods and finished goods comprises of chemical cost (weighted average) plus overheads wherever applicable and that of trading finished goods comprises of cost of purchase. Excise duty on manufactured finished goods lying in the inventory is included as a part of valuation of finished goods as per Accounting standard - 2 (Revised). Cost Formulae used are 'first in first out', 'average cost' or 'specific identification', as applicable.

G) Recognition of Income and expenditure :

- i) Sales turnover includes sale value of goods, excise duties and other recoveries, such as insurance, transport and packing charges excluding VAT / CST
- ii) Scrap sale is accounted for on sale basis. No inventory is taken as the amount is not material.
- iii) Revenue is recognised and expenditure is accounted for on their accrual.
- iv) Income from interest on deposits, loan and interest bearing securities is recognized on the time proportion basis.

H) Excise duty :

- i) Excise duties recovered are included in the sale of products. Excise duty paid on dispatches is shown separately as an item of manufacturing expenses.
- ii) The Modvat Credit is accounted by crediting the amount to cost of purchases on receipt of goods and is used on dispatch by debiting Excise Duty Account.

I) Employee benefits :

- i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss account in the year in which the related services are rendered.
- ii) Contribution to Provident Fund & Employee Pension Scheme are accounted on accrual basis.
- iii) Provision for gratuity liability is made based on actuarial valuation as at the balance sheet date which is in accordance with Accounting Standard No. 15 issued by the Institute of Chartered Accountants of India.
- iv) Company's liabilities towards compensated absences to employees are determined on the basis of valuations as at balance sheet date carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains & losses comprise experience adjustments and the effect of changes in actuarial assumptions are recognised immediately in the profit and loss Account.

J) Foreign currency transactions :

- i) Transaction denominated in foreign currency are converted into Indian rupees at the exchange rate prevailing on the date of transaction.
- ii) Gains and losses on settlement of the transaction are recognised in profit and loss account.
- iii) Monetary assets or liabilities in foreign currencies at the year end are restated in Indian currency at the exchange rate prevailing on the date of balance sheet and the resultant gain or loss is recognised in profit and loss account.
- iv) Investments in shares of companies registered outside India are stated at cost by converting the rate of exchange prevalent at the time of acquisitions thereof.

K) Provisions and contingent liabilities :

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if :

- a) the Company has a present obligation as a result of a past event
- b) a probable outflow of resources is expected to settle the obligation
- c) the amount of the obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of :

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
- b) a present obligation when no reliable estimate is possible
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent Assets are neither recognised, nor disclosed.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each balance sheet date.

L) Taxation :

- i) Current Taxation : Provision for current tax is made on the basis of estimated tax liability as per applicable provisions of the Income Tax Act, 1961. No provision for taxation is made in view of the losses.
- ii) Deferred Taxation : Deferred Tax Assets are recognised to the extent there is reasonable certainty that these assets can be realised in future. In absence of virtual certainty of sufficient future taxable income, deferred tax has not been recognised as a matter of prudence.

M) Earnings per share :

The basic and diluted earnings per share is computed by dividing the net profit/(loss) after tax attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

Note : 3 Share Capital

Particulars	As at 31.3.2013		As at 31.3.2012	
	Number of Shares	(₹ in lacs)	Number of Shares	(₹ in lacs)
AUTHORIZED CAPITAL				
Equity shares of ₹ 1/- each	3,00,000,000	3,000.00	3,00,000,000	3,000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL				
Equity shares of ₹ 1/- each, fully paid up	13,250,000	132.50	13,250,000	132.50

A) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of 31.3.2013

Particulars	Opening balance	Redemption	Closing Balance
Equity shares of ₹ 1/- each			
Year ended 31.3.2013			
Number of shares	13,250,000	-	13,250,000
Amount (₹ in lacs)	132.50		132.50
Year ended 31.3.2012			
Number of shares	13,250,000	-	13,250,000
Amount (₹ in lacs)	132.50		132.50

B) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a par value of ₹ 1/- per share. Each shareholder is eligible for one vote per share held. The Dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

The scheme of compromise & arrangement approved on 20th June 2008, by Honorable High Court of Bombay envisage issue of fresh equity shares by way of right issues of new 377 equity shares of ₹ 1/- each for every 100 existing equity shares held by the Equity Shareholders, which is pending.

D) Details of Shares held by each shareholder holding more than 5% Share

Particulars	As at 31.3.2013		As at 31.3.2012	
	Number of Shares	% Holding	Number of Shares	% Holding
Shoorji Trikamdas Investment Company Pvt. Ltd.	3,163,005	23.87	3,163,005	23.87
Nikhil S Kothari	1,606,360	12.12	1,555,061	11.74
Parag S Kothari	1,706,964	12.88	1,424,843	10.75
Jayshree S Kothari	794,821	6.00	794,821	6.00

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

	As at 31.3.2013	As at 31.3.2012
Note : 4 Reserves & Surplus		
Capital Reserve	1,192.50	1,192.50
Balance brought forward from previous year		
Securities Premium Reserve	3,855.61	3,855.61
Balance brought forward from previous year		
Debenture Redemption reserve	400.00	400.00
Balance brought forward from previous year		
Surplus in statement of Profit & Loss Account	(7,613.23)	(7,271.90)
Balance brought forward from previous year	(577.69)	(341.33)
Add: Loss for the year	(8,190.92)	(7,613.23)
Total	(2,742.81)	(2,165.12)
	<u>500.00</u>	<u>500.00</u>

Note : 5 Share application money pending allotment

The company has received in October 2007 advance subscription of ₹ 500 lacs towards issue of new shares under rights issue for 50,000,000 equity shares of ₹ 1 at par pursuant to scheme of compromise & arrangement approved by Honorable High Court of Bombay. The company has sufficient authorised capital to cover the allotment of these shares. The same shall be adjusted upon finalising the terms & conditions of the rights issue to be made and share will then only be allotted.

Note : 6 Long Term Borrowings

Debentures - Secured

Zero Coupon Non Convertible Debentures(ZCD)
1,604,000 Debentures of ₹ 100/- each

1,604.00 1,604.00

Term Loans - Secured

From Other Parties
Zero Coupon Loan (ZCL)

859.50 1,031.40

Loans & Advances From a Director (Unsecured)

18.54 56.05

Others Loans (Unsecured)

916.80 916.80

Total

3,398.84 3,608.25

- 5.1 a) The Zero Coupon Non Convertible Debentures (ZCD) shall be redeemable at a premium of 50% in ten equal quarterly installment commencing from June 30,2015 and ending on September 30, 2017.
b) The Zero Coupon Debentures (ZCD) has been secured by first pari passu charge on all the existing asset of the company situated at Patalganga, MIDC industrial area.
- 6.2 a) The Zero Coupon Loan (ZCL) shall be repaid in sixteen equal installments commencing from March 30,2013 and ending on December 31, 2016
b) The Zero Coupon loan (ZCL) shall be secured by first pari passu charge on all the existing asset of the company situated at Patalganga, MIDC industrial area and upon creation of such security, the existing security/securities/existing personal guarantees of directors and charges shall stand satisfied and released without any further act on part of secured creditors.
c) All the guarantors of the company shall jointly and severally, provide an irrevocable and unconditional guarantee cum shortfall undertaking in favour of the Secured creditors for Zero Coupon Loan (ZCL) to make good the shortfall, if any, in the event realisation to Zero Coupon Loan(ZCL) from the sale of Patalganga factory is less than the amount outstanding as payable.
- 6.3 Other Loan (Unsecured) of ₹916.80 lacs shall be converted into 91,680,000 Equity shares of ₹ 1/- each at par within 60 days of issue of new shares under rights issue (which is pending) as per scheme of compromise & restructuring sanctioned by High Court of Bombay and after obtaining necessary approvals.

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

Note : 7 Other Long Term Liabilities

	As at 31.3.2013	As at 31.3.2012
Advance From Customers	206.68	194.39
Outstanding Expenses	359.89	364.35
Employee Liabilities Payable	442.35	442.95
Deposit From agents	6.01	6.01
Total	1,014.93	1,007.70

- 7.1 Employee Liabilities Payable Includes dues payable to the workers on account of retrenchment & retirements which were provided in the accounts in earlier years on estimated basis. The litigation in the matter is going on in the court. Therefore, final liability on this account cannot be ascertained at this stage. Hence, adequacy of the provision made in this regard in earlier years cannot be ascertained at this stage.

Note : 8 Long Term Provisions

Provision For Employee Benefits	17.78	18.16
Provision for leave encashment	31.33	30.73
Provision for gratuity	49.11	48.89
Total		

- 8.1 Dues payable to the workers on account of retrenchment & retirements were provided in the accounts in earlier years on estimated basis. The litigation in the matter is going on in the court. Therefore, final liability on this account cannot be ascertained at this stage. Hence, adequacy of the provision made in this regard in earlier years cannot be ascertained at this stage.

Note : 9 Trade Payables

Trade Payables	20.37	27.20
Total	20.37	27.20

- 9.1 The Company is in the process of identifying suppliers falling under the Micro, Small and Medium Enterprises Development Act, 2006. However, no confirmation as regards to the status has been received by the Company. In the absence of information as regard to the status/ classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No. G.S.R. 719 (E) dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable and amount of interest thereon paid during the year and payable at the end of the year to the Sundry Creditors could not be disclosed.

Note : 10 Other Current Liabilities

Statutory Remittances	4.97	6.21
Advance From Customers	2.55	20.12
Outstanding Expenses	0.15	0.06
Employee Liabilities Payable	0.81	0.99
Total	8.48	27.38

Note : 11 Short Term Provisions

Provision For Employee Benefits	0.60	0.57
Provision for leave encashment	26.50	22.90
Provision for gratuity	27.10	23.47
Total		

(₹ in lacs)

Note : 12 Fixed Asset

Particulars	Gross Block			Depreciation				Net Block	
	As at 1-04-2012	Deductions	As at 31-03-2013	As at 1-04-2012	For the year	Deductions	Upto 31-03-2013	As at 31-03-2013	As at 31-03-2012
Tangible Assets									
Leasehold land	7.02	-	7.02	2.17	0.08	-	2.25	4.77	4.85
Factory Building	2,226.21	-	2,226.21	1,367.27	70.19	-	1,437.46	788.75	858.95
Plant & machinery	5,856.54	202.94	5,653.60	5,387.27	228.23	166.53	5,448.98	204.62	469.28
Elec. Installation	13.55	-	13.55	12.92	0.56	-	13.48	0.07	0.63
Furniture & fixtures	61.79	-	61.79	58.10	0.22	-	58.32	3.46	3.70
Equipments	146.05	-	146.05	130.31	5.69	-	136.00	10.05	15.74
Computers	28.67	-	28.67	26.91	-	-	26.91	1.76	1.76
Vehicles	15.05	-	15.05	12.39	-	-	12.39	2.66	2.66
Books	11.75	-	11.75	10.79	0.53	-	11.32	0.44	0.94
SUB TOTAL (A)	8,366.63	202.94	8,163.69	7,008.13	305.50	166.53	7,147.11	1,016.58	1,358.51
Intangible Assets	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)	-	-	-	-	-	-	-	-	-
Total [A + B]	8,366.63	202.94	8,163.69	7,008.13	305.50	166.53	7,147.11	1,016.58	1,358.51
Previous Year	8,715.53	348.90	8,366.63	6,909.74	352.09	253.70	7,008.13	1,358.50	1,805.79

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

As at 31.3.2013 As at 31.3.2012

Note : 13 Non Current Investments

Trade

Investment in equity instruments of associates	646.00	646.00
275,000 equity shares of ₹ 1/- each of Jaysynth Impex Ltd.	224.25	224.25
224,250 equity shares of ₹ 100/- each of Jaysynth Polychem Pvt Ltd.	267.40	267.40
500,000 equity shares of £ 1/- each of Jaysynth (Europe) Ltd.		

Other Investments

Investment in quoted equity instruments of other entities	0.21	0.21
2,100 equity shares of ₹ 10/- each of Galore Prints Ltd.	3.24	3.24
32,400 equity shares of ₹ 10/- each of Ocean Knit Ltd..	0.56	0.56
1,100 equity shares of ₹ 10/- each of Mafatlal Finance Ltd.		
Government securities	0.01	0.01
6 Years National Saving Certificates	1,141.67	1,141.67
	228.26	4.01
	<u>913.41</u>	<u>1,137.66</u>
Less: Provision for diminution in value of investment		
Total	4.01	4.01
Aggregate Amount of Quoted Investment	-	-
Market Value of Quoted Investment	1,137.66	1,137.66
Aggregate Amount of Unquoted Investment		

13.1 During the year under reference, the company has made provision for diminution in value of investment of ₹ 224.25 lacs for the investment made in the earlier year of 224,250 equity shares of ₹ 100/- each of Jaysynth Polychem Pvt. Ltd.

Note : 14 Long Term Loans and Advances

Loans & Advances to related parties (unsecured)	50.91	281.91
Jaysynth Impex Ltd. (considered good)	178.00	178.00
Jaysynth Polychem Pvt. Ltd.(considered doubtful)	4.80	4.80
Loans & Advances to employees(Unsecured, considered good)	79.24	78.42
Other Loans & Advances	3.71	3.71
Excise Duty Refund Receivable	316.66	546.84
Total		

14.1 Advances of ₹178 lacs recoverable from Jaysynth Polychem Pvt. Ltd. has been considered doubtful of recovery for which no provision is made in the accounts during the year ended 31.03.2013.

Note : 15 Inventories

(At lower of cost and net realisable value)

Raw Material	11.46	11.46
Work-In-Progress	14.75	14.75
Finished Goods	14.12	14.12
Stores & Spares	12.43	12.43
Total	<u>52.76</u>	<u>52.76</u>

Note : 16 Trade Receivables

Unsecured, Considered Good	3.23	-
Outstanding for more than six months	0.52	12.82
Others	3.75	12.82
Total		

Note : 17 Cash and cash equivalents

Cash-in-Hand	2.48	3.46
Balances with Banks		
In current account	13.17	13.78
In Deposit account	0.72	3.45
In Margin (Maturity of more than 12 months)	61.33	60.97
Total	<u>77.70</u>	<u>81.66</u>

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

(₹ in lacs)

Note : 18 Short Terms Loans and Advances

	As at 31.3.2013	As at 31.3.2012
Unsecured, Considered Good	0.00	0.51
Loans & Advances to employees	3.95	0.93
Prepaid Expenses		
Balances with government authorities	2.71	2.71
Deposit with Excise & Cenvat credit receivable		
Others	0.16	0.33
Advance Recoverable in cash or in kind or for value to be received	8.69	8.10
Advance Income Tax/Refund Receivable		
Total	15.51	12.58

Note : 19 Other Current Assets

Interest accrued on bank deposit	12.15	7.45
Total	12.15	7.45

Note : 20 Revenue from Operations

	Year ended 31.3.2013	Year ended 31.3.2012
Sale of products	-	0.28
Less : Excise Duty	-	(0.04)
Total	-	0.24

Note : 21 Other Income

Interest earned (Tds ₹ 0.60 lacs (Py. ₹ 0.62 lacs))	6.04	6.24
Professional & Consultancy Charges	0.00	47.28
Profit on sale of assets(net)	124.11	60.63
Sundry balances written back (net)	0.15	7.91
Total	130.30	122.06

Note : 22 Cost of Materials Consumed

Opening stock	11.46	11.67
Add : Purchases	-	-
	11.46	11.67
Less : Closing Stock	(11.46)	(11.46)
Total	-	0.21

Note : 23 Changes In inventories of finished goods, work-in-progress and Stock-in-Trade

Inventories at the end of the year		
Finished Goods	14.12	14.12
Work In Progress	14.75	14.75
	28.87	28.87
Inventories at the beginning of the year		
Finished Goods	14.12	13.86
Work In Progress	14.75	14.75
	28.87	28.61
Net (increase) / decrease	-	(0.26)

Note : 24 Employee Benefit Expenses

Salaries & wages	15.60	14.24
Contribution to provident & other funds	0.70	0.77
Staff welfare expenses	0.23	0.19
Total	16.53	15.20

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

24.1 Defined Benefit Plans

The summarized position of post-employment benefits & long term employee benefits recognized in the Profit & Loss Account and Balance Sheet (as per Accounting Standard 15) are as under :-

	(₹ in lacs)			
	Gratuity (Funded)		Leave Encashment. (Unfunded)	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Expenses recognised in the statement of Profit & Loss				
Current service cost	4.56	4.63	0.02	0.02
Interest cost	4.63	4.33	0.05	0.11
Expected return on plan assets	(0.33)	(0.31)	-	-
Net actuarial gain (loss) recognised in the year	(4.08)	(4.99)	0.45	(0.34)
Past service cost	-	-	-	-
Expenses recognised in the statement of Profit & Loss	4.78	3.66	0.52	(0.21)
Actual return on plan assets				
Expected return on plan assets	0.33	0.31	-	-
Actuarial gain (loss) plan assets	(0.01)	(0.01)	-	-
Actual return on plan assets	0.32	0.30	-	-
Balance Sheet Recognition				
Present value of obligation	62.73	58.21	0.76	1.11
Fair value of plan assets	(4.90)	(4.58)	-	-
Liability (assets)	57.83	53.63	0.76	1.11
Unrecognised past service cost	-	-	-	-
Liability (asset) recognised in the Balance Sheet	57.83	53.63	0.76	1.11
Changes in the present value of the obligation				
Present value of obligation as on 31st March 2012	58.21	54.25	1.11	1.32
Interest cost	4.63	4.33	0.05	0.11
Current service cost	4.56	4.63	0.02	0.02
Past service cost	-	-	-	-
Benefits paid	(0.59)	-	(0.87)	-
Actuarial (gain) loss on obligation	(4.09)	(5.00)	0.45	(0.34)
Present value of obligation as on 31st March 2013	62.73	58.21	0.76	1.11
Changes in the Fair Value of the Assets				
Fair value of plan Assets as on 31st March 2012	4.58	4.28	-	-
Expected Return on plan assets	0.33	0.31	-	-
Contributions	-	-	-	0.87
Benefits paid	-	-	-	(0.87)
Actuarial gain (loss) plan assets	(0.01)	(0.01)	-	-
Fair value of plan assets as on 31st March 2013	4.90	4.58	-	-
Total actuarial gain (loss) recognised during the year	4.08	5.00	(0.34)	(0.45)
Actuarial Assumptions				
Discount rate	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Expected return on plan assets	7% p.a.	8% p.a.	N/A	N/A
Future salary increases	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Attrition	5% p.a.	5% p.a.	5% p.a.	5% p.a.
Retirement	58 yrs	58 yrs	58 yrs	58 yrs
Mortality	I.I.C. 1994-96 ULTIMATE		I.I.C. 1994-96 ULTIMATE	

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

	Year ended 31.3.2013	Year ended 31.3.2012
		(₹ in lacs)
Note : 25 Financial cost		
Interest Expense	0.54	0.47
Bank Charges	0.43	0.44
Total	0.97	0.91
Note : 26 Other Expenses		
Auditors Remuneration	1.97	1.97
Contract labour	3.58	2.56
Diminution & Amount written off in the value of Investment	224.25	0.00
Directors Sitting Fees	0.80	0.75
Excise Duty	-	0.26
Insurance Expenses	1.45	1.47
Filing Fees	3.34	1.70
Net Loss on Foreign Currency transactions & translation	12.28	25.34
Security Charges	4.41	4.37
Professional Charges	13.28	15.14
Printing & Stationery Expenses	1.95	2.72
Repair & Maintenance - Building	87.16	25.33
Repair & Maintenance - Plant & Machinery	7.06	11.00
Rates & Taxes	12.63	0.02
Miscellaneous expenses	10.83	2.84
Total	384.99	95.47
26.1 Auditors' Remuneration		
Audit fees	1.45	1.45
Income Tax matters	0.30	0.30
Service Tax	0.22	0.22
	1.97	1.97
Note : 27 Earning Per Share (EPS)		
Profit attributable to the Shareholder (₹ In Lacs)	(577.69)	(341.33)
No. of Equity Shares	13,250,000	13,250,000
Nominal Value of Equity Shares (₹)	1	1
Basic & Diluted Earning Per Share (₹)	(4.36)	(2.57)
Note : 28 Earning in Foreign Exchange		
Professional & Consultancy Charges	-	47.28
Note : 29 Segment Information		
a) Primary Segments :		
The operation of the Company relates to one business segment i.e. trading of Dyes and Pigments.		
b) Secondary Segment		
Entire business operations relates to domestic market.		

JD ORGOCHEM LIMITED

Notes to the Financial Statements for the year ended 31st March, 2013

Note : 30 Related Parties Disclosure under Accounting Standard - 18

i) The list of related parties as identified by the management are as under:

Associates / Companies / Firms :-

- i) Jaysynth Dyestuff (India) Ltd.
- ii) Jaysynth (Europe) Ltd.
- iii) Jaysynth Impex Ltd.
- iv) Jaysynth Polychem Pvt.Ltd.
- v) Shoorji Trilkamdas Investment Company Pvt. Ltd
- vi) Jay Pesticides Pvt Ltd.
- vii) R P Trading Co.

Key Management Personnel

- i) Shri S.S.Kothari.
- ii) Shri M.K.Kothari.
- iii) Shri S.K.Kothari.

ii) The following transactions were carried out with the related parties:

Particulars	₹ in Lacs			
	Associates		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12
1 Balance Outstanding (Net)	Cr 271.09	Cr 40.09	Cr 18.54	Cr 56.04
2 Sale of Goods/Services/Assets	-	47.28	-	-
3 Receipt / Payment (Net)	(231.00)	(46.66)	(37.50)	46.00
4 Exchange Diff	-	(0.62)	-	-
5 Sitting Fees	-	-	0.28	0.26

Note : 31 Contingent Liabilities not provided for

- a) Inland Guarantee : ₹ 4,530,959/- (Previous year ₹4,530,959/-).
- b) Claims against the company not acknowledged as debts of ₹511,lacs (Previous year ₹ 511 lacs).
- c) Sales tax assessment dues for accounting year 2003-04 of ₹ 49.61 lacs (Previous Year ₹66 lacs)is not provided as debts as the matter is under appeal with Maharashtra Sales Tax Tribunal, Mumbai.
- d) Claims against the company not acknowledged as debts of ₹ 25.82 lacs of Gram Panchayat Tax.

Note : 32 In the opinion of the Board and to the best of their knowledge and belief, the realisable value of current assets, loans and advances in the ordinary course of business would not be less than the amount, at which they are stated in the Balance Sheet unless otherwise stated, and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

Note : 33 Balance of loans & advances, sundry debtors, sundry creditors & deposits are subject to adjustments, reconciliation and confirmation by the parties.

Note : 34 Bank certificates are obtained for bank balances In respect of operative bank accounts. However ,in respect of non-operative & dormant bank accounts,neither bank certificate nor bank statements are available.

Note : 35 Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

As per our Report of even date
FOR MAGANLAL & AJAY MEHTA
Chartered Accountants
Firm Registration No. -105730W

Maganlal Thacker
MAGANLAL THACKER
Partner
Membership No : 4549
Place : Mumbai
Date : May 20, 2013

S.S.K.
S. S. KOTHARI
Chairman & Managing Director

S.K.K.
S. K. KOTHARI
Director

R.C.T.
R. C. TOLAT
Secretary

JD ORGOCHEM LIMITED
REGD.OFFICE : 301,SUMER KENDRA, PANDURANG BUDHKAR MARG,
WORLI, MUMBAI - 400 018.

39TH ANNUAL GENERAL MEETING - SEPTEMBER 24, 2013
ADMISSION SLIP

Reg. Folio. No / Client ID No.: _____

I certify that I am registered Shareholder of the Company and hold _____ Equity Shares.

I, hereby, record my presence at the **39th ANNUAL GENERAL MEETING** of the Company at "**301, SUMER KENDRA, PANDURANG BUDHKAR MARG, WORLI, MUMBAI – 400 018**", on **TUESDAY THE 24TH DAY OF SEPTEMBER, 2013 at 10.00 A.M.**

Member's Proxy's name in BLOCK Letters
Please Indicate whether Member/Proxy

Member's/Proxy's Signature

NOTE :

1. Shareholder/Proxy holder must bring the Admission Slip to the meeting and hand over at the entrance duly signed.
2. Shareholders are requested to advise change in their address as well as request for consolidation of Multiple reg. Folios, if any, to the Registered Office of the Company quoting their holding and Reg. Folio Numbers.

FORM OF PROXY

JD ORGOCHEM LIMITED
REGD.OFFICE : 301,SUMER KENDRA, PANDURANG BUDHKAR MARG,
WORLI, MUMBAI - 400 018.

PROXY FORM

I/We _____ of _____ being a Member of **JD ORGOCHEM LIMITED** holding _____ Equity Shares, hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the **39TH ANNUAL GENERAL MEETING** of the Company to be held on **TUESDAY 24TH SEPTEMBER, 2013** and at adjournment thereof, if any.

Signed this _____ day of _____ 2013.

Reg.Folio.No / Client ID No.:

Affix
 Re.1/-
 Revenue
 Stamp

NOTE :

1. The form should be signed across the stamp as per Specimen Signature registered with the Company.
2. The Proxy must be returned so as to reach the Regd. Office of the Company **301, SUMER KENDRA, PANDURANG BUDHKAR MARG, WORLI, MUMBAI - 400 018** not less than **FORTY EIGHT HOURS** before the time for holding the meeting.
3. A proxy need not be a member.