

**Annexure-II To The Directors' Report**  
**Corporate Governance Report**

**1. The Company's Philosophy on Corporate Governance :**

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

**2. Board of Directors :**

**2.1 Composition of Board :**

The Board of Directors comprised of six Directors of which one is Executive Director and five non-executive Directors as on 31<sup>st</sup> March, 2013.

**2.2 Number of Board Meetings and Attendance :**

During the year under review, five Board Meetings were held on 30<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 7<sup>th</sup> September, 2012, 12<sup>th</sup> November, 2012 and 12<sup>th</sup> February, 2013.

**2.3 Details of the Directors of the Company :**

Name Of Director	Category	No. Of Other Directorship		Directorship & Committee Memberships/ Chairmanship		No. of Board Meeting Attended	Attended Last Agm
		Public	Private	Committee Membership	Committee Chairmanship		
Shri Rajendra Maganlal Desai	Non-Executive Independent Director	1	-	-	3	5	Yes
Shri Parag Sharadchandra Kothari	Managing Director	1	9	1	-	4	Yes
Shri Nikhil Sharadchandra Kothari	Promoter Non-Executive Director	1	10	1	-	5	Yes
Shri Prakash Mahadeo Kale	Non-Executive Independent Director	-	-	-	-	-	No
Shri Dhansukh Nanalal Shukla	Non-Executive Independent Director	1	2	2	-	5	Yes
Shri Bhavesh Virsen Panjuani	Non-Executive Independent Director	2	-	-	1	3	Yes
Shri Kulinkant Nathubhai Manek*	Non-Executive Independent Director	-	-	2	-	3	Yes

\*Shri Kulinkant Nathubhai Manek was alternate Director to Shri P. M. Kale w.e.f. 7<sup>th</sup> September, 2012. Board of Directors has appointed him as additional Director w.e.f. 27<sup>th</sup> May, 2013.

**Note : Shri Parag S. Kothari and Shri Nikhil S. Kothari are being brothers related to each other. None of the other Directors are related to any of the Director of the Company.**

#### **2.4 Directors appointed / ceased :**

Shri Kulinkant Nathubhai Manek is appointed as an additional independent director of the company w.e.f. 27th May, 2013.

#### **2.5 Brief Profile of Directors seeking appointment/re-appointment :**

##### **Shri Rajendra Maganlal Desai :**

Shri Rajendra Maganlal Desai is a Director of the Company since 27.06.2000. He is B.Com, FCA. He has served with ICICI Bank Ltd. at a various management levels for over twenty years. He is a financial consultant. Shri R.M.Desai has wide and varied experience in the financial field. He is also Director in M/s. Aban Investments Ltd.,

##### **Shri Bhavesh Virsen Panjuani :**

Shri Bhavesh Virsen Panjuani is a Director of the Company since 14/11/2011. He is Praticing advocate & Soclicitor and partner in Mulla & Mulla & Craigie Blunt & Caroe. He is also a Director in M/s. Hindoostan Mills Ltd. and M/s. Bhishma Realty Ltd.

##### **Shri Kulinkant Nathubhai Manek:**

Shri Kulinkant Nathubhai Manek is appointed as additional Director of the Company w.e.f. 27<sup>th</sup> May, 2013. He holds office upto ensuing Annual General Meeting of the Company. He is 68 years of age. He is a partner in Nathubhai Cooverji & Company, Nathubhai Cooverji & Sons, Aditi Enterprises and Jai Agro Industries.

#### **2.6 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 for the instances of non-compliance, if any, are also separately reported to the Board.

#### **2.7 Code of Conduct :**

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

#### **2.8 Information to the Board:**

The Company holds at least four board meetings in a year with at least one meeting in each quarter. The maximum gap between two board meetings is not more than four months. In addition to the specific matters which are taken at the Board Meetings, the following information is also placed before the Board for its review:

- Annual Operating Plans and Capital budgets and any updates in connection there with.
- Quarterly results of the Company.
- Minutes of the meetings of the Audit Committees of the Board.
- Terms of reference of the Committee of the Board.
- Statutory Compliance Certificate.
- Information on appointment and resignation of senior officer of the Company.
- Significant labour problems, if any, at any of the plant locations of the Company.
- Information on strikes, lockouts, retrenchment, fatal accidents, dangerous occurrences, any material effluent or pollution problems or any other materially important incident, if any.
- Show cause, demand, prosecution notices and penalty notices of material importance.
- Any material default in financial obligations to and by the Company, or substantial non recovery for sale of goods by the Company.
- Non-compliance of any regulatory, statutory, or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- Details of any joint venture or collaboration agreement.
- Sale of a material nature, of investments and/or assets, which are not in the normal course of business.
- Details regarding foreign exchange exposure and steps implemented to manage them.
- Any issue involving possible public or product liability claims of substantial nature, including any judgment or order which may have passed stricture on the conduct of the Company.

### **3. Committees of The Board :**

#### **3.1 Audit Committee :**

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

The Audit Committee comprises of three non-executive independent directors. viz Shri Rajendra M. Desai, Shri Prakash M. Kale and Shri Dhansukh N. Shukla.

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

Four meetings of the Audit Committee were held during the year under report.

Directors	Designation	Category	Audit Committee Meeting	
			Held	Attended
Shri Rajendra M. Desai	Chairman	Independent Director	4	4
Shri Dhansukh N. Shukla	Member	Independent Director	4	4
Shri Prakash M. Kale	Member	Independent Director	4	-
Shri Kulinkant N. Manek*	Member	Independent Director	2	2

\*Shri Kulinkant Nathubhai Manek was alternate Director to Shri P. M. Kale w.e.f. 7<sup>th</sup> September, 2012. Board of Directors has appointed him as additional Director w.e.f. 27<sup>th</sup> May, 2013.

### 3.2 Share Transfer/Investors' Grievances Committee :

Share Transfer/Investors' Grievances Committee comprises of three directors. Viz Shri Parag S. Kothari, Shri Rajendra M. Desai and Shri Nikhil S. Kothari.

#### Term of Reference :

Terms of reference of the re-designated Investors' Grievances Committee are approval and registration of transfer and/or transmissions of shares of the Company, issue of duplicate share/security certificates in lieu of lost/misplaced/mutilated share certificates, and splitting and consolidation of share certificates, also include looking into the Investors complaints on transfer of shares, non-receipt of Company's Balance Sheet, non-receipt of declared dividends etc. and redress thereof.

During the Year under review, Share Transfer/ Investors' Grievances Committee met one time and the attendance of the members at the meetings was as under:

Directors	Designation	Category	Share Transfer / Investors' Grievances Meeting	
			Held	Attended
Shri Rajendra M. Desai	Chairman	Independent Director	1	1
Shri Parag S. Kothari	Member	Executive Director	1	1
Shri Nikhil S. Kothari	Member	Non-executive Promoter Group	1	1

During the year under review no complaints received from shareholders.

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

### 3.3 Directors' Remuneration Committee:

#### Terms of Reference :

To determine the remuneration, including commission payable to Managing Director / Whole-time Directors, and to determine Board Meeting and Committee Meeting attendance fees to the Directors, subject to the provisions of the Companies Act, 1956 and the notifications, if any, issued by the Central Government thereunder.

#### Composition :

The Remuneration Committee comprises of three non-executive independent directors viz. Shri Rajendra M. Desai, Shri Prakash M. Kale and Shri Dhansukhlal N. Shukla.

During the period under review no meeting of the Committee was held.

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

Name of Directors	Sitting Fees (₹.)	Salaries & Perquisites (₹.)	Contribution To Provident Fund (₹.)	Commission (₹.)**	Total (₹.)
Shri Rajendra M. Desai	36,000	-	-	-	36,000
Shri Parag S. Kothari	-	18,98,294	1,44,000	10,25,000	30,67,294
Shri Nikhil S. Kothari	20,000	-	-	-	20,000
Shri Prakash M. Kale	-	-	-	-	-
Shri Dhansukh N. Shukla	36,000	-	-	-	36,000
Shri Bhavesh V. Panjuani	12,000	-	-	-	12,000
Shri Kulinkant N. Manek*	20,000	-	-	-	20,000

\*Shri Kulinkant Nathubhai Manek was alternate Director to Shri P. M. Kale w.e.f. 7<sup>th</sup> September, 2012. Board of Directors has appointed him as additional Director w.e.f. 27<sup>th</sup> May, 2013.

\*\* payable in financial year 2013-14.

### 4. General Body Meetings :

Details of last three Annual General Meetings are as under:

#### Annual General Meetings:

Date	Venue	No. of Special Resolution Passed
25 <sup>th</sup> AGM 20th September, 2010	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai- 400 018.	NIL
26 <sup>th</sup> AGM 10th August, 2011	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai- 400 018.	NIL
27 <sup>th</sup> AGM 7th September, 2012	301, Sumer Kendra, Pandurang Budhkar Marg, Worli, Mumbai- 400 018.	NIL

No Special Resolution was put through postal ballot. No Special Resolution is propose to be passed at the ensuing Annual General Meeting.

## **5. Disclosures :**

### **5.1 Related Party Transactions:**

The Company has not entered into any transactions of a material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company. For disclosure regarding materially significant related party transactions, please refer Note 27.2 of the notes forming part of the Accounts.

### **5.2 Compliances by the Company :**

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

### **5.3 Accounting Standard :**

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

### **5.4 Risk Management :**

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

## **6. Means of Communication :**

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

## **7. Certificate by Managing Director & CEO & Compliance Officer :**

Shri Parag S. Kothari, Managing Director & CEO and Shri Mangesh Patil, Chief Manager Accounts & Compliance Officer 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 27th May, 2013 in which the Accounts for the financial year ended March, 2013 were considered and approved.

## 8. Shareholders Information :

### (i) Annual General Meeting:

Date and Time : Wednesday the 25th September, 2013 at 10.00 a.m.  
Venue : 301, Sumer Kendra,  
Pandurang Budhkar Marg, Worli,  
Mumbai : 400 018.

### (ii) Financial Calendar 2013-2014 – (Tentative and subject to change) :

Annual General Meeting: 25<sup>th</sup> September, 2013.

Adoption of audited /unaudited Financial Results for four quarters for FY 2013-14

Unaudited Financial Results for the Quarter ended 30th June - by 14<sup>th</sup> August 2013  
Unaudited Financial Results for the Quarter ended 30th Sept- by 15<sup>th</sup> November 2013

Unaudited Financial Results for the Quarter ended 31st Dec- by 15<sup>th</sup> February 2014  
Audited Financial Results for the year ending 31<sup>st</sup> March- by 30<sup>th</sup> May 2014

### (iii) Book Closure Date:

19<sup>th</sup> September, 2013 to 25<sup>th</sup> September, 2013 (Both days inclusive)

### (iv) Dividend Payment Date:

No Dividend has been recommended by the Board of Directors with a view to plough back the profit for the growth requirement of business.

### (v) Listing on the Stock Exchanges:

Shares of the Company are listed on The Stock Exchange, Mumbai Code No. **506910**. The ISIN No of the Company's share is **INE703C01025**

Up-to date Listing Fees has been paid to The Bombay Stock Exchange Ltd.

### (vi) Dematerialization of Shares:

As on March 31, 2013, 84,61,555 Equity Shares of the Company are Dematerialised i.e. 97.37% of total issued equity share capital of the Company.

### Registrar & Transfer Agents:

#### Sharepro Services (India) Pvt. Ltd.

R.O.: 13AB, Samhita Warehousing Complex,  
Second floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka,  
Andheri (E), Mumbai - 400 072.

### Investor Relation Centre:

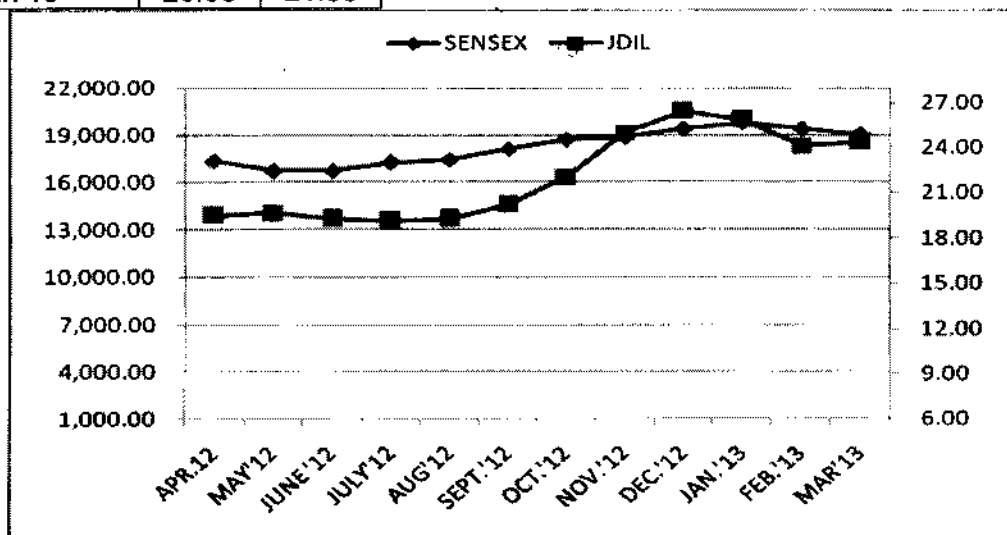
912, Raheja Centre,  
Free Press Journal Road,  
Nariman Point, Mumbai - 400 021.

**(vii) Stock Price Performance - Jaysynth Dyestuff (India) Ltd. Vs. BSE Sensex April, 2012 to March, 2013 :**

Note: Based on the monthly average of High and Low price of Jaysynth Dyestuff (India) Ltd. and BSE Sensex.

**Market Price Data :**

MONTH	HIGH	LOW
April'12	23.85	17.20
May'12	21.00	16.90
June'12	20.75	17.80
July'12	21.30	17.30
Aug.'12	21.05	18.35
Sept.'12	22.50	18.30
Oct.'12	24.95	20.25
Nov.'12	28.00	22.00
Dec.'12	27.95	23.35
Jan.'13	28.80	24.15
Feb.'13	28.40	21.85
Mar.'13	26.90	21.05



**(viii) 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 as and when required to consider all matters concerning transfer & transmission of shares. The company's shares are in compulsory Demat Mode and they are available for trading in the depository systems of both the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd.(CDSL). As on March 31, 2013, 84,61,555 Equity Shares of the Company stand dematerialized forming 97.37% of Company's issued and subscribed Equity Capital. The Company's International Security Identification Number is: **INE703C01025**.



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

Particulars	No. of Shares Held	% of Shares Held
1. Promoters	57,86,564	66.59
2. Mutual Funds & UTI	4,800	0.06
3. Banks/ Financial Institutions	949	0.01
4. Private Corporate Bodies	5,03,042	5.79
5. Indian Public	23,38,747	26.91
6. NRIs/OCBs	33,002	0.38
7. Any Other-(Non-promoter Director & Relatives of Directors)	22,596	0.26
<b>TOTAL</b>	<b>86,89,700</b>	<b>100.00</b>

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

No. of Shares	No. of Shareholders	% of Total Shareholders	Total No. of Shares	% of Total Shares
Upto - 500	1022	70.68	2,07,567	2.39
501 - 1,000	168	11.62	1,45,120	1.67
1,001 - 2,000	95	6.57	1,45,528	1.68
2 001 - 3,000	40	2.76	95,126	1.09
3,001 - 4,000	33	2.28	1,20,212	1.38
4,001 - 5,000	27	1.87	1,23,517	1.42
5,001 - 10,000	21	1.45	1,52,971	1.76
10,001 - above	40	2.77	76,99,659	88.61
<b>TOTAL</b>	<b>1446</b>	<b>100.00</b>	<b>86,89,700</b>	<b>100.00</b>

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

Sr.No.	Name	No. of Shares
1.	Shri Nikhil S. Kothari	15,20,236
2.	Shri R. M. Desai	NIL
3.	Shri D.N. Shukla	NIL
4.	Shri P.M. Kale	NIL
5.	Shri Bhavesh V. Panjuani	400
6.	Shri Kulinkant N. Manek	200

\* Shri Kulinkant Nathubhai Manek is appointed as an Additional Director of the company w.e.f.27<sup>th</sup> May, 2013

(xii) Plant:

Plot No.A-29  
MIDC Industrial Area, Patalganga,  
Taluka-Khalapur, Dist.Raigad  
Pin Code - 410 220  
MAHARASHTRA

Processing Unit:

Plot No. G-5,  
MIDC Industrial Area, Taloja,  
Taluka-Panvel, Dist.Raigad,  
Pin Code - 410 208.  
MAHARASHTRA.

**(xiii) Address for Correspondence :**

The Shareholders may address their communications/grievances/ queries to:

**Contact Person :**

**Ms. Indira Karkera – Vice President**  
**M/S. Sharepro Services (India) Pvt.Ltd.**  
**Unit : Jaysynth Dyestuff (India) Ltd.**

1) 13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai – 400 072.  
Tele. Nos. 67720300/67720334, Fax No. 28375646  
E-MAIL : sharepro@shareproservices.com

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

**OR**

The Compliance Officer,  
Jaysynth Dyestuff (India) Ltd.,  
301, Sumerkendra, P.B.Marg,  
Worli, Mumbai 400 018.

Tel. No. 022-30423048-49, Fax No. 022-30423434/33

E-Mail Address: [info@jaysynth.com](mailto:info@jaysynth.com) Investors' Complaint: [jsec@jaysynth.com](mailto: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.

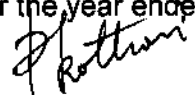
The Company does not complied with other non-mandatory requirements.

**3. Certificate from Statutory Auditors -**

Certificate from Statutory Auditors, M/s. C. J. Shah & Associates, 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 Jaysynth Dyestuff (India) Ltd. Code of Conduct for the year ended March 31, 2013.



**P. S. Kothari**

**Chairman & Managing Director**

**Mumbai, May 27, 2013**