



## **JD ORGOCHEM LTD.**

(Formerly : Jaysynth Dyechem Ltd.)

CIN No. L24100MH1973PLC016908 • PAN No. AAACJ0902B

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

Tel. : 91-22-3042 3048, Fax : 91-22-3042 3434. email : investor.relations@jdorgochem.com

**Date: 1<sup>st</sup> September, 2018**

**To**  
**Corporate Relationship Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001

Scrip Code: 524592

**Subject: Notice of 44<sup>th</sup> Annual General Meeting of the Company and Intimation of Book Closure.**

Dear Sir/Madam,

This is to inform you that 44<sup>th</sup> Annual General Meeting of JD Orgochem Limited will be held on Thursday, 27<sup>th</sup> September, 2018 at 10.00 a.m. at Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai - 400 025. Please refer enclosed Annual Report for the financial year 2017-18 for your records and reference.

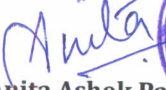
Further also be informed that the Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 21<sup>st</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (both days inclusive) for the purpose of 44<sup>th</sup> Annual General Meeting.

Also be informed that the cut-off date for determining the eligibility to vote by remote e-voting or Poll/Tab at the venue of 44<sup>th</sup> Annual General Meeting is Thursday, 20<sup>th</sup> September, 2018.

Kindly take note of the same on your records.

Thanking you,

**For: JD Orgochem Limited**

  
**Anita Ashok Pandey**  
**Company Secretary and Compliance Officer**  
**A38637**

**Registered Address: 301, Sumer Kendra, P.B. Marg, Worli, Mumbai - 400 018**

**CC:**

- 1) National Securities Depository Limited**
- 2) Central Depository Services (India) Limited**
- 3) Link Intime India Private Limited**



# **JD ORGOCHEM LIMITED**

**44<sup>th</sup> Annual Report 2017-18**



# Contents

## Page No.

**1 Notice of 44<sup>th</sup> Annual General Meeting**

**10 Route Map for the 44<sup>th</sup> Annual General Meeting Venue**

**11 Attendance Slip**

**13 Proxy Form**

**16 Board's Report**

**35 Corporate Governance Report**

**54 Management Discussion and Analysis Report**

**56 Independent Auditor's Report on Financial Statements**

**62 Balance Sheet**

**63 Statement of Profit and Loss**

**65 Cash Flow Statement**

**66 Notes to the Financial Statements**

**81 Form SH-13 for Nomination**

## CORPORATE INFORMATION

### EXECUTIVE DIRECTOR

Mahendra Krushnakumar Kothari  
Chairman and Managing Director  
(DIN: 00183613)

### NON-EXECUTIVE DIRECTORS

Nikhil Sharadchandra Kothari  
(DIN: 00184152)

Shrikant Krushnakumar Kothari  
(DIN: 00184811)

### KEY MANAGERIAL PERSONNEL

Mahendra Krushnakumar Kothari  
Chairman and Managing Director  
(DIN: 00183613)

Narendra Ramanlal Shah  
Chief Financial Officer

Hiral Ramesh Shah (upto 28<sup>th</sup> February, 2018)  
Company Secretary and Compliance Officer

Anita Ashok Pandey (w.e.f. 23<sup>rd</sup> May, 2018)  
Company Secretary and Compliance Officer

### PRINCIPAL BANKERS

HDFC Bank Limited  
Union Bank of India

### STOCK EXCHANGE

BSE Limited  
CIN: L67120MH2005PLC155188  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001  
Tel No.: 022 - 22721233  
Fax No.: 022 - 22721919

### REGISTERED OFFICE ADDRESS

JD Orgochem Limited  
CIN: L24100MH1973PLC016908  
301, Sumer Kendra, P. B. Marg,  
Worli, Mumbai - 400 018  
Tel. No.: 022-3042 3048  
Fax No.: 022-3042 3434  
E-mail Id: investor.relations@jdorgochem.com  
Website: www.jdorgochem.com

### FACTORY ADDRESS/PLANT LOCATIONS

#### PATALGANGA PLANT

Plot No.A-4/2, MIDC Industrial Area,  
Patalganga, Taluka-Khalapur,  
Dist. Raigad, Maharashtra - 410 220

### INDEPENDENT DIRECTORS

Bharati Ravindra Chandan  
(Woman Director)  
(DIN: 07263623)

Mitesh Dilip Sejpal  
(DIN: 06562026)

Umesh Trikamdas Chandan  
(DIN: 00184677)

### INTERNAL AUDITOR

M/s. Nisha Mody & Associates  
Chartered Accountant  
52-C, Chottani Building,  
Proctor Road, Grant Road (East),  
Mumbai - 400 007

### STATUTORY AUDITOR

M/s. Hiren C. Sanghavi & Associates  
Chartered Accountant  
A-62, Vandana Mahalaxmi Co-op Hsg Society,  
Veera Desai Road, Andheri (East)  
Mumbai - 400 058

### SECRETARIAL AUDITOR

M/s. KDT & Associates  
Practising Company Secretary  
308, Balaji Darshan, Tilak Road,  
Santacruz (West) Mumbai - 400 054

### REGISTRAR AND TRANSFER AGENT

Link Intime India Private Limited  
C-101, 247 Park, L.B.S Marg,  
Vikhroli (West), Mumbai - 400 083  
Tel. No.: 022 - 4918 6270  
Fax No.: 022 - 4918 6060,  
E-mail Id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### DEBENTURE TRUSTEE

IDBI Trusteeship Services Limited  
Ground Floor, Asian Building,  
17 R. Kamani Marg, Ballard Estate  
Mumbai - 400 001

## NOTICE OF 44<sup>th</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 44<sup>th</sup> Annual General Meeting of JD Orgochem Limited will be held on Thursday, 27<sup>th</sup> September, 2018 at 10.00 a.m. at Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018, together with Board's Report and the Auditor's Report thereon.
2. To appoint a Director in place of Nikhil Sharadchandra Kothari (DIN: 00184152), who retires by rotation and being eligible offers himself for reappointment.

### SPECIAL BUSINESS:

3. To ratify the reappointment of Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director of the Company for a period of two (2) years.

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

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board at their meeting held on 30<sup>th</sup> October 2017 and subject to the provisions of Sections 196, 197, 203 and other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and Article 108 of Articles of Association of the Company, consent of Members of the Company be and is hereby accorded to ratify the reappointment of Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director for a period of two (2) years with effect from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said reappointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mahendra Krushnakumar Kothari.

**RESOLVED FURTHER THAT**, the remuneration payable to Mahendra Krushnakumar Kothari shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** notwithstanding anything herein above stated where in any financial year closing on or after 31<sup>st</sup> March, 2018, during the tenure of Mahendra Krushnakumar Kothari as Chairman and Managing Director of the Company, the Company incurs any loss or its profits are inadequate in any financial year, the Company shall pay to Mahendra Krushnakumar Kothari, the remuneration as mentioned in the Agreement stated above by way of basic salary, perquisites and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof, or any Key Managerial Personnel be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to sub - delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to above resolution and matters related thereto."

**By Order of the Board of Directors**

**Anita Ashok Pandey**  
**Company Secretary and Compliance Officer**  
**A38637**

**Place: Mumbai**  
**Date: 8<sup>th</sup> August, 2018**

Registered Office:  
 JD Orgochem Limited  
 301, Sumer Kendra, P. B. Marg, Worli, Mumbai – 400 018  
 CIN: L24100MH1973PLC016908  
 Tel No.: 022 3042 3048  
 Fax No.: 022 3042 3434  
 E-mail id: investor.relations@jdorgochem.com  
 Website: www.jdorgochem.com



**Notes:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect with the special business to be transacted at the meeting is annexed hereto and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF MEETING.**  
**A PERSON CAN ACT AS PROXY FOR ONLY 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10 PERCENT OF THE TOTAL PAID UP SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.**
3. Corporate Members intending to send their authorised representatives to attend and vote at the 44<sup>th</sup> Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote on their behalf at the 44<sup>th</sup> Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members / Proxies / Authorised Representatives are requested to bring the Attendance Slip, duly filled in, for attending 44<sup>th</sup> Annual General Meeting.
6. Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, 21<sup>st</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (both days inclusive) for the purpose of 44<sup>th</sup> Annual General Meeting. alongwith their copy of Annual Report. Members are also requested to bring their Client ID and DP ID numbers for easy identification for attendance at the meeting.
7. Route Map to the venue of the 44<sup>th</sup> Annual General Meeting of the Company forms part of this Notice.
8. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in dematerialised form, the members may please contact their respective Depository Participant. Further, Form SH-13 for nomination is annexed to the Annual Report.
9. Members are requested to send all communications relating to Transfer, Transmission, Transposition of shares, issue of Duplicate Share Certificate, change of address or any other changes as the Members as may be required etc. to the Registrar and Transfer Agent at the following address:  
**Link Intime India Private Limited**  
(Unit: JD Orgochem Limited)  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai – 400 083.  
Tel. No.: 022- 4918 6270  
Fax No.: 022- 4918 6060  
E-mail id: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website – [www.linkintime.co.in](http://www.linkintime.co.in)  
If the shares are held in electronic form, then change of address and change in the Bank Account Mandate etc. should be furnished to their respective Depository Participants.
10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their E-mail address either with the Company or with the Depository Participants. Members holding shares in physical mode are requested to register their E-mail address with the Company or its Registrar and Transfer Agent. If there is any change in the E-mail address already registered with the Company, Members are requested to immediately notify such change to the Company or its Registrar and Transfer Agent in respect of shares held in physical form and to Depository Participants in respect of shares held in electronic form.
11. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number ("PAN") for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participants, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Transfer Agent of the Company.
12. Statutory Registers and documents referred to in the Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all days (excluding Saturdays and Sundays) between 11:00 a.m. to 1:00 p.m. upto the date of 44<sup>th</sup> Annual General Meeting and will also be available for inspection at the meeting.
13. At the 43<sup>rd</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017, the Members approved appointment of Hiren C. Sanghavi of M/s Hiren C. Sanghavi & Associates (Firm Registration No. 112057W) as Statutory Auditor of the Company

to hold office for a period of five years from the conclusion of that Annual General Meeting till the conclusion of the 48<sup>th</sup> Annual General Meeting, subject to ratification of his appointment by Members at every Annual General Meeting if so required by the Companies Act 2013. Vide notification dated 7<sup>th</sup> May, 2018, Ministry of Corporate Affairs has done away with the requirement of seeking ratification of Members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory Auditor at the 44<sup>th</sup> Annual General Meeting.

14. Disclosure pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and revised Secretarial Standards on General Meetings (SS-2), with respect to Directors seeking appointment/reappointment at the 44<sup>th</sup> Annual General Meeting is annexed to this Notice.
15. Annual Report of the Company for the financial year 2017-18, circulated to the Members of the Company, is also uploaded on the website of the Company at [www.jdorgochem.com](http://www.jdorgochem.com).
16. Members are requested to send their queries, if any on Annual Report to the Company Secretary and Compliance Officer by sending an email at [investor.relations@jdorgochem.com](mailto:investor.relations@jdorgochem.com) or to the Registered and Transfer Agent by sending an e-mail at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) not less than seven (7) days before the meeting, so that requisite information/explanation can be provided in time.
17. E-voting
  - i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions under Secretarial Standards on General Meetings (SS-2), the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be considered at the 44<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited. The Members may cast their votes using an electronic voting system from a place other than the venue of the 44<sup>th</sup> Annual General Meeting ("remote E-voting").
  - ii. The facility for voting through electronic voting system or polling paper shall be made available at the 44<sup>th</sup> Annual General Meeting and the Members attending the 44<sup>th</sup> Annual General Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the 44<sup>th</sup> Annual General Meeting.
  - iii. Member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through remote e-voting. If a member casts votes by all the three modes, then the vote casted through remote e-voting shall prevail and the vote casted through other means shall be treated as invalid.
  - iv. Members who have cast their vote by remote e-voting may also attend the 44<sup>th</sup> Annual General Meeting but shall not be entitled to cast their vote again.
  - v. The remote e-voting period commences on Monday, 24<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on Wednesday, 26<sup>th</sup> September, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, 20<sup>th</sup> September, 2018 may cast their vote by remote E-voting. The remote E-voting module shall be disabled by Central Depository Services (India) Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - vi. The Company has appointed Shilpa Mishra of M/s. KDT & Associates (Membership Number: A30141, Certificate of Practice Number: 15443), Practising Company Secretary, to act as the Scrutiniser to scrutinise remote e-voting process and voting at the 44<sup>th</sup> Annual General Meeting in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the same purpose.
  - vii. The Consolidated Results of remote e-voting and voting at the 44<sup>th</sup> Annual General Meeting shall be declared within 48 hours after the conclusion of 44<sup>th</sup> Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.jdorgochem.com](http://www.jdorgochem.com) and on the website of Central Depository Services (India) Limited [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited where the equity shares of the Company are listed.
  - viii. The results shall also be displayed on the notice board of the Company at its Registered Office.
  - ix. Any person who acquires shares of the Company and becomes Member of the Company after dispatch of the notice of 44<sup>th</sup> Annual General Meeting alongwith the Annual Report as on the cut-off Date i.e. Friday, 24<sup>th</sup> August, 2018 but before e-voting cut-off date i.e., Thursday, 20<sup>th</sup> September, 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evotingindia.com](http://www.evotingindia.com) or contact CDSL at the **Toll Free No.: 1800-200-5533**.





**A. The instructions for shareholders voting electronically are as under:**

- i. The remote e-voting period begins on Monday, 24<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on Wednesday, 26<sup>th</sup> September, 2018 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 20<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders/Members.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- v. Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN of JD Orgochem Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**xviii. Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO.3**

Reappointment of Mahendra Krushnakumar Kothari was recommended by the Nomination and Remuneration Committee to the Board of Directors at its meeting held on 30<sup>th</sup> October, 2017 subject to approval of the Members in the ensuing General Meeting for a period of two (2) years commencing from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019.

Mahendra Krushnakumar Kothari has vast and varied experience in manufacturing of dyes, dyes intermediates and chemicals for more than 35 years. He is well versed in project management and has successfully implemented various projects of the group. He is well conversant with the industry, commerce and trade.

Members are informed that his reappointment is passed by special resolution as he has attained the age of 70 years. As per the provisions of sub-section (3) of section 196 of Companies Act, 2013, Mahendra Krushnakumar Kothari:

- is an undischarged insolvent and has not been adjudged as insolvent at any time;
- has not suspended the payment of his creditors and has not made at any time, composition with them;
- has not been convicted by the court at any time for any offence.

As per Section – II of Schedule V (Part II), in case of the Company which has no profit or inadequate profit, where the effective capital is negative or less than ₹ 5 crores the Managing Director is eligible for a remuneration of ₹ 30 Lakhs which can be doubled subject to the approval from the Members by way of special resolution.

However, the Company is paying a remuneration of ₹ 2.70 Lakhs per annum to Mahendra Krushnakumar Kothari which is in accordance with the limits provided in Schedule V.

Therefore, the Board recommends the resolution as set out in Item No. 3 of Notice as a Special Resolution, for approval of the Members.

The terms of appointment as approved by the Nomination and Remuneration Committee of the Board and the Board of Directors at their meeting held on Monday, 30<sup>th</sup> October, 2017 are as under:

Mahendra Krushnakumar Kothari shall hold office and act as Managing Director of the Company for the period of two (2) years commencing from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019.

He shall be entitled to retain all fees and commission which may be received as a Director of any other Company or as a Trustee of any Fund or any association or as a Trustee for the holders of debentures or debenture stocks issued by any other Company.

He will not be entitled to receive any buying or selling commission and shall not become interested directly or through your wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government, if any.

Except Shrikant Krushnakumar Kothari being the brother of Mahendra Krushnakumar Kothari, none of the Directors and the Key Managerial Personnel of the Company is concerned or interested financially or otherwise in the said resolution.



The information to be furnished as per para (iv) of clause B of section II of part II of Schedule V of Companies Act, 2013 in relation to the resolution of Item no. 3 of the Notice:

GENERAL INFORMATION			
1) Nature of Industry	The Company specializes in providing products and services to the Textiles, Plastics, Printing and Ink industry.		
2) Date of commencement of commercial production	The Company commenced its commercial production in year 1973.		
3) In case of new Companies, expected date of commencement of activities as per project approval by the financial institutions appearing in the prospectus	Not Applicable		
4) Financial Performance based on given indicators	Particulars	FY 2017-18	FY 2016 -17
	Share Capital	1,32,50,000	1,32,50,000
	Reserves and Surplus	(19,54,52,621)	(19,39,81,238)
	Total Revenue from operation	1,19,98,750	53,68,630
	Total expenses	2,58,19,533	1,89,55,776
	Profit/Loss before tax	(4,16,960)	16,11,54,410
	Profit / Loss after tax	(4,20,820)	16,11,54,253
5) Foreign investments or collaborations	There are no foreign investments or collaborations in the Company.		
INFORMATION ABOUT THE APPOINTEE			
1) Background details	Mahendra Krushnakumar Kothari aged 71 years has pursued two years of Diploma in Mechanical Engineering and has vast and varied experience in manufacturing of dyes, dyes intermediates and chemicals for more than 35 years. He is well conversant with the industry, commerce and trade.		
2) Past Remuneration	Mahendra Krushnakumar Kothari was paid ₹ 2,70,000/- per annum as remuneration.		
3) Recognition of Awards	None		
4) Job Profile	Mahendra Krushnakumar Kothari will have the overall charge of business and administration of the Company and carry out such duties as may be entrusted on him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and any other executive body or any committee of the Company. He will devote such time and attention to the business of the Company as required by the Board and follow directions and instructions of the Board in performance of duties.		
5) Remuneration proposed	Remuneration proposed to be paid to Mahendra Krushnakumar Kothari is set out in the resolution and explanatory statement forming part of resolution Item No.3 accompanying the notice.		
6) Comparative Remuneration	Remuneration proposed to be paid to Mahendra Krushnakumar Kothari, as recommended by the Nomination and Remuneration Committee has been approved by the Board considering the position, industry standards, past remuneration, responsibilities, etc.		
7) Pecuniary Relationships	Shrikant Krushnakumar Kothari being brother of Mahendra Krushnakumar Kothari is interested in the said resolution. Apart from receiving remuneration as Managing Director of the Company, Mahendra Krushnakumar Kothari does not hold any pecuniary relationship with the Company.		
OTHER INFORMATION			
1) Reason for loss	The Company is facing difficulties to restart its manufacturing activities due to financial constraints and was unable to achieve the desired level of sales revenue.		
2) Steps taken or proposed to be taken for improvement	The Company is making efforts to arrange funds for restarting the manufacturing activities.		
3) Expected increase in productivity and its profits in measurable terms	As there was no manufacturing activity undertaken by the Company due to financial constraints, the expected increase in productivity or profit cannot be estimated.		

**DISCLOSURES:****1. Term of Office:**

- a) Mahendra Krushnakumar Kothari shall hold office and act as Managing Director of the Company for the period of two (2) years commencing from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019.

**2. Nature of Duties:**

- a) Mahendra Krushnakumar Kothari will be in overall charge of business and administration of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and any other executive body or any committee of the Company.
- b) Mahendra Krushnakumar Kothari will employ the best of his skill and ability to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.
- c) Mahendra Krushnakumar Kothari will devote such time and attention to the business of the Company as required by the Board and follow directions and instructions of the Board in performance of duties.

**3. Remuneration:**

- a) Salary: The Company shall pay ₹ 22,500 /- on a monthly basis.
- b) Provident Fund and Superannuation Fund, etc: No Provident Fund and Superannuation Fund shall be paid.
- c) Mahendra Krushnakumar Kothari will not be entitled to receive any buying or selling commission and shall not become interested directly or through your wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government, if any.
- d) Mahendra Krushnakumar Kothari shall be entitled to retain all fees and commission which may be received as a Director of any other Company or as a Trustee of any Fund or any association or as a Trustee for the holders of debentures or debenture stocks issued by any other Company.
- e) Mahendra Krushnakumar Kothari shall not be entitled to sitting fees for attending meetings of the Board or Committee thereof. However, he will be reimbursed with the actual travelling expenses incurred for attending Meetings of the Board of Directors and/or Committee thereof.
- f) Mahendra Krushnakumar Kothari shall be entitled to the reimbursement of expenses actually and properly incurred for the business of the Company.

**4. Other Terms:**

- a) All Personnel Policies of the Company and the related Rules, which are applicable to other employees of the Company, shall also be applicable to Mahendra Krushnakumar Kothari, unless specifically provided otherwise.
- b) The terms and conditions of appointment of Mahendra Krushnakumar Kothari include clauses pertaining to adherence with the Company's Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.
- c) Mahendra Krushnakumar Kothari shall be liable to retire by rotation as a Director subject to the provisions of Section 152 of the Companies Act, 2013. Such a retirement will not be deemed to be a break in his appointment.
- d) The terms and conditions of appointment of Mahendra Krushnakumar Kothari may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and Mahendra Krushnakumar Kothari, subject to such approvals as may be required.
- e) In the event Mahendra Krushnakumar Kothari is not in a position to discharge official duties due to any physical or mental incapacity, the Board shall be entitled to terminate the contract on such terms as the Board may consider appropriate in the circumstances.



- f) Upon the termination by whatever means of Mahendra Krushnakumar Kothari's employment:
- i) He may continue as a Director of the Company and from such other offices held by him in any subsidiaries and associated companies and other entitles without claim for compensation for loss of office and in the event of his failure to do so the Company is hereby irrevocably authorized to appoint some person in your name and on his behalf to sign and deliver such resignation or resignations to the Company and to each of the subsidiaries and associated companies of which he is at the material time a Director or other officer;
  - ii) He shall not without the consent of the Company at any time thereafter represent yourself as connected with the Company or any of the subsidiaries and associated companies.

**By Order of the Board of Directors**

**Anita Ashok Pandey**  
**Company Secretary and Compliance Officer**  
**A38637**

**Place: Mumbai**

**Date: 8<sup>th</sup> August, 2018**

Registered Office:

JD Orgochem Limited

301, Sumer Kendra, P.B Marg, Worli, Mumbai – 400 018

CIN: L24100MH1973PLC016908

Tel No.: 022 3042 3048

Fax No.: 022 3042 3434

E-mail id: investor.relations@jdorgochem.com

Website: www.jdorgochem.com

**ANNEXURE TO THE NOTICE**

Particulars of the Directors seeking appointment or reappointment at the ensuing 44<sup>th</sup> Annual General Meeting as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2).

<b>Name of Director</b>	Nikhil Sharadchandra Kothari	Mahendra Krushnakumar Kothari
<b>Directors Identification Number (DIN)</b>	00184152	00183613
<b>Date of Birth</b>	15 <sup>th</sup> July, 1970	01 <sup>st</sup> May, 1947
<b>Age</b>	48 years	71 years
<b>Qualifications</b>	B.E in Electronics	Two years of Diploma in Mechanical Engineering.
<b>Nature of Expertise</b>	Expertise in business and administration related matters.	Expertise in project management and manufacturing of dyes, dyes intermediates
<b>Experience</b>	Vast experience in the field of management and administration	Vast experience in manufacturing of dyes, dyes intermediates and chemicals
<b>Terms and conditions of reappointment along with details of remuneration sought to be paid</b>	Not Applicable	The terms and conditions for reappointment are the same as per the appointment letter. The remuneration sought to be paid is ₹22,500/- per month
<b>Remuneration last drawn</b>	₹30,000/- towards sitting fees for the financial year ended 31 <sup>st</sup> March, 2018	₹2,70,000/- per annum for the financial year ended 31 <sup>st</sup> March, 2018
<b>Date of Appointment on the Board</b>	04 <sup>th</sup> November, 2015	05 <sup>th</sup> October, 1973 as a Director Appointed as Managing Director for a period of two years with effect from 4 <sup>th</sup> November, 2017 upto 03 <sup>rd</sup> November, 2019 subject to ratification by members in this 44 <sup>th</sup> Annual General Meeting
<b>No. of shares held</b>	3397748 Equity Shares	Nil
<b>Relationship with other Directors and Key Managerial Personnel</b>	None	Brother of Shrikant K. Kothari who is Non-Executive Director of the Company
<b>No. of Board Meeting attended during the financial year 2017-18</b>	4	5
<b>Name of other Companies in which he holds directorships*</b>	1. Jaysynth Dyestuff (India) Limited 2. Jaysynth Impex Limited	Nil
<b>Membership/Chairmanship of Committees in other Companies**</b>	1. Jaysynth Impex Limited – Corporate Social Responsibility Committee (Member) 2. Jaysynth Dyestuff (India) Limited - Stakeholders Relationship Committee (Member)	None

\*Excludes directorship in Private Companies.

\*\*Excludes Membership/Chairmanship of Committees in Private Companies.

**By Order of the Board of Directors**

**Place: Mumbai**  
**Date: 8<sup>th</sup> August, 2018**

**Anita Ashok Pandey**  
**Company Secretary and Compliance Officer**  
**A38637**

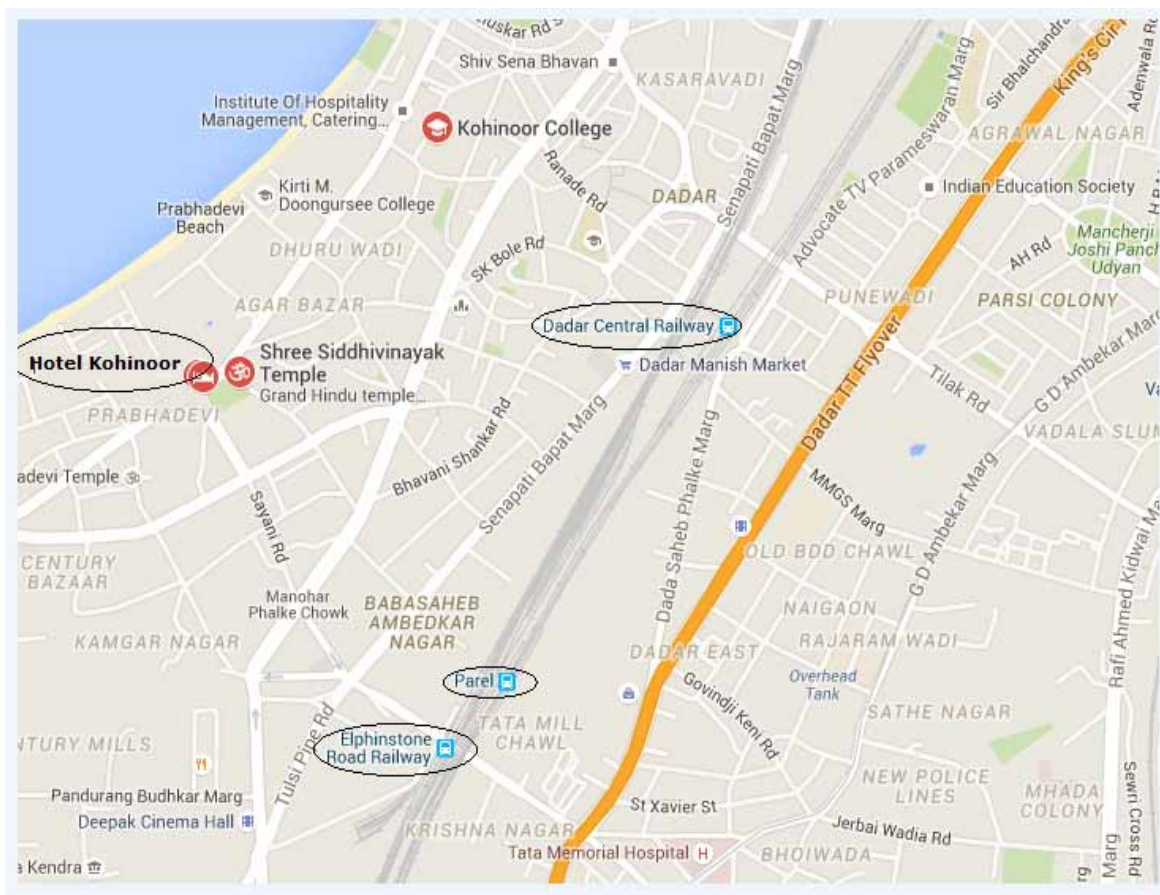
Registered Office:  
JD Orgochem Limited  
301, Sumer Kendra, P.B Marg, Worli, Mumbai – 400 018  
CIN: L24100MH1973PLC016908  
Tel No.: 022 3042 3048  
Fax No.: 022 3042 3434  
E-mail id: investor.relations@jdorgochem.com  
Website: www.jdorgochem.com



**ROUTE MAP FOR THE 44<sup>th</sup> ANNUAL GENERAL MEETING VENUE**

Address: Hotel Kohinoor Park, Kohinoor Corner, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025

Landmark: Opp Siddhivinayak Temple







## JD ORGOCHEM LIMITED

CIN: L24100MH1973PLC016908

Registered Address: 301, Sumer Kendra, P.B. Marg, Worli, Mumbai - 400 018

Tel No.: 022 - 3042 3048 Fax No.: 022 - 3042 3434

E-mail Id: [investor.relations@jdorgochem.com](mailto:investor.relations@jdorgochem.com) Website: [www.jdorgochem.com](http://www.jdorgochem.com)

### ATTENDANCE SLIP

44<sup>th</sup> Annual General Meeting being held on Thursday, 27<sup>th</sup> September, 2018

<b>Folio No./DP ID/Client ID No.</b>	
<b>Name and Address of the Registered Shareholder</b>	
<b>Name of the Proxy/Authorised Representative and their Address</b>	
<b>Name of First Joint Holder</b>	
<b>Name of Second Joint Holder</b>	
<b>No. of Shares held</b>	

I/ We certify that I/ We am/are member(s)/Proxy/Authorised Representative for the member(s).

I/ We hereby record my/our presence at the 44<sup>th</sup> Annual General Meeting being held on Thursday, 27<sup>th</sup> September, 2018, at 10.00 a.m at Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025.

<b>Signature of First Named Member/ Proxy/Authorised Representative</b>	
<b>Signature of First Joint Holder</b>	
<b>Signature of Second Joint Holder</b>	

#### Note(s):

1. Please sign this attendance slip and hand it over the attendance verification counter at the meeting venue.
2. Only shareholders of the Company and/or their proxy/Authorised Representative will be allowed to attend the meeting.





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**JD ORGOCHEM LIMITED**

CIN: L24100MH1973PLC016908

Registered Address: 301, Sumer Kendra, P.B. Marg, Worli, Mumbai - 400 018

Tel No.: 022 - 3042 3048 Fax No.: 022 - 3042 3434

E-mail Id: [investor.relations@jdorgochem.com](mailto:investor.relations@jdorgochem.com) Website: [www.jdorgochem.com](http://www.jdorgochem.com)**Form No. MGT-11****PROXY FORM***[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN:	L24100MH1973PLC016908
Name of the Company:	JD Orgochem Limited
Registered Address:	301, Sumer Kendra, P. B. Marg, Worli, Mumbai - 400 018
Name of the Member(s):	
Address of Member:	
E-mail ID:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of \_\_\_\_\_, holding \_\_\_\_\_ shares of the above named Company, hereby appoint

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him / her

Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll/tab) for me/us and on my/our behalf at the 44<sup>th</sup> Annual General Meeting being held on Thursday, 27<sup>th</sup> September, 2018 at 10.00 a.m. at Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr No:	Resolutions	For*	Against*
<b>Ordinary Business:</b>			
1	To receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2018, together with Board's Report and the Auditors' Report thereon.		
2	To appoint a Director in place of Nikhil Sharadchandra Kothari (DIN: 00184152), who retires by rotation and being eligible offers himself for reappointment.		
<b>Special Business</b>			
3	To ratify the reappointment of Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director of the Company for a period of two (2) years.		

Signed this on \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
Signature of Member(s)\_\_\_\_\_  
Signature of the Proxy Holder(s)

Affix ₹ 1/- Revenue Stamp
------------------------------------

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy need not be Member of the Company.**



## E-VOTING INSTRUCTIONS

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to provisions under Secretarial Standards on General Meetings (SS-2), the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be considered at the 44<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through e-voting services arranged by Central Depository Services (India) Limited. The Members may cast their votes using an electronic voting system from a place other than the venue of the 44<sup>th</sup> Annual General Meeting ("remote E-voting").
- ii. The remote e-voting period commences on Monday, 24<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on Wednesday, 26<sup>th</sup> September, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, 20<sup>th</sup> September, 2018 may cast their vote by remote E-voting. The remote E-voting module shall be disabled by Central Depository Services (India) Limited for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii. The Company has appointed Shilpa Mishra of M/s. KDT & Associates (Membership Number: A30141, Certificate of Practice Number: 15443), Practising Company Secretary, to act as the Scrutiniser to scrutinise remote e-voting process and voting at the 44<sup>th</sup> Annual General Meeting in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the same purpose.
- iv. The consolidated Results of remote e-voting and voting at the 44<sup>th</sup> Annual General Meeting shall be declared within 48 hours after the conclusion of 44<sup>th</sup> Annual General Meeting of the Company. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.jdorgochem.com](http://www.jdorgochem.com) and on the website of Central Depository Services (India) Limited [www.evotingindia.com](http://www.evotingindia.com) and the same shall also be communicated to BSE Limited where the shares of the Company are listed.

### A. The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins on Monday, 24<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on Wednesday, 26<sup>th</sup> September, 2018 (5.00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, 20<sup>th</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders/Members.
- iv. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.  
If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any

other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN of JD Orgochem Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**BOARD'S REPORT**

Dear Members,

Your Directors hereby present their 44<sup>th</sup> (Forty Fourth) Annual Report on the business and operations of the Company and the financial statements for the financial year ended 31<sup>st</sup> March, 2018.

**1. FINANCIAL SUMMARY**

The audited financial statements for the financial year ended 31<sup>st</sup> March, 2018, forming part of this 44<sup>th</sup> Annual Report, have been prepared in accordance with the Indian Accounting Standards (IND AS) as notified by the Ministry of Corporate Affairs.

Comparative key figures pertaining to financial performance of your Company is provided herein below:

(Amt in ₹)

PARTICULARS	FY 2017-2018	FY 2016-2017
Revenue from Operations	11,998,750	5,368,630
Other Income	1,594,411	1,965,920
<b>Total Income</b>	<b>13,593,161</b>	<b>7,334,550</b>
Loss before exceptional item, extraordinary item and depreciation	(5,199,687)	(4,594,541)
Depreciation	(7,026,685)	(7,026,685)
<b>Loss before Exceptional Item, Extraordinary Item and Tax</b>	<b>(12,226,372)</b>	<b>(11,621,226)</b>
Add: Exceptional Item	300,000	283,136
Add: Extraordinary Item	11,509,412	172,492,500
<b>Profit/(Loss) before Tax</b>	<b>(416,960)</b>	<b>161,154,410</b>
Less: Tax expense - prior year	(3,860)	(157)
<b>Profit/(Loss) for the year</b>	<b>(420,820)</b>	<b>161,154,253</b>
Add: Other comprehensive income	(1,050,563)	204,210
<b>Total comprehensive income for the year</b>	<b>(1,471,383)</b>	<b>161,358,463</b>
<b>Earnings per share:</b>		
- Basic	(0.11)	12.18
- Diluted	(0.11)	12.18

**2. DIVIDEND**

Your Directors do not recommend dividend for the financial year under review due to losses made by the Company.

**3. TRANSFER TO RESERVES**

No amount has been transferred to reserves due to the accumulated losses.

**4. REVIEW OF PERFORMANCE**

During the financial year under review the revenue from operations aggregated to ₹ 11,998,750/- as against ₹5,368,630/- during the previous financial year. The Company incurred loss before accounting for depreciation, exceptional, extra ordinary item and comprehensive income amounting to ₹ 5,199,687/- during the financial year under review as against loss of ₹ 4,594,541/- during the previous financial year. However, the net loss during the year, before accounting for extraordinary item and comprehensive income was ₹ 11,926,372/- as against ₹ 11,338,090/-.

**5. SHARE CAPITAL**

The paid up equity share capital as on 31<sup>st</sup> March, 2018 was ₹1,32,50,000/- divided into 1,32,50,000 equity shares of face value of ₹ 1/- each. During the financial year under the review the Company has not issued any shares.

**6. STATE OF COMPANY'S AFFAIR**

During the financial year under review, the Company could not achieve the desired level of sales revenue in trading operations. In view of huge cost involved in restarting of manufacturing activity at Patalganga unit, the Company could not undertake the manufacturing operations. Also on going labour dispute and litigation are another big hurdle for commencement of production activity.

**7. CHANGE IN THE NATURE OF BUSINESS**

During the financial year under review, there has been no change in the nature of business of your Company.

## **8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

Pursuant to the provision of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during the financial year under review, there are no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## **9. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company adheres to its policies, practices, procedures and systems ensuring orderly and effective conduct of its business, including prevention and detection of frauds and errors, safeguarding of its assets, accuracy & completeness of accounting records and timely preparation of reliable financial information ensuring in the compliance of Company's objective efficiently.

Your Company has an adequate internal financial control system in accordance to the size of the Company and nature of business. Further, the internal control processes are reviewed periodically by an Independent Internal Auditor, who is a qualified Chartered Accountant. Necessary changes and suggestions made in the Internal Audit Report are placed before the Audit Committee and Board Meeting for their review and noting.

## **10. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN END OF THE FINANCIAL YEAR OF THE COMPANY AND DATE OF THIS REPORT.**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.

## **11. ANNUAL EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND THE INDIVIDUAL DIRECTORS.**

Pursuant to the provisions of Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees. The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The entire Board carried out performance evaluation of each Independent Director excluding the Independent Director being evaluated. Nomination and Remuneration Committee also carried out evaluation of every Director's performance, the performance of the Board, its Committees. Evaluation parameters of the Board and Committees were mainly based on Policy adopted by the Board and also considered disclosure of information, key functions of the Board and Committees, responsibilities of the Board and Committees, Corporate Governance Norms etc. The Board/ Committee structure and composition, frequency of board meetings, participation of directors in the meeting, execution and performance of specific duties of the Board of Directors, review of board's competency, experience, contribution etc.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

## **12. DETAILS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to the provision of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo are provided in **ANNEXURE - I** of this Report.

## **13. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES**

All transactions that were entered into with the related parties during the financial year ended 31<sup>st</sup> March, 2018 were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the financial year under review that would require Member's approval under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 hence disclosure under **Form AOC-2** is not applicable as required under the provisions of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Prior omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Further there are no materially significant related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large except as stated in the Financial Statements. The Company has adopted a material related party transactions Policy approved by the Board and is displayed on the Company's website and the weblink of the same is [http://www.jdorgochem.com/pdf/policies/Policy\\_of\\_material\\_related\\_party\\_transaction.pdf](http://www.jdorgochem.com/pdf/policies/Policy_of_material_related_party_transaction.pdf)



#### **14. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the financial year under review, your Board of Directors at their Meeting held on 30<sup>th</sup> October, 2017 reappointed Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director for a period of two years commencing from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019. Further your Company seek approval of Members regarding the reappointment of Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director for a period of two years in this 44<sup>th</sup> Annual General Meeting.

In accordance with Section 152(6) of the Companies Act, 2013 and Article 100 of the Articles of Association of the Company, Nikhil Sharadchandra Kothari (DIN: 00184152), Non-Executive Director of the Company retires by rotation at the ensuing 44<sup>th</sup> Annual General Meeting, being eligible offers himself for reappointment.

Hiral Ramesh Shah resigned as a Company Secretary and Compliance Officer of the Company w.e.f. 28<sup>th</sup> February, 2018. Anita Ashok Pandey was appointed as Company Secretary and Compliance Officer w.e.f. 23<sup>rd</sup> May, 2018.

#### **15. DETAILS OF DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013**

Your Company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013 and rules framed thereunder. Further there are no deposits outstanding hence there were no instances inviting non compliance of the requirements of Chapter V of the Companies Act, 2013.

#### **16. DEBENTURES AND DEBENTURE TRUSTEE**

As on 31<sup>st</sup> March, 2018, there were 16,04,000 Zero Coupon Non-Convertible Debentures outstanding having face value of ₹100/- each. IDBI Trusteeship Services Limited acts as Debenture Trustee of the Company having their registered office at Ground floor, Asian Building 17 Kamani Marg, Ballard Estate, Mumbai – 400 001.

#### **17. EXTRACT OF ANNUAL RETURN**

The extract of Annual Return in Form MGT-9 for the financial year ended 31<sup>st</sup> March, 2018 made under the provisions of Section 92(3) of the Companies Act, 2013 is annexed as **ANNEXURE - II** which forms part of this report.

#### **18. MEETINGS OF THE BOARD AND THEIR COMMITTEES**

- a) **Board** - The composition of your Board is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Company's Board comprises of Six (6) directors which includes Mahendra Krushnakumar Kothari, Chairman and Managing Director, Bharati Ravindra Chandan – Independent Woman Director, Mitesh Dilip Sejjal - Independent Director, Nikhil Sharadchandra Kothari – Non-Executive Director, Shrikant Krushnakumar Kothari – Non-Executive Director and Umesh Trikamdas Chandan – Independent Director. Five meetings of the Board of Directors were held during the financial year under review. The particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report annexed as **ANNEXURE – IV**, which forms part of this Report
- b) **Audit Committee** - The Audit Committee consists of three (3) Independent Directors and one (1) Non – Executive Director with Umesh Trikamdas Chandan as Chairman of the Committee. The other members of the Audit Committee consists of Mitesh Dilip Sejjal, Shrikant Krushnakumar Kothari, and Bharati Ravindra Chandan.
- c) **Nomination and Remuneration Committee** - The Nomination and Remuneration Committee consists entirely of Independent Directors with Mitesh Dilip Sejjal as Chairman of the Committee. The other members of the Nomination and Remuneration Committee are Umesh Trikamdas Chandan and Bharati Ravindra Chandan.
- d) **Stakeholders Relationship Committee** – The Stakeholders Relationship Committee consists of Umesh Trikamdas Chandan as Chairman of the Committee. The other members of the Stakeholders Relationship Committee are Mahendra Krushnakumar Kothari and Shrikant Krushnakumar Kothari.

The terms of reference of all the Committees, details of meetings of the Committees and attendance of the directors held during the financial year ended 31<sup>st</sup> March, 2018 are set out in the Corporate Governance Report annexed as **ANNEXURE – IV** which forms part of this Report.

#### **19. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirements of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the Annual Financial Statements, the applicable accounting standards have been followed and there are no material departures;
- b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial Year and of the profit for that period;

- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual financial statements on a going concern basis;
- e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 20. REPORTING OF FRAUD BY AUDITORS

There were no instances of fraud reported by the Auditors for the financial year ended 31<sup>st</sup> March, 2018.

## 21. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of your Company have furnished requisite declaration that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 22. SEPARATE MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Secretarial Standards, Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate meeting of independent directors was held on 9<sup>th</sup> November, 2017 and considered the following agenda at the meeting:

- a) Review the performance of Non – Independent Directors and the Board of Directors as a whole;
- b) Review performance of the Chairman, taking into account the views of the Executive Directors and Non – Executive Directors;
- c) Assess the quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 23. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF AN INDEPENDENT DIRECTOR AND CRITERIA FOR EVALUATION.

The appointment of the Directors and their remuneration is as per Policy of the Company which also mentions the criteria for determining qualifications, positive attributes and independence of Directors. The Policy along with the Board Diversity Policy aims at appointing individuals of high calibre and from diverse background and with varied experience to serve on the Board for guiding the management team to enhance organizational performance. The detailed Remuneration Policy is mentioned in the Corporate Governance Report attached to the report as **ANNEXURE - IV**.

## 24. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

- a) **Statutory Auditor's Report** - The observations made in the Auditor's Report of Hiren C. Sanghavi & Associates, Chartered Accountants, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditor's in his Report.
- b) **Secretarial Auditor's Report** – During the year under review, Esha Taishete of M/s. KDT & Associates resigned from her office and in her place Kaushal Dalal, partner of M/s. KDT & Associates, Company Secretaries carried out the secretarial audit and signed the Report. The report of Secretarial Auditor does not contain any qualification, reservation, adverse remark or disclaimer. The Secretarial Audit Report in Form MR-3 is annexed as **ANNEXURE -III**, which forms part of this Report.
- c) **Cost Audit Report** - The Company is not required to conduct a Cost Audit hence there was no Cost Audit Report placed at the Board.

## 25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Detailed particulars of loans, guarantees and investments pursuant to Section 186 of the Companies Act, 2013 have been disclosed in the financial statements forming part of this annual report.

## 26. PREVENTION OF SEXUAL HARASSMENT

Your Company believes that all employees have the right to be treated with dignity and has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made there under to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and matters connected or incidental thereto.





Further in compliance of the aforesaid Act, Company has also set up an Internal Complaints Committee to redress the complaints received from employees irrespective of them being permanent, contractual or temporary trainees. Details of the complaints relating to the incidents of sexual harassment and workshop conducted by the Company are mentioned below:

Number of complaints pending at the beginning of the financial year	NIL
Number of complaints received during the financial year	NIL
Number of complaints disposed off during the financial year	NIL
Number of complaints pending at the end of the financial year	NIL
Number of workshops conducted during the financial year	1

The Company has also uploaded the Policy on Prevention of Sexual harassment at workplace on the website of the Company and the weblink of the same is <http://www.jdorgochem.com/pdf/policies/Prevention of Sexual Harrassment.pdf>

## **27. SAFETY, HEALTH AND ENVIRONMENT**

Health and safety of the employees are considered one of the most important and integral aspects of the work. All the requisites steps towards fulfilling safety requirements and norms are adopted by the Company and its employees. Company ensures that the workmen are well aware of the safety procedures required to be followed while doing any activity of production. The Company ensures compliances of regulatory requirements under environmental laws.

## **28. RISK MANAGEMENT**

The Company is not required to comply with the Regulation 21 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. However, the Company makes constant effort to identify, assess, report and monitor the risk associated with the business of the Company. The policy for risk management is updated in the website of the Company and the weblink of the same is <http://www.jdorgochem.com/pdf/policies/Risk%20Management%20Policy.pdf>

## **29. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013, relating to CSR is not applicable to the Company as the Company is incurring losses since previous financial years.

## **30. PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Board's Report for the financial year ended 31<sup>st</sup> March, 2018 is not being sent along with this Report to the Members of the Company but is maintained as separate annexure with the Company. In line with the provisions of Section 136 of the Companies Act, 2013, Members who are interested in obtaining these particulars may write to the Company Secretary and Compliance Officer. The aforesaid Annexure is also available for inspection by Members at the Registered Office of the Company, on all days (excluding Saturdays and Sundays) between 11:00 a.m. to 1:00 p.m. upto the date of the 44<sup>th</sup> Annual General Meeting.

## **31. CORPORATE GOVERNANCE**

Your Company aims and constantly strives in maintaining the highest standards of Corporate Governance practices. Your Company complies with all mandatory requirements as stipulated under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Report on Corporate Governance along with the Auditor's Certificate on its compliance is annexed as **ANNEXURE - IV** to this Board's Report. A declaration signed by the Managing Director in regard to compliance with the Code of Conduct by the Board members and Senior Management Personnel also forms part of the Corporate Governance Report.

## **32. AUDITORS**

- Internal Auditor** - Your Company had appointed Nisha Mody of M/s. Nisha Mody & Associates, Chartered Accountant as an Internal Auditor for the financial year 2017 -18. She has conducted the Internal Audit of the Company on periodical intervals and reports of the same were placed before the Audit Committee Meeting and Board of the Directors meeting for their noting and approval.
- Secretarial Auditor** - In compliance with the provisions of Section 204 of the Companies Act, 2013 and rules framed thereunder, the Board of Directors had appointed M/s KDT & Associates, Practising Company Secretary for the financial year 2017-18 to carry out secretarial audit of the Company.
- Statutory Auditor** - Tenure of M/s. Maganlal & Ajay Mehta ended with the audit of the financial year 2016-17. On recommendation of Audit Committee, the Board of Directors approved the proposal of appointment of Hiren C. Sanghavi of M/s. Hiren C. Sanghavi & Associates (Firm Registration Number: 112057W) as Statutory Auditor of the Company for the term

of 5 years from the financial year 2017-18 onwards on such terms and conditions and remuneration as may be decided by the Board of Directors. The said appointment was approved by the Members of the Company at the 43<sup>rd</sup> Annual General Meeting held on 27<sup>th</sup> September, 2017.

\* Vide notification dated 07<sup>th</sup> May, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each Annual General Meeting has been done away with. Accordingly, no such item has been considered in notice of the 44<sup>th</sup> Annual General Meeting.

- d) **Cost auditor** – Your Company is not statutorily required to conduct Cost Audit hence Report of the same for the financial year ended 31<sup>st</sup> march, 2018 pursuant to provisions of the Companies (Cost Records and Audit) Rules, 2014 is not required to be placed before the Board for noting.

### 33. INSURANCE

All the assets of the Company are adequately insured.

### 34. VIGIL MECHANISM

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and requirements of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has a vigil mechanism which has been incorporated in the Whistle Blower Policy for Directors and employees to report genuine concerns. The Whistle Blower Policy also provides for adequate safeguards against victimization of persons who use vigil mechanism and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The Whistle Blower Policy is uploaded on the website of your Company and the weblink of the same is <http://www.jdorgochem.com/pdf/policies/Whistle%20Blower%20Policy.pdf>

### 35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34(2) read with the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is required to annex Management Discussion and Analysis Report of the Company to the Annual Report. In compliance of the above mentioned provisions, said report for the financial year ended 31<sup>st</sup> March, 2018 forms part of this report and is attached as **ANNEXURE – V**.

### 36. BOARD DIVERSITY

Your Company strongly believes having a diverse Board enhances the quality of decisions. Directors from varied background, experience and expertise will assist Company to view larger picture and analyse all aspects of business thereby resulting in better decision making and enhancing the business prospects. In view of the same, your Company has adopted a Board Diversity Policy and it has been displayed on the website of the Company and the weblink of the same is <http://www.jdorgochem.com/pdf/policies/Board%20Diversity%20Policy.pdf>

### 37. GREEN INITIATIVES

Ministry of Corporate Affairs encourages and supports green initiatives in Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send all communications to its shareholders to their respective registered e-mail addresses. Your Company appeals to its shareholders, who are yet to register their e-mail addresses and take necessary steps for registering the same so that they can also become a part of the green initiative and contribute towards a green environment.

As per the SEBI circular dated 20<sup>th</sup> April, 2018, all the listed companies are required to record the PAN of all the shareholders and bank account details of the registered shareholder. In view of the same, Registrar and Share transfer Agent has already issued first reminder letter to the shareholder of the Company. Further it is informed that as per the SEBI circular dated 08<sup>th</sup> June, 2018, shareholders are advised to dematerialize their physical securities since request for effecting transfer of physical securities (except in case of transmission and transposition of securities) shall not be permitted from 05<sup>th</sup> December, 2018.

### 38. DISCLOSURE OF ACCOUNTING TREATMENT

Your Company has followed requisite Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable in preparation of financial statements.

### 39. INDIAN ACCOUNTING STANDARDS

Your Company has adopted Indian Accounting Standards with effect from 01<sup>st</sup> April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16<sup>th</sup> February, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015.

### 40. HUMAN RESOURCES

Employees are considered to be one of the most important assets and one of the most critical resources in the business which maximize the effectiveness of the organization. Human resources build the enterprise and create the sense of belonging that would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems.



As reported earlier, the possession of the erstwhile Turbhe unit of the Company was taken over by majority of secured creditors under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) on 29<sup>th</sup> December, 2006. As regards to the legal matters pertaining to certain workmen of the said Turbhe Unit, pending before various courts and legal forums, there is no material change during the year.

Dues of the workers at Patalganga unit, as already informed, were settled and paid pursuant to the consent order passed by the Hon'ble High Court of Bombay in October, 2003. However, certain workers filed an appeal against the consent order before the Division bench of the Hon'ble High Court, Bombay, which was dismissed in July, 2005. Thereafter an appeal filed before Hon'ble Supreme Court of India by the aforesaid workmen was subsequently withdrawn by the concerned workers. Thereafter, the workers union took up the same in conciliation before Asst. Commissioner Labour, Panvel, Dist. Raigad. On failure of the conciliation proceedings, the Labour Commissioner referred the matter to Industrial Tribunal, Thane, for adjudication. The Company challenged the order of adjudication passed by Labour Commissioner, before the Division Bench of Hon'ble High Court, Bombay and as per the directions given by the Hon'ble High Court, Bombay the said adjudication before the Industrial Court has been stayed and the matter is pending.

#### **41. SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards.

#### **42. OTHER DISCLOSURES**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

- a) The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- b) The Company has not issued any sweat equity shares during the financial year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- c) The Company has not issued any equity shares under Employees Stock Option Scheme during the financial year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.
- d) During the financial year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014 is furnished.

#### **43. ACKNOWLEDGEMENT AND APPRECIATION**

Your Board expresses their gratitude towards all the employees of the Company for their sincere, consistent and dedicated efforts towards the Company. They would also like to thank all other stakeholders of Company viz; Bankers, Suppliers, Customers and Financial Institution for their continued cooperation and support received by the Company.

**For and behalf of the Board**

**Place: Mumbai**  
**Date: 08<sup>th</sup> August, 2018**

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

## Annexure – I

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014

Information in accordance with the provision of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

#### A. Conservation of Energy-

##### i. Your Company adopts the following steps towards conservation of energy

1. Switching off equipments whenever not in use.
2. Printing only important documents.
3. Creating awareness amongst the employees for energy saving.

##### ii. The steps taken by the Company for utilising alternate sources of energy

There are no specific steps taken by the Company for utilising alternate sources of energy.

##### iii. The capital investment on energy conservation equipments

The Company has not made any capital investment on energy conservation equipments during the financial year 2017-18.

#### B. Technology absorption

##### i. The efforts made towards technology absorption

The Company had not made any major or path breaking efforts towards technology absorption.

##### ii. The benefits derived like product improvement, cost reduction, product development or import substitution

As there were no efforts towards technology absorption there were no benefits derived as such.

##### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

The Company did not import any technology.

##### iv. Research and Development

The Company has not incurred any expenditure on Research and Development during the financial year 2017-2018.

#### C. Foreign exchange earnings and Outgo

The Company did not have any foreign exchange earnings and outgo as required under the provisions of Section 134 of the Companies Act, 2013.

**For and on behalf of the Board**

**Place: Mumbai**

**Date: 08<sup>th</sup> August, 2018**

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**ANNEXURE - II****Form No. MGT.9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2018***[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]***I. REGISTRATION AND OTHER DETAILS:**

i)	Corporate Identification Number	L24100MH1973PLC016908
ii)	Registration Date	05 <sup>th</sup> October, 1973
iii)	Name of the Company	JD Orgochem Limited
iv)	Company Category Sub Category of the Company	Company Limited by shares Non-Government Company
v)	Address of the Registered office and Contact Details	301, Sumer Kendra, P.B.Marg, Worli, Mumbai – 400 018 Tel No. : 022-3042 3048 Fax No. : 022-3042 3434 E-mail Id: investor.relations@jdorgochem.com Website: www.jdorgochem.com
vi)	Whether Listed Company (Yes/No)	Yes with BSE Limited
vii)	Name, address and Contact Details of Registrar and Transfer Agents, If any	<b>Registrar and Transfer Agent</b> Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No. : 022 – 4918 6270 Fax No. : 022 – 4918 6060 E-mail Id: rent.helpdesk@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the product/ service	% to total turnover of the Company
1	Dyes and Dyes Intermediates	20114	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NONE					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :****i. Category-wise ShareHolding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2018)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters :										
(1) Indian										
a. Individual/HUF	8077996	-	8077996	60.97	8077996	-	8077996	60.97	-	
b. Central Govt.	-	-	-	-	-	-	-	-	-	
c. State Govt(s)	-	-	-	-	-	-	-	-	-	
d. Bodies Corp.	379890	-	379890	2.86	379890	-	379890	2.86	-	
e. Bank / FI	-	-	-	-	-	-	-	-	-	
f. Any Other	-	-	-	-	-	-	-	-	-	
Sub Total (A)(1):-	8457886	-	8457886	63.83	8457886	-	8457886	63.83	-	
(2) Foreign										
a. NRI – Individuals	-	-	-	-	-	-	-	-	-	
b. Other Individuals	-	-	-	-	-	-	-	-	-	
c. Bodies Corp.	-	-	-	-	-	-	-	-	-	
d. Banks / FI	-	-	-	-	-	-	-	-	-	
e. Any Others	-	-	-	-	-	-	-	-	-	
Sub Total (A)(2):-	-	-	-	-	-	-	-	-	-	
Total Shareholding of Promoters(A)= (A) (1)+(A)(2)	8457886	-	8457886	63.83	8457886	-	8457886	63.83	-	
B. Public Shareholding :										
(1) Institutions :										
a. Mutual Funds	-	4700	4700	0.04	-	4700	4700	0.04	-	
b. Banks/FI	100	-	100	0.00	100	-	100	0.00	-	
c. Central Govt	-	-	-	-	-	-	-	-	-	
d. State Govt(s)	-	-	-	-	-	-	-	-	-	
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f. Insurance Companies	-	-	-	-	-	-	-	-	-	
g. FIs	100	8400	8500	0.06	100	8400	8500	0.06	-	
h. Foreign venture Capital Funds	-	-	-	-	-	-	-	-	-	
i. Others: Foreign Bank	800	-	800	0.01	800	-	800	0.01	-	
Unit Trust of India	-	600	600	0.00	-	600	600	0.00	-	
Sub Total (B)(1):-	1000	13700	14700	0.11	1000	13700	14700	0.11	-	
(2) Non-Institutions :										
a. Bodies Corporate :										
i. Indian	549072	36100	585172	4.42	481918	36100	518018	3.91	(0.51)	
ii. Overseas	-	-	-	-	-	-	-	-	-	



Category of Shareholders	No. of Shares held at the beginning of the year (as on 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (as on 31 <sup>st</sup> March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b. Individual :									
i. Individual Shareholders holding nominal share capital upto 1 lakh	2452964	717070	3170034	23.92	2530310	711770	3242080	24.47	0.55
ii. Individual shareholders holding nominal share capital in excess of 1 lakh	397112	-	397112	3.00	397112	-	397112	3.00	-
c. Others :									
i. Non-Promoters-Directors/ Relatives of Director	1400	2400	3800	0.03	1400	2400	3800	0.03	-
ii. NRI (Rep)	400	53800	54200	0.41	400	53800	54200	0.41	-
iii. NRI (Non – Rep)	200	100	300	0.00	333	100	433	0.00	0.00
iv. Trust	328349	-	328349	2.48	328349	-	328349	2.48	-
v. Clearing Members	16643	-	16643	0.13	13231	-	13231	0.10	(0.03)
vi. Hindu Undivided Family	221804	-	221804	1.67	220191	-	220191	1.66	(0.01)
vii. In Transit	-	-	-	-	-	-	-	-	-
Sub Total (B) (2):-	3967944	809470	4777414	36.06	3973244	804170	4777414	36.06	-
Total Public Shareholding (B)=(B)(1)+ (B) (2)	3968944	823170	4792114	36.17	3974244	817870	4792114	36.17	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand total (A+B+C)	12426830	823170	13250000	100.00	12432130	817870	13250000	100.00	-

**ii. Shareholding of Promoters:**

Sl. No.	Shareholder's Name	Shareholdings at the beginning of the year (as on 1 <sup>st</sup> April, 2017)			Shareholdings at the end of the year (as on 31 <sup>st</sup> March, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Parag Sharadchandra Kothari	4680248	35.32	-	4680248	35.32	-	-
2.	Nikhil Sharadchandra Kothari	3397748	25.64	-	3397748	25.64	-	-
3.	Jay Chemi Colour Pvt. Ltd.	379890	2.87	-	379890	2.87	-	-
<b>Total</b>		<b>8457886</b>	<b>63.83</b>	<b>-</b>	<b>8457886</b>	<b>63.83</b>	<b>-</b>	<b>-</b>

## iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Parag Sharadchandra Kothari</b>				
	At the beginning of the year	4680248	35.32	4680248	35.32
	At the end of the year	4680248	35.32	4680248	35.32
2.	<b>Nikhil Sharadchandra Kothari</b>				
	At the beginning of the year	3397748	25.64	3397748	25.64
	At the end of the year	3397748	25.64	3397748	25.64
3.	<b>Jay Chemi Colour Pvt Ltd</b>				
	At the beginning of the year	379890	2.87	379890	2.87
	At the end of the year	379890	2.87	379890	2.87

## iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholdings at the beginning of the year		Date Wise Increase / Decrease in Shareholding During the Year		Reason for Increase/ Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No of Shares		No. of shares	% of total shares of the company
1	LSC Securities Limited	342652	2.59	01/04/2017	-	-	342652	2.59
				31/03/2018	-	-	342652	2.59
2	Stressed Assets Stabilization Fund	328349	2.48	01/04/2017	-	-	328349	2.48
				31/03/2018	-	-	328349	2.48
3	Chhotalal Ramjibhai Bhandari	218320	1.65	01/04/2017	-	-	218320	1.65
				31/03/2018	-	-	218320	1.65
4	Kundan Chhotalal Bhandari	178792	1.35	01/04/2017	-	-	178792	1.35
				31/03/2018	-	-	178792	1.35
5	Ganesh Puri Goswami	79025	0.60	01/04/2017	-	-	79025	0.60
				23/02/2018	1000	Purchase	80025	0.60
				31/03/2018	-	-	80025	0.60
6	Mangal Bhanshali	66667	0.50	01/04/2017	-	-	66667	0.50
				31/03/2018	-	-	66667	0.50
7	Kanti C Dhandha	52700	0.40	01/04/2017	-	-	52700	0.40
				31/03/2018	-	-	52700	0.40
8	Yogesh Laxmidas Bhatia	47500	0.36	01/04/2017	-	-	47500	0.36
				31/03/2018	-	-	47500	0.36
9	Bhavna Darshan Mehta	0	0	01/04/2017	-	-	0	0
				26/01/2018	37251	Purchase	37251	0.28
				31/03/2018	-	-	37251	0.28
10	VSL Securities Private Limited	50000	0.38	01/04/2017	-	-	50000	0.38
				03/11/2017	(2980)	Sale	47020	0.35
				17/11/2017	(3000)	Sale	44020	0.33
				19/01/2018	(10227)	Sale	33793	0.26
				26/01/2018	(15)	Sale	33778	0.25
				31/03/2018	-	-	33778	0.25





Sl. No.	For Each of the Top 10 Shareholders	Shareholdings at the beginning of the year		Date Wise Increase / Decrease in Shareholding During the Year		Reason for Increase/ Decrease	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date of transaction	No of Shares		No. of shares	% of total shares of the company
11	Mehta Integrated Finance Limited	37251	0.28	01/04/2017	-	-	37251	0.28
				26/01/2018	(37251)	Sale	0	0
				31/03/2018	-	-	0	0
12	Laxmidas Hirji Thakkar	32650	0.25	01/04/2017	-	-	32650	0.25
				31/03/2018	-	-	32650	0.25

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mahendra Krushnakumar Kothari *</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
2	<b>Bharati Ravindra Chandan</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>Mitesh Dilip Sejpal</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4	<b>Nikhil Sharadchandra Kothari</b>				
	At the beginning of the year	3397748	25.64	3397748	25.64
	At the end of the year	3397748	25.64	3397748	25.64
5	<b>Shrikant Krushnakumar Kothari</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
6	<b>Umesh Trikamdas Chandan</b>				
	At the beginning of the year	300	0.00	300	0.00
	At the end of the year	300	0.00	300	0.00
7	<b>Narendra Ramanlal Shah</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
8	<b>Hiral Ramesh Shah **</b>				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

\*Mahendra Krushnakumar Kothari has been reappointed as Managing Director for a period of two years with effect from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019.

\*\* Hiral Ramesh Shah, Company Secretary and Compliance Officer resigned with effect from 28<sup>th</sup> February, 2018.

**V. INDEBTEDNESS :**

Indebtedness of the Company including interest outstanding /accrued but not due for payment.

(Amt in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	160,400,000	1,500,000	-	161,900,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in the Indebtedness during the financial year				
+ Additions	-	1,000,000	-	1,000,000
- Reduction	-	-	-	-
Net Change	160,400,000	2,500,000	-	162,900,000
Indebtedness at the end of the financial year				
i. Principal Amount	160,400,000	2,500,000	-	162,900,000
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	160,400,000	2,500,000	-	162,900,000

**VI. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL :****A) Remuneration to Managing Directors, Whole-time Directors and/or Manager:**

(Amt in ₹)

Sr. No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Mahendra Krushnakumar Kothari*	
1	<b>Gross Salary</b>		
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,70,000	2,70,000
	b) value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify		
	- Provident Fund & other Funds	-	-
<b>Total (A)</b>		<b>2,70,000</b>	<b>2,70,000</b>
Ceiling as per the Act		<b>5% of the net profits of the Company</b>	

*\* Mahendra Krushnakumar Kothari has been reappointed as Managing Director for a period of two years with effect from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019. Further your Company seek approval of Members regarding the reappointment of Mahendra Krushnakumar Kothari (DIN: 00183613) as Managing Director for a period of two years in this 44<sup>th</sup> Annual General Meeting.*



**B) Remuneration to other directors:**

(Amt in ₹)

SI No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	<b>Bharati Ravindra Chandan</b>	<b>Mitesh Dilip Sejpal</b>	<b>Umesh Trikamdas Chandan</b>	
	Fee for attending Board/ Committee Meetings	77,500/-	77,500/-	65,000/-	2,20,000/-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	77,500/-	77,500/-	65,000/-	2,20,000/-
2.	Other Non-Executive Directors	<b>Nikhil Sharadchandra Kothari</b>	<b>Shrikant Krushnakumar Kothari</b>		
	Fee for attending Board /Committee Meetings	30,000/-		50,500/-	80,500/-
	Commission	-		-	-
	Others, please specify	-		-	-
	Total (2)	30,000/-		50,500/-	80,500/-
	Total (B) =(1+2)				3,00,500/-
	Total Managerial Remuneration				3,00,500/-
	Overall Ceiling as per the Act				N.A.

**C) Remuneration to Key Managerial Personnels other than Managing Director/Manager/Whole Time Director:**

(Amt in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnels		Total Amount
		Company Secretary	Chief Financial Officer	
		Hiral Ramesh Shah*	Narendra Ramanlal Shah	
1.	<b>Gross Salary</b> (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of Salary under Section 17(3) Income-tax Act, 1961	255,180 - -	366,905 18,255 -	622,085 18,255 -
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- -	- -	- -
5.	Others, please specify - Provident Fund & other Funds	12,211	18,588	30,799
	<b>Total</b>	<b>267,391</b>	<b>403,748</b>	<b>671,139</b>

\* Hiral Ramesh Shah, Company Secretary and Compliance Officer resigned with effect from 28<sup>th</sup> February, 2018.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal Made, If any (give details)
A. COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NONE				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NONE				
Punishment					
Compounding					

For and on behalf of the Board

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**Place: Mumbai**  
**Date: 08<sup>th</sup> August, 2018**



**ANNEXURE - III**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

To,

The Members,

**JD ORGOCHEM LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s JD ORGOCHEM LIMITED** (hereinafter called "the Company"), incorporated on **05<sup>th</sup> October, 1973** having **CIN: L24100MH1973PLC016908** and Registered Office at **301, Sumer Kendra, P. B. Marg, Worli, Mumbai- 400 018**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on **31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, statutory registers, forms and returns filed and other records maintained by the Company for the Financial Year ended **31<sup>st</sup> March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-Laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Provisions of Overseas Direct Investment, External Commercial Borrowings are not applicable as the Company.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **Not Applicable**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- **Not Applicable**
  - e. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not Applicable**
  - f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not Applicable**
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not Applicable**

We have relied on the representation made by the Company and its officers for the systems and the mechanism formed by the Company for the Compliances under the applicable Acts and the regulations to the Company. The List of major head/groups of Acts/laws and regulations applicable to the Company is enclosed and marked as **Annexure –I**.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the year under review, there was no change in the Composition of the Board of Directors or its committee;

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent as per the provisions of the Companies Act, 2013 and the rules made thereunder, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through the unanimous consent of all the Board of Directors and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

1. The members of the Company vide Special Resolution passed at its 43<sup>rd</sup> Annual General Meeting held on 27<sup>th</sup> September, 2017 have approved for keeping the register of members of the Company maintained under the Section 88 of the Act, together with the Index of the Members and copies of Annual Return of the Company at the new registered office of the Registrar and Transfer Agents of the Company i.e. Link Intime India Private Limited situated at C- 101, 247 Park, L.B.S Marg, Vikhroli (west), Mumbai- 400 083.

**For KDT & Associates**  
***Practicing Company Secretaries***

**Date: 23<sup>rd</sup> April, 2018**  
**Place: Mumbai**

**Kaushal Dalal**  
**Partner**  
**M. No: 7141 CP No: 7512**



**ANNEXURE-I**

<b>Sr. No.</b>	<b>Name of the Other Acts</b>
1	Hazardous Waste (Management and Handling) Rules, 1989 amended 2000 and 2003
2	Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 amended 2000
3	Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996
4	Public Liability Insurance Act, 1991 amended 1992 and Rules
5	Factories Act, 1948
6	Labour Laws and other incidental Laws related to the employees appointed by the Company either on its payroll or on the contractual basis as related to the wages, provident fund, Gratuity, ESIC, Compensation etc
7	Information Technology Act, 2000
8	Consumer Protection Act, 1986
9	Acts Specified under the Direct and the Indirect tax
10	Acts prescribe under the Environmental Protection
11	Acts prescribe under the prevention and control of the pollution.
12	General Clauses Act, 1897

**For KDT & Associates**  
**Practicing Company Secretaries**

**Date: 23<sup>rd</sup> April, 2018**  
**Place: Mumbai**

**Kaushal Dalal**  
**Partner**  
**M. No: 7141 CP No: 7512**

To,

The Members,

**JD ORGOCHEM LIMITED**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and occurrence of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For KDT & Associates**  
**Practicing Company Secretaries**

**Date: 23<sup>rd</sup> April, 2018**  
**Place: Mumbai**

**Kaushal Dalal**  
**Partner**  
**M. No: 7141 CP No: 7512**

## ANNEXURE – IV

### REPORT ON CORPORATE GOVERNANCE

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company strongly believes that good governance practice is a pre-requisite to attainment of excellent performance in terms of all its stakeholders' value creation. Corporate Governance is considered as an important tool for shareholders protection and maximization of their long - term values. The Company's Corporate Governance policy aims towards attainment of high level of transparency, integrity, accountability and fairness in all facets of its operations. Good Corporate Governance contributes to a sustainable economic development of corporations by enhancing their performance and increasing shareholders' value. Your Company has complied with the requirements of Corporate Governance as laid down under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### A. BOARD OF DIRECTORS

##### i. COMPOSITION OF BOARD OF DIRECTORS

The composition of Board of Directors of the Company is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at the end of financial year 31<sup>st</sup> March, 2018, the total board strength comprises of the following:

Category of Directors	Number of Directors
Executive Director (Chairman and Managing Director)*	1
Non – Executive Promoter Director	1
Non – Executive, Non - Promoter Director	1
Independent Directors	2
Independent Woman Director	1
<b>Total strength of the Board</b>	<b>6</b>

*\* Mahendra Krushnakumar Kothari has been reappointed as Managing Director for a period of two years with effect from 04<sup>th</sup> November, 2017 to 03<sup>rd</sup> November, 2019.*

##### ii. DISCLOSURE OF INTER-SE RELATIONSHIP BETWEEN DIRECTORS

Except Mahendra Krushnakumar Kothari, Chairman and Managing Director being brother of Shrikant Krushnakumar Kothari, no other directors are inter se related to each other.

##### iii. ATTENDANCE OF BOARD OF DIRECTORS AT THE BOARD MEETING AND PREVIOUS ANNUAL GENERAL MEETING

The Board met Five (5) times during the financial year ended 31<sup>st</sup> March, 2018 and the maximum interval between any two board meetings did not exceed One Hundred and Twenty (120) days. The Company adheres to the Secretarial Standards on the Board Meetings as prescribed by the Institute of Company Secretaries of India. The date of the board meetings are finalized in a pre planned manner. Additional meetings are held as and when necessary. The Board has complete access to any information within the Company. Agenda and background notes on the Agenda containing all necessary information/documents are made available to the Board Members in a timely manner to enable them to discharge their responsibilities effectively and take informed decisions. The information as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per the provisions of the Companies Act, 2013 is regularly made available to the Board, whenever applicable, for discussion and consideration.

The details of Board meetings and attendance of the Directors and the attendance at the previous Annual General Meeting are mentioned herein below.

Sr No.	Name of Directors and their Category	Date of the Board meeting and attendance of Directors					Previous AGM attendance held on 27 <sup>th</sup> September, 2017
		25.05.2017	02.08.2017	30.10.2017	09.11.2017	13.02.2018	
Executive Director							
1	Mahendra Krushnakumar Kothari Chairman and Managing Director	Attended	Attended	Attended	Attended	Attended	Yes
Non - Executive Directors							
2	Nikhil Sharadchandra Kothari	Attended	Attended	Attended	Absent	Attended	Yes





Sr No.	Name of Directors and their Category	Date of the Board meeting and attendance of Directors					Previous AGM attendance held on 27 <sup>th</sup> September, 2017
		25.05.2017	02.08.2017	30.10.2017	09.11.2017	13.02.2018	
3	Shrikant Krushnakumar Kothari	Absent	Attended	Attended	Attended	Attended	Yes
<b>Independent Directors</b>							
4	Umesh Trikamdas Chandan	Attended	Attended	Attended	Attended	Absent	Yes
5	Mitesh Dilip Sejpal	Attended	Attended	Attended	Attended	Attended	No
6	Bharati Ravindra Chandan	Attended	Attended	Attended	Attended	Attended	Yes

**iv. NUMBER OF SHARES HELD BY NON – EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS:**

Sr No.	Name of the Directors	Number of Shares held
1.	Nikhil Sharadchandra Kothari	33,97,748
2.	Shrikant Krushnakumar Kothari	-
3.	Umesh Trikamdas Chandan	300
4.	Mitesh Dilip Sejpal	-
5.	Bharati Ravindra Chandan	-

**v. DETAILS OF OTHER DIRECTORSHIPS:**

In compliance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Independent Director of the Company is a Director in more than seven (7) Listed Companies. None of the existing Independent Director of the Company is a Whole Time Director in any listed company.

In compliance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the Director is a member of Committees in more than ten (10) Public Limited Companies or acts as a Chairman of more than five (5) committees across all listed Companies in which he is a Director.

Further in compliance with Section 165 of the Companies Act, 2013, none of the Directors is a Director in more than ten (10) Public Limited Companies (while considering the directorship of the Director, directorship in Dormant Company is not considered).

Sr. No.	Name of the Director	Directorship in other companies including JD Orgochem Limited*	Position in committees in companies including JD Orgochem Limited**	
			Chairmanship	Membership
1	Mahendra Krushnakumar Kothari	1	-	1
2	Nikhil Sharadchandra Kothari	3	-	1
3	Shrikant Krushnakumar Kothari	1	-	2
4	Bharati Ravindra Chandan	1	-	1
5	Mitesh Dilip Sejpal	1	-	1
6	Umesh Trikamdas Chandan	1	2	-

\* Includes Directorships of public limited companies or a private company that is either a holding or subsidiary company of a public company registered under Companies Act 1956/ Companies Act, 2013.

\*\*Includes only Audit Committee and Stakeholders' Relationship Committee of Public companies (whether listed or not).

**B. DETAILS OF FAMILIARISATION PROGRAMME IMPARTED TO INDEPENDENT DIRECTORS:**

Every Independent Director is issued a Letter of Appointment setting out terms and conditions, duties and responsibilities of Director. They are also updated with the developments in the business of the Company at each Board Meeting. Independent Directors can meet and discuss with Senior Management of the Company and get access to any information relating to the Company.

During the financial year ended 31<sup>st</sup> March 2018, the Company conducted a Familiarisation Programme for Independent Directors which was attended by all the Independent Directors. The details of the Familiarisation Programme imparted is displayed on the website of the Company and web link of the same is <http://www.jdorgochem.com/Familiarization.html>

**C. MEETING OF INDEPENDENT DIRECTORS:**

In compliance with the provisions of Schedule IV (Code of Independent Director) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met

on 9<sup>th</sup> November, 2017, without the attendance of Non - Independent Directors and Members of the management, to discuss the following:

- a) Review and evaluation of the performance of Non - Independent Directors and the Board of Directors as a whole.
- b) Review and evaluation of the performance of the Chairman of the Company, taking into account the view of the Executive and Non- Executive Directors.
- c) Review and evaluation of the quality, content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **D. COMMITTEES OF THE BOARD:**

The Company is in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in reference to constitution of committees. composition, terms of reference and duties & responsibilities of each committee is based on the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee meetings are held on a timely basis and such committees through its Chairman make necessary recommendations and/or observations and decisions which are placed before the Board for their information or approval.

##### **a) AUDIT COMMITTEE :**

###### **i. TERMS OF REFERENCE:**

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions;
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit



14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### **Explanation**

The term “related party transactions” shall have the same meaning as provided in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of Deviation:
  - i. quarterly statement of deviation(s) including report for monitoring agency, if applicable, submitted to stock exchange in terms of Regulation 32(1).
  - ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

#### **ii. COMPOSITION AND MEETINGS**

The Board has constituted a well-qualified Audit Committee. The Chairman of the Audit Committee is an Independent Director. All the members of the Committee are financially literate and possess accounting and financial management expertise.

The details of attendance of members at the meeting of Audit Committee of the Company are mentioned herein below.

Sr No.	Name of Directors and their Category	Chairman or Member	Date of Audit Committee Meetings and Attendance of Member				
			25.05.2017	02.08.2017	30.10.2017	09.11.2017	13.02.2018
1	Umesh Trikamdas Chandan (Independent Director)	Chairman	Attended	Attended	Attended	Attended	Absent
2	Bharati Ravindra Chandan (Independent Director)	Member	Attended	Attended	Attended	Attended	Attended
3	Mitesh Dilip Sejpal (Independent Director)	Member	Attended	Attended	Attended	Attended	Attended
4	Shrikant Krushnakumar Kothari (Non Executive Director)	Member	Absent	Attended	Attended	Attended	Attended

The Chief Financial Officer and Statutory Auditor are invitees to the meeting. The Company Secretary of the Company acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 27<sup>th</sup> September 2017 to answer shareholders queries.

**b) NOMINATION AND REMUNERATION COMMITTEE:**

**i. TERMS OF REFERENCE:**

1. Formulation of the criteria for determining qualifications, positive attributes, expertise, qualities, skills and independence of a director and recommend to the Board for its approval, criteria to be considered in selecting nominees for director (the "Director Criteria").
2. The committee shall develop, subject to approval by the Board, a process/ policy for an annual self evaluation of the performance of the Board, the individual directors and board committees in the governance of the Company and coordinates and oversees this annual self-evaluation.
3. Recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees of the Company.
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
6. Formulation of criteria for evaluation of performance of independent directors and board of directors;
7. Whether to extend or continue the term of appointment of the Independent director, on the basis of the report of performance evaluation of independent directors.

**RESPONSIBILITIES**

- Reviewing and reassessing the adequacy of the committee's charter as required and recommending changes to the Board.
- Reviewing and assessing its own performance on an annual basis.
- Developing and recommending to the Board a set of corporate governance guidelines applicable to the Company.
- Overseeing the Company's corporate governance practices, including reviewing the Company's corporate governance guidelines annually and recommending amendments to the Board as necessary.
- Monitoring compliance with the Company's corporate governance guidelines.
- To develop and recommend to the Board for approval a CEO succession plan (the "Succession Plan"), to review the Succession Plan periodically with the CEO, develop and evaluate potential candidates for executive positions and recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.

**SPECIFIC POWERS**

- The committee may conduct or authorize studies of matters within the committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company.
- The committee may, at the expense of the Company, select and retain advisors to assist it in connection with its functions, as it deems necessary or appropriate.
- The Company shall provide for appropriate funding, as determined by the committee, for payment of any advisors employed by the committee pursuant to this charter.
- The Company shall pay the ordinary administrative expenses of the committee that are necessary or appropriate for carrying out its duties. The advisors retained by the committee shall be independent as determined in the discretion of the committee.
- The committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate.
- The committee is governed by the same rules regarding meetings as are applicable to the Board.



ii. COMPOSITION AND MEETINGS

Sr No.	Name of Directors and their Category	Chairman or Member	Date of Nomination and Remuneration Committee Meetings and Attendance of Member			
			25.05.2017	02.08.2017	30.10.2017	13.02.2018
1	Mitesh Dilip Sejjal (Independent Director)	Chairman	Attended	Attended	Attended	Attended
2	Bharati Ravindra Chandan (Independent Director)	Member	Attended	Attended	Attended	Attended
3	Umesh Trikamdas Chandan (Independent Director)	Member	Attended	Attended	Attended	Absent

The Chairman of the Nomination and Remuneration Committee was not present at the previous Annual General Meeting of the Company held on 27<sup>th</sup> September 2017 to answer shareholders queries. The Company Secretary of the Company acts as the Secretary to the Committee.

iii. THE REMUNERATION POLICY:

1. INTRODUCTION

The primary objective of the remuneration policy is to provide a framework and set standards for paying remuneration to the Directors, Key Managerial Personnel and Other Employees. The Company has therefore formulated the remuneration policy keeping in view the following objectives:

- 1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, Key Managerial Personnel and Other Employees to run the Company successfully;
- 1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks;
- 1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- 1.4 Ensuring that remuneration packages for Directors, Key Managerial Personnel and Other Employees of the Company are fixed taking into account factors including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and Government/other guidelines; and
- 1.5 Ensuring that the Nomination and Remuneration Committee consults with the Chairman and Managing Director of the Company and Human Resource Department as it deems appropriate, whenever required.

2. SCOPE OF REMUNERATION POLICY

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and Other Employees of the Company.

3. TERMS AND REFERENCES

In this Policy, the following terms shall have the following meanings:

- 3.1 “**Director**” means a director appointed to the Board of the Company
- 3.2 “**Key Managerial Personnel**” means
  - (i) the Chief Executive Officer or the Managing Director or the Manager
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed under the Companies Act, 2013
- 3.3 “**Nomination and Remuneration Committee**” means the committee constituted by Board of JD Orgochem Limited in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **4. POLICY**

##### **4.1 Remuneration to Executive Directors and Key Managerial Personnel**

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration ('NR') Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - (i) Basic Pay
  - (ii) Perquisites and Allowances
  - (iii) Stock Options
  - (iv) Commission (Applicable in case of Executive Directors)
  - (v) Retiral benefits
  - (vi) Annual Performance Bonus
- 4.1.4 The Annual Plan and Objectives for Executive Directors and Key Managerial Personnel shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

##### **4.2 Remuneration to Non - Executive Directors**

- 4.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non - Executive Directors of the Company within the overall limits approved by the shareholders.
- 4.2.2 Non - Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees subject to recommendation of the Board and subject to the approval of the shareholders.
- 4.2.3 The sitting fees to the Independent Directors shall not be less than the sitting fees payable to other directors.

##### **4.3 Remuneration to Other Employees**

- 4.3.1 Other Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs. The remuneration of other employees of the Company will be finalised by the Managing Director of the Board in consultation with the Human Resource Department of the Company.

#### **iv. THE POLICY FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS ARE AS FOLLOWS:**

##### **1. INTRODUCTION**

- 1.1 The primary objective of this policy is to provide a framework and set standards for identifying qualifications and positive attributes for the Directors and Senior Management Personnel.
- 1.2 The policy aims at providing framework for evaluating the performance of all directors.
- 1.3 The policy aims to determine the criteria for independence of the independent directors.
- 1.4 The policy also aims to achieve a balance of merit, experience and skills amongst its Directors and Senior Management Personnel.



## 2. SCOPE OF THE POLICY

- 2.1 This policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and Senior Management Personnel and to determine the independence in case of Independent Directors of the Company.

## 3. TERMS AND REFERENCES

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of the Company
- 3.2 **“Nomination and Remuneration Committee”** means the committee constituted by Board of JD Orgochem Limited in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 3.3 **“Independent Director”** means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.4 The term **“Senior Management Personnel”** shall have the same meaning as given under the explanation under Section 178 of the Companies Act, 2013.

## 4. POLICY

### 4.1 Role and responsibilities of the Nomination and Remuneration (‘NR’) Committee:

- 4.1.1 Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, with the objective to diversify the Board;
- 4.1.2 Identifying individuals suitably qualified to be appointed as Directors and Senior Management Personnel of the Company;
- 4.1.3 Assessing the independence of Independent Directors;
- 4.1.4 Such other key issues/matters as may be referred by the Board or as may be necessary in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and provision of the Companies Act, 2013 and Rules made thereunder.

### 4.2 Qualifications, Positive Attributes and Criteria for Appointment of Director and Senior Management Personnel:

- 4.2.1 General understanding of the Company’s business dynamics, global business;
- 4.2.2 Educational and professional background;
- 4.2.3 Expertise in specific function;
- 4.2.4 Industry experience;
- 4.2.5 Demonstrable leadership skills;
- 4.2.6 Standing in the profession;
- 4.2.7 Personal and professional ethics, integrity and values;
- 4.2.8 Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- 4.2.9 Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively; and
- 4.2.10 Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel.

### 4.3 Qualifications, Positive Attributes and Criteria for Appointment of Director in specific:

- 4.3.1 Shall possess a Director Identification Number (DIN);
- 4.3.2 Shall not be disqualified under the Companies Act, 2013;
- 4.3.3 Shall give his/her written consent to act as a Director;

- 4.3.4 Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee member, the Committee Meetings;
- 4.3.5 Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- 4.3.6 Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Agreement entered pursuant to the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 and other relevant laws.

#### **4.4 Criteria for evaluation of Directors including Independent Directors:**

- 4.4.1 Anticipated contribution / value addition to the growth of the organisation;
- 4.4.2 Non - Compliance with applicable statutory provisions and other aspects/functions as may be applicable from time to time;
- 4.4.3 Attendance, complete participation and significant contribution to the matters referred in the meetings of Board and Committees of Board;
- 4.4.4 Raising of concerns to the Board;
- 4.4.5 Safeguard of confidential information;
- 4.4.6 Rendering independent, unbiased opinion on the resolutions at the meetings;
- 4.4.7 Being updated of the events in the industry;
- 4.4.8 Knowledge and being updated of the day to day affairs of the Company;
- 4.4.9 Appropriate consideration of internal audit reports, management responses and steps towards improvement;
- 4.4.10 Initiative in terms of new ideas and planning for the Company;
- 4.4.11 Safeguarding interest of whistle-blowers under vigil mechanism;
- 4.4.12 Professional skills, problem solving, and decision-making;
- 4.4.13 Compliance with policies of the Company, ethics, code of conduct, etc.;
- 4.4.14 Reporting of frauds, violation etc.;
- 4.4.15 Sharing information in planning the future and other business and operational strategies;
- 4.4.16 Any other parameter/s, as may be considered fit and necessary.

#### **4.5 Criteria for Independence of Independent Director**

- 4.5.1 The NR Committee shall assess the independence of Directors at the time of appointment/reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by the Director.
- 4.5.2 The criteria of independence of directors shall be the same as laid down under the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.5.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **4.6 Criteria for evaluating the performance of the Board and Committees of the Board**

- 4.6.1 Composition of Board / Committees of the Board viz; Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee constituted as per the requirement of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 4.6.2 Board / Committee process;
- 4.6.3 Decision Making process at the Board / Committee Meeting;
- 4.6.4 Information shared at the Board / Committee Meeting by the Members;
- 4.6.5 Frequency of the Board/Committee Meeting;





4.6.6 Updation of knowledge relating to the Business and Laws at the Board / Committee Meeting by the Members.

**v. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

The performance evaluation of Independent Directors was based on various parameters such as participation of Independent Directors in the meeting, execution and performance of specific duties of the Directors, review of Independent Director's competency, experience, contribution along with criteria mentioned in policy adopted by the Board. The results are discussed in a forthright manner by the Chairman and Board in certain aspects and remedial action required if any to be taken are discussed. Till date there have been no instances however if in future the Independent Director's performance is falling below a threshold, there would be provision for individual counselling by the Chairman of the Company.

**c) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

**i. TERMS OF REFERENCE**

The Stakeholders Relationship Committee oversees, inter-alia, redressal of security holder and investor grievances, transfer/transmission of security holders, issue of duplicate certificate to security holders, exchange of new design share certificates or certificate of securities, recording dematerialisation/rematerialization of securities and related matters, non-receipt of declared dividend and non-receipt of Annual Report.

**ii. COMPOSITION AND MEETINGS**

Sr No.	Name of Directors and their Category	Chairman or Member	Date of Stakeholders' Relationship Committee Meetings and Attendance of Member		
			02.08.2017	09.11.2017	13.02.2018
1	Umesh Trikamdas Chandan (Independent Director)	Chairman	Attended	Attended	Absent
2	Mahendra Krushnakumar Kothari (Executive Director)	Member	Attended	Attended	Attended
3	Shrikant Krushnakumar Kothari (Non-Executive Director)	Member	Attended	Attended	Attended

The Chairman of the Stakeholders' Relationship Committee was present at the previous Annual General Meeting of the Company held on 27<sup>th</sup> September 2017 to answer shareholders queries.

Hiral Shah, Company Secretary and Compliance Officer of the Company acted as the Secretary to the committee upto 28<sup>th</sup> February, 2018. Thereafter Anita Pandey, Company Secretary and Compliance Officer of the Company acts as the Secretary to the committee w.e.f. 23<sup>rd</sup> May, 2018 who handles the shareholders' queries or grievances and co-ordinates with Link Intime India Private Limited in the matter relating to the same.

**iii. NUMBER OF SHAREHOLDERS COMPLAINTS RECEIVED DURING THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

The "SCORES" website of the SEBI for redressing of grievances of the investors is being visited at regular intervals by the Company Secretary. During the financial year ended 31<sup>st</sup> March, 2018, Company had not received any complaints from the shareholders.

Sr. No.	Particulars	No. of Complaints
1.	Investor complaints at the beginning of the quarter	NIL
2.	Investor complaints received during the quarter	NIL
3.	Investor complaints resolved during the quarter	NIL
4.	Investor complaints at the end of the quarter	NIL

In compliance with Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has created an exclusive e-mail id i.e. [investor.relations@jdorgochem.com](mailto:investor.relations@jdorgochem.com) to redress the grievances of Investors. The e-mail id is also displayed on the website of the Company.

**d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Company does not fall under the ambit of the provisions of the Companies Act, 2013 relating to constitution of Corporate Social Responsibility hence it has not constituted the said Committee.

**e) RISK MANAGEMENT COMMITTEE**

The Company does not fall under the ambit of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for constituting risk management committee hence its has not constituted the said Committee.

**E. DETAILS OF REMUNERATION PAID TO THE DIRECTORS :****i. REMUNERATION PAID TO MANAGING DIRECTOR**

The Board of Directors at its meeting held on 30<sup>th</sup> October, 2017 approved the reappointment of Mahendra Krushnakumar Kothari as Managing Director of the Company for a period of two (2) years beginning from 04<sup>th</sup> November, 2017 upto 3<sup>rd</sup> November, 2019 subject to approval of shareholders at the ensuing 44<sup>th</sup> Annual General Meeting. Remuneration consists of a fixed salary and perquisites. The details of the salary paid to the Managing Director are mentioned herein.

(₹ per annum)

Name of the Managing Director	Salary	Perquisites	Commission	Others	Total
Mahendra Krushnakumar Kothari	2,70,000	-	-	-	2,70,000

- The Company does not have Stock Option Scheme as on date.

Details of service contracts, notice period and severance fees of Mahendra Krushnakumar Kothari (Managing Director):

Name of the Managing Director	Mahendra Krushnakumar Kothari
Date of Contract (Current Contract details)	04 <sup>th</sup> November, 2017
Term of Contract	04 <sup>th</sup> November, 2017 – 03 <sup>rd</sup> November, 2019
Notice Period	NIL
Severance Fees	NIL

**ii. SITTING FEES PAID TO THE NON EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS:**

Non Executive Directors and Independent Directors are paid sitting fees for attending the Board Meeting as well as attending the Committee meetings of the Company. Detail of sitting fees paid to the Non Executive Directors and Independent Directors during the financial year ended 31<sup>st</sup> March, 2018 is mentioned herein.

(Amt in ₹)

Sr. No.	Name of the Directors and their Category	Total sitting fees paid during the financial year ended 31 <sup>st</sup> March, 2018
1	Mahendra Krushnakumar Kothari Chairman and Managing Director	Not Applicable
2	Bharati Ravindra Chandan Independent Director	77,500/-
3	Mitesh Dilip Sejpal Independent Director	77,500/-
4	Nikhil Sharadchandra Kothari Non Executive Director	30,000/-
5	Shrikant Krushnakumar Kothari Non Executive Director	50,500/-
6	Umesh Trikamdas Chandan Independent Director	65,000/-

During the financial year ended 31<sup>st</sup> March, 2018, there were no pecuniary relationships or transactions between the Non - Executive Directors and the Company at large.

**iii. RECOMMENDATION MADE BY THE COMMITTEES**

All the recommendation/(s) made by the Committees were accepted by the Board.

**iv. CRITERIA FOR MAKING PAYMENTS TO THE NON EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS**

The details relating to criteria for making payments to the Non Executive Directors and Independent Directors is displayed on the website of the Company and the weblink of the same is <http://www.jdorgochem.com/pdf/ShareholderInformation/StatutoryInformation/Other%20Information/Criteria%20for%20making%20payment%20to%20Non%20-%20Executive%20Directors.pdf>



**F. GENERAL BODY MEETINGS**

**i. LOCATION, DATE AND TIME WHERE PREVIOUS THREE ANNUAL GENERAL MEETINGS WERE HELD AND DETAILS OF SPECIAL RESOLUTION PASSED**

Year	Date	Time	Location	Special Resolution Passed
2014-15	29 <sup>th</sup> September, 2015	10.00 a.m.	Registered Office: 301, Sumer Kendra, P.B.Marg, Worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>To approve the borrowing limits of the Company.</li> <li>Creation of charges on the assets of the Company.</li> </ul>
2015-16	19 <sup>th</sup> September, 2016	10.00 a.m.	Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025	<ul style="list-style-type: none"> <li>To change in place of keeping and inspection of Registers, Returns etc. w.e.f. 01<sup>st</sup> June, 2016.</li> </ul>
2016-17	27 <sup>th</sup> September, 2017	10.00 a.m.	Textile Committee Auditorium, P. Balu Road, Prabhadevi Chowk, Prabhadevi, Mumbai - 400025	<ul style="list-style-type: none"> <li>Re-appointment of Mahendra Krushnakumar Kothari (DIN:00183613) as Managing Director of the Company.</li> <li>Change in place of keeping and inspection of Registers, Returns etc.</li> </ul>

**ii. POSTAL BALLOT:**

Special resolution passed for the financial year ended 31 <sup>st</sup> March, 2018.	No special resolution was passed during the financial year ended 31 <sup>st</sup> March, 2018.
Special resolution is proposed to be conducted.	There is no immediate proposal for passing any special resolution through Postal Ballot.

**iii. EXTRA-ORDINARY GENERAL MEETING:**

No Extra – Ordinary General Meeting was held during the financial year ended 31<sup>st</sup> March, 2018

**G. MEANS OF COMMUNICATION**

<b>Quarterly Results</b>	First Quarter- on or before 14 <sup>th</sup> August, 2018 Second Quarter- on or before 14 <sup>th</sup> November, 2018 Third Quarter- on or before 14 <sup>th</sup> February, 2019 Fourth Quarter and Financial Year - 30 <sup>th</sup> May, 2019
<b>Newspaper wherein results normally published</b>	Financial Express (English) – all over India Edition Navshakti (Marathi) – Mumbai Edition
<b>Any website, where results are displayed</b>	www.jdorgochem.com
<b>Whether it also displays official news releases</b>	No
<b>The presentations made to institutional investors or to the analysts</b>	No presentation has been made during the financial year ended 31 <sup>st</sup> March, 2018.
<b>News releases, presentations, among others</b>	No presentation has been made during the financial year ended 31 <sup>st</sup> March, 2018 and official news release are being sent to the BSE Limited where equity shares of the Company are listed and displayed on the website of the Company at www.jdorgochem.com

**H. GENERAL SHAREHOLDER INFORMATION**

Annual General Meeting: Day, Date, Time and Venue	Thursday, 27 <sup>th</sup> September, 2018 at 10.00 a.m. Hotel Kohinoor Park, Kohinoor Corner, Opp. Siddhivinayak Temple, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025
Financial Year	01 <sup>st</sup> April to 31 <sup>st</sup> March
Dividend Payment Date	Not Applicable
Book Closure	Friday, 21 <sup>st</sup> September, 2018 – Thursday 27 <sup>th</sup> September, 2018

Name and Address of Stock Exchange where the Company's Equity shares are listed	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 Tel No. : 022-22721233 Fax No. : 022-22721919 The Company has paid requisite listing fees to BSE within prescribed time limits.
Scrip Code	524592
ISIN	INE263B01022
CIN	L24100MH1973PLC016908
Registered Address	301, Sumer Kendra, P.B.Marg, Worli, Mumbai – 400 018
Custodial Fees	The Company has paid the requisite custodial fees of Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) within prescribed time limits.
Suspension from trading , if any	During the financial year ended 31 <sup>st</sup> March, 2018 the Company has not faced any suspension of trading from BSE Limited
Registrar and transfer agent	Link Intime India Private Limited
Dematerialisation of shares and liquidity	Percentage of shares held in physical and dematerialized form for the financial year ended on 31 <sup>st</sup> March, 2018 is as follows: Physical Form: 6.17% In electronic form with CDSL: 15.71% In electronic form with NSDL: 78.12%
Factory Location/Plant Locations	<b>Patalganga Plant</b> Plot No.A-4/2, MIDC Industrial Area, Patalganga, Taluka-Khalapur, Dist. Raigad, Maharashtra - 410 220
Address for correspondence	<b>Company Secretary and Compliance Officer</b> <b>JD Orgochem Limited</b> 301, Sumer Kendra, P. B. Marg, Worli, Mumbai – 400018 E-mail Id: investor.relations@jdorgochem.com Tel No. : 022 - 30423048 Fax No. : 022 - 30423434 Website: <a href="http://www.jdorgochem.com">www.jdorgochem.com</a> <b>Registrar and Transfer Agent</b> <b>M/s. Link Intime India Private Limited</b> C-101, 247 park, L.B.S Marg, Vikhroli (West), Mumbai – 400083 E-mail Id: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Tel. No.: 022 - 49186270 Fax No.: 022 - 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
Outstanding GDRs/ADRs/Warrants or any Convertible instruments conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments for the financial year ended 31 <sup>st</sup> March, 2018. Further as on date there were no outstanding GDRs/ADRs/Warrants or any convertible Instruments. Also there had been no conversion of the said securities/ convertible Instruments as on date. Hence there is no impact on equity.
Commodity price risk or foreign exchange risk and hedging activities	The Company had not undertaken any foreign exchange transactions hence there was no exposure of Commodity price risk or foreign exchange risk and hedging activities.



Share Transfer System	All the dematerialised shares are transferred through the depository participants in electronic mode. The physical transfers/transmission/transposition received is processed by the Registrar and Transfer Agent, to facilitate prompt services to the shareholders. They are approved by Stakeholders' Relationship Committee and thereafter noted at the Board meeting on a timely basis. Consolidation, sub-division of shares and issue of duplicate share certificates are approved by the Stakeholders' Relationship Committee thereafter noted by the Board of Directors at its meeting.
Pledge of Shares	No pledge has been created over the Equity Shares held by the Promoters and/or Promoter Group Shareholders as on 31 <sup>st</sup> March, 2018.
Reconciliation of Share Capital	The report under Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 to be issued by the Practising Company Secretary is obtained every quarter and furnished to BSE Limited within prescribed timelines. The Report is also placed before the Board and noted by them as required under the applicable law.
Annual Report	The Annual Report containing, inter alia, Audited Financial Statements, Board's Report, Auditors' Report and other important information is circulated to members and others entitled thereto. Management's Discussion and Analysis (MDA) Report forms part of the Annual Report.
Debentures	The Company has 16,04,000 Zero Coupon Redeemable Non Convertible Debentures having face value of ₹ 100/- held by Jaysynth Impex Limited as on 31 <sup>st</sup> March, 2018.
BSE Corporate Compliance & Listing Centre (the 'Listing Centre')	All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Statement of Investor Complaints, Certificate under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996 are filed electronically with Listing Centre of BSE Limited .
SEBI Complaints Redress System (SCORES):	The Company visits the website of SCORES on a daily basis to check for any investor complaints.
Promoter Group	The Promoter Group holding in the Company as on 31 <sup>st</sup> March, 2018 was 63.83% of the Company's paid up capital.

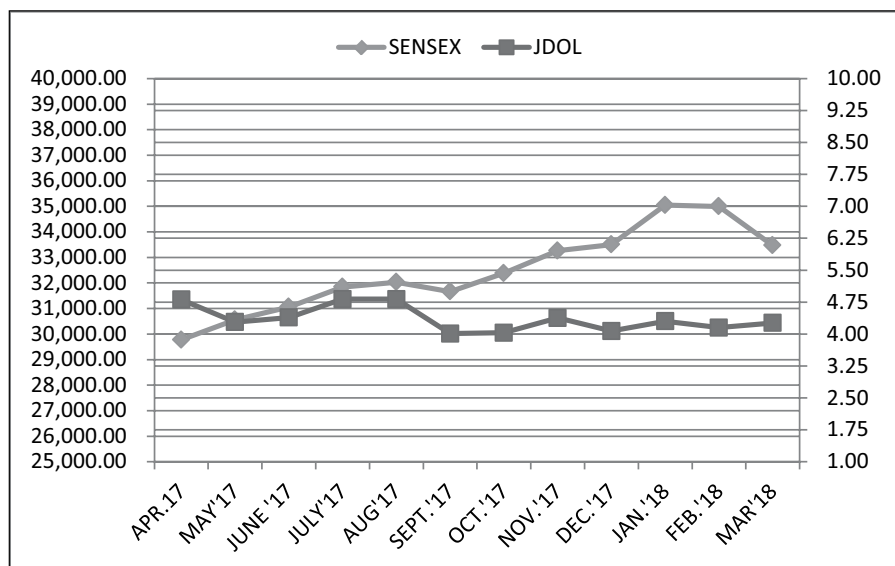
#### **I. MARKET PRICE DATA DURING FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

The table herein below given the monthly high and low prices and volume of the Company's shares traded at the BSE Limited during the period from 01<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

<b>MONTH</b>	<b>HIGH</b>	<b>LOW</b>	<b>VOLUME</b>
April, 2017	5.34	4.46	19587
May, 2017	4.51	4.00	10922
June, 2017	4.50	4.28	450
July, 2017	5.60	4.07	3769
August, 2017	5.55	4.09	5119
September, 2017	4.46	3.68	7068
October, 2017	4.45	3.34	5083
November, 2017	5.09	3.89	37025
December, 2017	4.72	3.73	4457
January, 2018	5.20	3.91	31509
February, 2018	4.63	3.79	16678
March, 2018	4.76	4.00	15459

**J. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES – BSE SENSEX**

The performance in comparison to broad based indices i.e. BSE Sensex for the financial year ended on 31<sup>st</sup> March, 2018 is as follows:

**K. DISTRIBUTION OF SHARE HOLDING**

Shares Range	No. of Shareholders	% of Total Shareholders	Total Shares for the range	% of Issued Capital
1-500	8589	89.78	1186450	8.95
501-1000	490	5.12	412611	3.11
1001-2000	231	2.41	361979	2.73
2001-3000	79	0.83	200889	1.52
3001-4000	33	0.34	116067	0.88
4001-5000	46	0.48	219531	1.66
5001-10000	42	0.44	311913	2.35
10001-above	57	0.60	10440560	78.80
<b>Total</b>	<b>9567</b>	<b>100.00</b>	<b>13250000</b>	<b>100.00</b>

**L. CATEGORY WISE SHAREHOLDING**

Details of category wise shareholding as on financial year ended 31<sup>st</sup> March, 2018 is as follows

Category	Total Number of Shares	% of Issued Capital
Promoter and Promoter Group	8457886	63.83
Unit Trust of India	600	0.00
Non - Nationalised Banks	100	0.00
Other Bodies Corporate	518018	3.91
Clearing Members	13231	0.1
Directors and Relatives of Directors	3800	0.03
Hindu Undivided Family	220191	1.67
Trust	328349	2.48
Mutual Funds	4700	0.04
Foreign Institutional Investor	8500	0.06
Foreign Banks	800	0.01
Non Resident Indians	54200	0.41
Non Resident (Non-Repatriable)	433	0.00
Public	3639192	27.46
<b>Total</b>	<b>13250000</b>	<b>100.00</b>



## **M. OTHER DISCLOSURES**

- a) The Audit Committee of the Company has granted prior omnibus approval on the basis of criteria as mentioned in Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013 for transactions to be entered into by the related parties for the financial year ended 31<sup>st</sup> March, 2018. The transactions entered into with the related parties were at arm's length basis and in ordinary course of business. For the financial year ended 31<sup>st</sup> March, 2018, the Company had not entered into any related party transactions which were material in nature pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013 Policy on Material Related Party Transactions is displayed on the website of the Company and weblink of the same is [http://www.jdorgochem.com/pdf/policies/Policy\\_of\\_material\\_related\\_party\\_transaction.pdf](http://www.jdorgochem.com/pdf/policies/Policy_of_material_related_party_transaction.pdf). Further Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements.
- b) There have been no instances of non-compliance on any matter with the rules and regulations prescribed by the BSE Limited, Stock Exchange where equity shares of the Company are listed, SEBI or any other Statutory Authority/Regulatory Authority relating to the capital market during the previous three(3) financial years.
- c) The Company has in place whistle blower policy and vigil mechanism for directors and employees to report concerns about unethical behaviour. No person is denied access to the Chairman of the Audit Committee. The Whistle Blower Policy can be accessed on the Company website and the weblink of the same <http://www.jdorgochem.com/pdf/policies/Whistle%20Blower%20Policy.pdf>
- d) The Company has in place the Material subsidiary policy which is displayed on the website of the Company and the weblink of the same is [http://www.jdorgochem.com/pdf/policies/Policy\\_on\\_Material\\_Subsiary.pdf](http://www.jdorgochem.com/pdf/policies/Policy_on_Material_Subsiary.pdf)
- e) As per point 13 of Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has made disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 (excluding regulation 21 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as Risk Management Committee is not applicable) and clauses (b) to (i) of sub-regulation (2) of Regulation 46 on the website of the Company i.e. [www.jdorgochem.com](http://www.jdorgochem.com)
- f) The Company assess the risk associated to the business of the Company on a periodical basis and further it takes proper and required measures to mitigate such risks.

## **N. DISCRETIONARY REQUIREMENTS**

The status of compliance in respect of non-mandatory requirements of Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

### **a) THE BOARD**

Chairman of the Company is the Managing Director thus maintaining separate Non – Executive Chairperson's Office is not applicable to the Company.

### **b) SHAREHOLDER RIGHT:**

The Company does not send half-yearly financial performance to each household of shareholders, however the same is displayed on the Company's website.

### **c) AUDIT QUALIFICATION**

There are no audit qualifications for the financial year under review.

### **d) SEPARATE POSTS OF CHAIRMAN AND CEO**

Article No. 108 of the Articles of Association permits the Managing Director to hold the office of the Chairman. There is no separate post for the Chairman and Managing Director in the Company.

### **e) REPORTING OF INTERNAL AUDITOR**

Internal Auditor conducts internal audit on a periodical basis and reports of the same are discussed at the Audit Committee Meeting and she also interacts directly with the Audit Committee whenever and wherever required.

## **O. MANAGING DIRECTOR / CFO CERTIFICATIONS**

Managing Director and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of Corporate Governance Report.

**P. CODE OF CONDUCT**

As required under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down Code of Conduct for Directors and Senior Management Personnel of the Company. The same has been posted on the website of the Company and the weblink of the same is <http://www.jdorgochem.com/pdf/policies/Revised%20Code%20of%20Conduct.pdf>

The Company has received affirmation of compliance from Directors & Senior Managerial Personnel of the Company for the financial year ended 31<sup>st</sup> March, 2018.

A declaration to this effect signed by the Managing Director of the Company is annexed to this Report.

**Q. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT**

In accordance with the requirement of Regulation 34(3) and Schedule V part F of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company states that there are no Equity shares held in suspense account for the financial year ended 31<sup>st</sup> March, 2018.

**R. INSIDER TRADING REGULATIONS**

The Company has notified and adopted the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information made pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. The Compliance Officer is responsible with compliance under these Regulations. The code requires pre-clearance for dealing in the Company's securities and prohibits the purchase or sale of Company's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code. The said Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information is displayed on the website of the Company and weblink for the same is [http://www.jdorgochem.com/pdf/policies/Insider Trading Policy.pdf](http://www.jdorgochem.com/pdf/policies/Insider_Trading_Policy.pdf)

**For and on behalf of the Board**

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**Place: Mumbai**

**Date: 08<sup>th</sup> August, 2018**





### **DECLARATION REGARDING CODE OF CONDUCT**

I, Mahendra Krushnakumar Kothari, Chairman and Managing Director of JD Orgochem Limited hereby declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct as applicable to them for the financial year ended 31<sup>st</sup> March, 2018.

**For and on behalf of the Board**

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**Place: Mumbai**

**Date: 08<sup>th</sup> August, 2018**

### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**JD Orgochem Limited**

- I, Hiren C. Sanghavi, M/s. Hiren C. Sanghavi & Associates, Chartered Accountant, Statutory Auditor of JD Orgochem Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the financial year ended 31<sup>st</sup> March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### **MANAGEMENT'S RESPONSIBILITY**

- The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### **AUDITOR'S RESPONSIBILITY**

- My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- I have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
- I have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that I comply with the ethical requirements of the Code of Ethics issued by the ICAI.

#### **OPINION**

- Based on my examination of the relevant records and according to the information and explanations provided to me and the representations provided by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paras C and D of Schedule V of the Listing Regulations for the financial year ended 31<sup>st</sup> March 2018.
- I 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 Hiren C. Sanghavi & Associates**  
**Chartered Accountant**

**Hiren C. Sanghavi**  
**Proprietor**

**Place: Mumbai**

**Date: 08<sup>th</sup> August, 2018**

**Membership No. 045472**  
**Firm Registration No: 112057W**

**Managing Director & Chief Financial Officer Certification**

**To**  
**The Board of Directors**  
**JD ORGOCHEM LIMITED**  
**301, Sumer Kendra, P.B marg,**  
**Worli, Mumbai – 400 018**

We have reviewed the attached financial statements and the cash flow statement of JD Orgochem Limited for the financial year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief, we state that;

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) there are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31<sup>st</sup> March, 2018 which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) we have indicated to the Auditors and the Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the financial year ended 31<sup>st</sup> March, 2018.
  - (ii) significant changes, if any, in accounting policies made during the financial year ended 31<sup>st</sup> March, 2018 and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours sincerely,

**Narendra R. Shah**  
**Chief Financial Officer**

**Mahendra K. Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**Place: Mumbai**  
**Date: 08<sup>th</sup> August, 2018**

**ANNEXURE - V****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Industry Review:**

The Indian Dyestuff Industry, transformed from being import dependent to an export driven industry. Today, India exports dyes and dyes intermediates to the very same countries, on which it was dependant for imports till a decade ago. Dyes and Dyes-Intermediates group constitute one of the major components of chemical industry having vital role in the growing Indian economy. Dyes products predominantly find application in textiles with almost 80% of its production being used by textile sector. The other end applications involves paper, adhesives, ceramics, cosmetics, glass, paints, plastics, soap, etc. The textile industry is witnessing growth due to several factors such as growing population, increasing disposable income, and changing consumer trends. Textile industry is expected to provide a positive growth trajectory and product demand in future. The Textile Dyes market is projected to grow significantly, with CAGR of 6.00%. The growing demand for textile dyes for various fiber types, such as cotton, polyester, and viscose, can lead to growth of the textile dyes market. The industry is likely to see new dyeing technologies coming into the market with the help of good technical expertise and R&D achievements. On the other hand, stringent environmental regulations are expected to restrain the growth of the textile dyes market. The outlook for FY 2018-19, can be challenging as availability of inputs and rise in the crude oil prices can pose challenges for the industry.

**Business Overview**

The Company could not achieve desired level of sales revenue during FY 2017-18, which was ₹ 11,998,750, as compared to ₹ 5,368,630 for FY 2016-17. Loss before depreciation, exceptional and extraordinary items and comprehensive income, incurred by the Company for the year was ₹ 5,199,687 as against ₹ 4,594,541 during the previous year. In view of huge cost involved in restarting of manufacturing activity at Patalganga unit, the Company could not undertake the manufacturing operations. Also issues related to labour matters are another big hurdle for commencement of production activity. The Company operates into single segment with products comprising from Dyes and Dyes-Intermediates.

**Future Outlook**

The long-term growth prospects of the Indian economy being positive, the textile industry is also expected to grow in view of growing population, increasing disposable income, and changing consumer trends. The growing demand for textile dyes for various fiber types, such as cotton, polyester, and viscose, is expected to fuel the growth of the textile dyes market. With the consistent shift in the manufacturing base for Dyes and Dye-intermediates from the western countries to the Asian countries, there will be more opportunities for Dyes manufacturers. However, the Company may not be able to undertake manufacturing operations in immediate future due to financial constraints and ongoing litigation and disputes in labour matters.

**Risks, Concerns and Threats**

Stringent environmental regulations may hamper the growth of the dyes industry. Most of the advanced countries are imposing new and more stringent ecological norms which can restricts the exporter's capability to grow, as complying with ecological norms is too expensive. Also the regulations are having an adverse effect on the availability of raw material and intermediate input products for the industry. Exchange-rate fluctuations, increase in prices of Crude Oil and down-stream petrochemicals are also areas of concern which company may face from time to time. Any regulatory change in the government policies, local environment regulations and increase in interest rate due to inflation pressure also may affect future growth possibilities.

**Internal Control System**

The Company has a proper and adequate system of Internal Control commensurate with the size and nature of its operations to ensure that all assets are safeguarded against unauthorized use or disposal, ensuring true and fair reporting and compliance with all applicable regulatory laws and company policies. Internal Audit Reports are reviewed by the Audit Committee of the Board.

**Human Resources**

In the Financial year 2017-18, Hiral Ramesh Shah, Company Secretary and Compliance Officer resigned from her service w. e. f. 28<sup>th</sup> February, 2018 and Anita Ashok Pandey was appointed as Company Secretary and Compliance Officer of the Company w. e. f. 23<sup>rd</sup> May, 2018. The Company believes that growth of the Company largely depends on the contribution and efforts of the employees and understands the importance of the workforce. It always lays an emphasis on creating an environment which is favourable for the employees. But as on date the Company is facing ongoing litigation with workers of erstwhile Tubhe unit and Patalganga unit at various Judiciary authorities, details of which is provided in Board's Report. Company has only four of employees on the pay roll as on 31<sup>st</sup> March, 2018, which was the same as at the end of previous financial year.

**Overview of Financial Performance****(Amt in ₹)**

<b>Particulars</b>	<b>FY 2017-18</b>	<b>FY 2016-17</b>	<b>Diff (%)</b>
Revenue from Operations	11,998,750	5,368,630	123.53
Other Income	1,594,411	1,965,920	(18.88)
Total Income	13,593,161	7,334,550	85.37
Loss before depreciation, exceptional and extraordinary item, comprehensive income and tax	(5,199,687)	(4,594,541)	13.17
Loss before extraordinary item, comprehensive income and tax	(11,926,372)	(11,338,090)	5.19
Profit/(Loss) after extraordinary item, comprehensive income and tax	(1,471,383)	161,358,463	(100.91)

**CAUTIONARY STATEMENT:**

Certain statements made in this Report relating to the Company's outlook, estimates, predictions etc. may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ from such estimates, whether express or implied. Several factors that could make a difference to Company's operations include climatic conditions and economic conditions affecting demand and supply, changes in Government regulation tax regimes, natural calamities, etc. over which the Company does not have any direct control.

**For and on behalf of the Board**

**Mahendra Krushnakumar Kothari**  
**Chairman and Managing Director**  
**DIN: 00183613**

**Date: 08<sup>th</sup> August, 2018**  
**Place: Mumbai**



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
JD ORGOCHEM LIMITED

### 1. Report on the Financial Statements

- 1.1** We have audited the accompanying financial statements of **JD ORGOCHEM LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements.

- 2.1** The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- 2.2** This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditor's Responsibility

- 3.1** Our responsibility is to express an opinion on the financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the order issued under Section 143 (11) of the Act.
- 3.2** We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- 3.3** An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
- 3.4** We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 4. Opinion

- 4.1** In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018, its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### 5. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements without qualifying our opinion;

- Note 1 (II) in the financial statements which indicates that the financial statements of the Company have been prepared on a going concern basis. However, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss / net cash loss during earlier previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions, along with other matters set forth in notes, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

**6. Other Matters**

- 6.1** The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2016 included in the Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 25<sup>th</sup> May, 2017 and 24<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, have been audited by us. Our opinion is not modified in respect of these matters.

**7. Report on other Legal and Regulatory Requirements**

- 7.1** As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" - a statement on the matters specified in paragraphs 3 and 4 of the Order.

- 7.2** As required by Section 143 (3) of the Act we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 15 & 16 to the financial statements;
  - ii. The Company has made provisions, as required under the applicable law or accounting standards for material foreseeable losses, if any, on long-term contracts including derivatives contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended 31<sup>st</sup> March, 2018.

**For Hiren C. Sanghavi & Associates**  
Chartered Accountants

**Place : Mumbai**  
**Date : 23<sup>rd</sup> May, 2018**

Hiren C. Sanghavi  
Proprietor  
Firm Registration No. - 112057W  
Membership No.-045472



**ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT**

Of Even Date on the Financial Statements of JD Orgochem Limited.

- 1) In respect of its Fixed Assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) The fixed assets are physically verified by the Management according to a phased programs designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programmed, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
  - c) The title deeds of immovable properties are held in the name of the Company.
- 2) There is no inventory at the year end. As informed to us, inventories have been physically verified during the year by the management and no material discrepancies stated to have been noticed on physical verification of inventories by the management as compared to book records.
- 3) The company has granted interest-free unsecured loan of ₹ 17,800,000 in earlier years to a party listed in the register maintained under Section 189 of the Companies Act, 2013, out of which ₹ 1,215,000 was received last year and ₹ 2,850,000 have been received during the year. As informed to us, no terms of repayment has been stipulated and hence overdue amount cannot be ascertained. The balance amount due of ₹ 13,735,000 is considered doubtful of recovery for which provision has already been made in the accounts in earlier year as referred to in Note No. 3 of the Notes to Financial Statement.
- 4) According to the information and explanation given to us, the company has not given loans, guarantee or provided securities and has not made investment as referred in section 185 & 186 of the Act. Hence paragraph (iv) of the order is not applicable.
- 5) The Company has not accepted any deposits from the Public within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules framed there under to the extent notified.
- 6) The Central Government has not prescribed the maintenance of Cost Records under section 148 (1) of the Act, for any of the products of the company.
- 7) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable.
- (b) As per records of the company, the following disputed dues have not been deposited.

<b>Nature of Dues</b>	<b>Forum where dispute is Pending</b>	<b>(in ₹)</b>
Custom Duty	Central Excise & Gold Appellate Tribunal (CEGAT) - Mumbai	5,399,121
i) Gram Panchayat Tax (Shown as as contingent liability)	Gram Panchayat , Vadgaon, Taluka Khalapur, Dist. Raigad	4,380,238
ii) Gram Panchayat Tax	Gram Panchayat , Vadgaon, Taluka Khalapur, Dist. Raigad (01.04.2000 to 31.03.2011)	10,576,212

- 8) According to the record of the Company examined by us and the information and explanations given by the management, the Company has not defaulted in repayment of loan or borrowings to a financial institution, bank or Government or dues to debenture holders during the year.
- 9) The Company has not raised any moneys by way of initial public offer or further Public offer (including debts instrument) and term loans during the year.
- 10) During the course of our examination of the books and records of the Company, 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 material fraud by the Company, or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 11) The Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- 12) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3 (xii) of the Order are not applicable to the Company..
- 13) On the basis of our examination and according to the information and explanations given to us, we report that all the transaction with the related parties are in compliance with Section 177 and 188 of the Act, and the details have been disclosed in the Financial statements in Refer Note 33 as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.
- 15) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any noncash transactions with directors or persons connected with the directors. Accordingly, provisions of clause (xv) of Para 3 of the Order are not applicable to the company.
- 16) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, provisions clause (xvi) of Para 3 of the Order are not applicable to the Company.

**For Hiren C. Sanghavi & Associates**  
Chartered Accountants

**Place : Mumbai**  
**Date : 23<sup>rd</sup> May, 2018**

Hiren C. Sanghavi  
Proprietor  
Firm Registration No. - 112057W  
Membership No.-045472





## ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT

Report of Even Date on The Financial Statements of JD Orgochem Limited.

### 1. Report on the Internal Financial Controls over Financial Reporting under Clause (I) of Sub-Section 3 of Section 143 of The Companies Act, 2013 ("The Act")

We have audited the internal financial controls over financial reporting of JD ORGOCHEM LIMITED ("the Company") as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### 2. Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Act.

### 3. Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by Institute of Chartered accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### 4. Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### 5. Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**6. Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For Hiren C. Sanghavi & Associates**  
Chartered Accountants

Hiren C. Sanghavi  
Proprietor  
Firm Registration No. - 112057W  
Membership No.-045472

**Place : Mumbai**  
**Date : 23<sup>rd</sup> May, 2018**



# BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2018

(in ₹)

Particular	Note	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>A ASSETS</b>				
<b>1) Non-current assets</b>				
a) Property, plant & equipment	2	65,033,890	72,060,575	79,087,260
b) Other Non Current Financial Assets	3	5,533,109	3,384,896	8,111,499
<b>Total Non-current assets</b>		<b>70,566,999</b>	<b>75,445,471</b>	<b>87,198,759</b>
<b>2) Current assets</b>				
a) Inventories	4	-	-	5,287,460
b) Financial assets				
i) Trade receivables	5	1,395,300	136,000	3,813,959
ii) Cash and cash equivalents	6	1,781,937	2,132,471	574,090
iii) Other balances with Banks	7	5,110,766	4,973,135	7,605,632
iv) Other Current financial assets	8	141,006	215,754	106,759
v) Current tax assets (Net)	9	980,028	860,570	1,204,930
vi) Other current assets	10	396,027	169,044	1,611,288
<b>Total current assets</b>		<b>9,805,064</b>	<b>8,486,974</b>	<b>20,204,118</b>
<b>Total assets</b>		<b>80,372,063</b>	<b>83,932,445</b>	<b>107,402,877</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity share capital	11	13,250,000	13,250,000	13,250,000
b) Other Equity	12	(195,452,621)	(193,981,238)	(355,339,701)
<b>Total equity</b>		<b>(182,202,621)</b>	<b>(180,731,238)</b>	<b>(342,089,701)</b>
<b>Liabilities</b>				
<b>1) Non-current Liabilities</b>				
a) Financial liabilities				
i) Borrowings	13	162,900,000	161,900,000	340,480,000
ii) Trade payable	14	24,716,758	24,638,668	25,206,502
b) Provisions	15	3,641,000	3,599,601	3,846,647
c) Other Liabilities	16	51,801,585	58,587,376	69,797,639
<b>Total Non-current liabilities</b>		<b>243,059,343</b>	<b>248,725,645</b>	<b>439,330,788</b>
<b>2) Current liabilities</b>				
a) Financial liabilities				
i) Trade payable	17	13,769,172	10,697,753	5,514,015
b) Other current liabilities	18	138,602	563,792	581,952
c) Provisions	19	5,607,567	4,676,493	4,065,823
<b>Total current liabilities</b>		<b>19,515,341</b>	<b>15,938,038</b>	<b>10,161,790</b>
<b>Total liabilities</b>		<b>262,574,684</b>	<b>264,663,683</b>	<b>449,492,578</b>
<b>Total equity and liabilities</b>		<b>80,372,063</b>	<b>83,932,445</b>	<b>107,402,877</b>

The accompanying Notes form an integral part of the Financial Statements

As per our Report of even date  
FOR Hiren C. Sanghavi & Associates  
Chartered Accountants

For and on behalf of the Board of Directors

(Hiren C. Sanghavi)  
Proprietor  
Membership No. 045472  
Firm Registration No.112057W

MAHENDRA K. KOTHARI  
Chairman & Managing Director  
DIN: 00183613

UMESH T. CHANDAN  
Independent Director  
DIN: 00184677

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2018

ANITA A. PANDEY  
Company Secretary and Compliance Officer

NARENDRA R. SHAH  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(in ₹)

Particulars	Note	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Income</b>			
Revenue from operations	20	11,998,750	5,368,630
Other income	21	1,594,411	1,965,920
<b>Total income</b>		<b>13,593,161</b>	<b>7,334,550</b>
<b>Expenses</b>			
Cost of materials consumed	22	-	1,157,940
Purchase of stock-in-trade		11,550,000	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-	2,886,904
Employee benefit expenses	24	1,407,312	1,351,662
Finance costs	25	565,383	483,066
Depreciation and amortisation expenses	2	7,026,685	7,026,685
Other expenses	26	5,270,153	6,049,519
<b>Total expenses</b>		<b>25,819,533</b>	<b>18,955,776</b>
<b>Profit before exceptional items and tax</b>		<b>(12,226,372)</b>	<b>(11,621,226)</b>
Exceptional items	27	300,000	283,136
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(11,926,372)</b>	<b>(11,338,090)</b>
Extraordinary items	28	11,509,412	172,492,500
<b>Profit/(Loss) before tax</b>		<b>(416,960)</b>	<b>161,154,410</b>
<b>Tax expense</b>			
Tax Expenses related to prior year		(3,860)	(157)
<b>Total tax expense</b>		<b>(3,860)</b>	<b>(157)</b>
<b>Profit/(Loss) for the year</b>		<b>(420,820)</b>	<b>161,154,253</b>
<b>Other Comprehensive Income</b>			
Items that will be reclassified to profit and loss			
i) Foreign currency translation gains or losses		(78,090)	567,834
ii) Remeasurement of defined employee benefit plans		(972,473)	(363,624)
<b>Other Comprehensive Income, net of tax</b>		<b>(1,050,563)</b>	<b>204,210</b>
<b>Total Comprehensive Income for the year</b>		<b>(1,471,383)</b>	<b>161,358,463</b>
Basic and diluted earnings ₹ per Equity share of ₹ 1 each		(0.11)	12.18

**The accompanying Notes form an integral part of the Financial Statements**

**As per our Report of even date**  
**FOR Hiren C. Sanghavi & Associates**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**(Hiren C. Sanghavi)**  
Proprietor  
Membership No. 045472  
Firm Registration No. 112057W

**MAHENDRA K. KOTHARI**  
Chairman & Managing Director  
DIN: 00183613

**UMESH T. CHANDAN**  
Independent Director  
DIN: 00184677

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2018

**ANITA A. PANDEY**  
Company Secretary and Compliance Officer

**NARENDRA R. SHAH**  
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018

(in ₹)

**A Equity Share Capital**

Particular	Amount
<b>As at 1<sup>st</sup> April, 2016</b>	13,250,000
Changes in Equity share capital during the year	-
<b>As at 31<sup>st</sup> March, 2017</b>	13,250,000
Changes in Equity share capital during the year	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>13,250,000</b>

**B Other Equity**

Particulars	Reserves & Surplus				Other Reserve	Total Other Equity
	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Retained Earning	Other Comprehensive income	
<b>As at 1<sup>st</sup> April, 2016</b>	119,250,000	385,560,626	40,000,000	(900,150,327)		(355,339,701)
Profit for the year				161,154,253		161,154,253
Other Comprehensive Income					204,210	204,210
<b>As at 31<sup>st</sup> March, 2017</b>	<b>119,250,000</b>	<b>385,560,626</b>	<b>40,000,000</b>	<b>(738,996,074)</b>	<b>204,210</b>	<b>(193,981,238)</b>
Profit/(Loss) for the year				(420,820)		(420,820)
Other Comprehensive Income					(1,050,563)	(1,050,563)
<b>As at 31<sup>st</sup> March, 2018</b>	<b>119,250,000</b>	<b>385,560,626</b>	<b>40,000,000</b>	<b>(739,416,894)</b>	<b>(846,353)</b>	<b>(195,452,621)</b>

The accompanying Notes form an integral part of the Financial Statements

As per our Report of even date  
**FOR Hiren C. Sanghavi & Associates**  
Chartered Accountants

For and on behalf of the Board of Directors

**(Hiren C. Sanghavi)**  
Proprietor  
Membership No. 045472  
Firm Registration No.112057W

**MAHENDRA K. KOTHARI**  
Chairman & Managing Director  
DIN: 00183613

**UMESH T. CHANDAN**  
Independent Director  
DIN: 00184677

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2018

**ANITA A. PANDEY**  
Company Secretary and Compliance Officer

**NARENDRA R. SHAH**  
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

(in ₹)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>A Cash flow from operating activities:</b>		
Profit/(Loss) before tax	<b>(416,960)</b>	<b>161,154,410</b>
<b>Adjustments for :</b>		
Other Comprehensive Income	(1,050,563)	204,210
Depreciation	7,026,685	7,026,685
(Profit) / Loss on sale of fixed assets	(300,000)	(283,136)
Interest received / paid	565,383	(251,873)
Extra Ordinary Income	(11,509,412)	(172,492,500)
<b>Operating profit before working capital changes</b>	<b>(5,684,867)</b>	<b>(4,642,204)</b>
Inventories	-	5,287,460
Trade and other receivables	(3,564,549)	9,737,809
Trade and other payables	5,575,214	(6,248,893)
<b>Cash generated from operations</b>	<b>(3,674,202)</b>	<b>4,134,172</b>
Direct taxes	(123,318)	344,203
<b>Net cash from operating activities</b>	<b>(3,797,520)</b>	<b>4,478,375</b>
<b>B Cash flow from investing activities :</b>		
Sale of fixed assets	300,000	283,136
Sale of investments	-	2,242,500
<b>Net cash used in investing activity</b>	<b>300,000</b>	<b>2,525,636</b>
<b>C Cash flow from financing activities :</b>		
Interest received / paid	(565,383)	251,873
Loan given written off now received back in part	2,850,000	1,215,000
Loan (repaid) / received Net	1,000,000	(950,000)
10% payment of ZCL	-	(8,595,000)
<b>Net cash used in financing activities</b>	<b>3,284,617</b>	<b>(8,078,127)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(212,903)</b>	<b>(1,074,116)</b>
<b>Opening Cash and cash equivalents</b>	<b>7,105,606</b>	<b>8,179,721</b>
<b>Closing Cash and cash equivalents</b>	<b>6,892,703</b>	<b>7,105,606</b>

**The accompanying Notes form an integral part of the Financial Statements**

**As per our Report of even date**  
**FOR Hiren C. Sanghavi & Associates**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**(Hiren C. Sanghavi)**  
Proprietor  
Membership No. 045472  
Firm Registration No.112057W

**MAHENDRA K. KOTHARI**  
Chairman & Managing Director  
DIN: 00183613

**UMESH T. CHANDAN**  
Independent Director  
DIN: 00184677

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2018

**ANITA A. PANDEY**  
Company Secretary and Compliance Officer

**NARENDRA R. SHAH**  
Chief Financial Officer



## **Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

### **Note:1 Statement of Significant Accounting Policies**

#### **I. GENERAL INFORMATION**

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

- II. The Company continues to prepare financial statements on going concern basis even though the Company has accumulated losses and its net worth has been fully eroded, as the management is confident of reviving the Company and is making possible efforts to resume the production / operations and also taking necessary steps for reducing the cost.

#### **III. BASIS OF PREPARATION**

##### **A. Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements, unless otherwise stated.

The Company has adopted all the applicable Indian Accounting Standards ('Ind AS') in accordance with Ind AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transitioned from its previous IGAAP as defined in Ind AS 101 with the necessary disclosures relating to reconciliation of Shareholders equity under previous IGAAP and Ind AS and of the net profit as previous IGAAP and Total Comprehensive Income under Ind AS.

##### **B. Historical Cost convention**

The financial statements have been prepared on a historical cost basis considering the applicable provisions of Companies Act, 2013 except the following material items that have been measured at fair value as required by relevant Ind AS.

- certain financial assets and liabilities that are measured at fair value
- defined benefit plans - plan assets measured at fair value
- Any other item as specifically stated in accounting policy.

##### **C. Current and Non-current Classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

#### **IV. USE OF ESTIMATES AND JUDGMENTS**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known/ materialized. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### **V. PROPERTY, PLANT AND EQUIPMENTS**

For transition to Ind AS, the Company has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognized as of 1<sup>st</sup> April, 2016 (transition date) measured as per the Previous IGAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

##### **A. Depreciation methods, estimated useful lives and residual value**

- i) Lease hold Land is amortised over the lease period of 92 years.
- ii) The company has estimated the useful life of the factory building as for 18 years on the basis of technical advice & has provided depreciation for the current year on straight line method on carrying amount as on 01.04.15 of that asset so that the said asset gets depreciated over its remaining useful life.
- iii) As regards other assets since the useful life is over they are carried at residual value at year end which is not more than 5% of the original cost of the assets.
- iv) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of Profit and Loss.

**VI. INVESTMENT PROPERTIES**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognized as at 1<sup>st</sup> April, 2016 measured as per IGAAP as the deemed cost of investment property.

**VII. INTANGIBLE ASSETS**

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of 1<sup>st</sup> April, 2016 (transition date) measured as per the previous IGAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

An item of Intangible asset is derecognized on disposal or when no future economical benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss.

**VIII. CASH AND CASH EQUIVALENTS**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**IX. INVENTORIES**

There is no inventories at the year end.

**X. REVENUE RECOGNITION**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognised when substantial risk and rewards of ownership are transferred to customer, in case of domestic customer, generally sales take place when goods are dispatched or delivery is handed over to transporter.

**Sales Return**-The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

**A. Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer which generally coincides with delivery. Sales for the year include sale value of goods and other recoveries, such as insurance, transport and packing charges excluding GST.

**XI. EMPLOYEE BENEFITS****A. Short term obligation**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**B. Post-employment obligations**

The Company provides the following post-employment benefits:

**(a) Defined Benefits Plans**

The cost of providing defined benefit plans such as gratuity is determined on the basis of present value of defined benefits obligation which is computed using the projected unit credit method with independent actuarial valuation made at the end of each annual reporting period, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measuring each unit separately to build up the final obligation.

The net interest cost is calculated by applying the discount rate to the net balance of define benefit obligation and the fair value of plan asset. This cost is included in employee benefit expenses in the statement of Profit and Loss except those included in the cost of asset as permitted.

Re-measurements comprising of actuarial gain and losses arising from experience adjustments and change in actuarial assumptions, the effect of change in assets ceiling (if applicable) and the return on the plan asset (excluding net interest define above) are recognized in Other Comprehensive Income (OCI) except those included in cost of asset as permitted in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlement) is recognizes in the Statement of Profit and Loss except those included in cost of asset as permitted in the period in which they occur.

**(b) Defined Contribution Plans**

Payments to defined contribution retirement benefit plans, viz. Provident Fund and National Pension Fund for eligible employees are recognized as an expense when employees have rendered the service entitling them to the contribution.





## **XII. FOREIGN CURRENCY TRANSLATION**

### **A. Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### **B. Transactions and Balances**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in Other Comprehensive Income.

## **XIII. PROVISIONS AND CONTINGENT LIABILITIES**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

## **XIV. INCOME TAX**

Income Tax expenses represent the sum of tax currently payable and deferred tax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current Tax includes provision for Income Tax computed under Special provision (i.e. Minimum alternate tax) or normal provision of Income Tax Act. Tax on Income for the Current year is determined on the basis of the estimated taxable income and tax credit computed in accordance with the provisions of the relevant tax laws and based on expected outcome of assessment/applies.

Deferred tax is recognized on the temporary differences between the carrying amounts of the assets and liabilities in the balance sheet and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profit will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from initial reorganization of assets and liabilities in the transaction that effects neither taxable profit nor accounting profit.

Deferred tax asset and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Minimum Alternate Tax credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

## **XV. FAIR VALUE MEASUREMENT**

The company measures financial instruments such as derivatives and equity instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumptions that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

## **XVI. EARNING PER SHARE**

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

## **XVII. STATEMENT OF CASH FLOW AND CASH AND CASH EQUIVALENTS**

Statement of cash flow is prepared in accordance with the indirect method prescribed in the relevant Ind AS. For the purpose of presentation in the Statement of the Cash Flow, Cash and Cash Equivalents includes cash on hand, cheques and drafts on hand, deposit held with banks, other short term, highly liquid investments with the original maturities of three month or less.

## **XVIII. PROPOSED DIVIDEND**

The Board of Directors do not recommend any dividend in view of losses.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

### Note : 2 Property, plant and equipment

Particulars	Leasehold Land	Factory Building	Plant & Machinery	Electrical Installation	Furnitures & Fixtures	Vehicles	Equipments	Computers	Books	Total
<b>Gross carrying amount</b>										
Deemed cost as at 1 <sup>st</sup> April, 2016	454,812	57,817,670	19,556,313	6,966	308,944	35,260	730,254	143,363	33,678	79,087,260
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2017</b>	<b>454,812</b>	<b>57,817,670</b>	<b>19,556,313</b>	<b>6,966</b>	<b>308,944</b>	<b>35,260</b>	<b>730,254</b>	<b>143,363</b>	<b>33,678</b>	<b>79,087,260</b>
Additions	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>454,812</b>	<b>57,817,670</b>	<b>19,556,313</b>	<b>6,966</b>	<b>308,944</b>	<b>35,260</b>	<b>730,254</b>	<b>143,363</b>	<b>33,678</b>	<b>79,087,260</b>
<b>Accumulated depreciation</b>										
Depreciation for the year	7,602	7,019,083	-	-	-	-	-	-	-	7,026,685
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2017</b>	<b>7,602</b>	<b>7,019,083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,026,685</b>
Depreciation for the year	7,602	7,019,083	-	-	-	-	-	-	-	7,026,685
Disposal	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31<sup>st</sup> March, 2018</b>	<b>15,204</b>	<b>14,038,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,053,370</b>
<b>Net Carrying Amount</b>										
As at 31 <sup>st</sup> March, 2017	447,210	50,798,587	19,556,313	6,966	308,944	35,260	730,254	143,363	33,678	72,060,575
<b>As at 31<sup>st</sup> March, 2018</b>	<b>439,608</b>	<b>43,779,504</b>	<b>19,556,313</b>	<b>6,966</b>	<b>308,944</b>	<b>35,260</b>	<b>730,254</b>	<b>143,363</b>	<b>33,678</b>	<b>65,033,890</b>

#### Notes

1 Property, plant and equipment - Gross amount as at 1<sup>st</sup> April, 2016 as per IGAAP

Particulars	Leasehold Land	Factory Building	Plant & Machinery	Electrical Installation	Furnitures & Fixtures	Vehicles	Equipments	Computers	Books	Total
<b>Gross amount as at 1<sup>st</sup> April, 2016</b>	701,950	222,620,574	557,650,077	1,354,592	6,178,877	741,196	14,605,070	2,867,258	1,175,404	807,894,998
Depreciation	247,138	164,802,904	538,093,764	1,347,626	5,869,933	705,936	13,874,816	2,723,895	1,141,726	728,807,738
<b>Net Carrying amount as at 1<sup>st</sup> April, 2016</b>	<b>454,812</b>	<b>57,817,670</b>	<b>19,556,313</b>	<b>6,966</b>	<b>308,944</b>	<b>35,260</b>	<b>730,254</b>	<b>143,363</b>	<b>33,678</b>	<b>79,087,260</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 3 Other Non Current Financial Assets</b>			
<b>Unsecured, Considered Good unless otherwise stated</b>			
Advance Recoverable in cash or in kind or for value to be considered good	15,000	15,000	15,000
Prepaid Expenses	64,231	-	74,625
Balances with government authorities			
Deposit with various Courts	3,840,886	1,361,386	1,324,936
Deposit with Semi Govt. Authorities	1,612,992	1,612,992	6,273,465
Balance with Customs & Excise Authorities	-	395,518	423,473
Loan to Jaysynth Polychem Private Limited - Related Party (Considered Doubtful)	13,735,000	16,585,000	17,800,000
Less : provision for above doubtful loan	(13,735,000)	(16,585,000)	(17,800,000)
	<b>5,533,109</b>	<b>3,384,896</b>	<b>8,111,499</b>

Loan of ₹ 13,735,000 recoverable from Jaysynth Polychem Private Limited has been considered doubtful of recovery for which provision was made in the accounts for the year ended 31<sup>st</sup> March, 2014.



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 4 Inventories</b>			
<b>Valued at Cost or Net Realisable value whichever is lower</b>			
Raw Material	-	-	1,157,940
Work-in-Progress	-	-	1,474,754
Finished Goods (Other than those acquired for Trading)	-	-	1,412,150
Stores & Spares	-	-	1,242,616
	-	-	<b>5,287,460</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 5 Trade receivables</b>			
Unsecured, considered good	1,395,300	136,000	3,813,959
	<b>1,395,300</b>	<b>136,000</b>	<b>3,813,959</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 6 Cash and cash equivalents</b>			
i) Balances with banks in current account	(64,717)	1,289,713	393,270
ii) Cash on hand	25,323	43,726	29,424
iii) in Deposit account	1,821,331	799,031	151,395
	<b>1,781,937</b>	<b>2,132,471</b>	<b>574,090</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 7 Other balances with Banks</b>			
Margin Money for Guarantees given	5,110,766	4,973,135	7,605,632
	<b>5,110,766</b>	<b>4,973,135</b>	<b>7,605,632</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 8 Other Current Financial Assets</b>			
Balances with GST / Excise	116,006	82,955	51,052
Others	25,000	132,799	55,707
	<b>141,006</b>	<b>215,754</b>	<b>106,759</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 9 Current Tax Assets (Net)</b>			
	980,028	860,570	1,204,930
	<b>980,028</b>	<b>860,570</b>	<b>1,204,930</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 10 Other Current Asset</b>			
Interest accrued on deposit	396,027	169,044	1,611,288
	<b>396,027</b>	<b>169,044</b>	<b>1,611,288</b>

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

### Note : 11 Equity share capital

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 1 <sup>st</sup> April, 2016	
	Number of Shares	₹	Number of Shares	₹	Number of Shares	₹
<b>AUTHORIZED CAPITAL</b>						
Equity shares of ₹ 1/- each	3,00,000,000	3,00,000,000	3,00,000,000	3,00,000,000	3,00,000,000	3,00,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>						
Equity shares of ₹ 1/- each, fully paid up	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000	13,250,000
<b>Total</b>		13,250,000		13,250,000		13,250,000

### A) Reconciliation of the number of shares and the amount outstanding at the beginning and at the end of 31<sup>st</sup> March, 2018

Particulars	Opening balance	Redemption	Closing Balance
Equity shares of ₹ 1/- each			
<b>Year ended 31<sup>st</sup> March, 2018</b>			
Number of shares	13,250,000	-	13,250,000
Amount (₹)	13,250,000	-	13,250,000
<b>Year ended 31<sup>st</sup> March, 2017</b>			
Number of shares	13,250,000	-	13,250,000
Amount (₹)	13,250,000	-	13,250,000
<b>As at 1<sup>st</sup> April, 2016</b>			
Number of shares	13,250,000	-	13,250,000
Amount (₹)	13,250,000	-	13,250,000

### B) Rights, Preferences and restrictions attached to Equity Shares

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

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

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
	Number of Shares	% Holding	Number of Shares	% Holding	Number of Shares	% Holding
Parag S Kothari	4,680,248	35.32	4,680,248	35.32	2,059,402	15.54
Nikhil S Kothari	3,397,748	25.64	3,397,748	25.64	776,903	5.86
Shoorji Trikamdas Investment Co. Pvt. Ltd.	-	-	-	-	3,163,005	23.87
Jayshree S Kothari	-	-	-	-	1,717,424	12.96



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 12 Other equity</b>			
a) Capital Redemption Reserve			
Opening balance	119,250,000	119,250,000	119,250,000
b) Securities Premium Reserve			
Opening balance	385,560,626	385,560,626	385,560,626
c) Debenture Redemption Reserve			
Opening balance	40,000,000	40,000,000	40,000,000
d) Retained Earning			
Opening balance	(738,791,864)	(900,150,327)	(890,926,307)
Add : Profit / (Loss) for the year (Including Comprehensive Income)	(1,471,383)	161,358,463	(9,224,020)
	<b>(740,263,247)</b>	<b>(738,791,864)</b>	<b>(900,150,327)</b>
	<b>(195,452,621)</b>	<b>(193,981,238)</b>	<b>(355,339,701)</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 13 Borrowings - Non Current</b>			
<b>Debentures - Secured</b>			
Zero Coupon Non Convertible Debentures(ZCD)			
1,604,000 Debentures of ₹ 100/- each	160,400,000	160,400,000	160,400,000
<b>Loans &amp; Advances From a Director (Unsecured)</b>	2,500,000	1,500,000	2,450,000
<b>Term Loans - Secured</b>			
Zero Coupon Loan (ZCL)	-	-	85,950,000
Other Loans (Unsecured)	-	-	91,680,000
<b>Total</b>	<b>162,900,000</b>	<b>161,900,000</b>	<b>340,480,000</b>

- 13.1 a) The Zero Coupon Non Convertible Debentures (ZCD) shall be redeemable at a premium of 50% in ten equal quarterly installment commencing from 31<sup>st</sup> December,2018 and ending on 31<sup>st</sup> March, 2021, as per revised terms for repayment agreed upon during the year.
- b) The Zero Coupon Debentures (ZCD) has been secured by first paripassu charge on all the existing asset of the company situated at Patalganga, MIDC industrial area.

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 14 Trade Payable - Non Current</b>			
Advance from Customers	24,716,758	24,638,668	25,206,502
	<b>24,716,758</b>	<b>24,638,668</b>	<b>25,206,502</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 15 Provision - Non Current Liabilities</b>			
<u>Provision For Employee Benefits</u>			
Provision for leave encashment	789,117	776,936	772,871
Provision for gratuity	2,851,883	2,822,665	3,073,776
	<b>3,641,000</b>	<b>3,599,601</b>	<b>3,846,647</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

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

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 16 Other Liabilities - Non Current</b>			
Outstanding Expenses	15,984,060	24,634,745	35,804,592
Employee Liabilities Payable	30,419,231	30,551,546	30,591,962
Deposits	5,398,294	3,401,085	3,401,085
	<b>51,801,585</b>	<b>58,587,376</b>	<b>69,797,639</b>

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

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 17 Trade payable</b>			
Trade Payables	13,769,172	10,697,753	5,514,015
	<b>13,769,172</b>	<b>10,697,753</b>	<b>5,514,015</b>

- 17.1 The Company is in the process of identifying suppliers falling under the Micro, Small and Medium Enterprises Development Act, 2006. However, no confirmation as regards to the status has been received by the Company.

In the absence of information as regard to the status/ classification of the relevant enterprises into Micro, Small and Medium Enterprises, information as required under Notification No. G.S.R. 719 (E) dated 16.11.2007 issued by the Department of Company Affairs in respect of the total amount payable and amount of interest thereon paid during the year and payable at the end of the year to the Sundry Creditors could not be disclosed.

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 18 Other current liabilities</b>			
Statutory Dues	42,293	458,525	488,576
Outstanding Expenses	1,565	12,360	5,431
Employee Liabilities Payable	94,744	92,907	87,945
	<b>138,602</b>	<b>563,792</b>	<b>581,952</b>

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Note : 19 Provision - Current Liabilities</b>			
<u>Provision For Employee Benefits</u>			
Provision for leave encashment	-	2,677	2,464
Provision for gratuity	5,607,567	4,673,816	4,063,359
	<b>5,607,567</b>	<b>4,676,493</b>	<b>4,065,823</b>

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 20 Revenue from Operation</b>		
Sale of products	11,998,750	5,368,630
	<b>11,998,750</b>	<b>5,368,630</b>



## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 21 Other income</b>		
Interest earned on Bank on deposits	430,081	714,727
Rent Received	1,164,330	1,251,193
	<b>1,594,411</b>	<b>1,965,920</b>

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 22 Cost of material consumed</b>		
Stocks at commencement	-	1,157,940
Less : Closing Stock	-	-
	-	1,157,940

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 23 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade</b>		
<u>Inventories at the beginning of the year</u>		
Finished Goods	-	1,412,150
Work In Progress	-	1,474,754
	-	<b>2,886,904</b>
<u>Inventories at the end of the year</u>		
Finished Goods	-	-
Work In Progress	-	-
<b>Net decrease</b>	-	<b>2,886,904</b>

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 24 Employee Benefit Expenses</b>		
Salaries & wages	1,288,577	1,248,395
Contribution to provident & other funds	57,603	55,883
Staff welfare expenses	61,132	47,384
	<b>1,407,312</b>	<b>1,351,662</b>

### Note 24.1 Defined Benefit Plans - as per actuarial valuation

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
<b>Expenses recognised in the statement of Profit &amp; Loss</b>				
Current service cost	264,759	446,215	20,085	4,314
Interest cost	580,977	535,285	4,150	3,695
Expected return on plan assets	-	-	-	-
Net actuarial (gain)/loss recognised in the year	117,233	(622,154)	(14,731)	(3,731)
Past service cost	-	-	-	-
Expenses recognised in the statement of Profit & Loss	962,969	359,346	9,504	4,278
<b>Actual return on plan assets</b>				
Expected return on plan assets	-	-	-	-
Actuarial gain (loss) plan assets	-	-	-	-
Actual return on plan assets	-	-	-	-
<b>Balance Sheet Recognition</b>				
Present value of obligation	8,459,450	7,496,481	63,050	53,546
Fair value of plan assets	-	-	-	-
Liability (assets)	8,459,450	7,496,481	63,050	53,546
Unrecognised past service cost	-	-	-	-
Liability (asset) recognised in the Balance Sheet	8,459,450	7,496,481	63,050	53,546

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

	<b>Gratuity (Funded)</b>		<b>Leave Encashment (Unfunded)</b>	
	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Changes in the present value of the obligation</b>				
Present value of obligation as on 31 <sup>st</sup> March 2017	7,496,481	7,137,135	53,546	49,268
Interest cost	580,977	535,285	4,150	3,695
Current service cost	264,759	446,215	20,085	4,314
Past service cost	-	-	-	-
Benefits paid	-	-	-	-
Actuarial (gain) / loss on obligation	117,233	(622,154)	(14,731)	(3,731)
Present value of obligation as on 31 <sup>st</sup> March 2018	8,459,450	7,496,481	63,050	53,546
<b>Changes in the Fair Value of the Assets</b>				
Fair value of plan Assets as on 31 <sup>st</sup> March 2017	-	-	-	-
Actual Return on plan assets	-	-	-	-
Contributions	-	-	-	-
Benefits paid	-	-	-	-
Fair value of plan assets as on 31 <sup>st</sup> March 2018	-	-	-	-
Total actuarial gain / (loss) recognised during the year	117,233	622,154	(14,731)	(3,731)
<b>Actuarial Assumptions</b>				
Discount rate	7.75% p.a.	7.75% p.a.	7.75% p.a.	7.75% p.a.
Expected return on plan assets	7% p.a.	7% p.a.	N/A	N/A
Future salary increases	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Attrition	5.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Retirement	58 yrs	58 yrs	58 yrs	58 yrs
Mortality	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate

	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>
<b>Note : 25 Finance Cost</b>		
Interest Expense	526,886	415,499
Bank Charges	38,497	67,567
	<b>565,383</b>	<b>483,066</b>

	<b>Year ended 31<sup>st</sup> March, 2018</b>	<b>Year ended 31<sup>st</sup> March, 2017</b>
<b>Note : 26 Other expenses</b>		
Auditors Remuneration	180,000	207,000
Cost of Stores & Spares sold	-	1,242,616
Directors Sitting Fees	300,500	244,500
Discount & Amount written off	454,348	(900,396)
Insurance Expenses	147,341	131,272
Professional Charges	1,100,591	1,802,437
Rates & Taxes	248,057	802,458
Contract labour	347,151	1,259,024
Dispute Settlement	1,265,708	-
Advertisement & Sales Promotion Expenses	285,251	193,641
Communication Expenses	150,427	220,813
Security Charges	210,000	336,000
Printing & Stationery Expenses	187,404	339,578
Miscellaneous expenses	393,375	170,576
	<b>5,270,153</b>	<b>6,049,519</b>



**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 27 Exceptional items</b>		
Profit on sale of assets	300,000	283,136
	<b>300,000</b>	<b>283,136</b>

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 28 Extraordinary items</b>		
Gains on Waiver & Compromise by Secured Creditors	-	169,035,000
Excess Provision Written Back	11,509,412	3,457,500
	<b>11,509,412</b>	<b>172,492,500</b>

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 29 Earnings Per Share (EPS)</b>		
Profit attributable to the Shareholder	(1,471,383)	161,358,463
No. of Equity Shares	13,250,000	13,250,000
Nominal Value of Equity Shares (₹)	1	1
Earnings per share - Basic & Diluted (₹)	(0.11)	12.18

**Note : 30 Segment Information**

Note 30.1 Primary Segments :

The operation of the Company relates to one business segment i.e. trading &amp; manufacturing of Dyes and Pigments.

b) Secondary Segment

Entire business operations relates to domestic market.

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
<b>Note : 31 Earning in Foreign Currency</b>		
i ) FOB value of exports (CIF less insurance & freight) is NIL	-	-

**Note : 32 Corporate Social Responsibility**

The Company is not required to spend on Corporate Social Responsibility (CSR) activities as it is not meeting the applicable threshold as provided under section 135 of the Companies Act, 2013

**Note : 33 Related Parties Disclosure****a) Name of related party and nature of relationship**

No.	Name of the Related Party	Description of relationship
1	Jaysynth Impex Limited	Companies under the same Management
2	Jay Instruments and Systems Private Limited	
3	Jaysynth Dyestuff (India) Limited	
4	Jaysynth Polychem Private Limited	Directors are Shareholder in Company
5	R. P. Trading Co.	Partnership Firm In Which Some Of The Directors Are Partners
6	Nikhil S. Kothari	Non Executive Director
7	Key Management Personnel of the Company	
	1. Mahendra K. Kothari	Chairman & Managing Director
	2. Narendra R. Shah	Chief Financial Officer
	3. Anita Pandey	Company Secretary and Compliance Officer
	4. Hiral Shah	Company Secretary and Compliance Officer (Since resigned)

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

	<b>For the year ending 31<sup>st</sup> March, 2018</b>	<b>For the year ending 31<sup>st</sup> March, 2017</b>
<b>b) Transaction with Company under same Management</b>		
<b>Rent</b>		
- Jaysynth Dyestuff (India) Limited	528,000	780,000
- Jay Instruments and Systems Private Limited	240,000	240,000
<b>Expenses paid (reimbursement)</b>		
<b>Paid by Company</b>		
- Jaysynth Impex Limited	131,756	515,878
- Jaysynth Dyestuff (India) Limited	-	3,175
<b>c) Transaction with company where Director are Shareholder in Company</b>		
- Jaysynth Polychem Private Limited		
Amount received	2,850,000	1,215,000
<b>d) Transaction with Partnership Firm In Which Some Of The Directors Are Partners</b>		
-R. P. Trading Co.		
<b>Expenses paid (reimbursement)</b>		
<b>Filing Fees</b>	600	-
<b>e) Nikhil S. Kothari</b>		
-Amount received as loan	1,000,000	1,500,000
-Director Sitting Fees	30,000	15,000
<b>f) Terms and Condition of Transaction with Related Party</b>		
The Transaction with related parties are made on terms equivalents to those that prevail in arm's length transactions. Outstanding balance at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 <sup>st</sup> March, 2018, the company has not recorded any impairment of receivables related to amount owned by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.		

**Note : 34** In the opinion of the Board and to the best of their knowledge and belief, the realisable value of current assets, loans and advances in the ordinary course of business would not be less than the amount, at which they are stated in the Balance Sheet unless otherwise stated, and the provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.

**Note : 35** Balance of loans & advances, sundry debtors, sundry creditors & deposits are subject to adjustments, reconciliation and confirmation by the parties.

**Note 36** Bank certificates are obtained for bank balances, but wherever bank certificates could not be obtained we have relied on bank statements.

**Note : 37 Contingent liabilities not provided for :**

- Inland Guarantee for ₹ 45,22,009/-
- Liability on account of Gram Panchayat Tax for ₹ 43,80,238/-
- Shortfall, if any, in the employee liability on account of various litigation pending with courts is not ascertainable

**Note : 38** Previous year's figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.



## **Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

### **Note: 39 First- time Adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1<sup>st</sup> April, 2016, with a transition date of 1<sup>st</sup> April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31<sup>st</sup> March, 2017 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous IGAAP have been recognized directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous IGAAP to Ind AS.

#### **I. Optional Exemptions availed**

##### **A. Deemed Cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured under IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible assets' and Investment properties covered by Ind AS 40 'Investment properties'. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment properties under IGAAP carrying value.

##### **B. Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVTPL on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in Equity shares of companies other than long term foreign currency monetary items.

#### **II. Applicable Mandatory Exceptions**

##### **A. Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous IGAAP (after adjustments to reflect any difference in accounting policies). Ind AS estimates as at 1<sup>st</sup> April 2016 are consistent with the estimates as at the same date made in conformity with previous IGAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous IGAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.

##### **B. Classification and measurement of financial assets**

As required under Ind AS 101 the company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### **I. Reconciliation of Balance Sheet as at 1<sup>st</sup> April, 2016**

Not required since there is no change.

##### **II. A. Reconciliation of Balance Sheet as at 31<sup>st</sup> March, 2017**

Not required since there is no change.

## Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018

(in ₹)

### B. Reconciliation of Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2017

	Note	Regrouped Previous IGAAP	Ind AS adjustment	Ind AS
<b>Income</b>				
Revenue from operations		5,368,630		5,368,630
Other income	A	1,734,727	231,193	1,965,920
<b>Total income</b>		<b>7,103,357</b>	<b>231,193</b>	<b>7,334,550</b>
<b>Expenses</b>				
Cost of materials consumed		1,157,940	-	1,157,940
Purchase of stock-in-trade		-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade		2,886,904	-	2,886,904
Employee benefit expenses	B	1,715,286	(363,624)	1,351,662
Finance costs	A & C	(315,961)	799,027	483,066
Depreciation and amortisation expenses		7,026,685	-	7,026,685
Other expenses		6,049,519	-	6,049,519
<b>Total expenses</b>		<b>18,520,373</b>	<b>435,403</b>	<b>18,955,776</b>
<b>Profit before exceptional items and tax</b>		<b>(11,417,016)</b>	<b>(204,210)</b>	<b>(11,621,226)</b>
Exceptional items		283,136	-	283,136
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(11,133,880)</b>	<b>-</b>	<b>(11,338,090)</b>
Exceptional items		172,492,500	-	172,492,500
<b>Profit before tax</b>		<b>161,358,620</b>	<b>(204,210)</b>	<b>161,154,410</b>
<b>Tax expense</b>				
Tax Expenses related to prior year		157	-	157
<b>Total tax expense</b>		<b>157</b>	<b>-</b>	<b>157</b>
<b>Profit for the year</b>		<b>161,358,463</b>	<b>(204,210)</b>	<b>161,154,253</b>
<b>Other Comprehensive Income</b>				
Other Comprehensive Income				
Items that will be reclassified to profit and loss				
i) Foreign currency translation gains or losses	C			(567,834)
ii) Others (Gratuity Provision)	B & C			363,624
<b>Other Comprehensive Income, net of tax</b>		<b>-</b>	<b>(204,210)</b>	<b>(204,210)</b>
<b>Total Comprehensive Income for the year</b>		<b>161,358,463</b>	<b>-</b>	<b>161,358,463</b>

### III . A. Reconciliation of Equity

	Note	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Equity As per Previous IGAAP</b>		<b>(180,731,238)</b>	<b>(342,089,701)</b>
Adjustment :		-	-
Equity As per Ind AS		<b>(180,731,238)</b>	<b>(342,089,701)</b>

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March, 2018**

(in ₹)

**B. Reconciliation of Income Statement**

	<b>Note</b>	<b>As at 31<sup>st</sup> March, 2017</b>
<b>Net Profit for the period as per Indian IGAAP</b>		<b>161,358,463</b>
IND AS adjustments :		
Foreign currency translation gains or losses	<b>C</b>	(567,834)
Remeasurement gain   (loss) on defined benefit plans	<b>B &amp; C</b>	363,624
<b>Profit after tax as reported under Ind AS</b>		<b>161,154,253</b>
Other Comprehensive Income	<b>C</b>	(204,210)
<b>Total Comprehensive Income as per IND AS</b>		<b>161,358,463</b>

The following explains the material adjustments made while transition from previous accounting standards to IND AS:

**A. Security deposits**

Under the previous IGAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets and liabilities are required to be recognised at fair value. Accordingly, the Company has fair valued the security deposits under Ind AS. Difference between fair value of security deposits and the carrying value (transaction value) as per Previous IGAAP has been recognised as rent income and interest expenses. Rent income so recognised ₹ 2,31,193 and interest expenses so recognised is ₹ 2,31,193 for the year ended 31<sup>st</sup> March, 2017. There is no impact on overall profitability by this Ind AS adjustment.

**B. Remeasurements of post-employment benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous IGAAP, these remeasurements were forming part of the profit and loss for the year. As a result of this change, the profit before considering comprehensive income for the year ended 31<sup>st</sup> March, 2017 increased by ₹ 3,63,624. However, overall profit does not get affected as the same is compensated by including the same in comprehensive income. There is no impact on the total equity as at 31<sup>st</sup> March, 2017.

**C. Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and gains or losses arising on account of foreign currency translation. The concept of other comprehensive income did not exist under previous IGAAP.

- D.** The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31<sup>st</sup> March, 2017 as compared with the previous IGAAP.

**As per our Report of even date**  
**FOR Hiren C. Sanghavi & Associates**  
Chartered Accountants

**(Hiren C. Sanghavi)**  
Proprietor  
Membership No. 045472  
Firm Registration No.112057W

Place: Mumbai  
Date: 23<sup>rd</sup> May, 2018

**For and on behalf of the Board of Directors**

**MAHENDRA K. KOTHARI**  
Chairman & Managing Director  
DIN: 00183613

**ANITA A. PANDEY**  
Company Secretary and Compliance Officer

**UMESH T. CHANDAN**  
Independent Director  
DIN: 00184677

**NARENDRA R. SHAH**  
Chief Financial Officer

**JD ORGOCHEM LIMITED**

CIN: L24100MH1973PLC016908

Registered Office: 301, Sumer Kendra, P.B. Marg, Worli, Mumbai - 400 018

Tel No.: 022 - 3042 3048 Fax No.: 022 - 3042 3434

E-mail Id: investor.relations@jdorgochem.com Website: www.jdorgochem.com

**FORM NO. SH-13****Nomination Form***[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]*

To  
 JD Orgochem Limited  
 301, Sumer Kendra, P.B. Marg, Worli,  
 Mumbai – 400 018.

I/We \_\_\_\_\_ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**PARTICULARS OF SECURITIES** (in respect of which nomination is being made)

Name of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

**PARTICULARS OF NOMINEE(S)**

a. Name	
b. Date of Birth	
c. Father's/ Mother's/ spouse's Name	
d. Occupation	
e. Nationality	
f. Address	
g. Email Id	
h. Relationship with the security holder	

**IN CASE NOMINEE IS A MINOR**

a. Date of Birth	
b. Date of attaining majority	
c. Name of guardian	
d. Address of guardian	

**Name:** \_\_\_\_\_**Address:** \_\_\_\_\_

NAME OF SECURITY HOLDER(S)	SIGNATURE
1. _____	
2. _____	
<b>Witness with Name and Address</b>	<b>Signature of Witness with Date</b>
Address: _____ _____ Pin Code: _____ Place: _____ Date: ____/____/____	



**Please fill this Nomination form in Duplicate after carefully reading the instructions given below:**

1. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family (HUF) and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of HUF and power of attorney holder.
3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders. The nomination form filled in "duplicate" should be lodged with the Registrar and Transfer Agent of the Company, i.e., M/s. Link Intime India Private Limited, Unit: JD Orgochem Limited, C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikroli (West), Mumbai – 400 083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished to the surviving shareholders. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form).
6. Nomination stands cancelled whenever the shares in the given folio are transferred/dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
7. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the Company before the death of the security holder[s] of the shares.
8. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore, the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
9. A copy of photo identity proof (like PAN/Passport) of nominee is required.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

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*If undelivered, please return to :*

**LINK INTIME INDIA PRIVATE LIMITED**

**UNIT : JD ORGOCHEM LIMITED**

CIN: L24100MH1973PLC016908

301, Sumer Kendra, P.B. Marg, Worli

Mumbai - 400 018

Tel. No.: 022-3042 3048, Fax No.: 022 - 3042 3434

E-mail Id:investor.relations@jdorgochem.com

Website: www.jdorgochem.com