

# **JD ORGOCHEM LTD.**

Annual Report 2008-09

**BOARD OF DIRECTORS**

Shri. Sharadchandra S. Kothari  
Chairman & Managing Director

Shri. Shrikant K. Kothari  
Whole-Time Director

Shri. Mahendra K. Kothari

Shri. Umesh T. Chandan  
[Resigned w.e.f. 16/03/2009]

Shri Jay K. Manek

Shri Lalit Chaudhari

Shri Dinkar M. Naik  
[Appointed w.e.f. 15/04/2009]

**COMPANY SECRETARY**  
Mr. Ravindra C. Tolat

**AUDITORS**

M/s. Maganlal & Ajay Mehta  
Chartered Accountants

**SUBSIDIARY COMPANIES**

Jaysynth Anthraquinones Limited  
Jaysynth (Europe) Limited

**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,  
2nd Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road,  
Sakinaka, Andheri (East),  
Mumbai - 400 072.

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

**PRINCIPAL BANKERS**

HDFC Bank Limited  
Union Bank of India

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## NOTICE

NOTICE is hereby given that the Thirty-Fifth Annual General Meeting of the Company will be held on Wednesday the 30th day of September, 2009 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 31<sup>st</sup> March 2009 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Shri. Jay Kulin Manek 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 an Ordinary Resolution:

“RESOLVED THAT pursuant to the provision of Section 260 of the Companies Act, 1956 Shri. Dinkar M. Naik, who was appointed as an Additional Director w.e.f. 15<sup>th</sup> April 2009 by the Board of Directors of the Company and holds office up to the date of ensuing Annual General Meeting of the Company in respect of whom the Company has received a notice in writing from the member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves the appointment of and the terms of appointment of Shri Shrikant K. Kothari as a Whole-Time Director for a period of one year with effect from 01/10/2009 upon principal terms and conditions set out in the explanatory statement annexed to the notice convening this meeting with liberty and power to the Board of Directors (hereinafter referred to as “the Board” which expression shall also include the principal remuneration committee of the board), in the exercise of its discretion, to grant increment and to alter and vary from time to time the terms and conditions of the said appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such act, deeds and matters and things as may be necessary, proper expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves the appointment and the terms of appointment of Shri Sharadchandra S. Kothari as Managing Director for a period of one year with effect from 01/10/2009 upon principal terms and conditions set out in the explanatory statement annexed to the notice convening this meeting with liberty and power to the Board of Directors (hereinafter referred to as “the Board” which expression shall also include the principal remuneration committee of the board), in the exercise of its discretion, to grant increment and to alter and vary from time to time the terms and conditions of the said appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such act, deeds and matters and things as may be necessary, proper expedient or desirable to give effect to this resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

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

“RESOLVED THAT pursuant to Section 163 of the Companies Act, 1956 (hereinafter called “the Act”), the Company hereby approves that the registers of members, Indices of members, copies of all annual returns prepared by the company under Section 159 of the Act together with copies of certificates and documents required to be annexed thereto under Section 161 of the Act or any one or more of them shall, with effect from, be kept at the offices of M/s. Sharepro Services (India) Pvt. Ltd., the Registrars and Share Transfer Agent, at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 instead of at the registered office of the Company.

RESOLVED FURTHER THAT the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the members and/or any persons entitled thereto under the Act, be kept open for such inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act between the hours of 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company.”

MUMBAI : 31st August, 2009

BY ORDER OF THE BOARD

REGISTERED OFFICE :  
301, "SUMERKENDRA"  
PANDURANG BUDHKAR MARG,  
WORLI, MUMBAI - 400 018.

R. C. TOLAT  
COMPANY SECRETARY

NOTES :-

1. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 24th September, 2009 to Wednesday, the 30th September, 2009 (both days inclusive).
4. 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, 5<sup>th</sup> 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.
5. Members are requested to quote folio numbers/client ID and DP ID numbers in all their correspondence.
6. Members are requested to intimate change in their address immediately to the Company's Registrar and Share Transfer Agent M/s. Sharepro Services (India) Pvt. Ltd., at any of their addresses given below.
7. 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 Agent M/s. Sharepro Services (India) Pvt. Ltd., at any of their addresses given below.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. 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 Agent M/s. Sharepro Services (India) Pvt. Ltd. at any of their addresses given below.
10. 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 dematerialise their shareholding to avoid inconvenience in future.
11. Members are requested to bring their copies of Balance Sheet at the Annual General Meeting.
12. The Members/proxies should bring the attendance slip duly filled in and signed for attending the meeting.
13. Pursuant to the recommendation of SEBI committee on Corporate Governance for re-appointment of retiring directors, the relevant details of the concerned director, are provided in the report on Corporate Governance forming part of the annual report.
14. Please, note that in terms of SEBI Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009, it is mandatory for the transferee(s) to submit copies of their PAN card along with request for transfer of shares of listed Companies in physical form. Accordingly, all transferees are requested to submit self-attested copies of their PAN card along with their request for transfer of shares of the Corporation in physical form to the ISD in compliance with the above circular, failing which their request for transfer of shares will be returned under objection.

REGISTRAR & TRANSFER AGENT :  
M/S.SHAREPRO SERVICES (INDIA) PVT. LTD.  
(UNIT: JD ORGOCHEM LTD.)

- |  |  |
|--|--|
| 1. 13AB, SAMHITA WAREHOUSING COMPLEX,<br>SECOND FLOOR, SAKINAKA TELEPHONE<br>EXCHANGE LANE, OFF. ANDHERI KURLA ROAD,<br>SAKINAKA, ANDHERI (EAST),<br>MUMBAI – 400 072. | 2. 912,RAHEJA CENTRE,<br>FREE PRESS JOURNAL ROAD,<br>NARIMAN POINT,<br>MUMBAI - 400 021. |
|--|--|

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

Item No. 4 :

Shri. Dinkar M. Naik, was appointed as an Additional Director on 15<sup>th</sup> April, 2009, pursuant to Section 260 of the Companies Act, 1956. He holds office as a Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with required deposit, proposing the candidature of Shri. Dinkar M. Naik, for the office of Director under the provisions of Section 257 of the Companies Act, 1956. Shri Dinkar M. Naik, was also appointed as a member of the Company's Remuneration Committee w.e.f 15<sup>th</sup> April, 2009. Brief profile of the director

is given in the annexure to the notice in pursuance of Clause 49 of the Listing Agreement. None of the directors, except Shri Dinkar M. Naik himself, are concerned or interested in the Ordinary Resolution.

Item No. 5 :

As the members of the Company are aware Shri S.K.Kothari is on the Board of Directors of the Company since 09/11/1985. Shri S.K.Kothari was re-appointed at the Annual General Meeting of the Company held on 28th September, 2007 as a Whole-Time Director of the Company for a period of two years w.e.f. 1st October, 2007. Shri S.K. Kothari's term of office as a Whole-Time Director of the Company will be expired on 30<sup>th</sup> September, 2009 and at the meeting of the Board of Directors held on 31<sup>st</sup> August 2009, Shri S.K.Kothari is re-appointed as a Whole-Time Director of the Company for a period of one year w.e.f. 1<sup>st</sup> October, 2009 and members' approval is sought for his re-appointment.

The terms and conditions of his appointment are as detailed in para "A" below.

A. The terms of appointment and remuneration of Shri S.K.Kothari as a Whole-Time Director contains following terms and conditions :-

Salary : He will not get any salary.

The draft agreement between the Company and Shri S.K.Kothari inter alia also contain the following terms and conditions :-

- (a) Shri S.K.Kothari shall conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri S.K.Kothari shall be liable to retire by rotation.
- (b) If at any time Shri S.K.Kothari ceases to be Director of the company for any reason whatsoever, he shall ceased to be Whole-Time Director.
- (c) Shri S.K.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned 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.K.Kothari shall be provided a car with driver and also telephone facility for the use at your residence but personal long distance telephone calls will be billed by the Company.
- (e) The agreement may be terminated by either party giving the other party three months' notice.
- (f) The draft agreement also sets out the mutual rights and obligations of the Company and of Shri S.K.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in Annual General Meeting for their approval. The Board commends the Resolution for acceptance by the members.

The draft of the agreement to be entered into by the Company with Shri S.K.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.

Shri S.K.Kothari, may be deemed to be concerned or interested in the resolution. Shri M.K.Kothari as relative of Shri S.K.Kothari may also be deemed to be concerned or interested in the resolution. None of the other directors are concerned or interested in the resolution.

The above may be treated as an extract of the terms of appointment between the Company and Shri S.K.Kothari pursuant to Section 302 of the Companies Act, 1956.

Item No. 6 :

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 28<sup>th</sup> September, 2007 as a Managing Director of the Company for a period of two years w.e.f. 1<sup>st</sup> October, 2007. Shri S.S. Kothari's term of office as a Managing Director of the Company will expire on 30<sup>th</sup> September 2009 and at the meeting of the Board of Directors held on 31<sup>st</sup> August, 2009, 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, 2009 and members' approval is sought for his re-appointment.

The terms and conditions of his appointment are as detailed in para "A" below.

A. The terms of appointment and remuneration of Shri S.S.Kothari as a Managing Director contains following terms and conditions :-

Salary: He will not get any salary.

The draft agreement between the Company and Shri S.S.Kothari inter alia also contain the following terms and conditions:-

- (a) Shri S.S.Kothari shall conduct the day-to-day management of the Company subject to the supervision and control of the Board of Directors. Shri S.S.Kothari shall not be liable to retire by rotation.
- (b) If at any time Shri S.S.Kothari ceases to be Director of the Company for any reason whatsoever, he shall ceased to be Managing Director.
- (c) Shri S.S.Kothari shall not be entitled to supplement his earnings with any buying or selling commission. He shall not become interested or otherwise concerned 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 shall be provided a car with driver and also telephone facility for the use at your residence but personal long distance telephone calls will be billed by the Company.
- (e) The agreement may be terminated by either party giving the other party three months' notice.
- (f) The draft agreement also sets out the mutual rights and obligations of the Company and of Shri S.S.Kothari. In compliance with the provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the members in annual general meeting for their approval. The board commends the Resolution for acceptance by the members.

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.

Shri S.S.Kothari, may be deemed to be concerned or interested in the resolution. None of the other directors are concerned or interested in the resolution.

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.

Item No. 7:

The shareholders of the Company at their Twenty Sixth Annual General Meeting held on December 30, 2000 passed Special Resolution for keeping the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 159 of the Companies Act, 1956 together with copies of Certificates and Documents required to be annexed thereto under Section 161 of the Companies Act, 1956 or any one or more of them at Satam Industrial Estate, Cardinal Gracious Road, Above Bank of Baroda, Chakala, Andheri (East), Mumbai – 400 099 i.e. office of Registrar and Transfer agent M/s. Sharepro Services (India) Pvt. Ltd.

M/s. Sharepro Services (India) Pvt. Ltd., is the Registrar and Transfer Agent of the Company. Since the building from which the operation were carried out by them is under redevelopment, they have shifted their operations to a bigger premises at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

It is, therefore, proposed that the Registers of Members, Indices of Members, copies of Annual Returns together with the copies of the Certificates and Documents requiring to be annexed thereto be kept at the office of M/s. Sharepro Services (India) Pvt. Ltd., the Registrars and Share Transfer Agent, at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. The approval of shareholders by Special Resolutions is sought to the proposed arrangement under Section 163 of the Companies Act, 1956.

M/s. Sharepro Services (India) Pvt. Ltd. Shall make arrangement for receipt of shareholders complaint and dispatch of dividend warrant at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021.

The Special Resolution also specified the time of inspection of the books and documents of the Company by its members and others, namely, between the hours 11.00 a.m. and 1.00 p.m. on any working day (excluding Saturday) and except when the Registers and Books are closed under the provisions of the Act or the Articles of Association of the Company.

None of the Directors of the Company is concerned or interested in the above resolution.

MUMBAI : 31st August, 2009

BY ORDER OF THE BOARD

REGISTERED OFFICE :  
301, "SUMERKENDRA"  
PANDURANG BUDHKAR MARG,  
WORLI, MUMBAI - 400 018.

R. C. TOLAT  
COMPANY SECRETARY

#### 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 S.K. KOTHARI	SHRI JAY MANEK	SHRI DINKAR M. NAIK
Date of Birth	22/11/1936	12/06/1959	31/01/1984	25/11/1948
Date of Appointment	October 05, 1973	November 09, 1985	April 26, 2006	April 15, 2009
Qualification	B.A., B.com. L.L.B.	B.Sc.	M.B.A. in Finance Management.	B.Sc. Diplomaholder in Management studies and financial Management and also having Master degree in Administrative Management from the University of Bombay.
Experience	He is incharge of overall operations of the company. He has over 53 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 over 33 years of wide and varied experience in manufacturing of dyes, dyes intermediates and chemicals. He is well conversant with the industry, commerce and trade.	He is a Senior Manager in a Private Sector Bank.	He is having more than 25 years of wide and varied experience of administration and marketing of dyes, intermediates and chemicals. He is well conversant with trade and industries.
Directorship held in other Public Companies	NIL	NIL	NIL	NIL
Committee position held in other Companies	Chairman Shareholders'/Investors' Grievance Committee - JD Orgochem Ltd.	NIL	Member 1.Audit committee 2.Remuneration Committee - JD Orgochem Ltd.	Member Remuneration Committee, - JD Orgochem Ltd.
Shares held in the Company				
a) Own	3,11,850 Equity Shares (2.35%)	40,205 Equity Shares (0.30%)	NIL	NIL
b) For others on beneficial basis	4,43,049 Equity Shares(3.35%)	36,040 Equity Shares (0.27%)	NIL	NIL

To,  
The Members,

## DIRECTORS' REPORT

Your Directors hereby present their 35<sup>th</sup> Report together with the Audited Statement of Accounts for the year ended March 31, 2009.

### 1. FINANCIAL RESULTS :

(Rs. in Lacs)

PARTICULARS	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2008
Gross Sales	13.11	121.73
Other Income	3.61	81.89
Total Income	16.72	203.62
Loss before depreciation, taxes and extraordinary item	(161.90)	(153.23)
Depreciation	(365.58)	(369.97)
Net Loss before extraordinary item	(527.48)	(523.20)
Extraordinary item	27693.19	1555.08
Net Profit/ (Loss)	27165.71	1031.88
Short provision of Fringe Benefits Tax	(0.14)	-
Prior period adjustment	-	(0.90)
Fringe Benefits Tax	(0.32)	(0.60)
Revaluation Reserve transferred from Profit & Loss a/c.	-	5.08
Opening Balance of Profit & Loss a/c	(34083.88)	(35119.34)
Balance carried to Balance Sheet	(6918.63)	(34083.88)

### 2. DIVIDEND :

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

### 3. SCHEME OF COMPROMISE/ARRANGEMENT :

As already reported, a Scheme of Compromise/Arrangement between Secured Creditors & Equity Share Holders is approved by the Hon'ble High Court of Bombay on 20<sup>th</sup> June, 2008. However, the workers union had filed appeal against the order of Hon'ble High Court before division bench of Hon'ble High Court. The said appeal was dismissed by division bench of Hon'ble High Court on 22<sup>nd</sup> June, 2009. According to said Scheme of Compromise /Arrangement Secured Loans & Debentures and Share Capital of the Company are restructured. The Share Capital of the Company is reduced by 90% and face value of equity shares is reduced from Rs. 10/- to Re.1/- each.

### 4. PERFORMANCE :

Your Company has recorded Gross Sales of Rs. 13.11 lacs during the year under review as against Rs.121.73 lacs during the previous year.

The company incurred Operating Loss of Rs. 527.48 lacs during the year under review, as against loss of Rs. 523.20 lacs during the previous year. However, accounting of Extraordinary Income amounting to Rs. 27,693.19 lacs, arising due to write back of Secured Debt, pursuant to Scheme of Compromise/Arrangement approved by the Hon'ble High Court of Bombay, the net result is profit of Rs. 27,165.71 lacs during the year under review.

### 5. FINANCE :

As mentioned in para 4 above, all Secured Loans, including Debentures, stand restructured as per the Scheme of Compromise / Arrangement which has become operative. Necessary steps are being taken to implement the said Scheme for restructuring the Company's financial obligations.

However, the Company could not make repayment of restructured Zero Coupon Loan (ZCL), as envisaged in the scheme due to non operation and cash losses during the year.

### 6. DIRECTORS :

Shri Jay K. Manek, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Umesh T. Chandan resigned as director w.e.f. 16<sup>th</sup> March, 2009



Shri. Dinkar M. Naik, who was appointed as an Additional Director w.e.f. 15<sup>th</sup> April, 2009 by the Board of Directors of the Company and holds office up to the date of ensuing Annual General Meeting of the Company. The Company has received a notice in writing from the member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company.

7. AUDITOR :

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.

8. QUALIFICATION IN AUDITORS' REPORT :

The Auditors, in their report for the financial year under review, have under Serial No. 3(v)(a) mentioned that "No provision has been made in the accounts for the deterioration in the value of old stock as referred to in note no.1(A) of Schedule 'R'.

Due to suspension of operations under lockout and problems faced by the Company due to opposition from workers, the management could not undertake the exercise to ascertain the extent of deterioration in stocks quality and its market value.

The Auditors', in their report under Serial No. 3(v)(b) have mentioned that adequacy of the provisions made for meeting the workers' liabilities cannot be ascertained, as referred to in Note No.12 of Schedule 'R'.

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

The Auditors', in their Report at Serial No. 3(v)(c), have mentioned that no provision has been made in the accounts for the diminution in the value of investments in the Shares of Jaysynth Anthraquinones Ltd., (JAL) and Jaysynth Polychem Pvt. Ltd. (JPPL) as well as of advances given as referred to in Note No. 13 of Schedule 'R' resulting into the accumulated losses by Rs.1811.66 lacs.

JAL has been declared Sick Industrial Company by Hon'ble BIFR and a Scheme for Rehabilitation of the Company shall be prepared by the Operating Agency. The exact provision in respect of the same shall be made upon formulation of the Rehabilitation Scheme and approval of the same by BIFR.

The Auditors in their report at serial no. 3 (vi) have mentioned that on the basis of written representation received from all the Directors of the Company as on March 31, 2009 and taken on record by the Board of Directors and information about the Company's failure to 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, 2009 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 Directors of the Company are Directors on the board of any other Limited Company.

9. CONSOLIDATED FINANCIAL STATEMENT :

The Directors are pleased to enclose Consolidated Financial Statements of the Company which consolidate and present the results of the Company, with its Wholly Owned Subsidiaries as a single economic entity, prepared in accordance with the accounting standard (AS-21). The aforesaid Consolidated Financial Statements form part of this Annual Report.

10. 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 at March 31, 2009 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.
11. 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 forms part of this report. There are no foreign exchange earnings & outgoings during the year under review.
12. CORPORATE GOVERNANCE :  
Pursuant to clause 49 of the Listing Agreements with the Stock Exchanges, a separate Section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors confirming compliance forms part of this Report.
13. SUBSIDIARY COMPANIES :  
The information required under Section 212 of the Companies Act, 1956 relating to Subsidiary Companies is attached.
14. 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.
15. 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.
16. FIXED DEPOSITS:  
Your Company has not accepted any Fixed Deposit from the public.
17. INDUSTRIAL RELATION:-  
As regards Turbhe Unit, the case of retrenched workmen is still pending before Industrial Tribunal, Thane. As regards transfer of employees of Turbhe Unit 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 order from High Court their services were terminated. The dispute regarding termination of their services is also pending before Labour Court, Thane. As mentioned in para 3 above, the Asset Sales Committee (ASC) formed by Secured Creditors have sold and transferred the assets of Turbhe unit and entire sales proceeds were distributed amongst the Secured Creditors.
- Dues of the worker at Patalganga Unit were settled in 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 by the workmen before Hon'ble Supreme Court also stands dismissed. However, worker union preferred to take up the matter before Asst. Labour Commissioners on the aspect of employment. The said matter is pending in conciliation.
18. RESEARCH AND DEVELOPMENT:  
As Company's plant at Patalganga was partially operating, no Research and Development Activity is carried out during the year under review.
19. ACKNOWLEDGMENTS:  
Your Directors would like to express their grateful appreciation for the assistance and co-operation extended by the Financial Institutions during this difficult period.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : MUMBAI  
DATED : August 31, 2009

S. S. KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

### 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, 2009.

FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

**A: POWER & FUEL CONSUMPTION :**

1. ELECTRICITY:	2008-09	2007-08
a) Purchased:		
Total Amount (Rs. In Lacs)	1.91	3.50
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) 2005-06.

**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 :

The Company has neither received any Foreign Exchange nor spent any Foreign Exchange during the year under review.

**ANNEXURE- II TO THE DIRECTORS' REPORT**  
**CORPORATE GOVERNANCE REPORT**

1. THE COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE :

The Company's Corporate Governance Policy aims towards attainment of the high level of transparency, integrity, accountability and fairness in all facets of its operations. The Corporate Governance Policy is dedicated towards the welfare of the Company's all stakeholders, including its employees, shareholders, consumers and community at large. Good Corporate Governance contributes to a sustainable economic development of corporations by enhancing their performance and increasing shareholders' value.

2. BOARD OF DIRECTORS:

2.1 Composition of Board:

The Board of Directors comprised of six directors consisting of four non-executive directors who account for sixty seven percent of the Board's strength as against requirement of fifty percent as per the listing agreement. The non-executive directors are persons with experience in business and industry, finance and administration. Shri Sharadchandra S. Kothari is the Chairman and Heads the Board. He is also Managing Director and Shri Shrikant K. Kothari a Whole-Time Director. Beside the Board consists of one non-executive promoter director and three Independent non – executive directors. Thus, the Company has a balanced Board, comprising executive and non-executive directors.

2.2 Number of Board Meetings and Attendance:

During the year under review, Six Board Meetings were held on 30<sup>th</sup> April 2008, 31<sup>st</sup> July 2008, 29<sup>th</sup> August 2008, 30<sup>th</sup> September 2008, 31<sup>st</sup> October 2008 and 29<sup>th</sup> January 2009.

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	ATTEN-DANCE AT LAST AGM
			COMMITTEE MEMBER-SHIP	COMMITTEE CHAIRMANSHIP		
SHRI SHRADCHANDRA S.KOTHARI	PROMOTER EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI MAHENDRA K. KOTHARI	PROMOTER NON-EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI SHRIKANT K. KOTHARI	PROMOTER EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI UMESH CHANDAN **	INDEPENDENT NON-EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI JAY K. MANEK	INDEPENDENT NON-EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI LALIT CHAUDHARI	INDEPENDENT NON-EXECUTIVE DIRECTOR	—	—	—	6	YES
SHRI DINKAR M. NAIK +	INDEPENDENT NON-EXECUTIVE DIRECTOR	—	—	—	—	NO

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

\*\* Shri Umesh T. Chandan has resigned as a Director w.e.f. 16/03/2009.

+ Shri Dinkar M. Naik was appointed as Additional Director w.e.f. 15/04/2009.

Note : This includes information in respect of other Companies 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 they are Directors.

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. ,L.L.B. from University of Bombay. He is a Director of the Company since 05.10.1973 (since incorporation). He has over 53 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.

ii. Shri Shrikant K. Kothari –

Shri Shrikant Krushnakumar Kothari is having Bachelor Degree in Science from the University of Bombay. He is a Director of the Company since 09.11.1985. He is having over 33 years of wide and varied experience in manufacturing of dyes, dyes intermediates and chemicals. He is well conversant with the industry, commerce and trade. He is not a Director in any other Company.

iii. Shri Jay Manek –

Shri Jay Manek is a Director of the Company since 26/04/2006. He is M.B.A. in Finance Management. He is working in a Private Sector Bank as a Senior Executive. He is not a Director in any other Company.

iv. Shri Dinkar M. Naik –

Shri Dinkar M. Naik is having Bachelor degree in Science from the University of Bombay. He is a Diplomaholder in Management Studies and Financial Management and also having Master degree in Administrative Management. He is a Director of the Company w.e.f. 15/04/2009. He is having more than 25 years of wide and varied experience of administration and marketing of dyes, intermediates and chemicals. He is well conversant with trade and industries. He is not a Director in any other Company.

#### 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 thereat

The Audit Committee consists of three directors, viz, Shri Mahendra K. Kothari as Chairman with Shri Lalit 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 49II(A)(ii) of the Listing Agreement.

The Audit Committee met on five occasions during Financial Year ended 31<sup>st</sup> March 2009 – on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 29<sup>th</sup> August, 2008, 31<sup>st</sup> October, 2008, and 29<sup>th</sup> January, 2009. Shri Mahendra K. Kothari, and Shri Jay K. Manek attended all five meetings. Shri Lalit Chaudhari was inducted as member of the committee w.e.f. 2<sup>nd</sup> June, 2008. Shri Lalit Chaudhari attended four meetings. 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.

Representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. 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.

Shri R. C. Tolat, Company Secretary acts as a Secretary to the Committee.

### 3.2 Share Transfer/Investors' Grievance 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 share certificates, and 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 S. S. Kothari, Shri M. K. Kothari and Shri Lalit Chaudhari. Shri Lalit Chaudhari was inducted as member of the committee w.e.f. 2<sup>nd</sup> June, 2008. Shri R. C. Tolat, Company Secretary is the Compliance Officer.

#### Meeting and attendance during the period under review:

During the year ended 31<sup>st</sup> March 2009 the committee held 12 Meetings. Shri S. S. Kothari, Shri M. K. Kothari attended all twelve meetings. Shri Lalit Chaudhari attended eight meetings.

During the period under review four complaints were 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 31<sup>st</sup> March, 2009. Similarly, there were no pending rematerialisation request as on 31<sup>st</sup> March, 2009.

### 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 Chaudhari, Shri U. T. Chandan and Shri Jay K. Manek. Shri U.T. Chandan resigned on 16.03.2009. Shri Dinkar M. Naik is inducted as member of Committee w.e.f. 15.04.2009.

The Committee has not met during the year under review.

Remuneration paid to Directors during year ended 31<sup>st</sup> March 2009 is as under:

NAME OF DIRECTORS	Sitting Fees	Salaries & Perquisites	Contribution to Provident Fund	Other Perquisites	Total
SHRI S. S. KOTHARI	-	-	-	-	-
SHRI M. K. KOTHARI	11,000	-	-	-	11,000
SHRI S. K. KOTHARI	-	-	-	-	-
SHRI JAY MANEK	11,000	-	-	-	11,000
SHRI LALIT CHAUDHARI	9,000	-	-	-	9,000
SHRI UMESH T. CHANDAN*	6,000	-	-	-	6,000

\* Resigned w.e.f. 16/03/2009

4. SUBSIDIARY COMPANIES:

The Company has two Subsidiary Companies.

- i) Jaysynth Anthraquinones Ltd.,
- ii) Jaysynth (Europe) Ltd.

The revised Clause 49 defines a "material non-listed Indian Subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth exceeds 20% of the consolidated turn over or net worth respectively of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

The Company does not have a "material non-listed Indian Subsidiary" within the meaning of the above definition. The Audit Committee reviews the investments made by the Unlisted Subsidiary Companies, if any.

5. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings are as under :-

DATE	VENUE	TIME	NO. OF SPECIAL RESOLUTION PASSED
32ND 29 <sup>th</sup> September,2006 AGM	"Ruby Hall" Hotel Kohinoor Park, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.	9.30 A.M.	NIL
33RD 29 <sup>th</sup> September,2007 AGM	"Ruby Hall" Hotel Kohinoor Park, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025.	10.00 A.M.	NIL
34TH 30 <sup>th</sup> September,2008 AGM	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.	10.00 A.M.	NIL

No Special Resolution was put through postal ballot at any of the above Annual General Meetings. At the ensuing Annual General Meeting, Special Resolution is proposed to be passed through postal ballot.

6. 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 were no material individual transaction during the financial year ended 31<sup>st</sup> March, 2009. with related parties that were not in the ordinary course of business.
- iii) All material transaction during the financial year ended 31<sup>st</sup> March, 2009. either with related parties or others were at arms length.
- iv) There were no material significant transactions during the financial year ended 31<sup>st</sup> March, 2009 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 Schedule 'R' (Note No.9) of the notes forming part of Annual Accounts.
- (ii) **Compliances by the Company:**  
The Company has complied with the requirements of the Bombay Stock Exchange Ltd., 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.
7. **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 together with the corresponding reports of the Auditors, the Consolidated Accounts and the Auditor's Report on the Consolidated Accounts.
- (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 web sites. During the year ended 31<sup>st</sup> March 2009, no presentation has been made to the investors/analysts. The Company do not display official news releases.
- (d) the Management Discussion and Analysis Report forms part of the Directors' Report.
8. **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 31<sup>st</sup> August, 2009 in which the accounts for the financial year ended March 2009 were considered and approved.
9. **SHAREHOLDERS INFORMATION:**
- (i) **Annual General Meeting :** 35th  
Date and Time : Wednesday the 30<sup>th</sup> September, 2009 at 10.00 a.m.  
Venue : Registered Office- 301,"Sumer Kendra" 3<sup>rd</sup>.Floor,  
Pandurang Budhkar Marg, Behind Mahindra Towers,  
Worli, Mumbai 400 018.
- (ii) **Financial Calendar 2009-2010:**  
Annual General Meeting: 30<sup>th</sup> September, 2009.  
Adoption of Unaudited Financial Results for four quarters for FY 2009-10  
Quarter ended 30th June - by 31<sup>st</sup> July 2009  
Quarter ended 30th Sept. - by 31<sup>st</sup> October 2009  
Quarter ended 31st Dec. - by 31<sup>st</sup> January 2010  
Quarter ended 31<sup>st</sup> March - by 30<sup>th</sup> April 2010
- (iii) **Book Closure Date:**  
24<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (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 listing fee for the Year 2009-2010 has been paid to both the Stock Exchanges where the Company's shares are listed.

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 / Investors 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 Share Capital of the Company.

(viii) Dematerialisation of Shares:

As on 31<sup>st</sup> March 2009, 83,13,750 equity shares of the Company stand dematerialized forming 62.75% of Company's issued and subscribed equity share capital.

(ix) Registrar & Transfer Agent :

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.

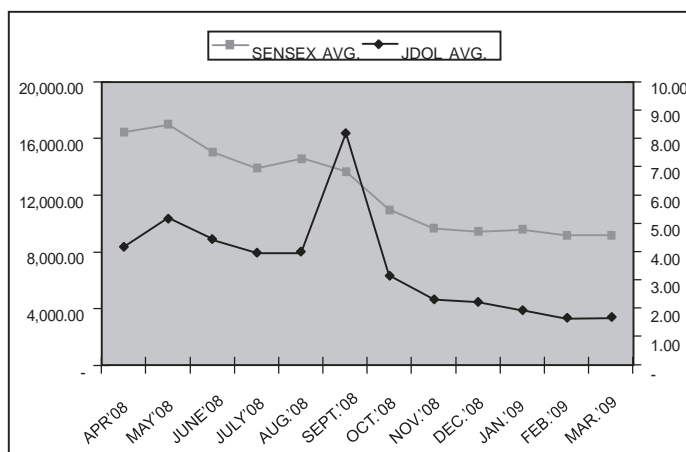
Investor Relation Centre:  
912, Raheja Centre,  
Free Press Journal Marg,  
Nariman Point,  
Mumbai – 400 021

(x) Stock Price Performance - JD Orgochem Ltd. Vs. BSE Sensex April 2008 to March 2009 :

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'08	5.15	3.13
MAY'08	5.93	4.60
JUNE'08	5.23	3.39
JULY'08	4.45	3.53
AUG.'08	4.45	3.53
SEPT.'08	19.10	3.81
OCT.'08	4.10	2.37
NOV.'08	2.92	2.06
DEC.'08	2.78	1.96
JAN.'09	2.45	1.51
FEB.'09	1.99	1.50
MAR.'09	2.05	1.37



(xi) Shareholding pattern as on March 31, 2009:

SR. NO.	PARTICULARS	NO.OF SHARES HELD	% OF SHARES HELD
1.	*Promoters	6,749,068	50.94%
2.	Mutual Funds & UTI	18,979	0.14%
3.	Banks Financial Institutions & Insurance Companies	1,090,002	8.23%
4.	Foreign Institutional Investor	9,300	0.07%
5.	Private Corporate Bodies	895,471	6.76%
6.	Indian Public	4,075,465	30.76%
7.	NRIs/OCBs *	80,866	0.61%
8.	Any Others (Non-promoter Director & Relatives of Directors)	1,800	0.01%
9.	Trust	329,049	2.48%
	TOTAL	13,250,000	100.00%

\*1075489 shares are included in Promoters.

(xii) Distribution of Shareholding as on March 31, 2009:

NO. OF SHARES	NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL NO. OF SHARES	% OF TOTAL SHARES
UPTO - 500	9379	88.78%	1,342,942	10.14%
501 - 1,000	577	5.46%	491,692	3.71%
1,001 - 2,000	274	2.59%	427,001	3.22%
2,001 - 3,000	94	0.89%	245,444	1.85%
3,001 - 4,000	48	0.45%	170,398	1.29%
4,001 - 5,000	57	0.54%	269,428	2.03%
5,001 - 10,000	63	0.60%	449,878	3.40%
10,001 - above	72	0.69%	9,853,217	74.36%
TOTAL	10564	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	76,245
2.	Shri Umesh T. Chandan	300
3.	Shri Jay Kulin Manek	NIL
4.	Shri Lalit 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 – GENERAL MANAGER OPERATION  
M/S. SHAREPRO SERVICES (INDIA) PVT.LTD.  
UNIT : JD ORGOCHEM LTD.

- |   |   |
|---|---|
| 1) 13AB, Samhita Warehousing Complex,<br>Second floor, Sakinaka Telephone Exchange Lane,<br>Off. Andheri Kurla Road, Sakinaka,<br>Andheri (East), Mumbai – 400 072.<br>Tele. Nos. 67720300/67720334<br>Fax No. 28375646<br>E-MAIL : shareproservices@vsnl.com | 2) Investor Relation Centre:<br>912, Raheja Centre,<br>Free Press Journal Marg,<br>Nariman Point,<br>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: jaysynth@bom3.vsnl.net.in 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, 2009.

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, 2009 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., in India.

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, 2009 no investor grievances are pending against the Company as on August 31, 2009 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  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009

ANNEXURE-III TO THE DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW –

A Scheme of Compromise/Arrangement filed with the Hon'ble High Court Bombay was approved by the Hon'ble High Court. The workers filed an appeal before division bench of the the Hon'ble High Court. The division bench of the Hon'ble High Court has dismissed the appeal filed by the Workers' Union. Implementation of the said Scheme will enable the revival of the Company.

No manufacturing activity was carried out during the year under review, mainly due to lockout and non viability of operation on account of factors like high manufacturing cost and selling price pressures.

The dyestuff industry is characterized by the co-existence of a small number of players in the organized sector and a large number of small manufacturers in the unorganized sector. Also Indian dyestuff industry is facing stiff competition from Chinese, Indonesia and Korean manufacturers. In line with the global recession, the dyestuff industry is also confronted with a stiff challenge due to excess capacity, which has resulted in intense price competition. Also economic as well as industrial growth is expected to decline during 2009-10, which may result in lower growth of dyestuff industry.

PERFORMANCE -

Revenue for the year ended 31<sup>st</sup> March 2009 is registered at Rs.16.72 Lacs as against Rs.203.62 Lacs during the previous year. The expenditure for the year under review was of Rs.544.20 Lacs as against Rs. 726.82 Lacs for the previous year. As a result of this, the loss from operations before extraordinary income for the year under review is Rs.527.48 Lacs as against loss of Rs. 523.20 Lacs during the previous year.

OPPORTUNITIES AND THREATS –

Based on the unprecedented fiscal measures taken by the Governments and Central Banks of all major world economies, the world is expecting the tides to turn. 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 significantly 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 imports of dyes from China has increased as it has made huge investments in manufacture of textile dyes. The weak monsoon across the Country is a major threat to dye stuff industry.

RISKS AND CONCERNS -

With reduction of import duties, Indian Dyestuff Industry is already witnessing the surge in imports of dyes from China. Increase competition from Chinese suppliers as well as SSI units, prices will remain under pressure and margins may erode due to over capacity in the industry.

INTERNAL CONTROL SYSTEMS -

Your Company has proper and adequate internal control system to ensure that all the assets are safeguarded. Checks and balances are in place to ensure that transactions are adequately authorized and recorded. The internal control system is supplemented by separate internal audit system.

HUMAN RESOURCES -

The Company had 5 employees as on 31<sup>st</sup> March 2009 as against 6 employees as on 31<sup>st</sup> March 2008. 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 be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement since the company's operations are influenced by many external and internal factors beyond the control of the management.

## AUDITORS' REPORT

TO

THE MEMBERS OF JD ORGOCHEM LIMITED

We have audited the attached Balance Sheet of JD ORGOCHEM LIMITED as at March 31, 2009 and also the annexed Profit & Loss Account of the company for the year ended on that date and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (hereinafter referred to as "the Order") issued by the Central Government in terms of section 227 (4A) of the companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments referred to in Para (2) above, we report that :-
  - i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of audit.
  - ii) 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 the books.
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report are in compliance with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for our comments in para (v) below:
  - v) a) No provision has been made in the accounts for the deterioration in the value of old stock as referred to in note no. 1(A) of Schedule 'R'.
  - b) Adequacy of the provision made for meeting workers liability cannot be ascertained as referred to in note no. 12 of Schedule 'R'.
  - c) No provision has been made in the accounts for the diminution in the value of investments in the shares of Jaysynth Anthraquinones Limited and Jaysynth Polychem Pvt. Ltd. as well as of advances given as referred to in note no. 13 of Schedule 'R' resulting into the understatement of accumulated losses by Rs.1811.66 lacs.
  - vi) On the basis of written representation received from all the Directors of the company as on March 31, 2009 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, 2009 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.
  - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and subject to our remarks given in paragraph 3 (v) above and read together with other notes and their overall impact (to the extent ascertainable) present a true and fair view in conformity with the accounting principles generally accepted in India:
    - a) In the case of Balance Sheet, of the state of affairs of the company as at March 31, 2009;
    - b) In the case of Profit & Loss Account, of the Profit of the company for the year ended March 31, 2009 on that date; and
    - c) In case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For MAGANLAL & AJAY MEHTA  
Chartered Accountants

(MAGANLAL THACKER)  
PARTNER  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009

## ANNEXURE TO THE AUDITORS REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF JD ORGOCHEM LIMITED

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 31<sup>st</sup> 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 Scheme of Compromise/Arrangement between Secured Creditors and equity shareholders has been approved by the Honourable High Court of Bombay on 20/06/2008 and the scheme has been effective from 04/07/2008. The company's plant at Patalganga was partially restarted during earlier year. However, 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) As explained to us, the procedures followed by the management for physical verification of inventories are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) On the basis of our examination of the inventory records of the company, we are of the opinion that the company is maintaining proper records of its inventory. Discrepancies which were noticed on physical verification of inventories as compared to book records have been properly dealt with in the books of accounts.
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 which together with current year's amount aggregates to Rs. 94,141,234/- for which, as informed to us, no terms of repayment has been stipulated and hence overdue amount cannot be ascertained. The entire amount of Rs. 94,141,234/- due as above is considered doubtful of recovery for which no provision has been made in the accounts as referred to note no. 14 of Schedule 'R'.  
  
(b) Advance of Rs.16,000,000/- received in earlier year for supply of goods from a party listed in the register maintained u/s 301 of the Companies Act, 1956 has been repaid during the year.  
  
(c) In our opinion, the other terms and conditions of the loans granted and received are prima facie, not prejudicial to the interest of the company.
4. In our opinion, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
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) 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, in our opinion, 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 the agents and inter-corporate Deposit. Therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules thereunder are not applicable to the company.
7. In our opinion, the company has an internal audit system which is commensurate with the size and 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 records of the Company, undisputed statutory dues of Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty 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	Amount(Rs.)
Power (Electricity)	01.05.2001 to 28.02.2002	1,11,69,845
Sales Tax	01.06.2001 to 31.03.2004	1,06,32,562
Gram Panchayat Tax	01.04.2000 to 31.03.2008	7,541,282
Water Charges	01.05.2000 to 28.02.2001	6,36,074

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

Nature of Dues	Forum where dispute is Pending	Amount (Rs.)
Custom Duty	Commissioner of Customs – Mumbai	5,10,99,633
Custom Duty	Central Excise & Gold Appellate Tribunal (CEGAT) - Mumbai	53,99,121
Sales Tax	Sales Tax Tribunal	94,11,362

10. As per the accounts of the company, the company has accumulated losses of Rs.691,863,077/- 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 Rs.16,190,669/- during the year but on accounting of extra ordinary income of Rs.2,769,319,119/- (refer to Note No. 1(K) of schedule 'R'), pursuant to scheme of compromise / arrangement approved by the Hon'ble High Court the net result is profit. However it has not incurred cash loss in the immediately preceding financial year.
11. According to the information and explanation given to us, the company has defaulted in repayments to financial institution and banks since December 31, 1999 and up to the date of balance sheet. Consequent to the scheme of compromise/arrangement by Bombay High Court order dated 20<sup>th</sup> June 2008 the company has further defaulted in the repayment of Zero Coupon Loan of Rs.12.00 crore which was to be repaid in five quarterly installments commencing from March 30,2008 and ending on March 30,2009.As per the accounts of the company and as determined by the management, the aggregate amount of default in payment of principal amount is Rs. 150,000,000/- and in payment of Interest is Rs.33,768,492/- and in payment of lease rentals is Rs.59,26,940/-.
12. The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, considering the nature of activities carried on by the company during the period, the provisions of any special statute applicable to Chit Fund, nidhi / mutual benefit fund/ societies are not applicable to it.

14. (a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper record of the transactions and contracts of dealing in shares, securities and debentures and other investments during the year and timely entries have been made in these records.  
(b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the Company in its own name.
15. The company has given guarantee in earlier year for loans sanctioned by a bank to Jaysynth Anthraquinones Limited (JAQL), its wholly owned subsidiary company aggregating to Rs. 1,100 Lacs (actual amount outstanding Rs. 440 Lacs and interest and other charges thereon). The net worth of JAQL having been fully eroded, JAQL has been declared a 'Sick Industrial Company' by the BIFR by its order dated December 6, 2005 under the provision of SICA. JAQL has defaulted to the bank in payment of interest and installments of these loans.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
18. Based on our examination of records and information provided to us by the management, we report that the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has issued letter of allotment for issue of Zero Coupon Non-Convertible Debentures as per the scheme of compromise/arrangement by Bombay High Court order dated 20<sup>th</sup> June 2008 of Rs.16.80 Crore which is secured by first pari passu charge on all the existing assets of the company situated at Patalganga Unit. However, the company has not issued debenture certificates for the same & has so far not created charges in respect of these debentures.
20. The company has not raised money by Public Issue during the year.
21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For MAGANLAL & AJAY MEHTA  
Chartered Accountants

(MAGANLAL THACKER)  
PARTNER  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009



BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>SCH</u>		<u>March 31, 2009</u>		<u>March 31, 2008</u>
			<u>Rs.</u>		<u>Rs.</u>
<b>I. Sources of Funds</b>					
1. Shareholders' funds:					
a) Share capital	A	13,250,000		132,500,000	
b) Share application money		50,000,000		50,000,000	
c) Reserves & surplus	B	<u>547,310,626</u>	610,560,626	<u>428,060,626</u>	610,560,626
2. Loan funds:					
a) Secured loans	C	384,000,000		3,153,319,119	
b) Unsecured loans	D	<u>94,062,281</u>	478,062,281	<u>94,654,216</u>	3,247,973,335
			<u>1,088,622,907</u>		<u>3,858,533,961</u>
<b>II. Application of Funds</b>					
1. Fixed assets					
a) Gross Block (net of impairment loss)	E	875,093,293		875,093,293	
b) Less: depreciation		<u>620,715,591</u>		<u>584,158,033</u>	
c) Net block			254,377,702		290,935,260
2. Investments					
	F		115,793,499		116,143,589
3. Current assets, loans & advances					
a) Inventories	G	43,734,723		45,932,225	
b) Sundry Debtors	H	427,492		4,651,588	
c) Cash & Bank Balances	I	9,011,305		6,512,472	
d) Loans & Advances	J	<u>107,401,813</u>		<u>118,920,058</u>	
		160,575,333		176,016,343	
4. Current liabilities & provisions					
a) Liabilities	K	127,626,674		126,285,838	
b) Provisions	L	<u>6,360,030</u>		<u>6,662,995</u>	
		133,986,704		132,948,833	
Net current assets			26,588,629		43,067,510
5. Profit & loss account			691,863,077		3,408,387,602
			<u>1,088,622,907</u>		<u>3,858,533,961</u>

Notes forming part to the accounts R

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY





PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>SCH</u>	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
Income			
Sales		1,311,437	12,172,556
Other income	M	361,025	8,189,420
Total Income		<u>1,672,462</u>	<u>20,361,976</u>
Expenditure			
Raw material consumed	N	-	10,301,005
Manufacturing and other expenses	O	15,686,708	24,578,849
Interest & finance charges	P	63,131	47,191
Depreciation	G	36,557,558	36,997,341
		<u>52,307,397</u>	<u>71,924,386</u>
Add : Decrease in stock	Q	2,113,292	757,630
		<u>54,420,689</u>	<u>72,682,016</u>
Loss before extraordinary income		(52,748,227)	(52,320,040)
Add : Extra ordinary income(net) (Note No. 1Kof Sch.R)		2,769,319,119	155,507,970
Profit for the year		<u>2,716,570,892</u>	<u>103,187,930</u>
Short provision of Fringe benefit tax of earlier years		(14,367)	-
Provision for fringe benefit tax		(32,000)	(60,000)
Prior period adjustments		-	(89,523)
Revaluation reserve transferred		-	507,927
Balance brought forward		<u>(3,408,387,602)</u>	<u>(3,511,933,936)</u>
Balance carried to balance sheet		<u>(691,863,077)</u>	<u>(3,408,387,602)</u>
Notes forming part of the accounts	R		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY



SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - A		
Share Capital		
<u>Authorised:</u>		
29,880,000 equity shares of Re. 1/-each (Previous Year 29,880,000 equity shares of Rs. 10/-each)	29,880,000	298,800,000
12,000 9 % Redeemable Cumulative Preference shares of Rs. 100/- each	<u>1,200,000</u>	<u>1,200,000</u>
	<u>31,080,000</u>	<u>300,000,000</u>
<u>Issued subscribed &amp; paid up:</u>		
13,250,000 Equity shares of Re. 1/- each (Previous Year 13,250,000 Equity shares of Rs. 10/- each)	13,250,000	132,500,000
Fully paid up		
Out of the above		
a) 169,000 shares were issued and allotted for consideration other than cash to the shareholders of erstwhile Jay Phthalocyanines Pvt. Ltd, Jay Ethyl Organics Pvt.Ltd. & N.A. Chemicals Pvt. Ltd. pursuant to the Scheme of Amalgamation.,		
b) 8,209,960 Shares were issued as fully paid up Bonus Shares out of Share Premium, Capital Redemption Reserve & General Reserve.		
	<u>13,250,000</u>	<u>132,500,000</u>
Schedule - B		
Reserves and Surplus		
Share premium account		
As per last balance sheet	385,560,626	385,560,626
Debenture redemption reserve		
As per last balance sheet	40,000,000	40,000,000
Capital reserve	119,250,000	-
(Consequent to the reduction of Share Capital during the year) (See Note 1K(i) in Schedule R)		
Revaluation Reserve		
As per last balance sheet	507,927	-
Less transferred to profit & loss a/c	-	<u>507,927</u>
Special capital incentive		
As per last balance sheet	<u>2,500,000</u>	<u>2,500,000</u>
	<u>547,310,626</u>	<u>428,060,626</u>
Schedule - C		
Secured Loans (Refer Note 1(K) of Schedule R)		
Zero Coupon Loan (ZCL)	120,000,000	-
Zero Coupon Non Convertible Debentures(ZCD)	168,000,000	-
Secured Creditors (Refer Note 1)	96,000,000	-
8,00,000 Secured redeemable non convertible debentures (series VI) of Rs.100/- each	-	65,390,532
Interest accrued & due on above	-	114,812,877
Term loans from banks & financial institutions assigned to ARCIL & SASF		
A) Rupee loan	-	388,327,299
B) Rupee tied foreign currency loan	-	713,764,964
Interest accrued & due on above	-	1,126,135,711
Cash credits & other accounts - from banks assigned To ARCIL	-	385,343,947
Interest accrued & due on above	-	359,543,789
	<u>384,000,000</u>	<u>3,153,319,119</u>



## SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

### NOTES :-

1. Consequent to sanction of the scheme of compromise /arrangement by Bombay High Court Order dated 20th June 2008 the Secured loan of Rs 3,153,319,119/- as on 31.3.2008 have been restructured as Zero Copupon Loan (ZCL)of Rs 12 crore, Zero Coupon Non-convertible Debenture (ZCD) of Rs 16.80 crore .The company has to further allot to the erstwhile secured creditors 96,000,000/-equity shares of Re 1/- each aggregating to Rs 9.60 crore which is pending shown above as secured creditors.
2. The Zero Coupon Loan(ZCL) shall be repaid in five quarterly installments commencing from March 30,2008 and ending on March 30,2009.
3. The Zero Coupon Non Convertible Debentures (ZCD) shall be redeemable at a premium of 50% in ten quaterly installment comencing from June 30,2009 and ending on September 30, 2011. Letter of allotment has been issued but debenture certificate is yet to be issued.
4. ZCD of Rs.16.80 crore & ZCL of Rs. 12.00 crore with premium payable thereon shall be secured by first paripassu charge on all the existing assets of the company situated at Patalganga Unit and upon creation of such security the existng security /securities/existing personal guarantees of directors and charges shall stand satisfied and released without any further act on part of the Secured Creditors above.
5. All the Guarantor( s ) of the company shall jointly and severally , provide an irrevocable and unconditional Guarantee cum shortfall undertaking in favour of the secured creditors to make good the shortfall, if any,in the event realization to Secured Creditors from the sale of Patalganga Unit is less than Rs. 12.00 crore.
6. Loans have been granted to subsidiary company viz Jaysynth Anthraquinones Ltd by ICICI Bank which is subsequently assigned & transferred to Standard Chartered Bank under Deed of Assignment dated Feb 18, 2006 including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all ICICI Bank's right, title and interests in all agreements, deeds and documents in relation to or in connection with the said Term Loans.

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - D		
Unsecured Loans		
Term loan from financial institutions	30,000,000	30,000,000
Interest accrued & due on above	33,768,492	33,768,492
Sales tax deferred loan	27,355,236	27,355,236
Special Capital Incentive & MIDC incentive	284,670	284,670
Others (from agents)	2,653,883	3,245,818
(Including interest accrued & due Rs 143,913/-; previous year Rs 185,848/-)	94,062,281	94,654,216



SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

Schedule - E  
Fixed Assets

Description	Gross Block			Depreciation				Net Block	
	As at April 1, 2008	Deduction	As at March 31, 2009	Upto March 31, 2008	For the Year	Deduction	Upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
Leasehold land	701,950		701,950	186,322	7,602		193,924	508,026	515,628
Factory Building	222,620,574		222,620,574	108,650,240	7,019,083		115,669,323	106,951,251	113,970,334
Plant & machinery	622,004,277		622,004,277	451,730,738	28,605,375		480,336,113	141,668,164	170,273,539
Elec. Installation	1,354,592		1,354,592	1,069,701	55,585		1,125,286	229,306	284,891
Furniture & fixtures	6,178,877		6,178,877	5,762,443	-		5,762,443	416,434	416,434
Equipments	14,605,069		14,605,069	10,632,908	610,643		11,243,551	3,361,518	3,972,161
Patents	300		300	300	-		300	-	-
Computers	2,867,258		2,867,258	2,685,510	5,783		2,691,293	175,965	181,748
Vehicles	3,584,992		3,584,992	2,584,800	197,655		2,782,455	802,537	1,000,192
Books	1,175,404		1,175,404	855,071	55,832		910,903	264,501	320,333
Total	875,093,293	-	875,093,293	584,158,033	36,557,558	-	620,715,591	254,377,702	290,935,260
Previous Year	1,354,186,470	479,093,177	875,093,293	858,456,400	36,997,341	311,295,708	584,158,033	290,935,260	495,730,070





## SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

	<u>March 31, 2009</u>			<u>March 31, 2008</u>		
	Face value	No. & Class	<u>Rs.</u>	No. & Class	<u>Rs.</u>	
	Per Share	of Shares		of Shares		
Schedule - F						
Investment (At Cost)						
1. Government Securities						
6 Years National Savings Certificates			1,000		1,000	
2. Shares Of Companies						
i) <u>Subsidiary Companies</u>						
Unquoted - fully paid up:						
Jaysynth Anthraquinones Ltd.	100	540,000 *	63,600,000	540,000 *	63,600,000	
Jaysynth Anthraquinones Ltd.	100	10,000 @	1,000,000	10,000 @	1,000,000	
Jaysynth (Europe) Ltd.	1 £	500,000 *	26,740,000	500,000 *	26,740,000	
ii) <u>Trade Investments :</u>						
Quoted - fully paid up:						
Jaysynth Dyestuff (I) Ltd	1	162,224 *	1,622,240	197,233 *	1,972,330	
Galore Prints Ltd.	10	2,100 *	21,000	2,100 *	21,000	
Ocean Knit Ltd.	10	32,400 *	324,000	32,400 *	324,000	
Mafatlal Finance Ltd.	10	1,100 *	55,759	1,100 *	55,759	
Unquoted - Fully paid up:						
Jaysynth Polychem Pvt Ltd.	100	224,250 *	22,425,000	224,250 *	22,425,000	
Raghuvanshi Co-op Bank Ltd	25	180 *	4,500	180 *	4,500	
			<u>115,793,499</u>		<u>116,143,589</u>	
Aggregate value of unquoted investments			113,770,500		113,770,500	
Aggregate value of quoted investments			2,022,999		2,373,089	
Market value of quoted investments			892,232		1,547,649	
* Equity Shares						
@9% Redeemable Cumulative Preference Shares						
£ Sterling Pound						
Schedule - G						
Inventories						
As taken, valued & certified by directors (refer note 1A(ii) of Schedule R)						
i) Raw materials			11,672,448		11,672,448	
ii) Finished goods			13,864,054		15,977,346	
iii) Work in progress			14,747,550		14,747,550	
iv) Packing materials			107,918		192,128	
v) Stores & spares			3,018,124		3,018,124	
vi) Furnace oil			324,629		324,629	
			<u>43,734,723</u>		<u>45,932,225</u>	
Schedule - H						
Sundry Debtors						
(Unsecured-considered good, except otherwise stated-for which the company holds no security other than the debtors personal security)						
i) Due over six months			427,492		738,633	
ii) Others			-		3,912,955	
			<u>427,492</u>		<u>4,651,588</u>	





SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - I		
Cash and Bank Balances		
i) Cash and cheques on hand	336,384	428,205
ii) Balances with scheduled banks		
a) In current accounts	355,925	370,291
b) In margin money	5,553,525	5,213,348
c) In deposit account	2,735,471	470,628
iii) Balance with municipal co-op.bank ltd. In deposit account	30,000	30,000
	<u>9,011,305</u>	<u>6,512,472</u>
Schedule - J		
Loans and Advances (Unsecured-considered good, except otherwise stated-for which the company holds no security other than the debtors personal security)		
i) Advances recoverable in cash or in kind or for value to be received. (see note no. 15 of Sch. R)	104,692,546	114,199,319
ii) Balances with excise and customs authorities	193,726	222,361
iii) Export incentives receivable	913,968	2,391,118
iv) Loans & advances to employees	765,673	1,070,923
v) Income tax (including T.D.S.)	689,847	584,337
vi) Fringe benefit tax	146,053	452,000
	<u>107,401,813</u>	<u>118,920,058</u>
Schedule - K		
Current Liabilities		
Sundry creditors	1,524,529	3,704,869
Advance payment received for value to be given	36,704,671	31,218,959
Other liabilities	89,397,474	91,362,010
	<u>127,626,674</u>	<u>126,285,838</u>
Schedule - L		
Provisions		
Provision for unutilised leaves	1,847,646	1,866,897
Provision for gratuity	3,289,617	3,590,658
Provision for fringe benefit tax	92,000	380,000
Provision for diminution in value of investments	1,130,767	825,440
	<u>6,360,030</u>	<u>6,662,995</u>

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	<u>Year Ended</u> <u>March 31, 2009</u>	<u>Year Ended</u> <u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - M		
Other Income		
Interest (Net)	361,025	530,167
Excess provision for diminution in value of investments	-	41,419
Foreign exchange difference	-	2,630,274
Profit on sale of asset	-	4,987,560
	<u>361,025</u>	<u>8,189,420</u>





## SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
Schedule - N		
Raw Materials Consumed		
Opening stock	11,672,448	18,252,107
Less: Stock of Turbhe unit taken over by secured creditors	-	(6,163,822)
Add : Purchases ( Net of modvat and duty benefit)	-	<u>9,885,168</u>
	<u>11,672,448</u>	<u>21,973,453</u>
Less : Closing stock	<u>11,672,448</u>	<u>11,672,448</u>
	<u>-</u>	<u>10,301,005</u>
Schedule - O		
Manufacturing and Other Expenses		
Repairs and maintenance :		
Plant & machinery	11,745	2,797,257
Building	45,396	6,286,331
Others	60,481	256,786
Insurance	225,050	427,804
Packing materials	84,210	194,883
Power ,fuel and water	339,853	471,621
Excise duty	(304,863)	1,208,986
Other manufacturing expenses	481,070	508,623
Salaries,wages,bonus & allowances	1,258,023	4,561,662
Contribution to provident & other funds	79,429	314,075
Workmen & staff welfare expenses	62,717	123,974
Travelling, conveyance and vehicle expenses	15,471	523,874
Freight, transport and distribution expenses	-	49,589
Rates and taxes	1,253,968	1,343,308
Discounts & amount written off	1,626,329	462,525
Commission and service charges	17,547	15,010
Advertisement and sales promotion	130,914	382,996
Legal & professional charges	3,869,439	3,367,613
Miscellaneous expenses	1,070,338	1,072,235
Foreign exchange difference	4,908,662	-
Diminution in value of investments	381,647	-
Loss on sale of investments	69,282	209,697
	<u>15,686,708</u>	<u>24,578,849</u>
Schedule - P		
Interest and Finance Charges		
Bank charges, commission & other finance charges	63,131	47,191
	<u>63,131</u>	<u>47,191</u>
Schedule - Q		
Decrease in Stock		
A. Opening stock		
Finished goods	15,977,346	17,245,617
Less: Stock of Turbhe unit taken over by secured creditors	-	(542,392)
Work in progress	<u>14,747,550</u>	<u>14,779,301</u>
	30,724,896	31,482,526
B. Closing stock		
Finished goods	13,864,054	15,977,346
Work in progress	<u>14,747,550</u>	<u>14,747,550</u>
	28,611,604	30,724,896
C. Decrease in stock ( A - B )	<u>2,113,292</u>	<u>757,630</u>



Schedule - R

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009 :

1. DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES :

A) VALUATION OF INVENTORIES

- i) Stock of raw materials, packing materials, stores and fuel are valued at cost. Semi finished goods are valued at chemical cost (weighted average) plus overheads wherever applicable. The stock of trading finished goods is valued at cost & that of manufactured finished goods is valued at chemical cost (weighted average) plus overheads . 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.
- ii) The Management is of the opinion that the old stock carried forward year after year as it is , must have lost its realisable value substantially. However no provision to this effect is made in the books of accounts.

B) METHOD OF ACCOUNTING

- i) The Financial Statements are prepared under the historical cost convention method in view of the Scheme of Compromise / Arrangement between Secured Creditors and Equity Share holders as approved by the Hon'ble High Court of Bombay on 20.6.2008
- ii) The Company generally follows the mercantile system of accounting and recognises income and expenditure on accrual basis and for this purpose 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.

C) DEPRECIATION

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

D) FIXED ASSETS

Fixed Assets are recorded at cost ( net of modvat actually received ) 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 has been capitalised and is included in the gross book value of fixed assets to which they relate. Impairment loss Rs. 213,516,640/- has been reduced from the gross block of the assets.

E) IMPAIRMENT OF FIXED ASSETS :

If the carrying amount of fixed assets exceeds the recoverable amount on the reporting date, 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.As on March 31,2006,the company has accounted for impairment loss aggregating to Rs 213,516,640/- considering the net realisable value based on the valuation made by approved valuer.

F) EMPLOYEE BENEFITS

- i) Contribution to Provident Funds/Employee Pension Scheme are accounted on accrual basis.
- ii) Provision for gratuity liability has been made in the accounts based on actuarial valuation as on 31.03.2009 which is in accordance with Accounting Standard No. 15 issued by the Institute of Chartered Accountants of India.
- iii) 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 and are recognised immediately in the Profit and loss Account.



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

	Gratuity <u>funded</u>	(Rs. in Lacs) Leave Encashm. <u>Unfunded</u>
<b>a Expenses Recognised in the statement of Profit &amp; Loss</b>		
Current Service Cost	4.19	0.05
Interest Cost	4.00	0.06
Expected Return On plan assets	(1.20)	-
Net Actuarial gain (loss) recognised in the year	(10.00)	0.19
Past Service Cost	-	-
Expenses Recognised in the statement of Profit & Loss	(3.01)	0.30
<b>b Actual Return On Plan Assets</b>		
Expected Return On plan assets	1.20	-
Actuarial gain (Loss) Plan Assets	0.74	-
Actual Return On Plan Assets	1.95	-
<b>c Balance Sheet Recognition</b>		
Present Value Of Obligation	48.46	0.85
Fair Value Of Plan Assets	(15.57)	-
Liability (assets)	32.90	0.85
Unrecognised Past Service Cost	-	-
Liability (asset) recognised in the Balance Sheet	32.90	0.85
<b>d Changes in the Present Value of the Obligation</b>		
Present Value Of obligation as on 31st March 2008	50.45	1.05
Interest Cost	4.00	0.06
Current Service Cost	4.19	0.05
Past Service Cost	-	-
Benefits Paid	(0.93)	(0.50)
Actuarial (gain) loss on Obligation	(9.25)	0.19
Present Value Of obligation as on 31st March 2009	48.46	0.85
<b>e Changes in the Fair Value of the Assets</b>		
Fair value of plan Assets as on 31st March 2008	14.55	-
Expected Return On plan assets	1.20	-
Contributions	-	0.50
Benefits Paid	(0.93)	(0.50)
Actuarial gain (Loss) Plan Assets	0.74	-
Fair value of plan Assets as on 31st March 2009	15.57	-
Total Actuarial gain (loss) recognised during the year	10.00	(0.19)
<b>f Actuarial Assumptions</b>		
Discount Rate	8% p.a.	8% p.a.
Expected Return On Plan Assets	8% p.a.	N/A
Future Salary Increases	5% p.a.	5% p.a.
Attrition	5% p.a.	5% p.a.
Retirement	58 yrs	58 yrs
Mortality		L.I.C 1994-96 ULTIMATE

**G) TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS**

i) Transaction on account of foreign currency are converted into Indian rupees at the exchange rate prevailing on the date of receipt / payment while those remittances not made upto the date of Balance Sheet are considered at the exchange rate prevailing on the date of Balance Sheet.



- ii) Gains and losses arising out of fluctuations in the exchange rates where not determined are accounted for on subsequent realisation.
- iii) Balances in the form of Current Assets and Current Liabilities in foreign currency outstanding at the close of the year are converted in Indian currency at the exchange rate prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.
- iv) Investments in shares of foreign subsidiary company is expressed in Indian currency at the rate of exchange prevailing at the time when the original investments were made.

#### H) TAXATION

- i) No Provision for taxation is made in view of brought forward losses.
- ii) Fringe Benefit Tax is determined at the applicable rates on expenses falling within the ambit 'Fringe benefit', as defined under the Income Tax Act, 1961.
- iii) The Company has unabsorbed depreciation and carried forward losses under Income Tax Law. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised as a matter of prudence in accordance with the Accounting Standard AS-22 -( Accounting for Taxes on Income) issued by the Institute of Chartered Accountants of India.

#### I) INVESTMENT

- i) Investment are stated at cost inclusive of all expenses incidental to their acquisition.
- ii) Investments include investments in shares of companies registered outside India. They 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.

#### J) INCOME

- i) Sales turnover for the year include sale value of goods, excise duties and other recoveries, such as insurance, transport and packing charges excluding vat & sales tax.
- ii) Scrap sale is accounted for on sale basis. No inventory is taken as the amount is not material.

#### K) EXTRAORDINARY INCOME

Pursuant to the scheme of Copromise / Arrangement between the Company and its Secured creditors and Equity Shareholders which is approved by the Honourable High Court of Bombay on 20th June 2008, the amount of Secured loans and debentures and share capital of Company are restructured as follows:

- i) Face value of the equity share of Rs.10/- has been reduced to Re. 1/- thereby cancelling Rs.9/- per Equity share from the face value of Rs.10/-. This has resulted in cancellation of the equity capital by Rs. 11,92,50,000/- being cancellation of Rs. 9/- per equity share on 1,32,50,000 equity shares. The amount so reduced of equity capital of Rs. 11,92,50,000/- is directly credited to Capital Reserve Account shown in Schedule' B 'to the accounts.
- ii) a) Amount of Rs. 12,00,00,000/- has been carved out of the existing secured financial assistances as Zero Coupon Loan.
- b) Amount of Rs.16,80,00,000/- has been carved out of the existing secured financial assistances as 16,80,000 Zero Coupon Non Convertible debentures of Rs.100/- each ( Debenture Allotment Letter issued )
- c) Amount of Rs. 96,000,000 has been carved out of the existing secured financial assistances as 96,000,000 Equity Shares of Re. 1/- each to be allotted to Secured Creditors. These Shares are yet to be allotted.

The amount so restructured has resulted in writing back of the Secured loans to the extent of Rs.116,88,26,742/- which is included in extra ordinary income credited to Profit & Loss Appropriation account.

- iii) The scheme also provided for waiver of interest, penal interest, liquidated damages and other charges of whatever nature. Accordingly Interest outstanding in the accounts as on 31/3/08 of Rs. 160,04,92,377/- has been written back and is included in the extra ordinary income credited to Profit & Loss Appropriation account.

L) EXCISE DUTY

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

M) EARNING PER SHARE

The basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. The EPS is calculated both before & after the Extraordinary Income.

N) PROVISIONS & 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, and  
 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, and  
 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.

2. Contingent Liabilities not provided for:

- a) Inland Guarantee : Rs. 4,530,959/- (Previous year Rs. 4,530,959/-).
- b) Guarantees given by the company to a bank in respect of loans given by them to a subsidiary company Rs.110,000,000/- (Previous year Rs. 110,000,000/-)(Actual amount outstanding as at 31st March, 2009 Rs. 44,000,000/- (Previous year Rs. 44,000,000/-).
- c) Claims against the company not acknowledged as debts of Rs.600.08 lacs (Previous year Rs.600.08 lacs).

	<u>Year ended</u> <u>31.03.2009</u> RS.	<u>Year ended</u> <u>31.03.2008</u> RS.
3. Advances recoverable in cash or in kind or for value to be received includes		
a) Due from Jaysynth Anthraquinones Ltd.		
a Subsidiary company	71,141,234	71,041,234
b) Due from Jaysynth Polychem Pvt Ltd a Company in which directors are interested.	23,000,000	25,000,000
4. <u>AUDITORS' REMUNERATION</u>		
Audit fees	110,000	110,000
Income Tax Matters	40,000	25,000
Tax Audit Fees	-	15,000
Service Tax	15,450	18,540
	165,450	<u>168,540</u>

5. Information pursuant to the provisions of paragraph 3 to 4D of Part II of Schedule VI of the Companies Act, 1956 with other notes :

i) TURNOVER :

CLASS OF PRODUCTS	QTY. Kgs.	31.03.2009		QTY. Kgs.	31.03.2008	
		AMOUNT Rs.			AMOUNT Rs.	
Dyes & Pigments	14,035	1,311,437		80,092	11,972,156	
Others		-			*200400	
		<u>1,311,437</u>			<u>11,972,156</u>	

\* Represents Raw Material Sales

ii) \*RAW MATERIALS CONSUMED :

I T E M	QTY. Kgs.	31.03.2009		QTY. Kgs.	31.03.2008	
		AMOUNT Rs.			AMOUNT Rs.	
Rex Blue 21 Crude		-		72,050	9,274,753	
Rex Red 198A		-		3,400	545,415	
Others		-			480,837	
		<u>-</u>			<u>10,301,005</u>	

\* Includes Raw Material purchased for sale.

iii) CAPACITIES, PRODUCTION & STOCKS :

a) \* Licensed Capacity :

	<u>Qty.</u>	<u>Qty.</u>
Dyes & Pigments	N.A	N.A
Dye Intermediates	N.A	N.A
Auxiliaries	N.A	N.A
Fungicides (Technical Grade)	30 MT	30 MT

b) \* Installed Capacity :

Dyes & Pigments	4200 MT	6,960 MT
Dye Intermediates	300 MT	450 MT
Fungicides (Technical Grade)	30 MT	30 MT

\* As certified by Directors and relied upon by the Auditors, being a technical matter.

+c) Production : (including reprocessing) :

Dyes & Pigments	-	76,196
Fungicides		

+ Includes quantity received after conversion by outside parties.

d) Captive Consumption :

	<u>Qty.(Kgs)</u>	<u>Qty.(Kgs)</u>
Dyes & Pigments	-	517

e) Opening Stock of Finished Goods:

I T E M	QTY. Kgs.	AMOUNT		QTY. Kgs.	AMOUNT	
		Rs.			Rs.	
Dyes & Pigments	97,973	14,925,157		211,741	16,020,579	
Auxiliaries	1,040	47,190		1,229	120,517	
Fungicides	898	1,004,999		1,115	1,104,521	
		<u>15,977,346</u>			<u>17,245,617</u>	
Dye Intermediates (Included in Opening Work In Progress)	143,223	14,709,307		143,223	14,709,307	



f) Closing stock of Finished Goods :

I T E M	31.03.2009		31.03.2008	
	QTY.	AMOUNT	QTY.	AMOUNT
	Kgs.	Rs.	Kgs.	Rs.
Dyes & Pigments	83,938	12,851,576	97,973	14,925,157
Auxiliaries	1,040	45,417	1,040	47,190
Fungicides	898	967,061	898	1,004,999
		13,864,054		15,977,346
Dye Intermediates	143,223	14,709,307	143,223	14,709,307
(Included in Closing Work In Progress)				

6. Interest as shown in the Schedule of Other Income is shown net of interest paid Rs. 2,34,403/- (Previous year Rs 207,188/-) TDS on Interest Income received is Rs1,05,510/- (Previous year Rs 134,421/-.)
7. 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.
8. In the opinion of Board and to the best of their knowledge and belief, the realisable value in the ordinary course of business of Current Assets, Loans & Advances will not be less than the amount at which they are actually stated in the Balance Sheet unless otherwise stated elsewhere in the notes and the provision for all known and determined liabilities are adequate and not in excess of the amount reasonably required.
9. Related party disclosure under Accounting Standard -18 : -

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

Subsidiaries

1. Jaysynth Anthraquinones Ltd.
2. Jaysynth (Europe) Ltd.

Associate / Companies / Firms : -

1. Jaysynth Dyestuff (India) Ltd.
2. Jaysynth Impex Ltd.
3. Jaysynth Polychem Pvt. Ltd.
4. Shoorji Trikamdas Investment Company Pvt Ltd.
5. R P Trading Co.
6. Jay Pesticides Pvt Ltd.

Key Management Personnel of the Company

1. Shri S.S.Kothari.
2. Shri M.K.Kothari.
3. Shri S.K.Kothari.

ii] The following transactions were carried out with the related parties

(Rs. in Lakhs)

Sr. No.	Particulars	Subsidiaries		Associates		Key Management Personnel	
		31.03.09	31.03.08	31.03.09	31.03.08	31.03.09	31.03.08
1	O/s Bal.as on 31.03.09	Dr.538.28	Dr.710.41	Cr 270.00	Cr 392.60	-	-
2	Advances Given (Net)	(164.77)	209.90	122.26	127.89	-	-
3	Sale of Goods / Services			0.34	3.51	-	-
4	Share Application Money Received				(500.10)		
5	Purchase of Goods & Services				(0.18)	-	-
6	Sale of Assets				28.10	-	-
7	Exchange Difference	(7.36)				-	-
8	Sitting Fees				-	0.38	0.50



10. Earning per share : -

	<u>Year ended</u> <u>31.03.2009</u>	<u>Year ended</u> <u>31.03.2008</u>
Number of Shares used in Computing Earning per Share	13,250,000	13,250,000
Face value per share ( Rs. )	1	10
Loss before Extra Ordinary Income ( Rs. in lakhs )	(527.48)	(523.20)
Earning per Share - Basic & Diluted ( Rs. )- Before Extra ordinary Income	(3.98)	(3.95)
Profit/(Loss) as per Profit & Loss Account ( Rs. in lakhs )	27,165.71	1,031.88
Earning per Share - Basic & Diluted ( Rs. )-After Extra ordinary Income	205.02	7.79

11. Segment Reporting :

- a) Primary Segment  
The operation of the Company relates to one business segment i.e. manufacturing of Dyes and Pigments..
- b) Secondary Segment  
Entire business operations relates to domestic market.
12. 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.
13. a) Investments include investment of Rs. 64,600,000/- made in earlier years in Jaysynth Anthraquinones Limited (JAQL), a wholly owned subsidiary of the Company which comprises of 540,000 Equity Shares of Rs. 100/- each at a cost of Rs. 63,600,000/- and 10,000 Preference Shares of Rs. 100/- each at the cost of Rs. 1,000,000/-. These shares are not listed. The Company has also advanced an Unsecured Loan which together with current years' amount aggregates to Rs.71,141,233/-.
- The networth of JAQL was fully eroded as on March 31, 2002 and the secured loans are more than Book value of the Assets as on date of the last audited accounts, i.e., March 31, 2009. Pursuant to the Order dated 06.12.2005 passed by the Board for Industrial & Financial Reconstruction (BIFR) JAQL has been declared as a 'Sick Industrial Company' within the meaning of clause (o) of Sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
- In view of the above, the realisable value of above investments may be considered as Nil and the Unsecured Loan may be considered as doubtful of recovery. However, no provision has been made in the accounts for loss of Rs. 135,741,233/- in the value of these Investments and Unsecured Loan.
- b) i) Investments also include investment of Rs. 22,425,000/- made in earlier years in Jaysynth Polychem Pvt. Limited (JPL), an Associate Concern of the Company comprising of 224,250 Equity Shares of Rs. 100/- each. These shares are not listed.
- The networth of JPL was fully eroded as on March 31, 2006 and hence the realisable value of above investments may be considered as Nil. However, no provision has been made in the accounts for loss of Rs 22,425,000/-.
- ii) As regards advances of Rs.23,000,000/- made to JPL, the same has been considered doubtful of recovery for which no provision is made in the accounts during the year ended 31.03.2009.
14. Balance of loans & advances, sundry debtors, sundry creditors including unsecured creditors & deposits are subject to adjustment, reconciliation and confirmation by the parties.
15. Previous year's figures have been regrouped, readjusted, reworked and reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**  
(Pursuant to the Listing Agreement with Stock Exchange)

	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	(52,748,227)	(52,320,040)
Adjustment for :		
Depreciation	36,557,558	36,997,341
Loss/(Profit) on Sale of Fixed Assets	-	(4,987,560)
Loss/(Profit) on Sale of Investments	69,282	209,697
Interest & Finance charges	63,131	47,191
Prior Period Adjustments	-	(89,523)
	<u>36,689,971</u>	<u>32,177,146</u>
Operating profit before working capital changes	<u>(16,058,256)</u>	<u>(20,142,894)</u>
Trade and other receivables	15,541,904	(3,982,095)
Inventories	2,197,502	9,388,286
Trade Payables	1,325,871	19,065,277
Cash generated from operations	<u>3,007,021</u>	<u>(23,543,191)</u>
Interest & Finance charges paid (Net)	(63,131)	(47,191)
Direct Taxes paid	(133,930)	(197,061)
Cash flow before extraordinary items	<u>2,809,960</u>	<u>(23,784,804)</u>
Extraordinary Items		
Waivers & compromise by Secured Creditors	<u>2,769,319,119</u>	<u>-</u>
Net cash from operating activities	<u>2,772,129,079</u>	<u>(23,784,804)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Sale of Fixed Assets	-	(328,292,999)
Sale of Investments	(280,808)	(3,190,303)
Net cash used in investing activities	<u>(280,808)</u>	<u>(331,483,302)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings (Net of Repayments)	(591,935)	(355,795,143)
Write back off Secured Creditors on account of compromise & restructuring	(1,168,826,742)	-
Write back off Interest on Secured Creditors on account of compromise & restructuring	(1,600,492,377)	-
Proceeds From Share Holders	-	50,000,000
Net cash from financing activities	<u>(2,769,911,054)</u>	<u>(305,795,143)</u>
Net (decrease)/increase in cash and cash equivalents	<u>2,498,833</u>	<u>1,903,355</u>
Cash and Cash Equivalent as at 01/04/2008		
(Opening Balances)	6,512,472	4,609,117
Cash and Cash Equivalent as at 31/03/2009		
(Closing Balances)	<u>9,011,305</u>	<u>6,512,472</u>
	<u>2,498,833</u>	<u>1,903,355</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956  
RELATING TO THE SUBSIDIARY COMPANIES.

	JAYSYNTH ANTHRAQUINONES LIMITED	JAYSYNTH (EUROPE) LIMITED
	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2009
1. PERIOD OF THE COMPANY ENDED ON		
2. FULLY PAID SHARES OF THE SUBSIDIARY COMPANY HELD BY JD ORGOCHEM LIMITED.		
(A) NUMBER OF EQUITY SHARES FACE VALUE (PER SHARE)	540,000 RS.100	500,000 * 1
(B) EXTENT OF HOLDING	100%	100%
(C) NUMBER OF 9% REDEEMABLE CUMULATIVE PREFERENCE SHARES (FACE VALUE OF RS.100/- EACH)	10,000	—
(D) EXTENT OF HOLDING	100 %	
3. THE NET AGGREGATE AMOUNT, SO FAR AS IT CONCERNS THE MEMBERS OF JD ORGOCHEM LIMITED, THE HOLDING COMPANY AND IS NOT DEALT WITH IN THE COMPANY'S ACCOUNTS, OF THE SUBSIDIARYS' PROFIT AFTER DEDUCTING ITS LOSSES :		
(A) FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	4,242,138	* 9,440
(B) FOR THE PREVIOUS FINANCIAL YEAR/ YEARS OF THE SUBSIDIARY SINCE IT BECAME THE SUBSIDIARY	12,890,704	* (17,269)
4. THE NET AGGREGATE AMOUNT OF THE SUBSIDIARYS' PROFIT AFTER DEDUCTING ITS LOSSES, SO FAR AS THESE PROFITS ARE DEALT WITH OR PROVISION IS MADE FOR THESE LOSSES IN THE COMPANYS' ACCOUNTS :		
(A) FOR THE FINANCIAL YEAR OF THE SUBSIDIARY	NIL	NIL
(B) FOR THE PREVIOUS FINANCIAL YEAR / YEARS OF THE SUBSIDIARY SINCE BECAME THE SUBSIDIARY	NIL	NIL

\* STERLING POUND

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

S.K.KOTHARI  
WHOLE TIME DIRECTOR

PLACE : MUMBAI  
DATE : AUGUST 31, 2009

R.C.TOLAT  
SECRETARY





## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. REGISTRATION DETAILS

Registration No.	16908	State Code	11
Balance Sheet Date	31-03-2009		

### II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	1088623	Total Assets	1088623
Source of Funds			
Paid-Up Capital	13250	Reserves & Surplus	547311
Share Application Money	50000		
Secured Loans	384000	Unsecured Loans	94062
Application of Funds			
Net Fixed Assets	254378	Investments	115793
Current Assets	26589	Misc. Expenditure	NIL
Accumulated losses	691863		

### IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover (including other and Extraordinary Income)	2770992	Total Expenditure	54421
(+)Profit/(-)Loss Before Tax	2716571	(+)Profit/(-)Loss After Tax	2716525
Earning per Share in Rs.	205.02	Dividend Rate %	NIL

### V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY

Item Code No. (ITC Code)	3204.16
Product Description	REACTIVE DYES
Item Code No. (ITC Code)	3204.11
Product Description	DISPERSE DYES
Product Description	DYES INTERMEDIATES
Item Code No. (ITC Code)	NIL

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

S.K.KOTHARI  
WHOLE TIME DIRECTOR

PLACE : MUMBAI  
DATE : AUGUST 31, 2009

R.C.TOLAT  
SECRETARY



REPORT OF THE AUDITORS TO THE DIRECTORS OF JD ORGOCHEM LIMITED ON THE  
CONSOLIDATED FINANCIAL STATEMENTS OF JD ORGOCHEM LIMITED AND ITS SUBSIDIARIES

We have examined the attached consolidated Balance Sheet of JD ORGOCHEM LIMITED, the Parent Company, and its subsidiaries, namely, Jaysynth Anthraquinones Limited and Jaysynth (Europe) Limited (collectively referred to as the group), as at 31<sup>st</sup> March, 2009, the consolidated Profit & Loss Account and consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Parent Company. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material respect, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. a) We have audited the financial statements of a Indian subsidiary viz. Jaysynth Anthraquinones Limited referred to in Note 1 b) to the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2009 whose financial statements of 12 months prepared for consolidation reflect total assets of Rs. 2,395.39 lakhs as at 31<sup>st</sup> March, 2009 and total revenue of Rs.0.77 lakhs for the year ended on that date.  
b) We did not audit the financial statements of a Foreign subsidiary viz., Jaysynth (Europe) Ltd. referred to in Note 1b) to the Consolidated Financial Statement for the year ended 31<sup>st</sup> March 2009 which have been audited for the year ended 31<sup>st</sup> March 2009 by other auditors, whose reports have been furnished to us and our opinion, in so far as it relates to the accounts included in respect of this subsidiary, is based solely on the reports of the other auditor. The financial statements of 12 months prepared for consolidation reflect total assets of Rs. 364.06 lakhs as at 31<sup>st</sup> March, 2009 and total revenue of Rs.1,223.38 lakhs for the year ended on that date.
3. We report that the consolidated financial statements have been prepared by the parent company in accordance with the requirements of Accounting Standard AS-21 - Consolidated Financial Statements and Accounting Standard AS-23 – Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the parent company and its subsidiary companies included in the consolidated financial statements.
4. a) No provision has been made by the parent company, JD Orgochem Limited in the accounts for the deterioration in the value of old stock as referred to in note no.1(A) of Schedule 'R'.  
b) No provision has been made by subsidiary company, Jaysynth Anthraquinones Limited, towards normal interest payable of Rs.8,479,002/- for the year ended 31.3.2009 on the Term Loans resulting into understatement of losses to that extent & for additional interest and liquidated damages payable for non/delayed payments of interest / installments to Banks as the same cannot be quantified as referred to in Note No. 9 (ii) of Schedule R.  
c) Adequacy of the provision made by the parent company, JD Orgochem Limited for meeting workers liability cannot be ascertained as referred to in note no. 10 of Schedule 'R'.  
d) No provision has been made by the parent company, JD Orgochem Limited in the accounts for the diminution in the value of investments in the shares of Jaysynth Polychem Pvt. Limited as referred to in note no. 11 (b) of Schedule 'R' resulting into the understatement of accumulated losses by Rs. 22.43 lakhs.

- e) No provision has been made in the accounts for the write off of goodwill as shown in Schedule of Fixed Assets of Rs. 96 lakhs no more realisable as referred to in note no. 11 (a) of Schedule 'R' resulting into the understatement of accumulated losses by Rs. 96 lakhs.
- f) No provision of Rs. 22,41,749/- for the Gram Panchayat Tax payable upto 31<sup>st</sup> March 2009 has been made by a subsidiary company Jaysynth Anthraquinones Limited resulting into understatement of accumulated losses to that extent as referred to in note no. 9 (v) of Schedule 'R'.
5. The accounts of the parent company viz. JD Orgochem Limited have been prepared on the basis that the company is a going concern. The company has fixed assets at its unit at Patalganga. The Scheme of Compromise/ Arrangement between Secured Creditors and equity shareholders has been approved by the Honourable High Court of Bombay on 20/06/2008 and the scheme has been effective from 04/07/2008. The company's plant at Patalganga was partially restarted during earlier year. However, we are still unable to express any opinion about the company's ability to continue as a going concern in the foreseeable future.
6. The accounts of an Indian subsidiary company viz. Jaysynth Anthraquinone Ltd. have been prepared on the basis that company is a going concern. However, the Company has been declared as a 'Sick Industrial Company' within the meaning of clause (O) of subsection (l) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 pursuant to the order dated 6<sup>th</sup> December 2005 passed by the Board for Industrial & Financial Reconstruction (BIFR), hence we are unable to express any opinion presently in this regard.
7. Subject to above and on the basis of information and explanations given to us, we are of the opinion that except for the effect, if any on account of possible adjustments stated above, the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in case of the Consolidated Balance Sheet, of state of affairs of the group as at 31st March, 2009;
- b) in case of the Consolidated Profit and Loss Account, of the consolidated profit of the group for the year ended on that date; and
- c) in case of the Consolidated Cash Flow Statement, of the consolidated Cash Flows for the year ended on that date.

For MAGANLAL & AJAY MEHTA  
Chartered Accountants

(MAGANLAL THACKER)  
PARTNER  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>SCH</u>	<u>March 31, 2009</u>	<u>March 31, 2008</u>
		<u>Rs.</u>	<u>Rs.</u>
<b>I. Sources of Funds</b>			
1. Shareholders' funds:			
a) Share capital	A	13,250,000	132,500,000
b) Share application money		50,000,000	50,000,000
c) Reserves & surplus	B	553,118,902	13,025,000
d) Capital Reserve on consolidation		9,690,500	628,439,593
		<u>626,059,402</u>	<u>13,025,000</u>
2. Loan funds:			
a) Secured loans	C	492,922,439	3,262,241,558
b) Unsecured loans	D	94,537,354	95,129,289
		<u>587,459,793</u>	<u>3,357,370,847</u>
		<u>1,213,519,195</u>	<u>3,985,810,440</u>
<b>II. Application of Funds</b>			
1. Fixed assets			
a) Gross Block (net of impairment loss)	E	1,022,186,601	1,022,186,601
b) Less: depreciation		748,608,195	708,591,882
c) Net block		273,578,406	313,594,719
2. Investments			
	F	24,463,499	24,813,589
3. Current assets, loans & advances			
a) Inventories	G	73,547,113	54,697,942
b) Sundry Debtors	H	40,296,365	70,698,310
c) Cash & Bank Balances	I	14,458,260	10,632,402
d) Loans & Advances	J	44,124,124	55,885,211
		<u>172,425,861</u>	<u>191,913,865</u>
4. Current liabilities & provisions			
a) Liabilities	K	171,948,365	172,178,757
b) Provisions	L	6,980,620	7,283,585
		<u>178,928,985</u>	<u>179,462,342</u>
Net current assets		(6,503,123)	12,451,523
5. Profit & loss account		921,980,414	3,634,950,609
		<u>1,213,519,195</u>	<u>3,985,810,440</u>

Notes forming part to the accounts R

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY





CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>SCH</u>	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
Income			
Sales		122,734,148	132,061,804
Other income	M	1,352,917	9,873,971
Total Income		<u>124,087,065</u>	<u>141,935,775</u>
Expenditure			
Raw material consumed	N	-	10,301,005
Finished goods purchased		135,017,408	104,733,773
Manufacturing and other expenses	O	23,234,098	31,952,564
Interest & finance charges	P	1,047,167	8,752,866
Depreciation	E	40,016,315	40,491,105
		<u>199,314,988</u>	<u>196,231,312</u>
Add : Decrease in stock	Q	<u>(18,933,381)</u>	<u>12,288,610</u>
Total Expenditure		<u>180,381,607</u>	<u>208,519,922</u>
Loss before extraordinary income		(56,294,542)	(66,584,148)
Add : Extra ordinary income(net) (Note No. 1Kof Sch.R)		2,769,319,119	155,507,970
Profit for the year		2,713,024,577	88,923,822
Excess provision of Income tax of earlier years		(14,367)	-
Provision for fringe benefit tax		(32,000)	(60,000)
Provision for tax		(8,015)	-
Prior period adjustments		-	(89,523)
Revaluation reserve transferred		-	507,927
Balance brought forward		<u>(3,634,950,609)</u>	<u>(3,724,232,835)</u>
Balance carried to balance sheet		<u>(921,980,414)</u>	<u>(3,634,950,609)</u>
Notes forming part of the accounts	R		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY





SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - A		
Share Capital		
<u>Authorised:</u>		
29,880,000 equity shares of Re. 1/- each	29,880,000	298,800,000
(Previous Year 29,880,000 equity shares of Rs. 10/- each)		
12,000 9 % Redeemable Cumulative		
Preference shares of Rs. 100/- each	<u>1,200,000</u>	<u>1,200,000</u>
	<u>31,080,000</u>	<u>300,000,000</u>
<u>Issued subscribed &amp; paid up:</u>		
13,250,000 Equity shares of Rs. 1/- each	13,250,000	132,500,000
(Previous Year 13,250,000 Equity shares of Rs. 10/- each)		
Fully paid up		
Out of the above		
a) 169,000 shares were issued		
and allotted for consideration other than cash to the		
shareholders of erstwhile Jay Phthalocyanines Pvt. Ltd,		
Jay Ethyl Organics Pvt. Ltd. & N.A. Chemicals Pvt. Ltd.		
pursuant to the Scheme of Amalgamation.,		
b) 8,209,960 Shares were issued as fully paid		
up Bonus Shares out of Share Premium, Capital		
Redemption Reserve & General Reserve.		
	<u>13,250,000</u>	<u>132,500,000</u>
Schedule - B		
Reserves and Surplus		
Share premium account		
As per last balance sheet	385,560,626	385,560,626
Debenture redemption reserve		
As per last balance sheet	40,000,000	40,000,000
Capital reserve		
Revaluation Reserve	119,250,000	-
As per last balance sheet		507,927
Less transferred to profit & loss a/c	-	<u>507,927</u>
Special capital incentive		
As per last balance sheet	6,500,000	6,500,000
Currency fluctuation reserve - On consolidation	<u>1,808,276</u>	<u>853,967</u>
	<u>553,118,902</u>	<u>432,914,593</u>
Schedule - C		
Secured Loans		
Zero Coupon Loan (ZCL)	120,000,000	-
Zero Coupon Non Convertible Debentures(ZCD)	168,000,000	-
Secured Creditors (Refer Note 1)	96,000,000	-
8,00,000 Secured redeemable non convertible		
Debentures (series VI) of Rs.100/- each	-	65,390,532
Interest accrued & due on above	-	114,812,877
Term loans from banks & financial institutions assigned to ARCIL & SASF		
A) Rupee loan	-	388,327,299
B) Rupee tied foreign currency loan	-	713,764,964
Interest accrued & due on above	-	1,126,135,711
Term loans from a bank	44,000,000	44,000,000
Interest accrued & due on above	64,922,439	64,922,439
Cash credits & other accounts - from banks assigned To ARCIL	-	385,343,947
Interest accrued & due on above	-	359,543,789
	<u>492,922,439</u>	<u>3,262,241,558</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

NOTES :-

1. Consequent to sanction of the scheme of compromise /arrangement by Bombay High Court Order dated 20th June 2008 the Secured loan of Rs 3,153,319,119/- as on 31.3.2008 have been restructured as Zero Copupon Loan (ZCL)of Rs 12 crore, Zero Coupon Non-convertible Debenture (ZCD) of Rs 16.80 crore. The company has to further allot to the erstwhile secured creditors 96,000,000/-equity shares of Re 1/- each aggregating to Rs 9.60 crore which is pending shown above as secured creditors.
2. The Zero Coupon Loan(ZCL) shall be repaid in five quarterly installments commencing from March 30,2008 and ending on March 30, 2009.
3. The Zero Coupon Non Convertible Debentures (ZCD) shall be redeemable at a premium of 50% in ten quaterly installment comencing from June 30, 2009 and ending on September 30, 2011. Letter of allotment has been issued but debenture certificate is yet to be issued.
4. ZCD of Rs.16.80 crore & ZCL of Rs. 12.00 crore with premium payable thereon shall be secured by first paripassu charge on all the existing assets of the company situated at Patalganga Unit and upon creation of such security the existng security /securities/existing personal guarantees of directors and charges shall stand satisfied and released without any further act on part of the Secured Creditors above.
5. All the Guarantor( s ) of the company shall jointly and severally , provide an irrevocable and unconditional Guarantee cum shortfall undertaking in favour of the secured creditors to make good the shortfall, if any,in the event realization to Secured Creditors from the sale of Patalganga Unit is less than Rs. 12.00 crore.
6. Loans have been granted to subsidiary company viz Jaysynth Anthraquinones Ltd by ICICI Bank which is subsequently assigned & transferred to Standard Chartered Bank under Deed of Assignment dated Feb 18, 2006 including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all ICICI Bank's right, title and interests in all agreements, deeds and documents in relation to or in connection with the said Term Loans.

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - D		
Unsecured Loans		
Term loan from financial institutions	30,000,000	30,000,000
Interest accrued & due on above	33,768,492	33,768,492
Sales tax deferred loan	27,830,309	27,830,309
Special Capital Incentive & MIDC incentive	284,670	284,670
Others (from agents)	2,653,883	3,245,818
(Including interest accrued & due Rs 143,913/-; previous year Rs 185,848/-)	94,537,354	95,129,289



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

Schedule - E  
Fixed Assets

Description	Gross Block		Depreciation			Net Block	
	As at April 1, 2008	As at March 31, 2009	Upto March 31, 2008	For the Year	Upto March 31, 2009	As at March 31, 2009	As at March 31, 2008
Goodwill - on consolidation	9,600,000	9,600,000				9,600,000	9,600,000
Leasehold land	1,223,253	1,223,253	313,708	13,458	327,166	896,087	909,545
Factory building	255,988,623	255,988,623	138,010,108	7,291,563	145,301,671	110,686,952	117,978,515
Buildings	540,152	540,152	80,850	8,811	89,661	450,491	459,302
Plant & machinery	722,686,129	722,686,129	544,971,183	31,649,917	576,621,100	146,065,029	177,714,946
Elec. installation	1,513,603	1,513,603	1,182,264	63,133	1,245,397	268,206	331,339
Furniture & fixtures	6,941,162	6,941,162	6,421,445	20,474	6,441,919	499,243	519,717
Equipments	15,511,659	15,511,659	11,194,098	652,347	11,846,445	3,665,214	4,317,561
Patents	300	300	300	-	300	-	-
Computers	3,087,298	3,087,298	2,894,548	5,783	2,900,331	186,967	192,750
Vehicles	3,919,018	3,919,018	2,668,306	254,997	2,923,303	995,715	1,250,712
Books	1,175,404	1,175,404	855,071	55,832	910,903	264,501	320,333
<b>Total</b>	<b>1,022,186,601</b>	<b>1,022,186,601</b>	<b>708,591,882</b>	<b>40,016,315</b>	<b>748,608,195</b>	<b>273,578,405</b>	<b>313,594,718</b>
Previous Year	1,501,080,160	1,022,186,601	979,476,536	40,491,105	708,591,881	313,594,719	521,603,623





SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	March 31, 2009		March 31, 2008	
	Face value	No. & Class	No. & Class	
	Per Share	of Shares	of Shares	
				Rs.
Schedule - F				
Investment (At Cost)				
1. Government Securities				
6 Years National Savings Certificates				1,000
2. Shares Of Companies				
<u>Trade Investments :</u>				
Quoted - fully paid up:				
Jaysynth Dyestuff (I) Ltd	1	162,224 *	197,233 *	1,972,330
Galore Prints Ltd.	10	2,100 *	2,100 *	21,000
Ocean Knit Ltd.	10	32,400 *	32,400 *	324,000
Mafatal Finance Ltd.	10	1,100 *	1,100 *	55,759
Unquoted - Fully paid up:				
Jaysynth Polychem Pvt Ltd.	100	224,250 *	224,250 *	22,425,000
Raghuvanshi Co-op Bank Ltd	25	180 *	180 *	4,500
Antop Hill Warehousing Co. Ltd.	1000	10 *	10 *	10,000
				<u>24,463,499</u>
				<u>24,813,589</u>
Aggregate value of unquoted investments				22,440,500
Aggregate value of quoted investments				2,022,999
Market value of quoted investments				892,232
* Equity Shares				1,547,649
Schedule - G				
Inventories				
i) Raw materials				11,672,448
ii) Finished goods				43,676,444
iii) Work in progress				14,747,550
iv) Packing materials				107,918
v) Stores & spares				3,018,124
vi) Furnace oil				324,629
				<u>73,547,113</u>
				<u>54,697,942</u>
Schedule - H				
Sundry Debtors				
(Unsecured-considered good, except otherwise stated-for which the company holds no security other than the debtors personal security)				
i) Due over six months				427,492
ii) Others				39,868,873
				<u>40,296,365</u>
				<u>70,698,310</u>
Schedule - I				
Cash and Bank Balances				
i) Cash and cheques on hand				415,865
ii) Balances with scheduled banks				
a) In current accounts				5,644,434
b) In margin money				5,553,525
c) In deposit account				2,814,436
iii) Balance with municipal co-op.bank ltd.				
In deposit account				30,000
				<u>14,458,260</u>
				<u>10,632,402</u>



SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009

	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - J		
Loans and Advances		
(Unsecured-considered good, except otherwise stated-for which the company holds no security other than the debtors personal security)		
i) Advances recoverable in cash or in kind or for value to be received. (see note no. 12 of Sch. R)	40,829,081	50,595,805
ii) Balances with excise and customs authorities	695,768	724,403
iii) Export incentives receivable	913,968	2,391,118
iv) Loans & advances to employees	766,123	1,071,373
v) Income tax (including T.D.S.)	773,131	650,513
vi) Fringe benefit tax	146,053	452,000
	<u>44,124,124</u>	<u>55,885,212</u>
Schedule - K		
Current Liabilities		
Sundry creditors	56,231,525	42,912,733
Advance payment received for goods to be supplied	20,409,850	32,017,959
Other liabilities	95,306,990	97,248,065
	<u>171,948,365</u>	<u>172,178,757</u>
Schedule - L		
Provisions		
Provision for unutilised leaves	2,002,814	2,022,065
Provision for gratuity	3,755,039	4,056,080
Provision for fringe benefit tax	92,000	380,000
Provision for diminution in value of investments	1,130,767	825,440
	<u>6,980,620</u>	<u>7,283,585</u>

SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	<u>Year Ended</u>	<u>Year Ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
Schedule - M		
Other Income		
Interest	437,681	600,514
Excess provision for diminution in value of investments written back	-	41,419
Sundry balances written back (Net)	-	-
Profit on sale of asset	-	4,981,357
Foreign exchange difference	-	2,632,400
Miscellaneous	915,236	1,618,281
	<u>1,352,917</u>	<u>9,873,971</u>
Schedule - N		
Raw Materials Consumed		
Opening stock	11,672,448	18,252,107
Less: Stock of Turbhe unit taken over by secured creditors	-	(6,163,822)
Add : Purchases (Net of modvat and duty benefit)	-	9,885,168
	<u>11,672,448</u>	<u>21,973,453</u>
Less : Closing stock	11,672,448	11,672,448
	<u>-</u>	<u>10,301,005</u>





SCHEDULES FORMING PART OF CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED  
MARCH 31, 2009

	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
Schedule - O		
Manufacturing and Other Expenses		
Repairs and maintenance :		
Plant & machinery	11,745	2,797,257
Building	45,396	6,286,331
Others	60,481	256,786
Insurance	556,943	895,787
Packing materials	84,210	194,883
Power ,fuel and water	339,853	1,212,041
Excise duty	(304,863)	1,208,986
Other manufacturing expenses	481,070	508,623
Salaries,wages,bonus & allowances	5,633,617	8,648,335
Contribution to provident & other funds	79,429	327,802
Workmen & staff welfare expenses	62,717	131,963
Rent	300,187	350,330
Travelling, conveyance and vehicle expenses	596,392	1,020,459
Freight, transport and distribution expenses	-	49,589
Rates and taxes	1,340,309	1,367,284
Discounts (Net)	1,626,329	462,525
Commission and service charges	17,547	15,010
Advertisement and sales promotion	624,766	382,996
Legal & professional charges	3,991,481	3,405,469
Miscellaneous expenses	2,186,969	2,177,765
Foreign exchange difference (Net)	4,908,662	-
Loss on sale of investments	69,282	209,697
Diminution in value of investments	381,647	-
Amount written off	139,929	42,645
	<u>23,234,098</u>	<u>31,952,564</u>
Schedule - P		
Interest and Finance Charges		
On Term loans and deferred payment credits	-	8,479,002
Other Interest (Net)	651,244	-
Bank charges, commission & other finance charges	395,923	273,864
	<u>1,047,167</u>	<u>8,752,866</u>
Schedule - Q		
Decrease in Stock		
A. Opening stock		
Finished goods	24,743,063	37,542,314
Less: Stock of Turbhe unit taken over by secured creditors	-	(542,392)
Work in progress	<u>14,747,550</u>	<u>14,779,301</u>
	39,490,613	51,779,223
B. Closing stock		
Finished goods	43,676,444	24,743,063
Work in progress	<u>14,747,550</u>	<u>14,747,550</u>
	58,423,994	39,490,613
C. Decrease in stock ( A - B )	<u>(18,933,381)</u>	<u>12,288,610</u>





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Schedule - R

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009 :

1. SIGNIFICANT ACCOUNTING POLICIES : -

a) The consolidated Financial Statements have been prepared in accordance with the Accounting Standard - 21 on 'Consolidated Financial Statements' and the Accounting Standard - 23 on 'Accounting for Associates in Consolidated Financial Statements' issued by The institute of Chartered Accountants of India.

b) The subsidiary companies considered in these consolidated financial statements are:-

Name of the Subsidiaries	Country of Incorporation	Ownership Interest
Jaysynth Anthraquinones Ltd. (JAQL)	India	100%
Jaysynth (Europe) Ltd. (JEL)	United Kingdom	100%

c) In preparation of consolidated financial statements, the financial statement of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses subject to regrouping / reclassification wherever required. Impact of Inter company transactions has been eliminated on consolidation.

d) The financial statements of the subsidiaries used for consolidation are drawn upto the same reporting date as that of the holding company.

e) The goodwill and capital reserve on consolidation has been recognised in the Consolidated Financial Statements.

f) Consolidated Financial Statements have been prepared using uniform accounting policies in accordance with the generally accepted accounting policies.

g) In case of Parent company stock of raw materials, packing materials, stores and fuel are valued at cost. Semi finished goods are valued at chemical cost (weighted average) plus overheads wherever applicable. The stock of trading finished goods is valued at cost & that of manufactured finished goods is valued at chemical cost (weighted average) plus overheads . 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.

The Management is of the opinion that the old stock carried forward year after year as it is , must have lost its realisable value substantially. However no provision to this effect is made in the books of accounts.

h) Other significant Accounting Policies are set out in the 'Significant Accounting Policies and Notes on Accounts' of the Company and its subsidiaries.

2. CONTINGENT LIABILITIES

a) All known liabilities are provided for in the accounts except liabilities of contingent nature which have been adequately disclosed in the accounts.

b) Contingent Liabilities not provided for:


i) Inland Guarantee : Rs. 4,530,959/- ( Previous year Rs.4,530,959/- ).

ii) Guarantees given by the company to a bank in respect of loans given by them to a subsidiary company Rs.110,000,000/- (Previous year Rs. 110,000,000 /-)(Actual amount outstanding as at 31st March, 2009 Rs. 44,000,000/- ( Previous year Rs. 44,000,000 /- )

iii) Guarantees given by the company to banks & financial institutions for the loans given by them to JD Orgochem Limited, the holding company - Rs. 2900 Lacs (Previous year Rs. 2900 Lacs), Actual amount disbursed - Rs. 2504 Lacs(Previous year Rs. 2504 Lacs).

c) Claims against the parent company not acknowledged as debts of Rs.600.08 lacs (Previous year Rs.600.08 lacs).

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- |   | <u>Year ended</u><br><u>31.03.2009</u> | <u>Year ended</u><br><u>31.03.2008</u> |
|---|--|--|
|   | RS.                                    | RS.                                    |
| 3. Advances recoverable in cash or in kind or for value to be received includes Due from Jaysynth Polychem Pvt Ltd a Company in which directors are interested.   | 23,000,000                             | 25,000,000                             |
| 4. 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.  |  |  |
| 5. In the opinion of Board and to the best of their knowledge and belief, the realisable value in the ordinary course of business of Current Assets, Loans & Advances will not be less than the amount at which they are actually stated in the Balance Sheet unless otherwise stated elsewhere in the notes and the provision for all known and determined liabilities are adequate and not in excess of the amount reasonably required. |  |  |
| 6. Related party disclosure under Accounting Standard -18 : -   |  |  |
| i] The list of related parties as identified by the management are as under:  |  |  |
| Associate / Companies / Firms : -   |  |  |
| 1. Jaysynth Dyestuff (India) Ltd.   |  |  |
| 2. Jaysynth Impex Ltd.  |  |  |
| 3. Jaysynth Polychem Pvt. Ltd.  |  |  |
| 4. Shoorji Trikandas Investment Company Pvt Ltd.  |  |  |
| Key Management Personnel of the Company   |  |  |
| 1. Shri S.S.Kothari.  |  |  |
| 2. Shri M.K.Kothari.  |  |  |
| 3. Shri S.K.Kothari.  |  |  |
| 4. Shri R.K.Kothari.  |  |  |
| ii] The following transactions were carried out with the related parties  |  |  |

(Rs. in Lakhs)

Sr. No.	Particulars	Associates		Key Management Personnel	
		31.03.09	31.03.08	31.03.09	31.03.08
1	O/s Bal.as on 31.03.09	CR270.00	CR392.60	—	—
2	Advances Given (Net)	122.26	127.89	—	—
3	Sale of Goods / Services	0.34	3.51	—	—
4	Share Application Money Received		(500.00)		
5	Sale of Assets		28.10	—	—
6	Purchase of Goods / Services		(0.18)	—	—
7	Sitting Fees	—	—	0.38	0.50

7. Segment Reporting :
- a) Primary Segment  
The operation of the Company relates to one business segment i.e. manufacturing of Dyes and Pigments..
- b) Secondary Segment  
Entire business operations relates to domestic market.

8. Earning per share : -

	<u>Year ended</u> <u>31.03.2009</u>	<u>Year ended</u> <u>31.03.2008</u>
Number of Shares used in Computing Earning per Share	13,250,000	13,250,000
Face value per share (Rs.)	1	10
Loss as per Profit & Loss Account before Extra Ordinary Income (Rs. in lakhs)	(562.94)	(665.84)
Earning per Share - Basic & Diluted (Rs.)- Before Extra ordinary Income	(4.25)	(5.03)
Profit/(Loss) as per Profit & Loss Account (Rs. in lakhs)	27,130.24	889.24
Earning per Share - Basic & Diluted (Rs.)-After Extra ordinary Income	204.76	6.71

9. In respect of JAQL, a Subsidiary Company :-

- i) ICICI Bank has absolutely assigned & transferred all the Loan Accounts to Standard Chartered Bank under Deed of Assignment dated Feb 18, 2006 including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all ICICI Bank's right, title and interests in all agreements, deeds & documents in relation to or in connection with the said Term Loans.
  - ii) The company has provided normal interest payable on the said Term Loans in the Accounts upto 31/3/08 only & no provision for normal interest payable has been made for the year ended 31.3.2009. Also no provision is made for additional interest & liquidated damages payable for non / delayed payments of interest / instalments to the Bank in absence of any demand notices from Standard Chartered Bank.
  - iii) The exact amount of interest & other charges due on each Term Loan is subject to confirmation / reconciliation, in absence of any documents, papers etc., from Standard Chartered Bank, who has been assigned the above Loan Accounts.
  - iv) Subsequent to balance sheet date i.e. after 31/3/09, Standard Chartered bank is in the process of assigning & transferring all the loan accounts to Bharti Polytex Pvt Ltd including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all Standard Chartered Bank's right, title and interests in all agreements, deeds & documents in relation to or in connection with the said Term Loans.
  - v) Provision of Rs.2,241,749/- for the Gram Panchayat Tax payable upto 31.03.2009 has not been made in the accounts.
10. Dues payable to the workers on account of retrenchment & retirements were provided in the accounts in earlier years on estimated basis. We have been informed that 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.
11. a) The Parent Company JD Orgochem Ltd has made investment of Rs. 64,600,000/- in earlier years in Jaysynth Anthraquinones Limited (JAQL), a wholly owned subsidiary of the Company which comprises of 540,000 Equity Shares of Rs. 100/- each at a cost of Rs 63,600,000/- and 10,000 Preference Shares of Rs. 100/- each at the cost of Rs. 1,000,000/-. These shares are not listed.

The networth of JAQL was fully eroded as on March 31, 2002 and the secured loans are more than Book value of the Assets as on date of the last audited accounts, i.e., March 31, 2008. Pursuant to the Order dated 06.12.2005 passed by the Board for Industrial & Financial Reconstruction (BIFR) JAQL has been declared as a 'Sick Industrial Company' within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

In view of the above, since the realisable value of above investments is Nil, the Goodwill of Rs 9,600,000/- shown in the Schedule of Fixed Assets in this regard is not realisable. However no provision for the same has been made in the accounts.

- b) i) Investments also include investment of Rs. 22,425,000/- made in earlier years in Jaysynth Polychem Pvt Limited (JPL), an Associate Concern of the Company comprising of 224,250 Equity Shares of Rs. 100/- each. These shares are not listed.

The networth of JPL was fully eroded as on March 31, 2006 and hence the realisable value of above investments may be considered as Nil . However, no provision has been made in the accounts for loss of Rs 22,425,000/-.

- ii) As regards advances of Rs.23,000,000/- made to JPL, the same has been considered doubtful of recovery for which no provision is made in the accounts during the year ended 31.03.2009.

12. Balances of loans & advances, sundry debtors, sundry creditors & deposits are subject to adjustment, reconciliation and confirmation by the parties.
13. Due to non-availability of bank statements / certificates as on 31st March, 2009 in respect of secured and unsecured loans availed from Lenders / Debentureholders as also for the deposits kept with them closing balances shown in the accounts are subject to confirmation/reconciliation/adjustments.
14. Previous year's figures have been regrouped, readjusted, reworked and reclassified wherever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**  
(Pursuant to the Listing Agreement with Stock Exchange)

	<u>Year Ended</u> <u>March 31, 2009</u>	<u>Year Ended</u> <u>March 31, 2008</u>
	<u>Rs.</u>	<u>Rs.</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	(56,294,542)	(66,584,148)
Adjustment for :		
Depreciation	40,016,315	40,491,105
Loss/(Profit) on Sale of Fixed Assets	-	(4,981,357)
Loss/(Profit) on Sale of Investments	69,282	209,697
Interest & Finance charges	1,047,167	8,752,866
Prior Period Adjustments	-	(89,523)
Exchange Difference Foreign Currency	(2,380,191)	(2,819,509)
	<u>38,752,573</u>	<u>41,563,279</u>
Operating profit before working capital changes	(17,541,969)	(25,020,869)
Trade and other receivables	41,979,702	(29,326,953)
Inventories	(18,849,171)	20,919,266
Trade Payables	(245,357)	6,530,443
Cash generated from operations	<u>5,343,205</u>	<u>(26,898,113)</u>
Interest & Finance charges paid (Net)	(1,047,167)	(273,861)
Direct Taxes paid	(159,053)	(208,894)
Cash flow before extraordinary items	<u>4,136,985</u>	<u>(27,380,868)</u>
Extraordinary Items		
Waivers & compromise by Secured Creditors	<u>2,769,319,119</u>	-
Net cash from operating activities	<u>2,773,456,104</u>	<u>(27,380,868)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	-	334,026
Sale of Fixed Assets	-	(328,341,152)
Sale of Investments	(280,808)	(3,190,303)
Net cash used in investing activities	<u>(280,808)</u>	<u>(331,197,429)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Borrowings (Net of Repayments)	(591,935)	(355,795,143)
Write back off Secured Creditors on account of compromise & restructuring	(1,168,826,742)	-
Write back off Interest on Secured Creditors on account of compromise & restructuring	(1,600,492,377)	-
Proceeds From Share Holders	-	<u>50,000,000</u>
Net cash from financing activities	<u>(2,769,911,054)</u>	<u>(305,795,143)</u>
Net (decrease)/increase in cash and cash equivalents	3,825,858	(1,978,582)
Cash and Cash Equivalent as at 01/04/2008		
(Opening Balances)	10,632,402	12,610,984
Cash and Cash Equivalent as at 31/03/2009		
(Closing Balances)	<u>14,458,260</u>	<u>10,632,402</u>
	<u>3,825,858</u>	<u>(1,978,582)</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

S.S.KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

S.K.KOTHARI  
WHOLE TIME DIRECTOR

R.C.TOLAT  
SECRETARY



## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting their Twenty Second Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March 2009.

### 1. FINANCIAL RESULTS:

The financial results of your Company for the year ended 31<sup>st</sup> March 2009 as compared to the previous year ended 31<sup>st</sup> March 2008, are summarized below:

[Rs. in Lacs]

PARTICULARS	YEAR ENDED MARCH 31, 2009	YEAR ENDED MARCH 31, 2008
Gross Sales	-	-
Other Income	0.77	0.70
Total Income	0.77	0.70
Loss before Depreciation	(8.67)	(95.14)
Depreciation	(33.75)	(33.77)
Net loss	(42.42)	(128.91)
Prior period items (impairment of Fixed Assets)	-	-
Loss brought forward	(2241.52)	(2112.61)
Balance carried to Balance Sheet	(2283.94)	(2241.52)

### 2. DIVIDEND:

In view of loss incurred during the year under review, your directors do not recommend any dividend on Equity & Preference Shares.

### 3. PRODUCTION:

During the period under review, there was no production as already reported Company's plant continued to remain closed due to lock out.

### 4. SALES:

During the year under review, there were no sales.

### 5. DIRECTORS:

Shri. Rajesh K. Kothari, director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as director of the Company.

### 6. PROVISIONS OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:

You are aware, that as the entire net worth of the Company having been completely eroded, the Company has since been declared a Sick Industrial Company by Hon'ble High Court u/s 3 (1)(o) of the Sick Industrial Companies (Special Provision) Act, 1985 and ICICI Bank Limited has been appointed as Operating Agency u/s 17 (3) of that Act to formulate a rehabilitation scheme for revival of the Company.

### 7. AUDITORS:

M/s. Maganlal and Ajay Mehta, Chartered Accountants, the present Auditors of the Company, are liable to retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

### 8. QUALIFICATION IN AUDITOR'S REPORT:

As regards qualification at Serial No. 3 (v) (a) of the Auditors' Report, your directors clarify that provision for the said amount is not made, as the Company is in the process of submitting Draft Rehabilitation Scheme to ICICI Bank Ltd., the operating agency, which provides for restructuring of secured debt including waivers of internal and other charges.

As regard qualification at Serial No. 3 (v) (b) of the Auditors' Report, your directors clarify that provision for the said amount has not been made since the liability is disputed. Moreover, the Company's financial position is also not permitting the said payment.

As regard qualification at Serial No. 3 (vi) of the Auditors' Report, your directors clarify that your Company has already settled dues of the workers as per the consent terms and intends to re-start operation at its Plant. Your Company is hopeful of revival of its financial conditions once Rehabilitation Scheme, as mentioned above, is formulated and sanctioned by Hon'ble BIFR. Accordingly, the accounts have been prepared on a going concern basis.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of Section 217 (2AA) of the Companies Act, 1956, the directors would like to state that:

- i. in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March 2009 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. appropriate accounting policies have been selected 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 at 31<sup>st</sup> March 2009 and of the loss of the company for the period ended on that date;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguards the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Accounts for the year ended 31<sup>st</sup> March 2009 have been prepared on a going concern basis.

10. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

As during the year under review, there was no production as plant of the Company continues to remain closed as already reported. Hence, as required by the Companies (Disclosure of Particular in the Report of Board of Directors) Rules, 1988, the relevant date pertaining to conservation of energy, technology absorption and foreign exchange earnings & outgo are not given.

11. PARTICULAR OF EMPLOYEES:

The Company has no employee covered under the provision of Section 217(A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules, 1975.

12. FIXED DEPOSITS:

Your Company has not accepted any fixed deposit from the public.

13. ACKNOWLEDGMENTS:

Your directors, would like to express their sincere appreciation for the continued co-operation and support extended by the Company's Bankers, Financial Institution and various Government Agencies.

BY ORDER OF THE BOARD OF DIRECTORS

PLACE : MUMBAI  
DATED : August 31, 2009

R. K. KOTHARI  
CHAIRMAN

## AUDITORS' REPORT

TO

THE MEMBERS OF JAYSYNTH ANTHRAQUINONES LIMITED

We have audited the attached Balance Sheet of JAYSYNTH ANTHRAQUINONES LIMITED as at 31<sup>st</sup> March, 2009 and also the annexed Profit & Loss Account of the company for the year ended on that date and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (hereinafter referred to as "the Order") issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments referred to in Para (2) above, we report that :
  - i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of audit.
  - ii) 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 the books.
  - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv) In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report are in compliance with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except for our comments in para (v) below:
  - v) a) No provision has been made towards normal interest payable of Rs.8,479,002/- for the year ended 31.3.2009 on the Term Loans resulting into understatement of losses to that extent & for additional interest and liquidated damages payable for non/delayed payments of interest / installments to Banks as the same cannot be quantified as referred to in Note No. 5 of Schedule M.  
b) No provision has been made of Rs. 22,41,749/- for the Gram Panchayat Tax payable upto 31<sup>st</sup> March 2009 resulting into understatement of losses to that extent.
  - vi) The Accounts of the Company, as mentioned in Note No. 1(A)(ii) of Schedule 'M' have been prepared on the basis that the Company is going concern. However, as mentioned in Clause 10 of Annexure to this Report of Auditors, the Company has been declared as a 'Sick Industrial Company' within the meaning of clause (O) of subsection (I) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 pursuant to the order dated 6<sup>th</sup> December 2005 passed by the Board for Industrial & Financial Reconstruction (BIFR), hence we are unable to express any opinion presently in this regard.
  - vii) On the basis of written representation received from all the Directors as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as Directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - viii) In our opinion and to the best of our information and according to the explanations given to us and subject to our comments in para v) and vi) above, the said Balance Sheet and Profit & Loss Account read with notes contained in schedule 'M' give the information required by the Companies Act, 1956, in manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India :
    - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2009;
    - b) In the case of the Profit & 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.

For MAGANLAL & AJAY MEHTA  
Chartered Accountants

(MAGANLAL THACKER)  
PARTNER  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009



## ANNEXURE TO THE AUDITORS REPORT

### ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF JAYSYNTH ANTHRAQUINONES LIMITED

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed Assets.  
  
(b) As explained to us, the fixed assets are physically verified by the management at reasonable intervals in a phased verification programme according to the practice of the Company, which in our opinion is reasonable looking to the size of the Company and the nature of its business. According to the information and explanation given to us, discrepancies noticed on physical verification have been adjusted in the books of accounts.  
  
(c) The Company has not disposed off any fixed assets during the year.
2. There is no inventory.
3. a) As informed to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.  
  
b) According to the records of the Company, it has taken interest-free unsecured loan of Rs.7,11,41,234/- from the holding company listed in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the other terms and conditions of the loan are prima facie, not prejudicial to the interest of the Company. In absence of any stipulation regarding repayment of loan or interest, we are unable to report on the overdue amount.
4. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and for the sale of goods. Further, on the basis of our examination of the books and records of the company carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. According to information & explanation given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regards to the deposits accepted from the public.
7. In our opinion, the Company has an internal audit system, which is commensurate with the size and 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.
9. (a) According to the records of the Company, undisputed statutory dues including 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 Gram Panchayat Tax of Rs.24,84,349/- upto 31<sup>st</sup> March 2009 have generally been regularly deposited with the appropriate authorities.  
  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues except for Gram Panchayat Tax of Rs. 24,84,349/- were outstanding as at 31<sup>st</sup> March, 2009 for a period of more than six months from the date of becoming payable.  
  
(c) As informed to us, there are no disputed dues of Sales Tax / Income Tax / Service tax/Custom Tax / Wealth Tax / Excise Duty / Cess.

10. As per the accounts of the Company, the Company has accumulated losses of Rs.228,394,468/- at the end of the financial year and the accumulated losses of the Company are not less than fifty percent of its net worth. We have further to report that pursuant to the order dated 6<sup>th</sup> December 2005 passed by the Board for Industrial and Financial Reconstruction (BIFR), the company has been declared as a 'Sick Industrial Company' within the meaning of clause (o) of sub-section (1) of section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

As per the accounts of the Company, the Company has incurred cash loss of Rs.866,953/- in the financial year under report and Rs. 9,514,167/- in the immediately preceeding year.

11. According to the information and explanation given to us, the Company has defaulted in repayments of dues to financial institution, since 15<sup>th</sup> November 2000 and up to the date of Balance Sheet. The aggregate amount of default in payment of principal amount is Rs.44,000,000/- and in payment of Interest is Rs.64,922,439/- (excluding normal interest of Rs.8,479,002/- payable on Term Loan & additional interest & liquidated damages for non/delayed payment of interest / installments which cannot be quantified as referred to in Note No. 5 of Schedule M).
12. As explained to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to Chit Fund, nidhi / mutual benefit fund/ societies are not applicable to it.
14. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
15. The Company has given guarantee in earlier year for loans sanctioned to JD Orgochem Limited (JDOL), its Holding Company aggregating to Rs.2,900/- Lacs from Bank and Financial Institutions (actual amount disbursed Rs.2,504 Lacs). The net worth of JDOL having been fully eroded and JDOL has defaulted in repayment of interest and instalment of these loans to the Banks & Financial Institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment and vice versa.
18. Based on our examination of record and information provided to us by the management, we report that the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money by Public Issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial year.

For MAGANLAL & AJAY MEHTA  
Chartered Accountants

(MAGANLAL THACKER)  
PARTNER  
Membership No. 4549

Place : Mumbai  
Dated : August 31, 2009

BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>SCH</u>		<u>March 31, 2009</u>		<u>March 31, 2008</u>
			<u>Rs.</u>		<u>Rs.</u>
<b>I. SOURCES OF FUNDS :</b>					
1. Shareholders' Funds :					
Share Capital	A	55,000,000		55,000,000	
Reserves & Surplus	B	<u>4,000,000</u>	59,000,000	<u>4,000,000</u>	59,000,000
2. Loan Funds :					
Secured Loans	C	108,922,439		108,922,439	
Unsecured Loans	D	<u>71,616,307</u>	180,538,746	<u>71,516,307</u>	180,438,746
<b>TOTAL</b>			<u><u>239,538,746</u></u>		<u><u>239,438,746</u></u>
<b>II. APPLICATIONS OF FUNDS</b>					
1. Fixed Assets :					
Gross Block Less Impairment	E	136,108,067		136,108,067	
Less : Depreciation		<u>126,803,560</u>	9,304,507	<u>123,428,375</u>	12,679,692
2. Investments (at cost) :					
	F		10,000		10,000
3. Current Assets, Loans & Advances :					
Cash & Bank Balances	G	301,220		303,126	
Loans And Advances	H	<u>7,863,545</u>		<u>8,006,388</u>	
		<u>8,164,765</u>		<u>8,309,514</u>	
4. Less : Current Liabilities & Provisions :					
Liabilities	I	5,714,404		5,092,200	
Provisions	J	<u>620,590</u>		<u>620,590</u>	
		<u>6,334,994</u>		<u>5,712,790</u>	
Net Current Assets :			1,829,771		2,596,724
5. Profit And Loss Account			<u>228,394,468</u>		<u>224,152,330</u>
<b>TOTAL</b>			<u><u>239,538,746</u></u>		<u><u>239,438,746</u></u>
Notes forming part of the accounts	M				

AS PER OUR REPORT OF EVEN DATE

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

R. K. KOTHARI  
DIRECTOR

D. N. SHUKLA  
DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009



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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	<u>SCH</u>	<u>Year Ended</u> <u>March 31, 2009</u> Rs.	<u>Year Ended</u> <u>March 31, 2008</u> Rs.
<u>I N C O M E :</u>			
Interest received(T.D.S. Rs.17107/- P.Y. Rs. 14472/-)		76,656	70,347
		<u>76,656</u>	<u>70,347</u>
<u>E X P E N D I T U R E :</u>			
Administrative and Other Expenses	K	290,216	1,103,490
Interest and Finance Charges	L	653,393	8,481,024
Depreciation (See Note No.1B(ii) of Schedule M)	E	3,375,185	3,376,537
		<u>4,318,794</u>	<u>12,961,051</u>
Loss for the Year		(4,242,138)	(12,890,704)
Add : Balance brought forward		<u>(224,152,330)</u>	<u>(211,261,626)</u>
BALANCE CARRIED TO BALANCE SHEET		<u>(228,394,468)</u>	<u>(224,152,330)</u>
Notes forming part of the accounts	M		

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AS PER OUR REPORT OF EVEN DATE

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

R. K. KOTHARI  
DIRECTOR

D. N. SHUKLA  
DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009



SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

	<u>As At</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>As At</u> <u>March 31, 2008</u> <u>Rs.</u>
<u>Schedule [ A ]</u>		
<u>Share Capital</u>		
<u>Authorised :</u>		
590,000 Equity Shares of Rs.100/- each	59,000,000	59,000,000
10,000 9 % Redeemable Cumulative Preference Shares of Rs.100/- each	1,000,000	1,000,000
	<u>60,000,000</u>	<u>60,000,000</u>
<u>Issued, Subscribed and Paid Up :</u>		
540,000 Equity Shares of Rs.100/- each fully paid up	54,000,000	54,000,000
10,000 9 % Redeemable Cumulative Preference Shares of Rs. 100/- each fully paid up	1,000,000	1,000,000
	<u>55,000,000</u>	<u>55,000,000</u>

Notes :

- 1] 540,000 Equity Shares of Rs.100/- each & 10,000 9% Redeemable Cumulative Preference Shares of Rs.100/- each are held by M/s. JD Orgochem Limited, the holding company.
- 2] 1000 9% Preference Shares allotted on 6-8-1984 have become due for redemption as on 05-08-2004.
- 3] 9000 9% Preference Shares allotted on 20-5-1988 are redeemable at par at 3 months notice but not later than 19-5-2008

Schedule [ B ]

Reserves & Surplus

Special Capital Incentive

As per last Balance Sheet

4,000,000

4,000,000

4,000,000

4,000,000

Schedule [ C ]

Secured Loans

Term Loans

From a bank

44,000,000

44,000,000

Interest accrued & due thereon

64,922,439

64,922,439

Secured by equitable mortgage on the entire fixed assets of the company and hypothecation of all assets, moveable and immoveable and a floating charge on all the other assets of the company and irrevocable joint and several guarantee by a director and corporate guarantee by the holding company (Refer Note No. 5 of Schedule M)

108,922,439

108,922,439

Schedule [ D ]

Unsecured Loans

Sales Tax Deferred Loan

475,073

475,073

JD Orgochem Limited, the Holding Company

71,141,234

71,041,234

71,616,307

71,516,307



SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

Schedule [ E ]  
Fixed Assets

Description	Gross Block		Depreciation			Net Block	
	As at April 1, 2008	As at March 31, 2009	Upto March 31, 2008	Provided for the Year	Upto March 31, 2009	As on March 31, 2009	As on March 31, 2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Leasehold Land	521,303	521,303	127,387	5,856	133,243	388,060	393,916
Factory Building	33,368,049	33,368,049	29,359,869	272,480	29,632,349	3,735,700	4,008,180
Plant & Machinery	100,373,287	100,373,287	92,958,649	3,038,786	95,997,435	4,375,852	7,414,638
Laboratory Equipment	53,607	53,607	48,709	2,218	50,927	2,680	4,898
Safety Equipment	67,465	67,465	61,914	2,178	64,092	3,373	5,551
Factory Equipment	250,125	250,125	140,386	11,880	152,266	97,859	109,739
Weighing Machine	535,393	535,393	310,186	25,428	335,614	199,779	225,207
Electrical Fittings	159,011	159,011	112,567	7,548	120,115	38,896	46,444
Furniture & Fixtures	19,635	19,635	18,825	-	18,825	810	810
Building	540,152	540,152	80,845	8,811	89,656	450,496	459,307
Computer & Accessories	220,040	220,040	209,038	-	209,038	11,002	11,002
<b>Total</b>	<b>136,108,067</b>	<b>136,108,067</b>	<b>123,428,375</b>	<b>3,375,185</b>	<b>126,803,560</b>	<b>9,304,507</b>	<b>12,679,692</b>
Previous Year	136,108,067	136,108,067	120,051,838	3,376,537	123,428,375	12,679,692	16,056,229

\* Depreciation for the year on Factory Building and Plant & Machinery has been provided on straight line method on revised rates so as to allocate the revised carrying amount over its remaining useful life.

SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2009

	<u>As At</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>As At</u> <u>March 31, 2008</u> <u>Rs.</u>
<u>Schedule [ F ]</u>		
<u>Investments (Unquoted - at cost)</u>		
10 Equity Shares of Antop Hill Warehousing Company Ltd. of Rs.1,000/- each fully paid up.	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<u>Schedule [ G ]</u>		
<u>Cash And Bank Balances</u>		
Cash and Cheques in hand	79,481	31,596
Balances with Scheduled Banks :		
In Current A/c	142,774	92,928
In Fixed Deposit A/c	<u>78,965</u>	<u>178,602</u>
	<u>301,220</u>	<u>303,126</u>
<u>Schedule [ H ]</u>		
<u>Loans &amp; Advances</u>		
(Unsecured - considered good for which the company holds no security other than the debtor's personal security)		
Advances recoverable in cash or in kind or for value to be received	7,277,769	7,437,720
Balances with Excise Authorities	502,042	502,042
Loans & Advances to Employees	450	450
Advance Income Tax (Including T.D.S.)	<u>83,284</u>	<u>66,176</u>
	<u>7,863,545</u>	<u>8,006,388</u>
<u>Schedule [ I ]</u>		
<u>Current Liabilities</u>		
Sundry Creditors for expenses	19,788	19,059
Advances received for value to be given	1,018,491	799,000
Interest accrued but not due		
Other Liabilities	<u>4,676,125</u>	<u>4,274,141</u>
	<u>5,714,404</u>	<u>5,092,200</u>
<u>Schedule [ J ]</u>		
<u>Provisions</u>		
For Unutilised Leaves	155,168	155,168
For Gratuity	<u>465,422</u>	<u>465,422</u>
	<u>620,590</u>	<u>620,590</u>
<u>Schedule [ K ]</u>		
<u>Administrative and Other Expenses</u>		
Power & Water Charges	-	740,420
Insurance Charges	9,483	9,811
Salaries, Wages, Bonus & Allowances	-	103,015
Contribution to Provident & Other Funds	-	13,727
Workmen & Staff Welfare Expenses	-	7,989
Rates & Taxes	86,341	23,976
Miscellaneous Expenses	54,463	161,907
Amount written off	<u>139,929</u>	<u>42,645</u>
	<u>290,216</u>	<u>1,103,490</u>
<u>Schedule [ L ]</u>		
<u>Interest &amp; Finance Charges</u>		
Interest on Term Loan	-	8,479,002
Exchange Difference in foreign currency	651,244	(2,126)
Bank Charges, Commission & Other financial charges	<u>2,149</u>	<u>4,148</u>
	<u>653,393</u>	<u>8,481,024</u>



Schedule 'M'

NOTES TO THE ACCOUNTS:-

1] DISCLOSURE OF ACCOUNTING POLICIES :

A) METHOD OF ACCOUNTING :

- i) The Company generally follows the mercantile system of accounting and recognises income and expenditure on accrual basis.
- ii) Assets and Liabilities are recorded at historic cost as a going concern basis. However, the Company has been declared a 'Sick Industrial Company' within the meaning of section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 pursuant to the order dated December 6, 2005 passed by the Hon'ble Board for Industrial and Finance Reconstruction (BIFR).

B) DEPRECIATION :

- i) Lease hold Land has been amortised over the period of lease.
- ii) In respect of the assets for which loss on account of impairment has been provided as on June 30, 2005, the depreciation has been provided on straight line method at revised rates so as to allocate the revised carrying amount of these assets over their remaining useful life. In respect of the other assets, the depreciation has been provided on straight line method at the rates prescribed under Schedule XIV of the Companies (Amendment) Act, 1988.

C) FIXED ASSETS :

Fixed Assets are recorded at cost which includes all expenses upto commission / putting the assets into use. Financing Cost relating to borrowed funds attributable to the acquisition of fixed assets has been capitalised and is included in the gross book value of fixed assets to which they relate. Impairment loss as on June 30, 2005 of Rs. 69,429,036/- has been reduced from the Gross Block value of the assets.

D) IMPAIRMENT OF FIXED ASSETS :

Accounting standard on Impairment of Fixed Assets (AS-28) became operational from the accounting year commencing on April 1, 2004. The company has closed down its manufacturing activity since Nov'2001 & since then, none of the fixed assets are in use. As on June 30, 2005, the Company has accounted for impairment loss aggregating to Rs.69,429,036/- considering the net realisable value based on the valuation made by approved valuer.

E) RETIREMENT BENEFITS :

- i) Provision for Gratuity has not been made in the accounts as on 31.3.2009 since it is not required as there are no employees. The liability shown in the Schedule 'J' is based on actuarial valuation as on 31.03.2008, of the employees who have left but not claimed their dues.
- ii) Provision for Unutilised leave has not been made in the accounts as on 31.3.2009 since it is not required as there are no employees. The liability shown in the Schedule 'J' is based on actuarial valuation as on 31.03.2008, of the employees who have left but not claimed their dues.

F) TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS :

- i) Transaction on account of Foreign Currency are converted into Indian rupees at the exchange rate prevailing on the date of receipt/payment while those remittances not received or made upto the date of Balance Sheet, are considered at the exchange rate prevailing on the date of Balance Sheet.
- ii) Gains and Losses arising out of fluctuations in the exchange rate where not determined are accounted for on subsequent realisation.
- iii) Balances in the form of Current Assets and Current Liabilities in foreign currency outstanding at the close of the year are converted in Indian Currency at the exchange rate prevailing on the date of Balance Sheet. Resultant gain or loss is accounted during the year.

G) TAXATION :

Income Tax : No provision for taxation has been made in view of Loss.



Deferred Taxation : In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised, as a matter of prudence, in accordance with the Accounting Standard AS-22 (Accounting for Taxes on Income) issued by The Institute of Chartered Accountants of India.

Fringe Benefit Tax : No provision for the same is required as there are no employees.

H) CAPITAL INVESTMENT SUBSIDY:

Subsidy received under Central/State Investment Subsidy Scheme in earlier year has been credited to Reserve and treated as a part of Shareholders' Funds.

I) PROVISIONS AND CONTINGENT LIABILITIES :

- i) Provisions : A provision is recognised when the Company has a present obligation as a result of past events., for which it is probable that an outflow of resources embodying benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate liability, only when reimbursement is virtually certain.
- ii) Contingent Liabilities : A disclosure for contingent liability is made where there is a possible obligation or a present obligation that may probably will, require an outflow of resources. When there is a possible or a present obligation against which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2] CONTINGENT LIABILITIES NOT PROVIDED FOR :

Guarantees given by the company to banks & financial institutions for the loans given by them to JD Orgochem Limited, the holding company - Rs. 2900 Lacs (Previous year Rs. 2900 Lacs), Actual amount disbursed - Rs. 2504 Lacs (Previous year Rs. 2504 Lacs).

3] AUDITORS' REMUNERATION :

	<u>Year ended</u> <u>31.03.2009</u>	<u>Year ended</u> <u>31.03.2008</u>
	RS.	RS.
a) Audit fees	15,000	15,000
b) Income tax matter	5,000	5,000
c) Service Tax	2,060	2,472
	<u>22,060</u>	<u>22,472</u>

4] Information pursuant to the provisions of paragraph 3 to 4D of Part II of Schedule VI of the Companies Act, 1956 together with other notes :

i) CAPACITIES, PRODUCTION & STOCKS :

a) \* Licensed Capacity :

Dyes	N.A	N.A
Dye Intermediates	N.A	N.A

b) \* Installed Capacity :

Dyes	540 M.T.	540 M.T.
Dye Intermediates	650 M.T.	650 M.T.

5] a) ICICI Bank has absolutely assigned & transferred all the Loan Accounts (refer Schedule C) to Standard Chartered Bank under Deed of Assignment dated Feb 18, 2006 including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all ICICI Bank's right, title and interests in all agreements, deeds & documents in relation to or in connection with the said Term Loans.

- b) The company has provided normal interest payable on the said Term Loans in the Accounts upto 31/3/08 only & no provision for normal interest payable has been made for the year ended 31.3.2009. Also no provision is made for additional interest & liquidated damages payable for non / delayed payments of interest / instalments to the Bank in absence of any demand notices from Standard Chartered Bank.

- c) The exact amount of interest & other charges due on each Term Loan (refer Schedule 'C') is subject to confirmation / reconciliation, in absence of any documents, papers etc., from Standard Chartered Bank, who has been assigned the above Loan Accounts.
- d) Subsequent to balance sheet date i.e. after 31/3/09, Standard Chartered bank is in the process of assigning & transferring all the loan accounts (refer schedule C) to Bharti Polytex Pvt Ltd including all interest, costs, charges, expenses & all other amounts due & payable on the said Term Loans together with all underlying security interests thereto and all Standard Chartered Bank's right, title and interests in all agreements, deeds & documents in relation to or in connection with the said Term Loans.

6] Provision of Rs.2,241,749/- for the Gram Panchayat Tax payable upto 31.03.2009 has not been made in the accounts.

7] Related party disclosure under Accounting Standard - 18 :-

ij] The list of related parties as identified by the Management are as under:

Holding Company - JD Orgochem Ltd.  
Key Management Personnel of the Company

- a) Shri R K Kothari  
b) Shri D N Shukla  
c) Shri T O Chandan

ii] The following transactions were carried out with the related parties

<u>Particulars</u>	(Rs. in lacs)			
	<u>Holding Company</u>		<u>Key Management Personnel</u>	
	<u>31.03.09</u>	<u>31.03.08</u>	<u>31.03.09</u>	<u>31.03.08</u>
O/s Bal.as on 31.03.08	Cr. 711.41	Cr. 710.41	-	-
Advances Recd (Net)	1.00	15.44	-	-
Sitting Fees	-	-	0.12	0.15

8] Balance of Loans & Advances, Sundry Debtors, Sundry Creditors & Deposits are subject to adjustment reconciliation & confirmation by the parties.

9] Earning Per Share (EPS)

	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2009</u>	<u>March 31, 2008</u>
	Rs.	Rs.
Loss for the year attributable to Shareholder (Rs in Lacs)	(42.42)	(128.91)
No. of Equity Share	540,000	540,000
Nominal Value of Equity Share (Rs.)	100	100
Loss Per Share (Rs.)	(7.86)	(23.87)

10] Arrears of Preference Dividend Rs.8,77,790/- (Previous Year Rs.8,67,138/-)

11] Previous year figures have been regrouped, readjusted, reclassified & reworked wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

R. K. KOTHARI  
DIRECTOR

D. N. SHUKLA  
DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**  
(Pursuant to the Listing Agreement with Stock Exchange)

	<u>Year Ended</u> <u>March 31, 2009</u> <u>Rs.</u>	<u>Year Ended</u> <u>March 31, 2008</u> <u>Rs.</u>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax and Extraordinary Items	(4,242,138)	(12,890,704)
Adjustment for :		
Depreciation	3,375,185	3,376,537
Interest & Finance charges	653,393	4,028,578
Operating Profit Before Working Capital Changes	<u>(213,560)</u>	<u>(1,033,143)</u>
Trade and other receivables	142,843	(45,579)
Trade Payables	622,204	765,047
Cash Generated From Operations	<u>551,487</u>	<u>(393,201)</u>
Interest & Finance charges paid (Net)	(653,393)	(2,022)
Increase in Borrowings	100,000	1,544,493
Cash Flow Before Extraordinary Items	<u>(1,906)</u>	<u>70,548</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(1,906)</u>	<u>70,548</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,906)	70,548
Cash and Cash Equivalents as at 01/04/2008 (Opening Balances)	303,126	232,578
Cash and Cash Equivalents as at 31/03/2009 (Closing Balances)	<u>301,220</u>	<u>(1,906)</u>
	<u>303,126</u>	<u>70,548</u>

AS PER OUR REPORT OF EVEN DATE

FOR MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS

R. K. KOTHARI  
DIRECTOR

D. N. SHUKLA  
DIRECTOR

MAGANLAL THACKER  
PARTNER  
MEMBERSHIP NO. 4549  
PLACE : MUMBAI  
DATE : AUGUST 31, 2009

To,  
The Board of Directors  
JAYSYNTH ANTHRAQUINONES LIMITED  
MUMBAI

We have examined the above Cash Flow Statement of JAYSYNTH ANTHRAQUINONES LIMITED for the year ended March 31, 2009. 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.

For MAGANLAL & AJAY MEHTA  
CHARTERED ACCOUNTANTS  
MAGANLAL THACKER  
PARTNER  
Membership No.4549

Place : Mumbai  
Date : 31<sup>st</sup> August, 2009



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**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I. REGISTRATION DETAILS**

Registration No.	<input type="text" value="31796"/>	State Code	<input type="text" value="11"/>
Balance Sheet Date	<input type="text" value="31-03-2009"/>		

**II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)**

Public Issue	<input type="text" value="NIL"/>	Right Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="NIL"/>

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)**

Total Liabilities	<input type="text" value="239538"/>	Total Assets	<input type="text" value="239538"/>
Source of Funds			
Paid-Up Capital	<input type="text" value="55000"/>	Reserves & Surplus	<input type="text" value="4000"/>
Secured Loans	<input type="text" value="108922"/>	Unsecured Loans	<input type="text" value="71616"/>
Application of Funds			
Net Fixed Assets	<input type="text" value="9305"/>	Investments	<input type="text" value="10"/>
Current Assets	<input type="text" value="1829"/>	Misc. Expenditure	<input type="text" value="NIL"/>
Accumulated losses	<input type="text" value="228394"/>		

**IV PERFORMANCE OF COMPANY (Amount in Rs. Thousands)**

Turnover (including other Income)	<input type="text" value="77"/>	Total Expenditure	<input type="text" value="4319"/>
(+)Profit/(-)Loss Before Tax	<input type="text" value="(-) 4242"/>	(+)Profit/(-)Loss After Tax	<input type="text" value="(-) 4242"/>
Earning per Share in Rs.	<input type="text" value="(-) 7.19"/>	Dividend Rate %	<input type="text" value="NIL"/>

**V) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

Item Code No. (ITC Code)	<input type="text" value="3204.17"/>
Product Description	<input type="text" value="ORGANIC PIGMENTS"/>
Item Code No. (ITC Code)	<input type="text" value="NIL"/>
Item Code No. (ITC Code)	<input type="text" value="NIL"/>

R.K.KOTHARI  
DIRECTOR

D.N.SHUKLA  
DIRECTOR

PLACE : MUMBAI  
DATE : AUGUST 31, 2009





## JAYSYNTH (EUROPE) LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

The Directors present their report with the financial statements of the Company for the year ended 31 March 2009.

#### PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of textile dye stuffs and pigment powder merchants.

#### DIRECTORS

The Directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report.

S. Kothari  
S. C. Sharma  
P. J. Hurley

During the year the Company has maintained an insurance policy covering any directors and officers legal liabilities arising from any proceedings brought against them in the course of their duties.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the Profit or Loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### AUDITORS

The auditors, Wyatt, Morris, Golland & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small Companies.

#### ON BEHALF OF THE BOARD:

Mr. R. Pal - Secretary  
6 August 2009

## REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF JAYSYNTH (EUROPE) LIMITED

We have audited the financial statements of Jaysynth (Europe) Limited for the year ended 31 March 2009 on pages six to ten. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Wyatt, Morris, Golland & Co.

Chartered Accountants  
and Registered Auditors  
Park House  
200 Drake Street  
Rochdale, Lancashire  
OL16 1PJ

6 August 2009

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
TURNOVER		1,666,498	1,507,472
Cost of sales		<u>1,554,133</u>	<u>1,443,995</u>
GROSS PROFIT		112,365	63,477
Administrative expenses		<u>105,288</u>	<u>83,191</u>
		7,077	(19,714)
Other operating income		<u>1,948</u>	<u>1,180</u>
OPERATING PROFIT/(LOSS)	2	9,025	(18,534)
Interest receivable and similar income		<u>525</u>	<u>1,265</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		9,550	(17,269)
Tax on profit/(loss) on ordinary activities	3	<u>110</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>9,440</u></u>	<u><u>(17,269)</u></u>

**BALANCE SHEET AS AT 31 MARCH 2009**

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	4	4,403	5,550
CURRENT ASSETS			
Stocks		409,168	110,219
Debtors	5	773,943	830,463
Cash at bank and in hand		<u>70,624</u>	<u>47,992</u>
		1,253,735	988,674
CREDITORS			
Amounts falling due within one year	6	<u>767,497</u>	<u>513,023</u>
NET CURRENT ASSETS		<u>486,238</u>	<u>475,651</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>490,641</u>	<u>481,201</u>
CAPITAL AND RESERVES			
Called up share capital	7	500,000	500,000
Profit and loss account	8	<u>(9,359)</u>	<u>(18,799)</u>
SHAREHOLDERS' FUNDS		<u><u>490,641</u></u>	<u><u>481,201</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 6 August 2009 and were signed on its behalf by:

S. KOTHARI - Director





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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2009

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

#### Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

### 2. OPERATING PROFIT/(LOSS)

	2009	2008
	£	£
The operating profit (2008 - operating loss) is stated after charging:		
Depreciation - owned assets	1,147	1,474
Loss on disposal of fixed assets	-	78
Auditors' remuneration	5,325	5,175
	<u>17,863</u>	<u>17,978</u>
Directors' emoluments and other benefits etc	<u>17,863</u>	<u>17,978</u>

### 3. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2009	2008
	£	£
Current tax:		
UK corporation tax	110	-
	<u>110</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>110</u>	<u>-</u>



4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 April 2008 and 31 March 2009	<u>4,500</u>	<u>10,767</u>	<u>4,200</u>	<u>19,467</u>
<b>DEPRECIATION</b>				
At 1 April 2008	3,973	8,894	1,050	13,917
Charge for year	<u>79</u>	<u>281</u>	<u>787</u>	<u>1,147</u>
At 31 March 2009	<u>4,052</u>	<u>9,175</u>	<u>1,837</u>	<u>15,064</u>
<b>NET BOOK VALUE</b>				
At 31 March 2009	<u>448</u>	<u>1,592</u>	<u>2,363</u>	<u>4,403</u>
At 31 March 2008	<u>527</u>	<u>1,873</u>	<u>3,150</u>	<u>5,550</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade debtors	387,377	599,148
Other debtor	375,346	209,660
VAT	9,389	18,001
Prepayments	<u>1,831</u>	<u>3,654</u>
	<u>773,943</u>	<u>830,463</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	750,569	492,755
Tax	110	-
Social security and other taxes	4,674	4,089
Accrued expenses	<u>12,144</u>	<u>16,179</u>
	<u>767,497</u>	<u>513,023</u>

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2009 £	2008 £
500,000	Ordinary	£1	<u>500,000</u>	<u>500,000</u>

8. RESERVES

	Profit and loss account £
At 1 April 2008	(18,799)
Profit for the year	<u>9,440</u>
At 31 March 2009	<u>(9,359)</u>

9. ULTIMATE PARENT COMPANY

Jaysynth (Europe) Limited is a wholly owned subsidiary of J D Orgochem Limited, a company registered in India.

10. RELATED PARTY DISCLOSURES

The other debtor of £326,582 (2008 - £160,896) represents advance payments to J D Orgochem Limited and other associated companies for the manufacture of specialised products.





ATTENDANCE SLIP

JD ORGOCHEM LTD.

Regd. Office : 301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.

35th ANNUAL GENERAL MEETING - SEPTEMBER 30, 2009

ADMISSION SLIP

Reg. Folio / Client ID No. \_\_\_\_\_

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

I hereby, record my presence at the 35th ANNUAL GENERAL MEETING of the Company at "301, SUMER KENDRA, PANDURANG BUDHKAR MARG, WORLI, MUMBAI - 400 018", on Wednesday the 30th September, 2009 at 10.00 a.m.

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

Member's/Proxy Signature

NOTE :

- 1. Shareholder/Proxy holder must bring the Admission Slip to the meeting and handover 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 Company quoting their holding and Reg. Folio Numbers.

JD ORGOCHEM LTD.

FORM OF PROXY

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 of the 35th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 30th September, 2009 and at adjournment thereof, if any.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Reg. Folio / 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.

BOOK-POST

If undelivered, please return to :  
SHAREPRO SERVICES (INDIA) PVT.LTD.  
UNIT : JD ORGOCHEM LTD.  
13 AB, Samhita Warehousing Complex, 2nd Floor,  
Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai – 400 072.