

DREAM
ASPIRE
ACHIEVE



JAYANT AGRO-ORGANICS LTD.

Leadership through Innovation



ANNUAL REPORT
2011-2012

Vision Values & Philosophy



- Vision** : To win a niche for ourselves in the areas in which we operate, by providing products and services of superior quality and value which best satisfy the needs of our customers; and in doing so, to bring about prosperity to our organisation, its people, its shareholders, its investors and the country at large.
- Values** : To create an organisation incorporating the values of integrity and dedication; one which progressively evolves with time to meet the challenges of the future.
- Philosophy** : It is our earnest belief that nothing of lasting and enduring value is created overnight. Everything worthwhile today is the result of yesteryears' work and vision and every successful tomorrow requires conceptualisation in the form of ideas and thoughts and crystallisation thereof, through efforts to be put in today. As we sow, so we reap.



Chairman's

Communication To Shareholders

My association with Castor Oil was not a result of a childhood dream, nor was it an accident. It was not my family business, yet, it was my father who had the intuitive foresight and belief in the future potential of Castor Oil.

In 1952, when I started the Castor Oil industry, the Indian Castor Seed crop was just 100,000 M.T., most of Castor Seeds were exported and export of Castor Oil required export license. Each step from production to exports was a challenge. Fortunately, we had good bureaucrats, who realized that it would be more beneficial to export value added Indian manufactured Castor Oil than to export Castor Seed, a raw material and their policies were suitably amended. Castor Oil, primarily known for its use as a purgative, did not conjure pleasant memories in most people. As my association with Castor Oil grew, so did my fascination. It's beautiful chemical structure offering myriad possibilities to form new chemicals with distinct properties that would find application in virtually every industry. Thus, began the groups' relentless, focused and dedicated pursuit of discovering the world of Castor Oil and its Derivatives. I would like to quote the famous words of our former President Dr.A.P.J.Abdul Kalam who said : "Dream is not what you see when you sleep. Its the thing which does not let you sleep" (Dr.A.P.J.Abdul Kalam – 11th President of India).

Since, 1952, the Castor Seed crop has grown from 1,00,000 M.T. to 1.6 million M.T. during 2012. Your Company manufactures more than 60 different products based on Castor Oil touching virtually all spheres of life from Agriculture to Aerospace including cosmetics, food, paints, lubricants, pharmaceuticals, automobiles, telecommunication, polymers and so on.

Although, the potential of Castor Oil based products is virtually boundless, it is important for the sustained growth of the industry, that a stable raw material price and sufficient availability of Castor Seeds is offered as it is the key to the long term growth and development of the industry. It is therefore important that the farmers get a

remunerative price while the industry gets raw material at a stable and affordable price. This balance is critical to the long term growth of the industry.

Your Company through its subsidiaries has taken up a program for development of Hybrid Seeds to be made available to the farmers at reasonable prices. In addition, the group is also promoting good scientific practices to improve the yields and the oil content in the Seeds and reduce farming costs. We hope that this initiative will be supported by the industry, agricultural scientists, government and the farming community and will provide an impetus for higher growth both for the agriculture and for the industry.

Research & Development: Our in-house R & D, recognized by DSIR, Govt. of India, is continuously developing new products and thus contributing to the list of value added products of the company. Some of the recently developed bio-based products are finding applications as plasticizers, lubricants, polymer pre-cursors and surfactants, resins for coatings, etc. These products being bio-based, are expected to have long term sustainability. The R & D is also working on quality and process improvements for existing products of the company.

During the previous year your company has achieved a record turnover of Rs. 1668.34. Crs. and India has achieved a record crop of over 1.6 million M.T. - but when we think of the potential of Castor Oil, I feel no different than when I started my career – excited and fired up and a crop of 1.6 million M.T. a historic record, appears as what a hundred thousand M.T. appeared in 1950's.

Dream. Achieve. Aspire.

Best wishes from

Vithaldas G. Udeshi
Chairman

Consolidated Performance for the last nineteen years

(₹ In Lacs)

PARTICULARS	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Total
Equity Capital	300	300	300	300	300	300	300	300	300	300	300	300	300	*630	***694	***750	750	750	750	--
Preference Capital	--	--	--	--	--	--	--	--	--	--	300	300	300	300	300	--	--	--	--	--
Reserves & Surplus	158	507	1163	1629	1763	1724	2196	2911	3263	3396	3074	3527	4043	4570	6385	7623	8757	10915	13889	--
Borrowings	53	--	762	376	708	358	1342	--	--	2800	3733	6525	6031	11556	12394	9063	23749	24036	25862	--
Gross Block	300	335	352	905	1624	1762	1791	1794	1826	2158	3399	3596	5144	6679	8746	9644	12558	13664	24020	--
Net Block	294	314	315	830	1495	1557	1507	1428	1378	1614	2735	2765	4112	5390	7123	7585	10048	10575	20118	--
Sales																				
Castor Oil & Derivatives	1307	4486	7191	5569	6076	7433	10560	10277	6838	15452	26790	42097	41013	46248	60596	87585	90455	117525	183226	770725
Trading	--	--	--	--	--	--	--	--	--	--	--	20249	93434	274	74	--	--	--	--	114031
Net Profit	255	483	803	630	299	126	755	1210	1050	202	45	647	744	676	951	749	1246	2491	3135	16498
Dividend (%)	45	45	49	50	50	50	85	150	215	20	--	50	30 (Ex. Bonus)	25	25	25	30	35	40	--
Dividend including dividend Tax	96	135	147	165	165	166	283	495	698	67	23	194	229	208	243	270	290	333	486	4693
Dividend per Share of ₹ 5/- each Equity	1.61	2.25	2.45	2.50	2.50	2.50	4.25	7.50	10.75	1.00	--	2.50	1.50 (Ex. Bonus)	1.25	1.25	1.25	1.50	1.75	2.0	--
Dividend at 7% per share of ₹ 5/- each Preference	--	--	--	--	--	--	--	--	--	--	0.35	0.35	0.35	0.35	0.35	--	--	--	--	--
Earning per Share (₹)	8.51	16.11	26.78	21.02	9.99	4.22	12.60	20.18	17.51	3.37	0.37	10.39	12.02	5.43	7.30	4.53	8.31	16.61	20.90	--
Cash Earning Per Share (₹)	8.72	16.58	27.33	22.31	11.76	6.78	13.95	21.56	18.90	4.93	1.56	13.49	18.11	9.23	10.92	8.47	14.55	20.75	31.67	--

Notes:

- 1) During the year 1999-2000, Stock-Split from ₹ 10/- to ₹ 5/- per Share was effected.
- 2) During the year 2003-2004, the Company has allotted 6,000,000 7% Cumulative Redeemable Preference Shares of ₹ 5/- each as Bonus Shares, and redeemed on 8th April, 2008.
- 3) * Increase from ₹ 300.00 lacs to ₹ 630.00 lacs during the year 2006-07 is due to allotment of Bonus Shares in the ratio of 1:1 and allotment of 600,000 Equity Shares of ₹ 5/- each on Preferential basis.
- 4) From the year 2005-2006 Dividend has been paid on expanded capital.
- 5) ** Increase from ₹ 630.00 lacs to ₹ 694.50 lacs during the year 2007-2008 is due to allotment of 1,290,000 Equity shares of ₹ 5/- each on Preferential basis.
- 6) *** Increase from ₹ 694.50 lacs to ₹ 750.00 lacs during the year 2008-2009 is due to allotment of 1,110,000 Equity Shares of ₹ 5/- each on Preferential basis.
- 7) Consolidated figures from the year 2002-2003 onwards.





BOARD OF DIRECTORS

- Mr. Vithaldas G. Udeshi
 - Mr. Hemant V. Udeshi
 - Mr. Abhay V. Udeshi
 - Dr. Subhash V. Udeshi
 - Mr. Jayasinh V. Mariwala
 - Mr. Vijay Kumar Bhandari
 - Mr. Mukesh C. Khagram
 - Mr. Deepak V. Bhimani
-]]
- Chairman
 - Managing Director
 - Executive Directors

CHIEF FINANCIAL OFFICER

Mr. Vikram V. Udeshi

COMPANY SECRETARY

Mr. Dinesh M. Kapadia

BANKERS

Central Bank of India
State Bank of India
Oriental Bank of Commerce
Kotak Mahindra Bank Limited

AUDITORS

T.P.Ostwal & Associates (Regd.)
Chartered Accountants

ADVOCATES & SOLICITORS

M/s Tyabji Dayabhai & Co.
M/s PDS Legal

SHARE TRANSFER AGENTS

Sharepro Services (I). Pvt. Ltd.
13-AB, Samhita Warehousing Complex,
2nd Floor, Off Andheri-Kurla Road,
Sakinaka Telephone Exchange Lane,
Sakinaka, Andheri (East),
Mumbai- 400 072

REGISTERED OFFICE

Akhandanand,
38, Marol Co-op. Indl. Estate,
Off. M.V.Road,
Sakinaka, Andheri (East),
Mumbai 400 059.

WORKS

Plot Nos. 601,602,624-627 & 603
Behind G.A.C.L.
Post Petrochemicals
Dist. Vadodara 391 346.
Gujarat.

ISCPL Division,
Plot No. 296-300,
Near GIPCL & Hettich,
Dhanora, PO: Petrochemicals - 391 346
Dist: Vadodara, Gujarat.

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of **JAYANT AGRO-ORGANICS LTD.**, will be held on **Wednesday, the September 26, 2012** at 11.00 a.m. at M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4th floor, 18/20, K. Dubash Marg, Mumbai 400 001, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Jayasinh V. Mariwala, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Deepak V. Bhimani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. **Video conference facility and/or the permissible electronic mode of communication.**

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 provisions of Section 31 and other applicable provisions of the Companies Act, 1956 and Rules framed there under, the existing Articles of Association of the Company be amended as under:

- i) After Article 83 of the Articles of Association of the Company, the following new Article 83A shall be inserted:

83A: The Board may provide video conference facility and/or other permissible electronic mode of communication to the shareholders of the Company for participating in General Meetings of the Company. Such participation by the shareholders at General Meetings of the Company through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.

- ii) After Article 175 of the Articles of Association of the Company, the following new Article 175A shall be inserted:

175A: Directors may participate in Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication. Such participation by the Directors at Meetings of the Board and/or Committees thereof, through video conference facility and/or other permissible electronic mode of communication shall be governed by the Rules and Regulations as applicable to the Company for the time being in force.”

“FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee or any person which the Board may nominate/constitute to exercise its powers, including the powers by this Resolution) be and is hereby authorized to carry out the abovementioned amendments in the existing Articles of Association of the Company and that the Board may take all such steps as may be necessary to give effect to this Resolution.”



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. An explanatory statement under Section 173 of the Companies Act, 1956 in respect of item No. 6 to be transacted at the Meeting is appended hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2012 to September 26, 2012 (both days inclusive) for the purpose of payment of dividend.
4. The dividend, if declared, at the Annual General Meeting, will be paid on or after October 1, 2012, to those persons or their mandates:
 - (a) Whose names appear as Beneficial Owners as at the end of the business hours on September 21, 2012 in the list of Beneficial Owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Registrar and Share Transfer Agents on or before September 21, 2012.
5. The Members who hold shares in dematerialised form are requested to bring with them their depository account number (Client ID No.) for easier identification of attendance at the Annual General Meeting.
6. The Members are requested to notify the change in address, if any, immediately to the Share Transfer Agents, or the Depository Participants (in case of Shares which have been dematerialised) by quoting their registered Folio Number.
7. **Those members who have not yet encashed their dividend warrants for the financial year ended March 31, 2005 and subsequent years, may claim or approach the Company for payment of unclaimed dividend amount, because the dividend amount remaining unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund, in terms of Section 205C of the Companies Act, 1956, and no claims shall lie in respect of such amount.**
8. To avoid the incidence of fraudulent encashment of Warrants, the shareholders are requested to inform the Company's Share Transfer Agents, under the signature of the Sole / First joint holder, the following details, so that the Bank Account Number and Name and address of the Bank can be printed on the Dividend Warrants. **THIS IS VERY IMPORTANT.**
 - (a) Name of Sole / First joint holder and Folio No.
 - (b) Details of Bank Account, viz:-
 - i) Name of the Bank with Branch Name.
 - ii) Complete address of the Bank, with Pin Code Number.
 - iii) Account type: whether Savings (SB) or Current Account (CA).
 - iv) Bank Account Number allotted by the Bank.

The shareholders who hold shares in dematerialised form, and want to change / correct the Bank Account details should send the same immediately to the concerned Depository Participant.



- 9 The members holding shares in physical form should get their shares dematerialised because the Company's shares are required to be compulsorily dematted, and also to avoid theft/ loss of shares certificates.
- 10 The members holding shares in physical form can avail of the nomination facility by filing form 2B with the Company. Forms will be provided by the Share Transfer Agents of the Company, on request. The members holding Shares in electronic mode can approach their respective Depository Participants for availing the nomination facility.
- 11 Pursuant to the requirements of Clause 49 of the Listing Agreement with Stock Exchanges, the information about the persons seeking re-appointment as Directors under item nos. 3 and 4 is given in the Annexure to the Notice.
- 12 The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial statements, Directors' Report, Auditors' Report, etc. will also be displayed on the **website www.jayantagro.com** of the company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer agent of the Company at the address mentioned in the Annual Report quoting their folio numbers.

Regd. Office:
Akhandanand,
38, Marol Co.op. Indl. Estate,
Off M.V.Road
Saki Naka, Andheri (East)
Mumbai – 400 059.

Place : Mumbai.
Date : August 4, 2012

By Order of the Board
For JAYANT AGRO-ORGANICS LTD.,

Dinesh M. Kapadia
Company Secretary



EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956.

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated August 4, 2012

ITEM NO.6

The Ministry of Corporate Affairs(MCA), Government of India, New Delhi vide General Circular No. 27/2011 and 28/2011 dated May 20, 2011 and Circular No. 35/2011 dated June 06, 2012 have permitted the Companies to hold Board Meetings and Shareholders Meetings through video conference facility, as part of the Green initiatives under Corporate Governance. Further MCA vide Circular No. 72/2011 dated December 27, 2011 made the video conference facility at the Shareholders Meetings optional to the Company.

In order to provide video conference facility to its Directors and Shareholders, your Company has been advised to carry out necessary amendments in the existing Articles of Association of the Company by inserting enabling provisions. In terms of Section 31 of the Companies Act, 1956, approval of the Members by way of a Special Resolution is required to amend the Articles of Association of the Company.

The Articles of Association with alterations proposed therein as referred to in the Notice shall be available for inspection by the Members at the Registered Office of the Company on any working day except holidays observed by the Company during usual business hours upto the date of the Meeting and will also be available at this Annual General Meeting.

Accordingly, your Board recommends passing of the Resolution No.6 as a Special Resolution.

None of the Directors is interested or concerned in this Resolution.

Regd. Office:
Akhandanand,
38, Marol Co.op. Indl. Estate,
Off M.V.Road
Saki Naka, Andheri (East)
Mumbai – 400 059.

Place : Mumbai.
Date : August 4, 2012

By Order of the Board
For JAYANT AGRO-ORGANICS LTD.,

Dinesh M. Kapadia
Company Secretary

**ANNEXURE TO NOTICE****Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.**

Pursuant to Clause 49 of the Listing Agreement

Name of Director	Mr. Jayasinh V. Mariwala Non-Executive / Independent Director	Mr. Deepak V. Bhimani Non-Executive / Independent Director
Date of Birth	09.07.1933	31.08.1939
Date of Appointment	29.06.2002	27.10.2005
Expertise in specific Functional Area	Chartered Accountant, Experience about 50 Years in the field of finance and Accountancy.	Expertise in manufacturing chemicals for textile and allied products since 1964. Served on various committees of Indian Chemicals Auxiliaries Manufacturers Assn, and has been Vice-President during 1977-78. Represented the Indian Specialty Chemicals Mfg. Assn. on the Task Force, and apex body set up by ONGC to formulate the policies to enhance interaction with the vendors. Presented number of papers on flame retardancy of textiles in India and abroad and on Corrosion inhibitors. Past President of Rotary Club of Mumbai South. A trustee of various charitable trust running schools and medical facilities. Well traveled in various parts of the world in the process of attending to the various needs of market developments. He is an amateur Astronomer.
Qualifications	B. Com., and C.A.	Graduation and Post Graduation from Lowell Technological Institute, Lowell, Massachusetts in USA, in the field of Textile Chemistry.
Directorship in other Public Companies (excluding Foreign Companies and Section 25 Companies)	Vallabhdas Kanji Limited Kancor Ingredients Limited Marigold Trustee Limited Mutual Industries Limited Omni Active Health Technologies Limited Red Pepper Limited	Excel Crop Care Limited
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit And Shareholders/ Investors Grievance Committee)	NIL	NIL
Shareholding in the Company	NIL	NIL
Relationship between Directors inter-se	NIL	NIL



DIRECTORS' REPORT

Your Directors are pleased to present the Twentieth Annual Report along with the Audited Statement of Accounts and Auditors' Report for the year ended March 31, 2012

FINANCIAL RESULTS:

(₹ in lacs)

Particulars	2011-2012	2010-2011
Revenue from operations and other income	166,834.18	114,462.89
Profit before Finance Costs, Depreciation, Amortisation Expenses, Exceptional Items and Tax	6,953.53	4,908.92
Less: Depreciation, and Amortisation Expenses	448.03	268.52
Profit before Finance costs, Exceptional Items and Tax	6,505.50	4,640.40
Less: Finance Costs	3,104.16	2,023.45
Profit before Tax and Exceptional Items	3,401.34	2,616.95
Less : Exceptional Items	90.89	6.21
Profit before Tax	3,310.45	2,610.74
Less: Provision for Tax	1,112.93	836.73
Profit After Tax	2,197.52	1,774.01
Add: Profit brought forward from the previous year	3,946.80	2,652.32
Profit available for appropriation, which is appropriated as follows:	6,144.32	4,426.33
Appropriations:		
Proposed Dividend	300.00	262.50
Corporate Dividend Tax on Proposed Dividend	26.37	39.03
Transfer to General Reserve	220.00	178.00
Balance carried to Balance Sheet	5,597.95	3,946.80
Total	6,144.32	4,426.33
Earnings per share (EPS) (Face Value of shares ₹ 5/- each)	14.65	11.83

DIVIDEND:

The Board has recommended a Dividend of ₹ 2/- per share on 15,000,000 Equity Shares of nominal value of ₹ 5/- each, amounting to ₹ 300 lacs and the total outgo, including dividend distribution tax, will be ₹ 326.37 lacs.

TRANSFER TO RESERVE:

The Company proposes to transfer ₹ 220.00 lacs to the General Reserve Account out of the amount available for appropriation and an amount of ₹ 5,597.95 lacs is proposed to be retained in the Profit & Loss Account.

BUSINESS PERFORMANCE:

Your Company's sales turnover during the year under report was ₹ 166,242.14 lacs against the sales of ₹ 114,265.26 lacs during the previous year, an increase of 45.49 %. Profit after tax has increased by ₹ 423.51 lacs i.e. by 23.87% as compared to the previous year.



BUSINESS PROSPECTS:

Your Company has shown satisfactory performance during the first quarter of the current year. with a record crop of 1.6 million MT. Your Directors feel that the performance for the year should be satisfactory.

RESEARCH & DEVELOPMENT:

The In-house R & D, recognized by DSIR, Govt. of India, is continuously developing new products and thus contributing to the list of value added products of the company. Some of the recently developed bio-based products are finding applications as plasticizers, lubricants, polymer pre-cursors and surfactants, resins for coatings, etc. These products being bio-based, are expected to have long-term sustainability. The R & D is also working on quality & process improvements for existing products of the company. The company has also sponsored projects at Institute of Chemical Technology (earlier known as UDCT), Mumbai for development of new castor derivatives

SAFETY AND ENVIRONMENT:

Your Company has declared the Safety Health and Environment Policy and continued their commitments towards safety and environment. The Committees formed for the purpose of safety and environments have continued to educate and motivate the employees on various aspects on Safety and Environment through training programme and seminars. National Safety Week from March 4, 2012 to March 11, 2012, and Safety Day on March 10, 2012 were observed and various programmes and competitions were held.

The Company is a member of Effluent Channel Projects, for disposal of Effluent Water and also of Nandesari Environment Control Ltd., for disposal of solid waste. The Company is continuously monitoring its waste to ensure adherence to pollution control norms.

CORPORATE SUSTAINABILITY:

Your Company, as has always been aware of its responsibilities as a good citizen in health, safety and environment management and is in the process of further strengthening its current resources.

DIRECTORS:

In accordance with the provisions of the Article 156 of the Articles of Association of the Company, Mr. Jayasinh V. Mariwala and Mr. Deepak V. Bhimani are retiring by rotation and being eligible offer themselves for re-appointment.

HOLDING COMPANY:

Jayant Finvest Limited being a part of Promoter Group, held 5,628,519 fully paid up equity shares as on March 31, 2011 (aggregating to 37.52% of the paid-up share capital) of your Company and it acquired additional 1,922,871 fully paid up equity shares of the Company during the financial year ended March 31, 2012. Consequent to such acquisition, its aggregate shareholding in the Company increased to 7,551,390 fully paid up equity shares i.e. 50.34% of the paid-up share capital of the Company and thus Jayant Finvest Limited became the Holding Company of your Company w.e.f. March 28, 2012.

SUBSIDIARY COMPANIES:

The Ministry of Corporate Affairs (MCA), vide its Circular No. 2/2011 dated February 8, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, subject to certain conditions being fulfilled by the Company. As required under the circular, the board of Directors has, at its meeting held on August 4, 2012, passed a resolution giving the consent for not attaching the Balance Sheets of the subsidiary companies. We have also given the required information on subsidiary companies in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request



from them. These documents will be uploaded on the Company's Website viz. www.jyantagro.com and will also be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

PERFORMANCE OF SUBSIDIARY COMPANIES:**Ihsedu Agrochem Pvt. Limited (IHSEDU)**

During the year under review, IHSEDU a wholly owned Subsidiary of the Company achieved a turnover of ₹ 91,932.58 lacs as compared to ₹ 29,806.24 lacs in the previous year. The profit after tax increased to ₹ 920.06 lacs against ₹ 697.29 lacs in the previous year.

During the year ended March 31, 2012, IHSEDU has declared a Dividend of ₹ 2.50 per equity share of ₹ 10/- each.

Ihsedu Speciality Chemicals Pvt. Limited (ISCPL)

The Hon'ble High Court of Bombay vide its order dated July 6, 2012 sanctioned the "Scheme of Amalgamation" of ISCPL, a wholly owned subsidiary of the Company with the Company. The "Appointed Date" is October 1, 2011. Thus, from this date ISCPL stands amalgamated with the Company and the legal entity of ISCPL stands dissolved without winding up. Further, the entire business undertaking of ISCPL gets transferred to and vested in the Company.

Ihsedu Coreagri Service Pvt. Limited (ICAS)

During the year under review, ICAS has extended services to improve yield and reduce cost by providing scientific methods and input.

During the year under review, the ICAS a Subsidiary of the Company achieved a turnover of ₹ 4,907.43 lacs as compared to ₹ 6,340.39 lacs in the previous year. The profit before tax is ₹ 27.72 lacs against Profit of ₹ 29.08 lacs in the previous year.

Ihsedu Itoh Green Chemicals Marketing Pvt. Limited (IIGCM)

During the year under review, your Company has invested further a sum of ₹ 6,500,000/- by way of subscribing 650,000 equity shares of ₹ 10/- each and Itoh Oil Chemicals Co. Ltd., Japan, has also Invested a sum of ₹ 5,000,000/- by way of subscribing 500,000 equity shares of ₹ 10/- each in the capital of IIGCM.

IIGCM has not yet started its business activities.

CONSOLIDATED FINANCIAL STATEMENTS:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standard 21 prescribed by the Institute of Chartered Accountants of India, in this regard.

RE-APPOINTMENT OF AUDITORS:

The Members are requested to re-appoint M/s. T. P. Ostwal & Associates, Chartered Accountants, (Registration No. 124444W) the retiring auditors of the Company and to authorize the Board of Directors/Audit Committee to fix their remuneration. The retiring Auditors have furnished a certificate of their eligibility for re-appointment pursuant to Section 224 (1B) of the Companies Act, 1956

APPOINTMENT OF COST AUDITORS:

In terms of the MCA Circular No. 52/26/CAB-2010 dated January 24, 2012 the Company is now required to carry out Cost Audit effective from April 1, 2012 and to comply the requirements, the Board of Directors has appointed



M/s. Kishore Bhatia & Associates, Cost Auditors holding Firm Registration No. 00294 to carry out Cost Audit of the Company for the financial year 2012-13 and their appointment has been approved by the Central Government, Ministry of Corporate affairs, New Delhi.

The Cost Auditor has given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under section 224(1B) of the Companies Act, 1956.

The Audit Committee has obtained a Certificate from the Cost Auditor certifying his independence and arms length relationship with the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The particulars required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed to this Report as Annexure "A".

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance followed by the Company together with a certificate from the Auditors confirming compliance is set out in the Annexure forming part of this Report, and also a Management Discussion and Analysis statement.

DIRECTORS' RESPONSIBILITY STATEMENT :

It is hereby confirmed, pursuant to Section 217 (2AA) of the Companies Act 1956:-

- i) that in the preparation of the annual accounts, for the year 2011-2012 the applicable Accounting Standards have been followed and there are no material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2012, and of the profit of the Company for the said financial year;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors have prepared the annual accounts on a going concern basis.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits during the year under review.

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNTS TO IEPF:

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, the perference dividend for F.Y. 2003-04 amounting to ₹ 22,611/- which remained unclaimed for the period of seven years has been transferred by the Company on August 24, 2011 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205C of the said Act.

UNCLAIMED DIVIDEND:

In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid divided account to the Investor Education and Protection Fund (IEPF). The shareholders are required to claim the dividend from



the Company before transfer to IEPF. The unclaimed dividend amount, as on March 31, 2012 is as under:-

Financial Year	Type	Unclaimed Dividend Amount as on 31-3-2012 (₹ in lacs)	Due date for transfer to IEPF
2004-2005	Equity	2.01	28-09-2012
2004-2005	Preference	0.18	28-09-2012
2005-2006	Equity	2.43	25-09-2013
2005-2006	Preference	0.25	25-09-2013
2006-2007	Equity	2.20	24-08-2014
2006-2007	Preference	0.38	24-08-2014
2007-2008	Equity	3.50	20-11-2015
2007-2008	Preference	3.84	14-06-2015
2008-2009	Equity	3.26	02-11-2016
2009-2010	Equity	1.56	24-11-2017
2010-2011	Equity	1.93	05-12-2018

INDUSTRIAL RELATIONS:

The Relations between the Employees and the Management have remained cordial, during the year.

INSURANCE:

The properties and insurable interest of your Company like Building, Plant and Machinery, Stocks, etc are properly insured.

PERSONNEL:

No employee of the Company is in receipt of remuneration in excess of the sum prescribed under Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation for the whole hearted support extended by the Central Bank of India, State Bank of India, Kotak Mahindra Bank Ltd and Oriental Bank of Commerce, Authorities of Government such as Ministry of Commerce and State Government of Gujarat, Gujarat State Electricity Board, Gujarat Pollution Control Board, Gujarat Industrial Development Corporation, Gujarat Alkalies & Chemicals Ltd., and Ranoli Panchayat. Also we would like to thank our employees for their hardwork and shareholders for their continued faith and support.

For and on behalf of the Board of Directors

Place : Mumbai,
Date : August 4, 2012

VITHALDAS G. UDESHI
CHAIRMAN

**ANNEXURE "A" TO DIRECTORS' REPORT**

Statement of particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.

A CONSERVATION OF ENERGY**(A) Conservation of Energy**

Energy conservation measures are continued with full seriousness and are enhanced.

These measures are:

- (a) Installation of Automatic Power Factor Control Panel to maintain power factor to 0.99. Its benefit will be approx. ₹ 4 Lac/annum
- (b) Energy Audit was conducted by Energy Auditors and their recommendations are being implemented.
- (c) Measures taken to install and monitor adequate number of capacitors to maintain power factor.
- (d) Minimizing idle running of equipment like Air conditioners, pumps, lights etc by creating awareness.
- (e) Keeping existing machineries in good and working condition by preventive measures.
- (f) Wind mills are operative to supplement clean power as part of the power used.
- (g) Efficient steam condensate recovery has yielded saving in fuel & water.
- (h) Better production planning has yielded higher production output, maximum utilization of equipments & machineries.
- (i) Boiler and Thermic Fluid Heaters use our De-oiled cake as fuel thus saving fossil fuel.
- (j) Thermal insulation provided to all steam pipes, finished product pipes, equipment etc to prevent heat loss,
- (k) Installation of TDS meter on steam condensate system to improve performance of FBC Boiler.
- (l) VFDs have been installed on rotary equipments to conserve electrical energy.

FORM 'A'

a Power & Fuel consumption	2011-2012	2010-2011
1 Electricity		
(i) Purchased Units (KWH/'000)	7039.640	6609.260
Total Amount (₹ in Lacs)	427.54	367.20
Rate /Unit (₹)	6.07	5.55
(ii) Own generation		
Through Diesel Generator :		
Unit (KWH in '000)	23.160	16.628
Unit per Ltr. of Diesel Oil	7.689	5.530
Cost/unit (₹)	14.71	13.54
2 Fuel		
(i) Furnace Oil Quantity (KLS)	583.438	464.031
Total Amount (₹ in Lacs)	217.73	126.53
Rate/Ltr (₹)	37.32	27.27
(ii) De-Oil Cake : Quantity (M.T.)	10127.512	9366.457
Total amount (₹ in Lacs)	475.45	336.53
Rate / MT (₹)	4694.65	3592.94
b Consumption per Unit of Production		
Electricity (KWH/MT)	95.04	96.77
Furnace Oil (LTR/MT)	7.85	6.77
De – Oil cake (Kg/MT)	136.29	136.79



B TECHNOLOGY ABSORPTION

Details of efforts made in technology absorption are given out as per Form B

FORM 'B'

a. Research & Development (R & D) :

- i) The Company has its own Research and Development Department which facilitates new improvement in efficiency and upgradation of the quality.
- ii) To maintain leadership position in Castor industry.
- iii) Benefits derived as a result of the above efforts:-
 - New Product introduced for export and local markets
 - Cost reduction in existing process.
 - Improvements in quality of various products
- iv) Expenditure on R & D

₹ in Lacs.

2011-2012

(a) Capital	4.27
(b) Recurring (Gross)	114.84
(c) Total	119.11
(d) Total R & D Expenditure as percentage of total turnover.	0.07

b. Technology Absorption, Adoption and Innovation

Details of Technology imported during the past five years: NIL

C FOREIGN EXCHANGE EARNING AND OUTGO :

The Details of total exchange used and earned are provided in Note 28, 29 & 30 of Notes on Financial Statements.

For and on behalf of the Board of Directors

Place: Mumbai.
Date : August 4, 2012

VITHALDAS G. UDESHI
CHAIRMAN

ANNEXURE "B" TO DIRECTORS REPORT

Details of Subsidiary Companies

Particulars regarding subsidiary companies, pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Government of India, Ministry of Corporate Affairs.

(₹ in Lacs)

Sr. No.	Name of the Subsidiary	Ihsedu Agrochem Private Limited	Ihsedu Speciality Chemicals Private Limited*	Ihsedu Coreagri Services Private Limited	Ihsedu Itoh Green Chemicals Marketing Private Limited
1	Issued and subscribed share capital	550.00	2,500.00	5.00	125.00
2	Reserves & Surplus	2,867.95	245.88	33.94	(1.43)
3	Total Assets	14,988.84	6,914.76	50.38	124.80
4	Total Liabilities	14,988.84	6,914.76	50.38	124.80
5	Investments	0.11	-	-	-
6	Revenue From Operation	91,932.58	-	4,907.43	-
7	Profit/(Loss) before taxation	1,469.79	-	27.72	0.19
8	Provision for taxation	549.73	-	9.51	0.77
9	Profit/(Loss) after taxation	920.06	-	18.21	(0.58)
10	Proposed Dividend	137.50	-	-	-

* Upto 30/9/2011



MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Developments.

India continues to be the largest castor seed growing country in the world. The estimated total production of castor seeds for the season is around 16 lac metric tons against about 12 lac metric tons for the previous year, a growth of about 25%. This increase has led to a much needed correction in castor seed price. Demand for Castor Oil at reasonable and stable price continues to remain encouraging. Unrealistic and high prices are likely to have an adverse effect on the growth of the industry.

(b) Opportunities & Threats.

The global economic climate has been foggy and uncertain due to the crisis prevalent in the Eurozone. Even as the stronger European economies work toward rescuing the weaker and susceptible economies in the Eurozone, the world is cautious and apprehensive. The world economic growth is likely to remain subdued for the year with growth forecasts revised downwards below 3% by IMF

Environment being a major concern, the search for green products is likely to intensify in the near future. Castor Oil being a natural, organic, renewable and bio-degradable product is gaining importance as a green product. Besides due to its unique chemical structure, it finds myriad applications in virtually every industry be it Agriculture, Lubricants, Paints, Inks, Surface Coatings, Pharmaceuticals, Food, Engineering Plastics, Cosmetics, Perfumeries, Electricals, Rubber and so on. Your Company continues to endeavour to tap these opportunities by focusing on Research & Development and investing in new capacities, new technologies, new applications, and new products.

Castor Seeds continue to be a volatile raw material in terms of its price & availability. Being an agricultural product, it depends on the rainfall and weather conditions prevailing in the area of castor growing regions in the country, though it is a sturdy crop. To mitigate the effect of uncertain weather, the Company has laid down parameters for inventory management. The Company has proper mechanism in place to immediately respond to any unforeseen eventualities. The Company is also cultivating hybrid seeds to improve the productivity of commercial Castor Seeds.

(c) Segment.

The Company is organised into three business segments – Castor Oil, Derivatives and Power Generation.

(d) Outlook.

During the year under review your company has crossed the milestone of ₹1600 crores in sales. The demand outlook for Company's products remains positive. Emphasis on green eco-friendly products is likely to lead to increase in innovation of new products and uses in the Castor Oil Industry.

Your Company continues to invest in Research & Development to tap on new growth opportunities. Your Company is also undertaking a backward integration program in order to increase the availability of Castor Seeds. Barring unforeseen circumstances your Directors expect satisfactory growth.

(e) Risks and Concerns.

Company's products are used in variety of industries, thereby to a great extent, mitigating the risks associated with demand for its products on a long-term basis. The price behavior of raw material depends on monsoon, global demand and inventory management, and prices of other oils including Crude & Vegetable Oil and therefore can be volatile as well as unpredictable. The Company is closely watching the development of monsoon as also castor seed sowing.



The Company restricts its exposure to the price fluctuation of raw materials by limiting its un hedged exposure.

With the business of the Company growing at a hectic pace and demand for trained and experienced manpower in excess of the supply, the risk of managing the people is tremendous. The Company has to retain its existing trained workforce and also attract new talent for its different operations. New businesses are bought and integrated into existing business. To improve the performance of the staff at work, various refresher training courses are organized to update their knowledge with the latest technologies and management ideas.

The erratic demand from overseas markets and the threat of competition continue to be of concern.

The Company has focused its efforts on marketing and introducing new products thereby mitigating to a certain extent, the effect of recession / slowdown in the industry.

Unrestricted speculation and high volatility due to trading in commodity exchange could have a negative effect on the growth of the industry.

(f) Foreign Exchange.

Volatile currency movements can affect the profits of the Company. Your management continues to take steps to cover foreign exchange to mitigate the risks of appreciation of Rupee against the Dollar.

(g) Internal Control and its adequacy.

The Company's Internal Control Department is headed by an experienced and qualified Executive and the Department regularly reviews business process and controls in consultation with the Statutory Auditors and Internal Auditors, and also interacts with the Audit Committee of the Company. Internal Control system adopted by the Company effectively ensures that all assets are safeguarded and protected against any loss from unauthorised use.

(h) Financial / Operational Performance.

The Company's Financial Performance & Analysis: (₹ In lacs)

Particulars	2011-2012	2010-2011
Sales turnover	166,242.14	114,265.26
P B I D T & Exceptional Items	6,953.53	4,908.92
Finance costs	3,104.16	2,023.45
Exceptional Items	90.89	6.21
Profit after Finance costs & Exceptional Items	3,758.48	2,879.26
Depreciation	448.03	268.52
Provision for taxation - Current Tax	695.00	795.50
- Deferred Tax	665.51	41.23
MAT Credit entitlement	247.58	-
Net Profit	2,197.52	1,774.01

(i) Human Resources / Industrial Relations.

Industrial Relations have continued to be harmonious throughout the year. Measures for safety of employees training, welfare and development continued to receive top priorities.

During the year under review, total stand-alone manpower is 238.



(j) Cautionary Statement.

Statements in this “Management’s Discussion and Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make the difference to the Company’s operations include global and Indian demand and supply conditions and finished goods prices, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation, etc.

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT.

This is to confirm that the Company has adopted a Code of Conduct for its Board members and Senior Management Personnel. The Code is available on the Company’s web site.

I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Members of the Board and the Senior Management team of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means, all senior members of the Management Team, one level below the Executive Directors such as Divisional/Departmental Heads, other functional heads and Secretary of the Company, as on March 31, 2012.

Place: Mumbai.
Date : August 4, 2012

Hemant V. Udeshi
CEO & Managing Director



CORPORATE GOVERNANCE

I. MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY:

The Company's philosophy of Corporate Governance is to provide products and services of international standards, which best satisfies the needs of our customers and in doing so, to bring about prosperity to our organisation, its Investors and the Country at large. The Company's obligation to the investors is amply reflected in unbroken record of continuous payment of dividend from the commencement of commercial production since 1993-94.

2. BOARD OF DIRECTORS:

- i) The majority of the Directors on the Board including the Chairman are Non-executive Directors, and fifty percent of the Board comprises of Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2012 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below.

Sr. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Board Meetings /Committee Meetings attended during the year 2011-2012		Last AGM Attended (Yes/No.)	No. of Outside Directorship(s) held in other Public Companies	Member of Committee in other Public Companies
			B.M.	C.M.			
1.	Mr. Vithaldas G. Udeshi - Chairman *	Non-Executive/ Non-Independent	6	6 **	Yes	1	--
2.	Mr. Hemant V. Udeshi -Managing Director *	Executive / Non-Independent	3	--	Yes	--	--
3.	Mr. Abhay V. Udeshi *	Executive / Non-Independent	5	--	Yes	1	--
4.	Dr. Subhash V. Udeshi *	Executive / Non-Independent	6	--	Yes	1	--
5.	Mr. Jayasinh V. Mariwala.	Non-Executive/ Independent	5	4**	No	6	--
6.	Mr. Vijay Kumar Bhandari	Non—Executive/ Independent	5	4	Yes	5	2
7.	Mr. Mukesh C. Khagram	Non—Executive/ Independent	5	5 **	Yes	--	--
8.	Mr. Deepak V. Bhimani	Non—Executive/ Independent	4	4	Yes	1	--



* Inter-se relationship between Directors:

Mr. Vithaldas G. Udeshi, is the father of Mr. Hemant V. Udeshi, Mr. Abhay V. Udeshi and Dr. Subhash V. Udeshi.

** Includes one Remuneration Committee Meeting held on 27.07.2011.

None of the Independent Directors has any material pecuniary relationship or transactions with the Company.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been from time to time placed before the Board for their consideration.

During the year under report, 6 Board Meetings were held on 14.05.2011, 27.07.2011, 1.09.2011, 22.10.2011, 9.11.2011 and 20.01.2012

3. AUDIT COMMITTEE:

The Audit Committee Meetings were held on 14.05.2011, 27.07.2011, 28.09.2011, 9.11.2011 and 20.01.2012. The Audit Committee comprises of:

- (a) Mr. Jayasinh V. Mariwala – C.A. - Chairman – Non-Executive – Independent Director.
- (b) Mr. Vithaldas G. Udeshi – Member - Non-Executive, Director.
- (c) Mr. Mukesh C. Khagram – Member - Non-Executive – Independent Director.
- (d) Mr. Deepak V. Bhimani – Member - Non-Executive – Independent Director.
- (e) Mr. Vijay Kumar Bhandari – Member - Non-Executive – Independent Director.

The number of meetings attended by Mr. Jayasinh V. Mariwala, Mr. Vithaldas G. Udeshi, Mr. Mukesh C. Khagram, Mr. Deepak V. Bhimani and Mr. Vijay Kumar Bhandari were 3, 5, 4, 4 and 4 respectively.

The C.F.O. and Statutory Auditor including Internal Auditor were regular invitees to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

The Board of Directors note the minutes of the Audit Committee meetings at the Board Meetings.

The terms of reference of the Audit Committee cover the matters as specified under Clause 49 of the Listing Agreement and also as required under Section 292A of the Companies Act, 1956.

4. REMUNERATION COMMITTEE:

Details of remuneration to Directors.

- (A) Executive Directors' remuneration is fixed on the recommendation of the Remuneration Committee, duly approved by the Board and the Shareholders, pursuant to the provisions of the Companies Act, 1956. The remuneration policy of the Company is to remain competitive in the Industry to attract and retain talent and appropriately reward Executives on their contribution and within the limit as prescribed under the Companies Act, 1956.

Details of Remuneration to Executive Directors.

Executive Directors	Remuneration during 2011-2012		
	Salary and Perquisites	Service contract, and notice period, severance fee.	Stock option details, if any.
1. Mr. Hemant V. Udeshi, Managing Director.	₹ 22.99 Lacs	Please see note (a)	Please see note (b)
2. Mr. Abhay V. Udeshi	₹ 35.26 Lacs	- do -	- do -
3. Dr. Subhash V. Udeshi	₹ 25.45 Lacs	- do -	- do -

NOTES: (a) The appointment is subject to termination by 6 months notice, in writing, on either side or as agreed mutually. Period is 5 years from the date of appointment. No severance fee payable to any Executive Director, including Managing Director.

- (b) The Company does not have any Scheme for grant of Stock Options to its Directors or Employees, at present.



No sitting fees are paid to the Managing / Executive Directors, except the remuneration as approved by the shareholders.

(B) Non-Executive Directors were paid Sitting fees of ₹ 7,500/- (sitting fees was revised w.e.f. 20.01.2012, before revision sitting fees was ₹ 2,500/-) per sitting of Board / Committee as approved by the Board which is within the limit as prescribed under the Companies Act 1956, the details of which are: -

Mr. Vithaldas G. Udeshi – ₹ 40,000/-; Mr. Jayasinh V. Mariwala – ₹ 32,500/-; Mr. Vijay Kumar Bhandari – ₹ 32,500/-; Mr. Mukesh C. Khagram – ₹ 35,000/- and Mr. Deepak V. Bhimani – ₹ 30,000/-.

The members of Remuneration Committee are:

- Mr. Jayasinh V. Mariwala – (Chairman) – Non-Executive / Independent Director
- Mr. Vithaldas G. Udeshi – Non-Executive Director
- Mr. Mukesh C. Khagram – Non-Executive / Independent Director

During the year under review, one Remuneration Committee Meeting was held on 27.07.2011

The terms of reference include the matters specified under Clause 49 of the Listing Agreement.

(C) Disclosure of shareholding of Non-Executive Directors as required under Clause 49(IV)(E)(iv) :-

	Names	Shares held on 31.03.2012 (own or held by/ for other persons on beneficial basis)
1.	Mr. Vithaldas G. Udeshi	57,900
2.	Mr. Jayasinh V. Mariwala	Nil
3.	Mr. Vijay Kumar Bhandari	Nil
4.	Mr. Mukesh C. Khagram	Nil
5.	Mr. Deepak V. Bhimani	Nil

5. SHARE TRANSFER AND INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE:

The name of Non-Executive Director heading the Committee :-

Mr. Vithaldas G. Udeshi : Chairman

Name and designation of Compliance Officer : Mr. Dinesh M. Kapadia
Company Secretary

Details of complaints received in 2011-2012 from Shareholders:

- Opening balance : NIL
- Received during the year : NIL
- Resolved during the year : NIL
- Closing balance : NIL

**6. DETAILS OF GENERAL BODY MEETINGS FOR THE LAST THREE YEARS:**

(i) Location and time, where last General Meetings held :

Year	Location	Date / Time	Special Resolutions Passed
2008-2009 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	27.08.2009 11.00 A.M.	1. Approval for keeping Register and Index of Members, Register and Index of Debenture-holders and other related books and papers etc. at the premises of Registrar and Share Transfer Agent viz. Sharepro Services (India) Pvt.Ltd., pursuant to Sec 163(1) of the Companies Act,1956.
2009-2010 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	18.09.2010 3.00 P.M.	None
2010-2011 AGM	Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020	29.09.2011 9.30 A.M.	1. Revision in the Remuneration of Mr.Varun A. Udeshi, Executive Project & Business Development.

(ii) No Special Resolution was passed last year through Postal ballot.

7. DISCLOSURES:

(A) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

Necessary disclosures are made in Note 41, (b) of Notes on Financial Statements.

(B) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital market, during the last three years : Nil.

(C) CEO /CFO Certification :

A certification from the CEO and CFO in terms of Clause 49 (v) of the Listing Agreement was placed before the Board at the Board Meeting held on August 4, 2012 to approve the Audited Annual Accounts for the year ended March 31, 2012.

8. MEANS OF COMMUNICATION :

Quarterly / Half Yearly results being put on the Company's Website, and also released in the News Papers, viz: Business Standard, all editions and Sakal (Marathi).

THE COMPANY'S WEBSITE : www.jayantagro.com



9. GENERAL SHAREHOLDER INFORMATION:

(1) Annual General Meeting Date, Time and Venue	20th Annual General Meeting On Wednesday, the September 26, 2012 at 11.00 a.m.at M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4 th floor,18/20, K. Dubash Marg, Mumbai 400 001	
(2) Financial year (Tentative) Financial Year : From April 1, 2012 to March 31, 2013	Results for quarter ending June 30, September 30, and December 31, 2012	Will be in the last week of July 2012, October 2012, and January 2013 respectively
	Results for year ending March 31, 2013	Audited : Last week of May, 2013
	Annual General Meeting for the year ended on March 31, 2013	Before Sept. 2013
(3) Book Closure date	22.09.2012 to 26.09.2012 (both days inclusive)	
(4) Dividend payment date	On or after October 1, 2012	
(5) Registered Office and address for correspondence.	Akhandanand 38, Marol Co-op. Indl.Estate, Off. M. V. Road, Sakinaka, Andheri (East) Mumbai – 400 059.	
(6) Listing on Stock Exchanges Note : Listing fees and custody charges for the year 2011-2012 have been paid.	Bombay Stock Exchange Ltd. – Equity Code No.524330. National Stock Exchange of India Ltd., Mumbai. Equity Code JAYAGROGN EQ,	
(7) Demat ISIN Number in NSDL and CDSL	ISIN No. INE785A01026	

(8) Share Transfer System.

Physical: Share transfer in physical form are presently registered and returned within a period of 30 days from the date of lodgment, in case the documents are complete in all respects. The Share Transfer Committee meets on fortnightly basis.

Demat : Trading in shares has been compulsory in dematerialised form by all Investors with effect from July 24, 2000. As on March 31, 2012, 92.85% of Equity of your Company has been dematerialised.



The details of shares transferred during the year, physical and demat mode are as under:

	Physical	Demat
No. of Shares for transfer received	6,900	1,84,425
No. of Shares accepted	2,400	1,82,800
No. of Shares rejected, due to signature difference	4,500	1,625

(9) Stock Market Data from April 1, 2011 to March 31, 2012.

Month	(BSE) (in ₹)		(NSE) (in ₹)		BSE SENSEX
	High	Low	High	Low	
Apr-11	105.70	85.00	103.45	84.45	19,135.96
May-11	100.00	85.00	102.70	85.00	18,503.28
June-11	90.80	77.00	91.00	77.10	18,845.87
July-11	90.50	76.25	90.95	78.55	18,197.20
Aug-11	93.10	79.65	96.00	76.95	16,676.75
Sep-11	96.75	80.35	94.55	80.15	16,453.76
Oct-11	87.95	80.25	94.00	79.50	17,705.01
Nov-11	91.70	78.20	90.40	81.00	16,123.46
Dec-11	87.15	78.05	87.40	78.00	15,454.92
Jan-12	114.95	80.50	116.00	80.15	17,193.55
Feb-12	123.00	100.10	124.00	101.00	17,752.68
March-12	111.95	93.30	112.35	97.00	17,404.20



**(10) Distribution of Shareholdings as on March 31, 2012 :**

No. of Equity Shares held	No. of Share-Holders	% of Share-holders	No. of Shares held	% Share-holding
1-1000	5296	88.770	1170391	7.803
1001-2000	312	5.230	476654	3.178
2001-4000	156	2.615	470182	3.135
4001-6000	56	0.939	284068	1.894
6001-8000	20	0.335	140568	0.937
8001-10000	12	0.201	113441	0.756
10001 and above	114	1.911	12344696	82.298
Total	5966	100.00	15000000	100.00

(11) Share Transfer Agents : M/s Sharepro Services (I) Pvt. Ltd.
 13 – AB, Samhita Warehousing Complex,
 2nd Floor, Off. Andheri – Kurla Road,
 Saki Naka Telephone Exchange,
 Sakinaka, Andheri (East), Mumbai 400 072.
 Tel : 67720300/67720400
 Fax : 28591568

(12) Unclaimed Shares :

As required under clause 5A of the listing agreement, the Company has sent three reminders to the shareholders whose shares were lying unclaimed/undelivered with the Company. The Company has received a substantial number of requests to claim these share certificates which are released after a thorough due diligence. As on today the Company has only 0.51% of the total shares, lying unclaimed. These will be transferred to the unclaimed suspense account as required under the listing agreement. The Company has initiated the process of opening the “Unclaimed Suspense Account” and will transfer the shares as soon as the account is operational.

(13) Categories of Shareholdings as on March 31, 2012 :

Category	No. of Shares held	% of Shares held
Promoters/Associates/ Directors	9718076	64.79
Private Corporate Bodies	789190	5.26
OCB	600000	4.00
N R I	34352	0.23
Mutual Funds/ Nationalized Banks	7600	0.05
Indian Public	3850782	25.67
Total	15000000	100.00

(14) Details on use of public funds obtained in the last three years : No funds have been raised from public in the last three years.

(15) Outstanding GDRs / ADRs / Warrant etc. : The Company did not issue any GDRs / ADRs / warrants during the year:

(16) Plant location : Plot Nos. 601, 602, 624-627 & 603 Behind G.A.C.L. Post Petrochemicals Dist. Vadodara 391 346. Gujarat.

ISCPL Division, Plot No. 296-300, Near GIPCL & Hettich, Dhanora, PO: Petrochemicals - 391 346 Dist: Vadodara, Gujarat



II NON-MANDATORY REQUIREMENTS:

The following non-mandatory requirements recommended under Clause 49 of the Listing Agreement, have been implemented.

(1) Remuneration Committee:

A Remuneration Committee, comprising three non-executive Directors, has been functioning for review and taking decision on remuneration of Executive Directors of the Company. The Chairman of the Committee is an independent Director of the Company.

(2) Unaudited Financial Results of the Company as published in the newspapers are made available to the members on request.

On behalf of the Board of Directors

Place: Mumbai.
Date: August 4, 2012

VITHALDAS G. UDESHI
CHAIRMAN

Compliance Certificate

The Members,
Jayant Agro-Organics Ltd.,
Akandanand, 38, Marol Co-Op Indl. Estate,
Off M.V. Road, Saki Naka, Andheri (East),
Mumbai 400 059.

We have examined the compliance of conditions of Corporate Governance by Jayant Agro-Organics Limited for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

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

For and on behalf of
T. P. Ostwal & Associates (Regd.)
Chartered Accountants
(Registration No. 124444W)
T. P. Ostwal
(Partner)
M.NO.30848

Place : Mumbai
Dated : August 4, 2012

**CHIEF EXECUTIVE OFFICER (CEO) AND
CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

As required by sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2012, the Company has complied with the requirement of the said sub-clause.

Hemant V. Udeshi
Managing Director & CEO

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai.
Date: August 4, 2012



AUDITORS' REPORT

To
The Members of
JAYANT AGRO-ORGANICS LIMITED

1. We have audited the attached Balance Sheet of **JAYANT AGRO-ORGANICS LIMITED** as at 31st March, 2012, Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and also Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and also Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956;
 - e. on the basis of the written representations received from the directors of the Company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **T. P. Ostwal & Associates (Regd.)**
Chartered Accountants
(Registration No. 124444W)

T. P. Ostwal
(Partner)

Membership No. 30848

Place: Mumbai.
Date : August 4, 2012



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the financial statements for the year ended 31st March, 2012 of Jayant Agro-Organics Limited and on the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are physically verified periodically. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the company is not affected.
- ii. (a) As explained to us, inventories have been physically verified during the year by the Company's Management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that, the Company is maintaining proper records of its inventory. The discrepancies noticed during physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties, covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of sub-clauses (a), (b), (c) and (d) of the Paragraph 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any unsecured loans from companies, firms or other parties, covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of Paragraph 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- v. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provision of Paragraph 4(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public. Accordingly, the provisions of Paragraph 4(vi) of the Order are not applicable to the Company.
- vii. In our opinion, the internal audit function carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- viii. According to the information and explanations given to us, maintenance of the cost records has not been prescribed by the central government under Section 209(1) (d) of the Companies Act, 1956. Accordingly, provision of Paragraph 4 (viii) of the Order is not applicable to the Company.
- ix. In respect of statutory dues:
 - (a) According to the information and explanation given to us and according to the records of the Company as examined by us, undisputed statutory dues including income tax, custom duty, excise duty, service tax, cess and other statutory dues have been regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date on which it becomes payable.
 - (b) According to the information and explanation given to us and based on the records of the Company examined by us, the dues of value added tax, excise duty, central sales tax and income tax as at 31st March, 2012 which have not been deposited on account of any dispute are tabulated below:



(₹ in Lacs)

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where pending
Central Excise Act, 1944	Excise Duty	66.65	Various years covering the periods from 2001-2007	Commissioner of Central Excise
		136.15	Various years covering the periods from 2008-2011	Commissioner of Central Excise & Commissioner (Appeal)
Income Tax Act, 1961	Income Tax	39.45	A.Y. 2009-2010	CIT (Appeal)

- x. The company neither has accumulated losses nor incurred cash losses during the financial year covered by our report and immediately preceding financial year.
- xi. According to the information and explanation given to us, and based on the verification of records of the Company, the Company has not defaulted in repayment of dues to financial institutions and banks.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debenture or any other securities. Accordingly, the provision of Paragraph 4(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a Nidhi/ mutual benefit fund/society. Accordingly, the provision of Paragraph 4(xiii) of the said Order is not applicable to the Company.
- xiv. As per records of the Company as examined by us and the information and explanations given to us, Company is not dealing or trading in shares, securities and debentures and other investments. Accordingly, the provision of Paragraph 4(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the Management, the Company has given guarantee for loans taken from banks or financial institutions by its subsidiary as well as group Companies details of which are provided in notes to accounts Note No. 36. In our opinion the terms and conditions of these guarantees are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, term loan taken by the Company has been applied for the purpose for which they were raised during the year under audit.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the books of accounts of the Company, we report that no funds raised on a short-term basis, have been used for long-term investment and vice-versa.
- xviii. According to the information and explanation given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered by our report. Accordingly, the provisions of Paragraph 4(xix) of the Order are not applicable to the Company.
- xx. During the year, the Company has not raised any money by way of public issue of shares.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported, during the year under audit.

For **T. P. Ostwal & Associates (Regd.)**
Chartered Accountants
(Registration No. 124444W)

T. P. Ostwal
(Partner)

Membership No. 30848

Place: Mumbai.
Date : August 4, 2012

**BALANCE SHEET AS AT 31st MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	75,000,000	75,000,000
Reserves and Surplus	3	1,098,899,044	860,881,092
Non-Current Liabilities			
Long-Term Borrowings	4	291,637,165	39,342,887
Deferred Tax Liabilities (Net)	5	140,300,894	73,750,224
Other Long-Term Liabilities	6	146,193	1,533,672
Current Liabilities			
Short-Term Borrowings	7	1,657,101,828	1,624,276,871
Trade Payables		606,567,774	255,252,662
Other Current Liabilities	8	417,177,328	277,643,696
Short-Term Provisions	9	56,162,075	72,730,173
	TOTAL	4,342,992,301	3,280,411,277
ASSETS			
Non-Current Assets			
Fixed Assets			
	10		
Tangible Assets		1,353,706,538	369,376,274
Intangible Assets		50,507,757	-
Capital Work-in-Progress		96,230,130	15,364,132
Non Current Investments	11	64,903,000	258,203,000
Long-Term Loans and Advances	12	64,958,264	23,810,960
Other Non-Current Assets	13	414,397	11,600,993
Current Assets			
Current Investment	14	10,000,000	-
Inventories	15	831,667,578	939,978,454
Trade Receivables	16	1,079,929,552	784,353,341
Cash and Bank Balances	17	145,625,150	58,972,352
Short-Term Loans and Advances	18	384,384,147	538,431,030
Other Current Assets	19	260,665,788	280,320,741
	TOTAL	4,342,992,301	3,280,411,277
Significant Accounting Policies			
Notes on Financial Statements	1 to 45		

As per our Report of even date

For T. P. Ostwal & Associates (Regd.)
Chartered Accountants
(Registration No:124444W)

T. P. Ostwal
(Partner)
Membership No.30848

Place: Mumbai
Date: August 4, 2012

For and on behalf of the Board of Directors

Vithaldas G. Udeshi
Chairman

Abhay V. Udeshi
Director

Dinesh M. Kapadia
Company Secretary

Hemant V. Udeshi
Managing Director

Vikram V. Udeshi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in ₹)

Particulars	Note No.	2012	2011
INCOME:			
Revenue from Operations	20	16,624,214,025	11,426,525,667
Other Income	21	59,203,479	19,763,339
Total Revenue		16,683,417,504	11,446,289,006
EXPENDITURE:			
Cost of Materials Consumed	22	6,757,486,601	7,389,193,785
Purchases of Stock-in-Trade		7,782,996,775	2,983,893,943
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	23	249,007,635	(481,744,396)
Employee Benefits Expense	24	100,329,804	72,986,451
Finance Costs	25	310,415,673	202,344,889
Depreciation and Amortization Expense	10	44,803,112	26,852,454
Other Expenses	26	1,098,243,440	991,066,492
Total Expenses		16,343,283,040	11,184,593,618
Profit Before Exceptional Item and Tax		340,134,464	261,695,388
Less: Exceptional Items	27	9,089,151	621,654
Profit Before Tax		331,045,313	261,073,734
Less: Tax Expense:			
Current Tax		69,500,000	79,550,000
Deferred Tax		66,550,670	4,122,648
MAT Credit Entitlement		(24,757,814)	-
Profit for the Year		219,752,457	177,401,086
Earnings per Equity Share of Face Value of ₹ 5/- each			
Basic and Diluted EPS (in ₹)	35	14.65	11.83
Significant Accounting Policies			
Notes on Financial Statements	1 to 45		

As per our Report of even date

For **T. P. Ostwal & Associates (Regd.)**Chartered Accountants
(Registration No:124444W)**T. P. Ostwal**
(Partner)
Membership No.30848Place: Mumbai
Date: August 4, 2012

For and on behalf of the Board of Directors

Vithaldas G. Udeshi
Chairman**Abhay V. Udeshi**
Director**Dinesh M. Kapadia**
Company Secretary**Hemant V. Udeshi**
Managing Director**Vikram V. Udeshi**
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012****(Amount in ₹)**

Particulars	2012	2011
A Cash Flow from Operating Activities		
Net Profit Before Tax	331,045,313	261,073,734
Adjustments for :-		
Depreciation & Amortisation Expense	44,803,112	26,852,454
Provision for Leave Encashment	5,199,612	2,309,753
Forward Contract Loss/(Gain)	3,954,704	-
Loss/(Profit) on Sale of Assets	193,475	636,899
Interest Received	(1,161,141)	(13,169,563)
Excess Provision Written Back	(81,264)	(15,245)
Dividend Received	(2,862,500)	(2,750,000)
Preliminary Expenses Written off	127,834	-
Wealth Tax Provision	35,000	23,000
Interest Paid	297,849,045	190,791,746
Operating Profit before Working Capital Changes	679,103,190	465,752,778
Adjusted for :-		
(Increase)/Decrease in Inventories	108,310,876	(12,682,933)
(Increase)/Decrease in Trade Receivables	(295,576,211)	(354,534,967)
(Increase)/Decrease in Long Term Loans & Advances	(16,389,491)	(56,712)
(Increase)/Decrease in Short Term Loans & Advances	154,046,884	118,423
(Increase)/Decrease in Other Current Assets	19,654,954	(21,910,722)
(Increase)/Decrease in Other Non Current Assets	11,186,597	3,732,526
Increase/(Decrease) in Trade Payables	351,315,113	69,793,539
Increase/(Decrease) in Short Term Provisions	1,392,343	388,493
Increase/(Decrease) in Other Long Term Liabilities	(1,387,479)	1,533,672
Increase/(Decrease) in Other Current Liabilities	116,818,329	107,959,523
	449,371,914	(205,659,158)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1,161,103,807)	(53,114,903)
Sale of Fixed Assets	155,000	406,349
Net Investment in Subsidiary Companies	183,300,000	(900,000)
Dividend Received	2,862,500	2,750,000
Cash and Cash Equivalents Acquired on Merger	69,663,000	-
Interest Received	1,161,141	13,169,563
Net Cash from /(used in) Investing Activities	(903,962,166)	(37,688,991)
C Cash Flow from Financing Activities		
Borrowings	285,119,235	20,140,586
Taxes Paid	(95,035,243)	(66,091,541)
Wealth Tax Paid	(32,800)	(19,755)
Dividend Paid	(26,250,000)	(22,500,000)
Tax on Distributed Profits	(3,812,286)	(3,356,512)
Interest Paid	(297,849,045)	(190,791,746)
Net Cash from/(used in) Financing Activities	(137,860,140)	(262,618,968)
Net Increase/(Decrease) in Cash Equivalents	86,652,798	(40,214,339)
Cash & Cash equivalent		
At the beginning of the year	58,972,352	99,186,691
At the end of the year	145,625,150	58,972,352

As per our Report of even date

For T. P. Ostwal & Associates (Regd.)Chartered Accountants
(Registration No:124444W)**T. P. Ostwal**
(Partner)
Membership No.30848Place: Mumbai
Date: August 4, 2012**For and on behalf of the Board of Directors****Vithaldas G. Udeshi**
Chairman**Abhay V. Udeshi**
Director**Dinesh M. Kapadia**
Company Secretary**Hemant V. Udeshi**
Managing Director**Vikram V. Udeshi**
Chief Financial Officer



Notes on Financial Statements for the year ended 31st March, 2012

Note 1: Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. During the year, Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

B. Use of Estimates

The preparation of financial statements required management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

C. Fixed Assets

- (a) **Tangible Assets :** Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.
- (b) **Intangible Assets :** Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

D. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying asset are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

E. Depreciation

- (a) Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on additions/ deletions of assets during the year is provided on a pro-rata basis.
- (c) Leasehold Land is amortized over the period of lease.
- (d) Intangible Asset is amortized over the useful life of asset.
- (e) Assets of ₹ 5,000/- or less is expensed out during the year of purchase.

Rate of depreciation on Intangible Asset is 25% on Straight Line basis.

F. Research and Development

Revenue expenditure on research and development is recognized as an expense in the year in which it is incurred and the expenditure on capital assets is depreciated on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.



Notes on Financial Statements for the year ended 31st March, 2012

G. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management.

H. Inventories

- (a) Inventories are valued at lower of cost or net realizable value except for scrap and by-products which are valued at net realizable value.
- (b) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.
- (c) Cost of inventories of raw material and material cost of finished goods and work-in-process is determined on First In First Out (FIFO) basis except Chemicals, Packing Materials, stores and spare parts which are valued at weighted average cost.

I. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized when goods are supplied. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/Value Added Tax and Excise Duty.

Dividend income is recognized when right to receive the payment is established by the Balance Sheet Date.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

Exports are accounted on CIF basis.

J. Accounting of Claims

- (a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable if any, are accounted at the time of acceptance.
- (b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.
- (c) Central Sales Tax claims and duty drawback claims are accounted on accrual basis.

K. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss as per AS 11. In case transactions for which forward contracts are taken are also revalued as per Accounting Standard 11 - Effect of Changes in Foreign Exchange Rates (AS-11).

Hedge Reserve : In order to recognize the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transactions, in appropriate accounting periods, the Company applies the principles of recognition set out in the Accounting Standard 30- Financial Instruments - Recognition and Measurement (AS-30) as suggested by the Institute of Chartered Accountants of India. Accordingly, the unrealized gain/(loss) (net) consequent to foreign currency fluctuations, in respect of effective



Notes on Financial Statements for the year ended 31st March, 2012

hedging instruments, represented by simple forward covers, to hedge future exports, are carried as a Hedging Reserve and ultimately set off in the Statement of Profit and Loss when the underlying transaction arises.

L. Sundry Debtors

Sundry debtors are stated after writing off debts which are not recoverable. Adequate provision is made for debts if considered doubtful.

M. Employee Benefits

Defined Contribution Plan

- (a) Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when contributions accrue.
- (b) Annual contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the Accounts. The Company does not retain an obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.
- (c) Entitlements to annual leave and sick leave are recognized when they accrue to the employees. Sick leave can only be availed when annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. Provision for Leave Encashment is based on year end leave balance.

N. Taxes on Income

Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Taxation

Deferred tax reflects the tax effects of timing differences between accounting income and the taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets, if any, are reviewed as at each Balance Sheet date to reassess realization.

Minimum Alternative Tax (MAT)

Minimum Alternative Tax paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

O. Earnings Per Share (EPS)

A basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares.



Notes on Financial Statements for the year ended 31st March, 2012

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

P. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Q. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

R. Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

S. Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



Notes on Financial Statements for the year ended 31st March, 2012

Note 2: Share Capital

(a) Authorised/Issued/Subscribed & Paid Up

Particulars	2012		2011	
	Number	₹	Number	₹
Authorised				
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	6,000,000	30,000,000
Equity Shares of ₹ 5/- each	29,000,000	145,000,000	29,000,000	145,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5/- each fully paid up	15,000,000	75,000,000	15,000,000	75,000,000
	15,000,000	75,000,000	15,000,000	75,000,000
(b) Reconciliation of outstanding number of shares				
Shares outstanding at the beginning of the year	15,000,000	75,000,000	15,000,000	75,000,000
Shares outstanding at the end of the year	15,000,000	75,000,000	15,000,000	75,000,000

(c) Details of shareholders holding more than 5% shares

Name of Shareholders	2012		2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayant Finvest Limited	7,551,390	50.34%	5,628,519	37.52%
Udeshi Trust	600,000	4.00%	1,800,000	12.00%

(d) **Rights, preferences and restrictions attached to equity shares:** The company has one class of equity shares having a face value of ₹ 5/- each per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Equity Shares held by holding company :

Holding Company#:

7,551,390 (P.Y. 5,628,519) equity shares held by Jayant Finvest Limited.

Jayant Finvest Limited has become Holding Company w.e.f. March 28, 2012.

(f) Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years

Particulars	Year (Aggregate No. of Shares)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Equity Shares:					
Fully paid-up by way of Bonus Shares	6,000,000	-	-	-	-



Notes on Financial Statements for the year ended 31st March, 2012

Note 3: Reserves and Surplus

(Amount in ₹)

Particulars	2012	2011
Capital Reserves		
Opening Balance	17,850,000	17,850,000
Add: During the year on Amalgamation (Refer Note 37)	45,075,000	-
Closing Balance (a)	62,925,000	17,850,000
Capital Redemption Reserve		
Opening Balance	30,000,000	30,000,000
Changes during the year	-	-
Closing Balance (b)	30,000,000	30,000,000
Securities Premium Account		
Opening Balance	204,000,000	204,000,000
Add: During the year on Amalgamation (Refer Note 37)	24,588,000	-
Closing Balance (c)	228,588,000	204,000,000
General Reserve		
Opening Balance	214,351,508	196,551,508
Changes during the year	22,000,000	17,800,000
Less: Forward Contract Reserve (during the year)	(18,760,599)	-
Closing Balance (d)	217,590,909	214,351,508
Surplus		
Opening Balance	394,679,584	265,231,848
Add: Net Profit/(Net Loss) For the current year	219,752,457	177,401,086
Less: Proposed Dividend	30,000,000	26,250,000
Dividend Distribution Tax	2,636,906	3,903,350
Transfer to General Reserve	22,000,000	17,800,000
Closing Balance (e)	559,795,135	394,679,584
Total (a+b+c+d+e)	1,098,899,044	860,881,092



Notes on Financial Statements for the year ended 31st March, 2012

Note 4: Long Term Borrowings

Particulars	(Amount in ₹)	
	2012	2011
Secured Term Loans		
From Banks	291,637,165	39,342,887
	291,637,165	39,342,887

(4.1) loans are secured against hypothecation of Wind Mill, Vehicles, Plant and Machinery and personal guarantee of directors.

(4.2) Term Loan from banks amounting to ₹ 247,266,923 are secured against *pari passu* charge on all fixed assets of the Company. Term loans are collaterally secured by personal guarantee of two of directors of the Company.

(4.3) Term loan amounting to ₹ 139,861,136 is repayable in 38 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(4.4) Term loan amounting to ₹ 107,405,787 is repayable in 39 monthly installments from the date of loan alongwith interest @ "ICICI Bank Benchmark Advance Rate" - 2.25% p.a.

(4.5) Term loan amounting to ₹ 38,285,202 is repayable in 29 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(4.6) Term loan amounting to ₹ 84,354,678 is repayable in 36 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(BPLR - Benchmark Prime Lending Rate)

Note 5: Deferred Tax Liability

Particulars	(Amount in ₹)	
	2012	2011
Opening Deferred Tax Liability	73,750,224	69,627,576
Add: Deferred Tax Liability		
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts	68,562,475	4,943,433
(a)	142,312,699	74,571,009
Less: Deferred Tax Assets		
Expenses allowable on actual payment basis	2,011,805	820,785
(b)	2,011,805	820,785
Deferred Tax Liability (Net)	140,300,894	73,750,224
Total (a-b)	140,300,894	73,750,224

Note 6: Other Long Term Liabilities

Trade Payables	123,139	532,488
Other Payables	-	487,851
Creditors for Capital Goods	-	513,333
Advance from Customers	23,054	-
	146,193	1,533,672



Notes on Financial Statements for the year ended 31st March, 2012

Note 7: Short Term Borrowings

(Amount in ₹)

Particulars	2012	2011
Secured		
From Banks	1,637,101,828	1,524,276,871
Unsecured		
From Banks	-	100,000,000
Loan from Related Parties	20,000,000	-
	1,657,101,828	1,624,276,871

(7.1) Short term loans are secured by joint deed of hypothecation, on *pari passu* basis of raw material, work in process, finished goods, spares and receivables and personal guarantee of the directors. Further, collaterally secured by Equitable Mortgage of all present and future immovable properties comprising inter alia machinery, equipment, plant and spares.

(7.2) Loan from related parties are from:

Gokulmani Real Estate Development Private Limited	18,000,000	-
Jayant Finvest Limited	2,000,000	-
	20,000,000	-

Note 8: Other Current Liabilities

Interest Accrued and Due on Borrowings	7,472,179	3,368,950
Current Maturities on Long-Term Debt	108,712,637	31,575,115
Advances from Customers	3,807,052	14,819,100
Creditors for Capital Goods	18,437,632	2,089,122
Forward Contract Receivable	22,715,303	-
Other Payables #	24,682,893	11,909,666
Statutory Dues	4,372,467	2,674,906
Bank Account Overdrawn	7,460,833	67,081,656
Security Deposit	583,851	-
Bill Discounting	216,777,754	142,128,685
Unclaim Dividend	2,154,727	1,996,496
	417,177,328	277,643,696

Other payables includes provision for expenses, salary payable, and other non trade payables.

Note 9: Short Term Provisions

Provision for Employee Benefits:

Bonus	4,159,285	2,860,893
Leave Encashment	14,819,035	9,619,423
Contribution to Provident Fund	93,951	-

Other Provisions:

Proposed Dividend	30,000,000	26,250,000
Dividend Distribution Tax	2,636,906	3,903,350
Income Tax	4,417,898	30,073,507
Wealth Tax	35,000	23,000
	56,162,075	72,730,173

Notes on Financial Statements for the year ended 31st March, 2012

Note 10: Fixed Asset

(Amount in ₹)

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2011	Additions during the year	Addition on account of Merger	Deductions during the year	As at 31.03.2012	As at 01.04.2011	Addition on account of Merger	For the year	Deductions during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets												
Freehold Land	14,567,802	-	38,022,750	-	52,590,552	-	-	-	-	-	52,590,552	14,567,802
Building	54,555,294	95,678,035	57,849,017	-	208,082,346	12,601,211	1,975,387	3,912,691	-	18,489,289	189,593,057	41,954,083
Plant and Machinery	442,058,258	755,442,740	81,719,222	-	1,279,220,220	160,955,367	4,354,585	37,961,734	-	203,271,686	1,075,948,534	281,102,891
Office Equipments	2,457,443	1,817,145	1,309,780	-	5,584,368	840,839	60,949	224,796	-	1,126,584	4,457,784	1,616,604
Computers	13,366,189	702,897	945,360	-	15,014,446	11,492,938	195,636	1,193,020	-	12,881,594	2,132,852	1,873,251
Furniture and Fixtures	12,891,043	560,156	1,582,916	-	15,034,115	4,638,694	119,502	941,110	-	5,699,306	9,334,809	8,252,349
Vehicles	16,144,163	1,181,075	658,616	1,267,149	16,716,705	4,867,157	186,541	1,560,277	918,674	5,695,301	11,021,404	11,277,006
Sub Total	556,040,192	855,382,048	182,087,661	1,267,149	1,592,242,752	195,396,206	6,892,599	45,793,628	918,674	247,163,760	1,345,078,992	360,643,986
Leased Assets												
Leasehold Land	10,126,777	-	-	-	10,126,777	1,394,489	-	104,742	-	1,499,231	8,627,546	8,732,288
Sub Total	10,126,777	-	-	-	10,126,777	1,394,489	-	104,742	-	1,499,231	8,627,546	8,732,288
Total	566,166,969	855,382,048	182,087,661	1,267,149	1,602,369,529	196,790,695	6,892,599	45,898,370	918,674	248,662,991	1,353,706,538	369,376,274
Previous year figures	525,691,964	43,049,887	-	2,574,882	566,166,969	171,469,875	-	26,852,454	1,531,634	196,790,695	369,376,274	-
Intangible Assets												
Technology	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	-
Total	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	-
Previous year figures	-	-	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress											96,230,130	15,364,132





Notes on Financial Statements for the year ended 31st March, 2012

Note 11: Non Current Investments

(Amount in ₹)

Particulars	Current year		Previous Year		2012	2011
	No. of shares	% of Holding	No. of shares	% of Holding		
A) Trade Investments (Valued at cost)						
I) Equity Shares (unquoted fully paid up)						
In Subsidiary:						
Ihsedu Agrochem Pvt. Ltd. (Face Value of ₹ 10/-)	5,500,000	100	5,500,000	100	55,000,000	55,000,000
Ihsedu Speciality Chemicals Pvt. Ltd. (Refer Note 37) (Face Value of ₹ 5/-) (P. Y. ₹ 10/-)	-	-	18,990,000	76	-	189,900,000
Ihsedu Coreagri Services Pvt. Ltd. (Face Value of ₹ 10/-)	50,000	100	50,000	100	500,000	500,000
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd. (Face Value of ₹ 10/-)	750,000	60	90,000	90	7,500,000	900,000
II) Other Investments (At cost)						
Enviro Infrastructure Co.Ltd. (Face Value of ₹ 10/-)	75,000	-	75,000	-	750,000	750,000
Ahmedabad Commodity Exchange Ltd. (Face Value of ₹ 10/-)	121,600	-	121,600	-	1,153,000	1,153,000
B) Other Non-Current Investments						
Kotak Mahindra Life Insurance*					-	10,000,000
					64,903,000	258,203,000

* Other Non-Current Investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. As per the terms of the insurance policy, besides the amount of ₹ 10,000,000 paid during the year 2007-08. The Company has paid ₹ 100,000 each during the year 2008-09, 2009-10 and 2010-11 to keep the policy active. After the expiry of three years of the lock-in-period, the Company will have an option of claiming the amount thus accumulated along with the minimum returns guaranteed by the insurance Company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.



Notes on Financial Statements for the year ended 31st March, 2012

Note 12: Long Term Loans and Advances

(Amount in ₹)

Particulars	2012	2011
Unsecured, Considered Good		
Security Deposits	35,701,193	22,142,805
	(a) 35,701,193	22,142,805
Other Loans and Advances		
Advance to Creditors	73,301	-
Loan to Employees	4,232,460	1,474,659
MAT Credit Entitlement	24,757,814	-
Advance Fringe Benefit Tax	193,496	193,496
	(b) 29,257,071	1,668,155
Total (a+b)	64,958,264	23,810,960
Note 13: Other Non-Current Assets		
Advance for Capital Goods	414,397	8,075,993
Long term Deposit with maturity more than 12 months	-	3,525,000
	414,397	11,600,993
Note 14: Current Investment		
Kotak Mahindra Life Insurance **	10,000,000	-
	10,000,000	-

** Other Non-Current Investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.

Note 15: Inventories

Raw Materials, Chemicals and Packing Materials	196,977,335	119,509,768
Finished Goods	591,034,225	797,425,656
Stores and Spares	11,799,550	7,788,472
Work in Process	31,856,468	15,254,558
(For mode and method of valuation refer point H of Note 1)	831,667,578	939,978,454

Productwise Description of Finished Goods:

Castor Oil	410,615,782	666,573,604
Derivatives	134,260,466	100,698,254
By Product	46,157,977	30,153,798
	591,034,225	797,425,656

Note 16: Trade Receivables

Unsecured, Considered Good		
Over Six months	5,622,287	132,197
Others	1,074,307,265	784,221,144
	1,079,929,552	784,353,341



Notes on Financial Statements for the year ended 31st March, 2012

Note 17: Cash and Bank Balances

(Amount in ₹)

Particulars	2012	2011
Cash and Cash Equivalents:		
Cash on hand	916,183	701,432
Balance with Banks		
- in Current Accounts	132,921,477	55,392,638
- Unclaimed Dividend	2,154,727	1,996,496
Other Bank Balance:		
Margin Money with Bank	4,654,802	415,000
Fixed Deposit with Bank	4,977,961	466,786
	145,625,150	58,972,352
Note 18: Short Term Loans and Advances		
Loans and Advances to Related Parties #		
Unsecured, Considered Good	-	252,910,666
Others-Unsecured, Considered Good		
Excise and Other Taxes Recoverable	382,927,250	282,902,394
Loans and Advances to Staff	1,456,897	2,617,970
	384,384,147	538,431,030
# Loans and Advances to Related Parties includes :-		
Subsidiary Companies		
Ihsedu Agrochem Private Limited	-	28,320,450
Ihsedu Speciality Chemicals Private Limited	-	223,790,216
Ihsedu Coreagri Services Pvt. Ltd.	-	800,000
	-	252,910,666
Note 19: Other Current Assets		
Advance to Others	417,550	65,500
Advance to Suppliers	10,641,827	16,403,685
Advances for Capital Goods	4,029,884	1,446,206
Accrued Interest	674,077	-
Export Incentive Receivable	239,988,687	262,048,790
Prepaid Expenses	1,706,812	356,560
Claims Receivable	3,206,951	-
	260,665,788	280,320,741



Notes on Financial Statements for the year ended 31st March, 2012

Note 20: Revenue from Operations

(Amount in ₹)

Particulars	2012	2011
Sale of Products		
Finished Goods	16,526,616,917	11,366,530,161
Less: Excise Duty	25,256,573	21,458,343
	<u>16,501,360,344</u>	<u>11,345,071,818</u>
Power Generation Income	21,612,219	17,918,356
Other Operating Revenue		
Foreign Exchange Gain	101,241,463	63,535,492
	<u>16,624,214,026</u>	<u>11,426,525,666</u>
(20.1) Details of Product Sold		
Castor Oil	9,003,786,223	5,785,500,641
Derivatives	6,498,172,364	4,886,848,999
By Product	965,856,686	672,722,178
Others	33,545,071	-
	<u>16,501,360,344</u>	<u>11,345,071,818</u>
(20.2) Details of Traded and Manufactured Goods		
Traded Goods	7,897,513,306	2,475,406,009
Manufactured Goods	8,603,847,038	8,869,665,809
Note 21: Other Income		
Net Gain on Foreign Exchange Fluctuation	48,604,016	-
Interest Income	1,161,141	13,169,563
Insurance Claim	4,777,389	2,117,139
Dividend Income	2,862,500	2,750,000
Miscellaneous Receipts	185,132	187,378
Refund of Duties and Claims	1,613,301	1,539,259
	<u>59,203,479</u>	<u>19,763,339</u>
Note 22: Cost of Raw Materials Consumed		
Raw Material	6,496,247,803	7,224,028,819
Chemicals	261,238,798	165,164,966
	<u>6,757,486,601</u>	<u>7,389,193,785</u>
(22.1) Principal Raw material		
Castor Oil	45,699,099	-
Castor Seed	6,450,548,704	7,224,028,819
	<u>6,496,247,803</u>	<u>7,224,028,819</u>
Note 23: Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade		
Increase/(Decrease) in Stock	2012	2011
Opening Stock		
Work in Process	34,385,581	7,501,610
Finished Goods	837,512,747	323,434,208
	<u>871,898,328</u>	<u>330,935,818</u>
Closing Stock		
Work in Process	31,856,468	15,254,558
Finished Goods	591,034,225	797,425,656
	<u>622,890,693</u>	<u>812,680,214</u>
Increase/(Decrease) in Stock	(249,007,635)	481,744,396



Notes on Financial Statements for the year ended 31st March, 2012

(Amount in ₹)

	2012	2011
(23.1) Major component of Finished Goods:		
Opening Stock		
- Castor Oil	666,573,604	220,699,741
- Derivatives	138,181,320	73,239,893
- By Product	32,757,823	29,494,574
	837,512,747	323,434,208
Closing Stock		
- Castor Oil	410,615,782	666,573,604
- Derivatives	134,260,466	100,698,254
- By Product	46,157,977	30,153,798
	591,034,225	797,425,656
Note 24: Employee Benefits Expense		
Salaries and Incentives	86,677,477	62,672,601
Contributions to Provident fund and other Funds	7,764,255	6,740,135
Staff Welfare Expenses	5,888,072	3,573,715
	100,329,804	72,986,451
Note 25: Finance Costs		
Interest Expense		
Interest on Loan to Banks	297,849,045	190,791,746
Other Borrowing Cost		
Processing Fees	12,566,628	11,553,143
	310,415,673	202,344,889
Note 26: Other Expenses		
Consumption of Stores and Spares	21,492,580	11,538,965
Consumption of Packing Materials	81,053,891	57,464,232
Power and Fuel	100,044,260	55,619,878
Rent, Rates and Taxes	4,667,179	12,519,188
Job Work Charges	201,476,369	289,499,794
Repairs & Maintenance		
- Building	787,635	882,153
- Machinery	8,250,814	5,081,313
- Others	5,790,626	4,444,538
Insurance	19,536,053	17,415,315
Freight, Coolie and Cartage	508,017,904	415,811,740
Storage Charges	17,107,901	16,581,424
Brokerage on Sales	23,267,543	20,362,951
Brokerage on Purchases	6,648,921	1,262,310
Research and Development expenses	4,819,402	4,509,037
Loss on Foreign Exchange Fluctuation	-	12,556,617
Other operating expenses	88,196,811	63,760,907
Auditors Remuneration (Refer Note 32)	7,085,551	1,756,130
	1,098,243,440	991,066,492



Notes on Financial Statements for the year ended 31st March, 2012

Note 27: Exceptional Items

(Amount in ₹)

Particulars	2012	2011
Loss on Sale of Asset	193,475	636,899
Short/(Excess) Provision for Wealth Tax	9,800	(15,245)
Excess Provision Written Back (DDT)	(91,064)	-
Preliminary Expenses Written Off	127,834	-
Pre-Operative Expenses	8,849,106	-
	9,089,151	621,654

Note 28: Expenditure in Foreign Currency

Travelling Expenses	4,865,960	1,971,483
Professional Fees	2,325,725	2,456,983
Brokerage and Commission	12,922,458	10,424,204
Membership and Subscription	693,327	652,228
Others	353,499	115,465
	21,160,969	15,620,363

Note 29: Value of Imports on C.I.F. Basis

Chemicals	59,902,383	33,133,522
Purchases	26,300,327	-
Capital Goods	20,732,871	17,002,006
Spares for Laboratory Equipments	-	192,645
	106,935,581	50,328,173

Note 30: Earning in Foreign Currency

FOB Value of Export	14,057,548,807	8,589,425,919
	14,057,548,807	8,589,425,919

Note 31: Break up of Consumption

(Amount in ₹)

Particulars	2012		2011	
	%	Value	%	Value
Raw Material and Chemicals				
Indigenous	99.13	6,698,969,630	99.55	7,355,790,677
Import	0.87	58,516,971	0.45	33,403,108
	100.00	6,757,486,601	100.00	7,389,193,785
Stores and Spares				
Indigenous	100.00	21,492,580	100.00	11,538,965



Notes on Financial Statements for the year ended 31st March, 2012

Note 32: Payment to Auditors

(Amount in ₹)

Particulars	2012	2011
Statutory Audit Fees	1,685,400	827,250
Tax Audit Fees	533,710	275,750
Income Tax Matters	1,306,196	460,800
Certification	397,725	192,330
Advisory	405,020	-
Retainership Fees	2,757,500	-
	7,085,551	1,756,130

Note 33: Remittance in Foreign Currency of Dividend on Equity Shares

Number of Non - Resident Shareholders	65	35
Number of Other Body Corporate	1	1
Number of Ordinary Shares held by Non Resident Shareholders	26,405	17,929
Number of Ordinary Shares held by Other Non Resident Body Corporate	600,000	600,000
Gross Amount of Dividend (in ₹)	1,096,209*	926,894*

* Amount credited to Rupee account in India out of which ₹ 1,050,000 (P.Y. ₹ 900,000) amount of equity dividend has been credited to other than Rupee account in India

Note 34: Research and Development Expenditure

Capital other than Building	427,275	4,783,385
Building	-	3,371,757
Revenue	11,483,916	9,242,303
	11,911,191	17,397,445

Note 35: Earning Per Share

Weighted Average Number of Shares for Earning Per Share computation

For Basic Earning Per Share of ₹ 5/- each	15,000,000	15,000,000
For Diluted Earning Per Share of ₹ 5/- each	15,000,000	15,000,000
Net Profit Available for Equity Shareholders	219,752,457	177,401,086
Earning Per Share (Weighted Average)		
Basic Earnings Per Share ₹	14.65	11.83
Diluted Earnings Per Share ₹	14.65	11.83



Notes on Financial Statements for the year ended 31st March, 2012

Note 36: Contingent Liabilities :

(Amount in lacs ₹)

Particulars	2012	2011
Claims against company not acknowledged as debts -		
Excise Duty	202.80	586.11
Service Tax	-	28.04
VAT/CST	-	1,483.68
Income Tax	39.45	565.69
Liability in respect of excise duty where the issue was decided in favour of the Company	-	7.44
Bill Discounted	3,520.39	3,303.14
Guarantees Given on behalf of its Subsidiaries (excluding merged company)	9,320.00	10,565.00
Guarantee Given to Bank for Discounting of Bills	2,000.00	5,000.00
Bank Guarantee Given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

Notes:

- i. Advances recoverable includes an amount of ₹ 1,877,566 (P.Y. ₹ 1,877,566) paid to the excise authorities under protest on account of disputed availment of Cenvat Credit of Service Tax.
- ii. Unclaimed Dividend:
The balance with banks in current accounts include ₹ 2,154,727 (P.Y. ₹ 1,996,496) set aside for payment of dividends.
- iii. The Company had entered into Memorandum Of Understanding (MOU) with a party to carry out import and export trade in certain commodities. In respect of such trade, the Company has received show cause notices from the authorities for alleged violation of regulation in terms of the export value of goods under Section 14 of the Customs Act, 1962 read with Section 11 of Foreign Trade Development & Regulation Act, 1992 and rule 11 & 14 of Foreign Trade (Regulation) Rule, 1993 and under Section 16 of the Foreign Exchange Management Act, 1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule, 2000. Neither any quantification has been done by the authorities of any potential penal liabilities nor is it possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has MOU.



Notes on Financial Statements for the year ended 31st March, 2012

Note 37: Amalgamation of Ihsedu Speciality Chemicals Private Limited

Pursuant to the scheme of Amalgamation ("the Scheme") of the Ihsedu Speciality Chemicals Private Limited ("ISCPL") with the Company under sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Judicature at Bombay as per their Order dated July 6, 2012, the assets and the liabilities of the ISCPL were transferred to and vested in the Company w.e.f October 1, 2011. Accordingly, the scheme has been given effect to in these accounts w.e.f. the said date. The operations of ISCPL includes manufacturing of Castor Oil Derivatives.

The amalgamation has been accounted for under the " Amalgamation in the nature of Merger" as prescribed by AS 14 : "Accounting for Amalgamation". Accordingly, the accounting treatment has been given as under:

- i) the assets, liabilities, reserves of ISCPL as at 1st October, 2011 have been incorporated at their book values in the financial statements of the Company.
- ii) 50,000,000 equity shares of ₹ 5/- each fully paid-up of ISCPL and investments in such equity shares held by the Company stands cancelled and accordingly the difference in the value of investment and the paid-up share capital of ISCPL is taken as Capital Reserve. Refer Note 3.
- iii) Authorised Share Capital of the company is being increased by ₹ 250,000,000 consisting of 50,000,000 equity shares of ₹ 5/- each subsequently to the year end as necessary filing with the authorities was done based on the order of the Bombay High Court.

Consequently, the financial statements for the year ended 31st March, 2012 includes the operation of ISCPL.

Note 38: Capital Commitment

Estimated amount of contracts remaining to be executed on Capital accounts amounted to ₹ 24,000,000 (P.Y. ₹ 25,000,000)

Note 39: Outstanding Forward Contracts

Forward Contracts of ₹ 2,793,130,311 (USD 54.93 Million) (PY ₹ 2,539,421,964 (USD 55.23 Million) are outstanding as on March 31, 2012.

Note 40: Capitalization of Pre-Operative Expenses:

Pre-operative expenses as on October 1, 2011 appearing in the books of Ihsedu Speciality Chemicals Pvt. Ltd., (ISCPL) a Company amalgamated with the Company pursuant to the order of Hon'ble Bombay High Court dated July 6, 2012 u/s 391 and 394 of the Companies Act, 1956 were capitalised as a cost of Plant and Machinery and Building in the ratio of the respective costs on the date on which the said plant had began commercial production. The assets of the ISCPL have been accounted in the books of the Company accordingly.



Notes on Financial Statements for the year ended 31st March, 2012

Note 41: Related Party disclosures :

(As identified by the Management)

Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below :-

a) Related Parties and their relationship :

i. Holding Company :

Jayant Finvest Ltd. (from 28th March, 2012)

ii. Subsidiary companies :

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd. (up to 30th September, 2011)

Ihsedu Coreagri Services Pvt. Ltd.

Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.

iii. Enterprises Controlled by directors/relatives:

Enlite Chemical Industries Ltd.

Gokuldas K. Udeshi Investments.

Innovative Micro Systems Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Kalyan Impex Pvt. Ltd.

Gokulmani Real Estate Development Pvt. Ltd.

Akhandanand Engineering & Trading Company.

iv. Associate Company:

Mitsui & Co (Asia Pacific) Pte Ltd., Singapore (up to 31st August, 2011)

Mitsui & Co Ltd., Japan (up to 31st August, 2011)

Itoh Oil Chemicals Co. Ltd., Japan. (from 19th January 2012)

v. Key Management Personnel:

Mr. Vithaldas G. Udeshi	-	Chairman
Mr. Hemant V. Udeshi	-	Managing Director
Mr. Abhay V. Udeshi	-	Executive Director
Dr. Subhash V. Udeshi	-	Executive Director
Mr. Vikram V. Udeshi	-	Chief Financial Officer
Mr. Sudhir V. Udeshi	-	Wholetime Director (of ISCPL)

vi. Relative of Key Management Personnel:

Mr. Dilipsinh G. Udeshi

Mr. Mulraj G. Udeshi

Mr. Jayraj G. Udeshi

Mr. Hitesh J. Udeshi

Mr. Varun A. Udeshi

Mrs. Trupti A. Udeshi



Notes on Financial Statements for the year ended 31st March, 2012

Note 41: Related Party disclosures (Continued...)

b) Details of Transactions with Related Parties referred to in items above :

(₹ in lacs)

Particulars	Holding Company	Subsidiary Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
Purchase of Raw Materials:					
Ihsedu Coreagri Services Pvt. Ltd.	-	4,900.20	-	-	-
	(-)	(5,846.15)	(-)	(-)	(-)
Jayant Finvest Ltd.	1,248.80	-	-	-	-
	(1,233.00)	(-)	(-)	(-)	(-)
Enlite Chemical Industries Ltd.	-	-	4,423.66	-	-
	(-)	(-)	(3,027.59)	(-)	(-)
Ihsedu Agrochem Pvt. Ltd.	-	1,325.92	-	-	-
	(-)	(-)	(-)	(-)	(-)
Purchase of Finished Goods:					
Ihsedu Agrochem Pvt. Ltd.	-	67,663.48	-	-	-
	(-)	(21,394.15)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	1,052.94	-	-	-
	(-)	(792.10)	(-)	(-)	(-)
Services Received (Job work charges & storage charges):					
Ihsedu Agrochem Pvt. Ltd.	-	1,994.17	-	-	-
	(-)	(2,890.27)	(-)	(-)	(-)
Gokulmani Real Estate Development Pvt. Ltd.	-	-	4.32	-	-
	(-)	(-)	(5.23)	(-)	(-)
Sale of Goods :					
Ihsedu Agrochem Pvt. Ltd.	-	46.76	-	-	-
	(-)	(707.37)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	12.84	-	-	-
	(-)	(500.08)	(-)	(-)	(-)
Relative of Key Management Personnel:					
- Rent paid	-	-	-	-	6.30
	(-)	(-)	(-)	(-)	(-)
- Remuneration	-	-	-	-	13.86
	(-)	(-)	(-)	(-)	(-)
Interest Received:					
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(126.07)	(-)	(-)	(-)
Dividend Received:					
Ihsedu Agrochem Pvt. Ltd.	-	27.50	-	-	-
	(-)	(27.50)	(-)	(-)	(-)
Investment in Share Capital:					
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	-	66.00	-	-	-
	(-)	(9.00)	(-)	(-)	(-)
Remuneration to Managing Director:	-	-	-	22.99	-
	(-)	(-)	(-)	(19.65)	(-)
Remuneration to Executive Directors:	-	-	-	73.20	-
	(-)	(-)	(-)	(53.24)	(-)

Notes on Financial Statements for the year ended 31st March, 2012

Note 41: Related Party disclosures (Continued...)

(₹ in lacs)

Particulars	Holding Company	Subsidiary Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
Balance Outstanding at the year end					
i) Loans and Advances:					
Gokulmani Real Estate Development Pvt. Ltd.	-	-	180.00	-	-
Jayant Finvest Ltd.	(-)	(-)	(-)	(-)	(-)
Ihsedu Agrochem Pvt. Ltd.	20.00	-	-	-	-
Ihsedu Coreagri Services Pvt. Ltd.	(-)	(-)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(283.20)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(8.00)	(-)	(-)	(-)
	-	-	-	-	-
	(-)	(2,237.90)	(-)	(-)	(-)
ii) Trade Receivable:					
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(525.34)	(-)	(-)	(-)
iii) Trade Payable:					
Gokulmani Real Estate Development Pvt. Ltd.	-	-	4.24	-	-
Ihsedu Agrochem Pvt. Ltd.	(-)	(-)	(0.13)	(-)	(-)
Jayant Finvest Ltd.	-	-	-	-	-
Enlite Chemical Industries Ltd.	(-)	3,908.96	(-)	(-)	(-)
	(532.32)	(-)	(-)	(-)	(-)
	(-)	(-)	(259.25)	(-)	(-)
v) Advance to Supplier:					
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(10,668.00)	(-)	(-)	(-)
v) Deposits:					
Akhandanand Engineering & Trading Company	-	-	161.00	-	-
	(-)	(-)	(161.00)	(-)	(-)
vi) Equity Contribution:					
Ihsedu Agrochem Pvt. Ltd.	-	550.00	-	-	-
	(-)	(550.00)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(1,899.00)	(-)	(-)	(-)
Ihsedu Coreagri Services Pvt. Ltd.	-	5.00	-	-	-
	(-)	(5.00)	(-)	(-)	(-)
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	-	75.00	-	-	-
	(-)	(9.00)	(-)	(-)	(-)

Notes:

- The above information has been reckoned on the basis of information available with the Company.
- Figures in the bracket are in respect of the Previous Year.

Note 42: Debtors amounting to ₹ 28.51 lacs in respect of which legal suit has been filed on account of non recovery. Company is hopeful to recover the said amount. Accordingly, no provision for doubtful debts has been made in the accounts inspite debtor being outstanding for more than 6 months.

Notes on Financial Statements for the year ended 31st March, 2012

Note 43: Segment Information

The business segment has been considered as the primary segment. The Company is organized into three business segments namely Castor Oil, Derivatives and Power Generation. These business segments have been identified considering the customers, the differing Risks and Returns and the Internal Financial Reporting System. Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and the amounts allocated on a reasonable basis. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the significant accounting policies. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of the costs are categorized in relation to the associated turnover of the segment.

Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income. Fixed assets used in the Company's business or liabilities contracted have been identified to the reportable segments.

(Amount in lacs ₹)

Particulars	2012					2011				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
REVENUE										
Net Sales/Income from Operation										
Local	4,430.36	13,834.08	216.12	328.98	18,809.54	5,986.33	12,260.48	179.18	-	18,425.99
Export	93,642.78	53,789.82	-	-	147,432.60	58,898.97	37,244.36	-	-	96,143.33
Total Revenue	98,073.14	67,623.90	216.12	328.98	166,242.14	64,885.30	49,504.84	179.18	-	114,569.32
RESULT										
Segment Result	1,681.64	4,885.66	204.81	79.27	6,851.38	947.19	3,541.16	168.12	-	4,656.47
Unallocated Corporate Expenses					-					0.93
Operating Profit					6,851.38					4,655.54
Finance Cost					3,104.16					1,907.92
Interest Income					11.61					131.70
Income Tax					447.42					795.50
Wealth Tax					0.35					0.08
Deferred Tax					665.51					41.23
Net Profit after tax and before depreciation					2,645.55					2,042.52



Notes on Financial Statements for the year ended 31st March, 2012

Note 43: Segment Information (Continued...)

(Amount in lacs ₹)

Particulars	2012					2011				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
REVENUE										
OTHER INFORMATION										
Segment Assets	15,571.56	23,877.61	918.08	-	40,367.25	15,834.24	9,002.80	983.48	-	25,820.52
Unallocated Corporate Assets					3,018.49					6,981.63
Total Assets					43,385.74					32,802.15
Segment Liabilities	15,369.22	13,752.85	224.01	-	29,346.08	14,678.62	6,335.92	264.38	-	21,278.92
Unallocated Corporate Liabilities					2,300.67					1,862.89
Total Liabilities					31,646.75					23,141.81
Capital Expenditure	-	9,054.72	-	-	9,054.72	-	322.44	-	-	322.44
Unallocated Capital Expenditure					44.10					108.05
Total Capital Expenditure					9,098.82					430.49
Depreciation	-	360.80	55.58	-	416.38	-	171.65	55.58	-	227.23
Unallocated Depreciation					31.65					41.29
Total Depreciation					448.03					268.52





Notes on Financial Statements for the year ended 31st March, 2012

Note 44: Micro, Small and Medium Enterprises Dues:

The Company is in the process of identifying the Micro, Small and Medium Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006." However, based on the information so far available with the Company, the Company has no dues to Micro Small and Medium Enterprises during the year ended March 31, 2012.

Note 45: Previous Year Figures

Pursuant to the amalgamation of Ihsedu Speciality Chemicals Private Limited with the company (Refer Note 37), the current year figures are not comparable with those of the previous year. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current years classification.



Auditors' report to the Board of Directors of Jayant Agro-Organics Limited on the Consolidated Financial Statements of Jayant Agro-Organics Limited and its subsidiaries.

1. We have audited the attached Consolidated Balance Sheet of **JAYANT AGRO-ORGANICS LIMITED** and its subsidiaries as at 31st March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the Financial Statement of one of the subsidiary Ihsedu Coreagri Services Pvt. Ltd. whose Financial Statement reflect total asset of ₹ 50.37 lacs as at 31st March, 2012, total revenues of ₹ 4912.65 lacs and net Cash Flows amounting to ₹ 12.45 lacs for the year then ended. These Financial Statements have been audited by other auditors whose audit reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of Jayant Agro-Organics Limited and its Subsidiaries included in the financial statements.
5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in the case of the consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - (iii) in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **T. P. Ostwal & Associates (Regd.)**
Chartered Accountants
(Registration No. 124444W)

T. P. Ostwal
(Partner)
Membership No. 30848

Place: Mumbai.
Date : August 4, 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in ₹)

Particulars	Note No.	2012	2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	75,000,000	75,000,000
Reserves and Surplus	3	1,388,945,390	1,091,542,181
Minority Interest		5,000,000	66,118,330
Non-Current Liabilities			
Long-Term Borrowings	4	506,022,809	496,026,828
Deferred Tax Liabilities (Net)	5	216,062,661	132,254,417
Other Long-Term Liabilities	6	146,193	2,607,505
Current Liabilities			
Short-Term Borrowings	7	1,899,413,308	1,735,354,768
Trade Payables		589,686,009	485,361,484
Other Current Liabilities	8	622,222,729	621,897,649
Short-Term Provisions	9	91,430,933	92,796,027
	TOTAL	5,393,930,031	4,798,959,189
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	1,961,339,711	1,057,568,262
Intangible Assets		50,507,757	-
Capital Work-in-Progress		124,637,052	577,285,891
Non Current Investments	11	1,914,000	11,914,000
Long-Term Loans and Advances	12	88,894,712	73,002,594
Other Non-Current Assets	13	414,397	11,751,493
Current Assets			
Current Investment	14	10,000,000	-
Inventories	15	1,131,963,517	1,224,501,866
Trade Receivables	16	1,160,762,823	817,157,254
Cash and Bank Balances	17	156,899,664	119,406,790
Short-Term Loans and Advances	18	422,384,785	351,940,421
Other Current Assets	19	284,211,613	554,430,618
	TOTAL	5,393,930,031	4,798,959,189
Significant Accounting Policies			
Notes on Financial Statements	1 to 47		

As per our Report of even date

For T. P. Ostwal & Associates (Regd.)
Chartered Accountants
(Registration No:124444W)

T. P. Ostwal
(Partner)
Membership No.30848

Place: Mumbai
Date: August 4, 2012

For and on behalf of the Board of Directors

Vithaldas G. Udeshi
Chairman

Abhay V. Udeshi
Director

Dinesh M. Kapadia
Company Secretary

Hemant V. Udeshi
Managing Director

Vikram V. Udeshi
Chief Financial Officer



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED
31ST MARCH, 2012**

(Amount in ₹)

Particulars	Note No.	2012	2011
INCOME:			
Revenue from Operations	20	18,322,618,019	11,907,970,895
Other Income	21	60,960,459	26,261,789
Total Revenue		18,383,578,478	11,934,232,684
EXPENDITURE:			
Cost of Materials Consumed	22	13,430,270,901	9,824,245,438
Purchases of Stock-in-Trade		2,482,585,357	1,047,228,132
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	23	256,131,667	(612,250,533)
Employee Benefits Expense	24	137,169,442	102,560,219
Finance Costs	25	380,538,273	241,193,716
Depreciation and Amortization Expense	10	77,727,953	54,061,807
Other Expenses	26	1,127,628,002	918,966,542
Total Expenses		17,892,051,593	11,576,005,321
Profit Before Exceptional Item and Tax		491,526,883	358,227,365
Less: Exceptional Items	27	10,711,501	690,069
Profit Before Tax		480,815,382	357,537,294
Less: Tax Expense:			
Current Tax		104,428,150	100,419,500
Deferred Tax		83,808,243	8,508,677
MAT Credit Entitlement		(20,942,068)	(563,290)
Profit for the Year		313,521,057	249,172,407
Earnings per Equity Share of Face Value of ₹ 5/- each			
Basic and Diluted EPS (in ₹)	35	20.90	16.61
Significant Accounting Policies			
Notes on Financial Statements	1 to 47		

As per our Report of even date

For T. P. Ostwal & Associates (Regd.)
Chartered Accountants
(Registration No:124444W)

T. P. Ostwal
(Partner)
Membership No.30848

For and on behalf of the Board of Directors

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: August 4, 2012

Dinesh M. Kapadia
Company Secretary



CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

(Amount in ₹)

Particulars	2012	2011
A Cash Flow from Operating Activities		
Net Profit Before Tax	480,815,382	357,537,294
Adjustments for :-		
Depreciation & Amortisation Expense	77,727,953	54,061,807
Forward Contract Reserve	4,190,158	-
Provision for Leave Encashment	7,716,644	3,062,680
Loss/(Profit) on Sale of Assets	(99,182)	1,168,671
Interest Received	(1,608,723)	(13,503,432)
Excess Provision Written Back	(20,085)	(23,747)
Dividend Received	(2,862,500)	(2,750,000)
Preliminary Expenses Written Off	153,990	76,917
Wealth Tax Provision	75,000	63,000
Interest Paid	363,538,632	227,844,211
Operating Profit before Working Capital Changes	929,627,269	627,537,401
Adjusted for :-		
(Increase)/Decrease in Inventories	92,538,349	35,673,479
(Increase)/Decrease in Trade Receivables	(343,605,569)	(375,681,089)
(Increase)/Decrease in Long Term Loans & Advances	4,980,295	(13,073,943)
(Increase)/Decrease in Short Term Loans & Advances	(70,444,364)	(78,020,711)
(Increase)/Decrease in Other Current Assets	(1,461,697)	10,483,886
(Increase)/Decrease in Other Non Current Assets	11,337,097	(8,226,493)
Increase/(Decrease) in Trade Payables	104,324,526	153,877,655
Increase/(Decrease) in Short Term Provisions	1,560,105	4,378,710
Increase/(Decrease) in Other Long Term Liabilities	(2,461,312)	2,607,505
Increase/(Decrease) in Other Liabilities	(22,358,758)	379,983,828
	(225,591,328)	112,002,827
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(580,744,223)	(144,767,156)
Sale of Fixed Assets	1,228,833	2,098,009
Decrease/(Increase) in Pre-operative Expenses	271,680,703	(192,392,024)
Payment for Purchase of Shares	(15,025,000)	-
Interest Received	1,608,723	13,503,432
Dividend Received	2,862,500	2,750,000
Net Cash from /(used in) Investing Activities	(318,388,464)	(318,807,739)
C Cash Flow from Financing Activities		
Share Capital	5,000,000	100,000
Borrowings	174,054,521	(73,657,714)
Taxes Paid	(130,342,076)	(81,100,248)
Wealth Tax Paid	(70,010)	(46,253)
Dividend Paid	(29,000,000)	(25,250,000)
Tax on Distributed Profits	(4,258,406)	(3,823,875)
Interest Paid	(363,538,632)	(227,844,211)
Net Cash from/(used in) Financing Activities	(348,154,603)	(411,622,301)
Net Increase/(Decrease) in Cash equivalents	37,492,874	9,110,188
Cash & Cash equivalent		
At the beginning of the year	119,406,790	110,296,602
At the end of the year	156,899,664	119,406,790

As per our Report of even date

For T. P. Ostwal & Associates (Regd.)
Chartered Accountants
(Registration No:124444W)

T. P. Ostwal
(Partner)
Membership No.30848

Place: Mumbai
Date: August 4, 2012

For and on behalf of the Board of Directors

Vithaldas G. Udeshi
Chairman

Abhay V. Udeshi
Director

Dinesh M. Kapadia
Company Secretary

Hemant V. Udeshi
Managing Director

Vikram V. Udeshi
Chief Financial Officer



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 1: Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof. During the year, Revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The Company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

B. Use of Estimates

The preparation of financial statements required management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

C. Principles of Consolidation

The consolidated statements have been prepared on the following basis:

- (a) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- (b) The financial statements of the Company and its subsidiaries are combined on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances and intra- group transaction resulting in unrealised profits or losses.
- (c) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's financial statements.

D. Fixed Assets

- (a) **Tangible Assets :** Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.
- (b) **Intangible Assets :** Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

E. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying asset are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

F. Depreciation

- (a) Depreciation on assets is provided on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

- (b) Depreciation on additions/ deletions of assets during the year is provided on a pro-rata basis.
- (c) Leasehold Land is amortized over the period of lease.
- (d) Intangible Asset is amortized over the useful life of asset.
- (e) Assets of ₹ 5,000/- or less is expensed out during the year of purchase.

Rate of depreciation on Intangible Asset is 25% on straight line basis.

G. Research and Development

Revenue expenditure on research and development is recognized as an expense in the year in which it is incurred and the expenditure on capital assets is depreciated on Straight Line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

H. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on Management's intention at the time of purchase. Current investments are carried at the lower of cost and fair value. Long term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is not temporary in the opinion of the management.

I. Inventories

- (a) Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable value.
- (b) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.
- (c) Cost of inventories of raw material and material cost of finished goods and work-in-process is determined on First In First Out (FIFO) basis except Chemicals, Packing Materials, stores and spare parts which are valued at weighted average cost.

J. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized when goods are supplied. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/Value Added Tax and Excise Duty.

Dividend income is recognised when right to receive the payment is established by the Balance Sheet Date.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

Exports are accounted on CIF basis.

K. Accounting of Claims

- (a) Claims receivable are accounted at the time when such income has been earned by the Company depending on the certainty of receipts. Claims payable if any, are accounted at the time of acceptance.
- (b) Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.
- (c) Central Sales Tax claims and duty drawback claims are accounted on accrual basis.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

L. Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities on the closing date denominated in foreign currencies are recognized in the profit and loss account as per AS 11. In case such monetary items are covered by forward contracts, gain or loss on the same is accounted in the statement of profit and loss as per Accounting Standard 11 - Effect of Changes in Foreign Exchange Rates (AS-11).

Hedge Reserve : In order to recognize the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transactions, in appropriate accounting periods, the Company applies the principles of recognition set out in the Accounting Standard 30- Financial Instruments - Recognition and Measurement (AS-30) as suggested by the Institute of Chartered Accountants of India. Accordingly, the unrealized gain/(loss) (net) consequent to foreign currency fluctuations, in respect of effective hedging instruments, represented by simple forward covers, to hedge future exports, are carried as a Hedging Reserve and ultimately set off in the Statement of Profit and Loss when the underlying transaction arises.

M. Sundry Debtors

Sundry debtors are stated after writing off debts which are not recoverable. Adequate provision is made for debts if considered doubtful.

N. Employee Benefits

Defined Contribution Plan

- (a) Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Profit and Loss account of the year when contributions accrue.
- (b) Annual contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the Accounts. The Company does not retain an obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.
- (c) Entitlements to annual leave and sick leave are recognised when they accrue to the employees. Sick leave can only be availed when annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. Provision for Leave Encashment is based on year end leave balance.

O. Taxes on Income

Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred Taxation

Deferred tax reflects the tax effects of timing differences between accounting income and the taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets, if any, are reviewed as at each Balance Sheet date to reassess realization.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Minimum Alternative Tax (MAT)

Minimum Alternative Tax paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

P. Earnings Per Share (EPS)

A basic earning per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

Q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

R. Impairment of Assets

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

S. Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

T. Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 2: Share Capital

(a) Authorised/Issued/Subscribed & Paid Up

Particulars	2012		2011	
	Number	₹	Number	₹
Authorised				
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	6,000,000	30,000,000
Equity Shares of ₹ 5/- each	29,000,000	145,000,000	29,000,000	145,000,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 5/- each fully paid up	15,000,000	75,000,000	15,000,000	75,000,000
	15,000,000	75,000,000	15,000,000	75,000,000
(b) Reconciliation of outstanding number of shares				
Shares outstanding at the beginning of the year	15,000,000	75,000,000	15,000,000	75,000,000
Shares outstanding at the end of the year	15,000,000	75,000,000	15,000,000	75,000,000

(c) Details of shareholders holding more than 5 % shares

Name of Shareholders	2012		2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayant Finvest Limited	7,551,390	50.34%	5,628,519	37.52%
Udeshi Trust	600,000	4.00%	1,800,000	12.00%

- (d) **Rights, preferences and restrictions attached to equity shares:** The company has one class of equity shares having a face value of ₹ 5/- each per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Equity Shares held by holding company :

Holding Company#:

7,551,390 (P.Y. 5,628,519) equity shares held by Jayant Finvest Limited.

Jayant Finvest Limited has become Holding Company w.e.f. March 28, 2012.

- (d) **Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years**

Particulars	Year (Aggregate No. of Shares)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Equity Shares:					
Fully paid up by way of Bonus Shares	6,000,000	-	-	-	-



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 3: Reserves and Surplus

(Amount in ₹)

Particulars	2012	2011
Capital Reserves		
Opening Balance	17,850,000	17,850,000
Add: During the year on Amalgamation (Refer Note 37)	45,075,000	-
Closing Balance (a)	62,925,000	17,850,000
Capital Redemption Reserve		
Opening Balance	30,000,000	30,000,000
Changes during the year	-	-
Closing Balance (b)	30,000,000	30,000,000
Securities Premium Account		
Opening Balance	222,669,670	222,669,670
Add: During the year on Amalgamation (Refer Note 37 and 46)	5,918,330	-
Closing Balance (c)	228,588,000	222,669,670
General Reserve		
Opening Balance	214,357,091	196,557,091
Changes during the year	31,500,000	17,800,000
Less: Forward Contract Reserve (during the year)	18,493,679	-
Closing Balance (d)	227,363,412	214,357,091
Surplus		
Opening Balance	606,665,420	408,653,138
Add: Net Profit/(Net Loss) For the current year	313,521,057	249,172,407
Less: Proposed Dividend	43,750,000	29,000,000
Dividend Distribution Tax	4,867,500	4,360,125
Transfer to General Reserve	31,500,000	17,800,000
Closing Balance (e)	840,068,977	606,665,420
Total (a+b+c+d+e)	1,388,945,389	1,091,542,181



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 4: Long Term Borrowings

Particulars	(Amount in ₹)	
	2012	2011
Secured Term Loans		
From Banks	506,022,809	496,026,828
	<u>506,022,809</u>	<u>496,026,828</u>

(4.1) loans are secured against hypothecation of Wind Mill, Vehicles, Plant and Machinery and and Other Fixed Assets - (present and future), equitable mortgage of Land and Building, Factory Premises of the Company and personal guarantee of directors.

(4.2) Term Loan from banks amounting to ₹ 247,266,923 are secured against *pari passu* charges on all fixed assets of the Company. Term loans are collaterally secured by personal guarantee of two of directors of the Company.

(4.3) Term loan amounting to ₹ 139,861,136 is repayable in 38 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(4.4) Term loan amounting to ₹ 107,405,787 is repayable in 39 monthly installments from the date of loan alongwith interest @ "ICICI Bank Benchmark Advance Rate" - 2.25% p.a.

(4.5) Term loan amounting to ₹ 38,285,202 is repayable in 29 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(4.6) Term loan amounting to ₹ 84,354,678 is repayable in 36 monthly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(4.7) Term loan amounting to ₹ 416,200,000 is repayable in 92 quarterly installments from the date of loan alongwith interest @ "BPLR" + 4.25% p.a.

(BPLR - Benchmark Prime Lending Rate)

Note 5: Deferred Tax Liability

Particulars	(Amount in ₹)	
	2012	2011
Opening Deferred Tax Liability	132,254,417	113,691,113
Add: Deferred Tax Liability		
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts	86,681,971	19,668,915
	<u>(a) 218,936,388</u>	<u>133,360,028</u>
Less: Deferred Tax Assets		
Expenses allowable on actual payment basis	2,873,727	1,105,611
	<u>(b) 2,873,727</u>	<u>1,105,611</u>
Deferred Tax Liability (Net)	Total (a-b) 216,062,661	<u>132,254,417</u>

Note 6: Other Long Term Liabilities

Trade Payables	123,139	532,488
Other Payables	-	487,851
Creditors for Capital Goods	-	1,587,166
Advance from Customers	23,054	-
	<u>146,193</u>	<u>2,607,505</u>



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 7: Short Term Borrowings

(Amount in ₹)

Particulars	2012	2011
Secured		
From Banks	1,879,413,308	1,635,354,768
Unsecured		
From Banks	-	100,000,000
Loan from Related Parties	20,000,000	-
	1,899,413,308	1,735,354,768

(7.1) Short term loans are secured by joint deed of hypothecation, on *pari passu* basis of Raw Material, Work in Process, Finished Goods, Spares and Receivables and personal guarantee of the directors. Further, collaterally secured by Equitable Mortgage of all present and future immovable properties comprising inter alia Machinery, Equipment, Plant and Spares.

(7.2) Loan from Related Parties are from:

Gokulmani Real Estate Development Private Limited	18,000,000	-
Jayant Finvest Limited	2,000,000	-
	20,000,000	-

Note 8: Other Current Liabilities

Interest Accrued and Due on Borrowings	9,520,747	7,907,357
Current Maturities on Long-Term Debt	171,232,637	164,362,501
Advances from Customers	3,916,138	15,152,723
Creditors for Capital Goods	31,789,538	25,458,916
Forward Contract Receivable	22,683,837	-
Others Payable #	33,634,147	20,796,451
Statutory Dues	5,598,456	4,784,665
Bank Account Overdrawn	124,330,897	238,006,890
Security Deposit	583,851	1,302,965
Bill Discounting	216,777,754	142,128,685
Unclaim Dividend	2,154,727	1,996,496
	622,222,729	621,897,649

Other payable includes provision for expenses, salary payable, and other non trade payable.

Note 9: Short Term Provisions

Provision for Employee Benefits:

Bonus	5,844,864	4,277,423
Leave Encashment	21,355,724	13,639,080
Contribution to Provident Fund	93,951	101,287

Other Provisions:

Proposed Dividend	43,750,000	29,000,000
Dividend Distribution Tax	4,867,500	4,360,125
Income Tax	15,443,894	41,355,112
Wealth Tax	75,000	63,000
	91,430,933	92,796,027

Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 10: Fixed Asset

(Amount in ₹)

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2011	Additions during the year	Addition on account of Merger	Deductions during the year	As at 31.03.2012	As at 01.04.2011	Addition on account of Merger	For the year	Deductions during the year	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets												
Freehold Land	37,985,521	-	38,022,750	-	76,008,271	-	-	-	-	-	76,008,271	76,008,271
Building	128,541,055	98,655,123	57,849,017	-	285,045,195	20,067,424	1,975,387	5,924,646	-	27,967,457	257,077,738	164,347,261
Plant and Machinery#	942,067,434	879,948,616	81,719,222	1,073,833	1,902,661,439	252,724,579	4,354,585	66,973,390	292,657	323,759,897	1,578,901,542	766,502,753
Office Equipments	5,622,225	1,817,145	1,309,780	-	8,749,150	1,301,756	60,949	376,374	-	1,739,079	7,010,071	5,569,300
Computers	14,578,837	776,858	945,360	-	16,301,055	12,385,856	195,636	1,289,220	-	13,870,712	2,430,343	2,886,805
Furniture and Fixtures	17,487,043	560,156	1,582,916	-	19,630,115	5,888,843	119,502	1,232,037	-	7,240,382	12,389,733	13,043,582
Vehicles	26,604,779	1,687,743	658,616	1,267,149	27,683,989	7,440,891	186,541	2,602,168	918,674	9,310,926	18,373,063	19,635,963
Sub Total	1,172,886,894	983,445,641	182,087,661	2,340,982	2,336,079,214	299,809,349	6,892,599	78,397,835	1,211,331	383,888,453	1,952,190,761	1,047,993,936
Leased Assets												
Leasehold Land	10,126,777	-	-	-	10,126,777	1,394,489	-	104,742	-	1,499,231	8,627,546	8,732,288
Leasehold Building	1,603,170	-	-	-	1,603,170	761,132	-	320,634	-	1,081,766	521,404	842,038
Sub Total	11,729,947	-	-	-	11,729,947	2,155,621	-	425,376	-	2,580,997	9,148,950	9,574,326
Total	1,184,616,841	983,445,641	182,087,661	2,340,982	2,347,809,161	301,964,970	6,892,599	78,823,211	1,211,331	386,469,449	1,961,339,711	1,057,568,262
Previous year figures	1,255,877,204	116,067,704	-	5,519,077	1,366,425,831	251,016,676	-	60,625,062	2,784,169	308,857,569	1,057,568,262	-
Intangible Assets												
Technology	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	-
Total	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	-
Previous year figures	-	-	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress											124,637,052	577,285,891

: Deduction in plant and machinery is on account of write back of amount payable to creditors. Amount of accumulated depreciation of ₹ 292,657/- on the same has been shown as profit on sale of asset.





Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 11: Non Current Investments

(Amount in ₹)

Particulars	Current year		Previous Year		2012	2011
	No. of shares	% of Holding	No. of shares	% of Holding		
A) Trade Investments (Valued at cost)						
Equity Shares (unquoted fully paid up)						
Other Investments (At cost)						
Enviro Infrastructure Co.Ltd. (Face Value of ₹ 10/-)	75,000	-	75,000	-	750,000	750,000
Ahemdabad Commodity Exchange Ltd. (Face Value of ₹ 10/-)	121,600	-	121,600	-	1,153,000	1,153,000
National Savings Certificate					11,000	11,000
B) Other Non-Current Investments						
Kotak Mahindra Life Insurance*					-	10,000,000
					1,914,000	11,914,000

* Other Non-Current Investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. As per the terms of the insurance policy, besides the amount of ₹ 10,000,000 paid during the year 2007-08. The Company has paid ₹ 100,000 each during the year 2008-09, 2009-10 and 2010-11 to keep the policy active. After the expiry of three years of the lock-in-period, the Company will have an option of claiming the amount thus accumulated along with the minimum returns guaranteed by the insurance Company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.

Note 12: Long Term Loans and Advances

(Amount in ₹)

Particulars		2012	2011
Unsecured, Considered Good			
Advance to Others	(a)	-	6,700,000
Security Deposits	(b)	46,772,491	47,834,996
Other Loans and Advances			
Advance to Creditors		73,301	-
Loan to Employees		5,409,600	2,700,693
MAT Credit Entitlement		36,445,824	15,503,756
Advance Fringe Benefit Tax		193,496	263,149
	(c)	42,122,221	18,467,598
Total (a+b+c)		88,894,712	73,002,594



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 13: Other Non-Current Assets

(Amount in ₹)

Particulars	2012	2011
Advance for Capital Goods	414,397	8,075,993
Long term Deposit with maturity more than 12 months	-	3,525,000
Margin Money with Bank	-	150,500
	414,397	11,751,493
Note 14: Current Investment		
Kotak Mahindra Life Insurance **	10,000,000	-
	10,000,000	-

** Other Non-Current Investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.

Note 15: Inventories

Raw Materials, Chemicals and Packing Materials	345,665,333	191,405,430
Finished Goods	723,132,228	993,608,273
Stores and Spares	19,808,876	15,408,565
Work in Process	43,357,080	24,079,598
(For mode and method of valuation refer point I of Note 1)		
	1,131,963,517	1,224,501,866

Productwise Description of Finished Goods

Castor Oil	539,049,999	816,749,819
Derivatives	134,260,466	145,687,424
By Product	49,821,763	31,171,030
	723,132,228	993,608,273

Note 16: Trade Receivables

Unsecured, Considered Good

Over Six months	6,054,947	2,020,166
Others	1,154,707,876	815,137,088
	1,160,762,823	817,157,254

Note 17: Cash and Bank Balances

Cash and Cash Equivalents

Cash on hand	2,186,786	1,242,659
Balance with Banks		
- in Current Accounts	142,774,888	115,272,289
- Unclaimed Dividend	2,154,727	1,996,496
Other Bank Balance:		
Margin Money with Bank	4,805,302	428,560
Fixed Deposit with Bank	4,977,961	466,786
	156,899,664	119,406,790



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 18: Short Term Loans and Advances

(Amount in ₹)

Particulars	2012	2011
Others-Unsecured, Considered Good		
Excise and Other Taxes Recoverable	420,662,148	348,953,251
Loans and Advances to Staff	1,722,637	2,987,170
	422,384,785	351,940,421
Note 19: Other Current Assets		
Export Incentive Receivable	254,631,185	271,772,800
Advances for Capital Goods	5,740,519	2,195,088
Advance to Suppliers	11,134,519	8,187,377
Prepaid Expense	1,706,812	356,560
Pre-operative Expenses	-	271,680,703
Claims Receivable	3,206,951	-
Accrued Interest	674,077	-
Advance to Others	7,117,550	65,500
Security Deposit	-	18,600
Preliminary Expenses not Written Off	-	153,990
	284,211,613	554,430,618
Note 20: Revenue from Operations		
Sale of Products		
Finished Goods	18,213,515,366	11,840,058,122
Less: Excise Duty	28,519,144	21,458,343
	18,184,996,222	11,818,599,779
Sale of Services	-	963,926
Power Generation Income	29,879,686	24,809,829
Other Operating Revenue		
Foreign Exchange Gain	107,742,111	63,597,361
	18,322,618,019	11,907,970,895
(20.1) Details of Product Sold		
Castor Oil	9,862,860,730	6,063,080,884
Derivatives	6,496,246,604	4,820,818,999
By Product	1,057,403,016	734,167,198
Castor Seed	734,940,801	200,532,698
Others	33,545,071	-
	18,184,996,222	11,818,599,779
(20.2) Details of Traded and Manufactured Goods		
Traded Goods	1,836,830,834	1,047,228,132
Manufactured Goods	16,348,165,388	10,771,371,647



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 21: Other Income

Particulars	(Amount in ₹)	
	2012	2011
Net Gain on Foreign Exchange Fluctuation	49,762,672	11,825
Interest Income	1,608,723	13,503,432
Insurance Claim	4,777,389	8,186,750
Dividend Income	2,862,500	2,750,000
Miscellaneous Receipts	211,902	270,523
Sundry Balance Written Back	123,972	-
Refund of Duties and Claims	1,613,301	1,539,259
	60,960,459	26,261,789

Note 22: Cost of Raw Materials Consumed

Raw Material	13,099,495,159	9,604,571,842
Chemicals	330,775,742	219,673,596
	13,430,270,901	9,824,245,438
(22.1) Principal Raw Material		
Castor Oil	45,699,099	-
Castor Seed	13,053,796,060	9,604,571,842
	13,099,495,159	9,604,571,842

Note 23: Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade

Increase/(Decrease) in Stock	(Amount in ₹)	
	2012	2011
Opening Stock		
Work in Process	34,385,581	7,501,610
Finished Goods	988,235,394	343,650,718
	1,022,620,975	351,152,328
Closing Stock		
Work in Process	43,357,080	15,254,558
Finished Goods	723,132,228	948,148,303
	766,489,308	963,402,861
Increase/(Decrease) in Stock	(256,131,667)	612,250,533

(23.1) Major component of Finished Goods:

Opening Stock		
- Castor Oil	816,749,819	240,515,072
- Derivatives	138,181,320	73,239,893
- By Product	33,304,255	29,895,753
	988,235,394	343,650,718
Closing Stock		
- Castor Oil	410,615,782	816,749,819
- Derivatives	262,694,683	100,698,254
- By Product	49,821,763	30,700,230
	723,132,228	948,148,303



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 24: Employee Benefits Expense

(Amount in ₹)

Particulars	2012	2011
Salaries and Incentives	120,727,053	88,940,370
Contributions to Provident fund and other Funds	10,341,557	9,843,887
Staff Welfare Expenses	6,100,832	3,775,962
	137,169,442	102,560,219

Note 25: Finance Costs

Interest Expense

Interest on Loan to Bank	363,538,632	227,844,211
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Other Borrowing Cost

Processing Fees	16,999,641	13,349,505
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380,538,273 **241,193,716**

Note 26: Other Expenses

Consumption of Stores and Spares	38,252,356	26,253,614
Consumption of Packing Materials	128,567,890	111,902,123
Power and Fuel	165,558,470	121,440,856
Rent, Rates and Taxes	4,922,108	12,845,056
Job Work Charges	2,059,732	473,000
Repairs & Maintenance		
- Building	1,418,635	4,108,799
- Machinery	14,073,311	19,866,853
- Others	6,475,951	5,466,119
Insurance	22,942,086	18,504,498
Freight, Coolie and Cartage	564,812,834	454,673,543
Storage Charges	18,296,761	17,427,424
Brokerage on Sales	27,599,917	23,002,398
Brokerage on Purchases	12,031,796	1,866,810
Research and Development expenses	4,819,402	4,509,037
Loss on Foreign Exchange Fluctuation	-	12,556,617
Other Operating Expenses	106,394,308	81,575,790
Audit Fees (Refer Note 32)	9,402,445	2,494,005
	1,127,628,002	918,966,542

Note 27: Exceptional Items

Loss on Sale of Asset	193,475	636,899
Profit on Sale of Asset	(292,657)	-
Short/(Excess) Provision for Wealth Tax	9,800	(23,747)
Excess Provision Written Back	(29,885)	-
Payment of Excise Duty	2,003,917	-
Sale of Scrap	(176,245)	-
Preliminary Expenses written off	153,990	76,917
Pre-Operative Expenses	8,849,106	-
	10,711,501	690,069



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 28: Expenditure in Foreign Currency

(Amount in ₹)

Particulars	2012		2011	
Travelling Expenses	4,865,960		1,971,483	
Professional Fees	2,325,725		2,456,983	
Brokerage and Commission	14,623,566		10,834,091	
Membership and Subscription	805,626		652,228	
Export Expenses	-		94,735	
Others	353,499		115,465	
	22,974,376		16,124,985	

Note 29: Value of Imports on C.I.F. Basis

Chemicals	63,481,583	35,222,262
Purchases	26,300,327	-
Capital Goods	20,732,871	17,002,006
Spares for Laboratory Equipments	-	192,645
	110,514,781	52,416,913

Note 30: Earning in Foreign Currency

FOB Value on Export	14,690,215,918	8,835,132,460
	14,690,215,918	8,835,132,460

Note 31: Break up of Consumption

(Amount in ₹)

Particulars	2012		2011	
	%	Value	%	Value
Raw Material and Chemicals				
Indigenous	99.54	13,368,174,730	99.64	9,788,611,751
Import	0.46	62,096,171	0.36	35,633,687
	100.00	13,430,270,901	100.00	9,824,245,438
Stores and Spares				
Indigenous	100.00	38,252,356	100.00	26,253,614



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 32: Payment to Auditors

(Amount in ₹)

Particulars	2012	2011
Statutory Audit Fees	2,387,444	1,354,825
Tax Audit Fees	674,160	375,750
Income Tax Matters	1,306,196	571,100
Advisory	1,879,420	-
Certification	397,725	192,330
Retainership Fees	2,757,500	-
	9,402,445	2,494,005

Note 33: Remittance in Foreign Currency of Dividend on Equity Shares

Number of Non - Resident Shareholders	65	35
Number of Other Body Corporate	1	1
Number of Ordinary Shares held by Non Resident Shareholders	26,405	17,929
Number of Ordinary Shares held by Other Non Resident Body Corporate	600,000	600,000
Gross Amount of Dividend (in ₹)	1,096,209*	926,894*

* Amount credited to Rupee account in India out of which ₹ 1,050,000 (P.Y ₹ 900,000) amount of equity dividend has been credited to other than Rupee account in India.

Note 34: Research and Development Expenditure

Capital Other than Building	427,275	4,783,385
Building	-	3,371,757
Revenue	11,483,916	9,242,303
	11,911,191	17,397,445

Note 35: Earning Per Share

Weighted Average Number of Shares for Earning Per Share computation

For Basic Earning Per Share of ₹ 5/- each	15,000,000	15,000,000
For Diluted Earning Per Share of ₹ 5/- each	15,000,000	15,000,000
Net Profit Available for Equity Shareholders	313,521,055	249,172,408
Earning Per Share (Weighted Average)		
Basic Earnings Per Share ₹	20.90	16.61
Diluted Earnings Per Share ₹	20.90	16.61



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 36: Contingent Liabilities :

(Amount in lacs ₹)

Particulars	2012	2011
Claims against company not acknowledged as debts -		
Excise Duty	202.80	586.11
Service Tax	-	28.04
VAT/CST	-	1,483.68
Income Tax	39.45	565.69
Liability in respect of excise duty where the issue was decided in favour of the Company	-	7.44
Bill Discounted	4,330.54	3,379.80
Guarantee Given to Bank for Discounting of Bills	2,000.00	5,000.00
Bank Guarantee Given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

Notes:

- Advances recoverable includes an amount of ₹ 1,877,566 (P.Y. ₹ 1,877,566) paid to the excise authorities under protest on account of disputed availment of Cenvat Credit of Service Tax.
- Unclaimed Dividend:
The balance with banks in current accounts include ₹ 2,154,727 (P.Y. ₹ 1,996,496) set aside for payment of dividends.
- The Company had entered into Memorandum Of Understanding (MOU) with a party to carry out import and export trade in certain commodities. In respect of such trade, the Company has received show cause notices from the authorities for alleged violation of regulation in terms of the export value of goods under Section 14 of the Customs Act, 1962 read with Section 11 of Foreign Trade Development & Regulation Act, 1992 and rule 11 & 14 of Foreign Trade (Regulation) Rule, 1993 and under Section 16 of the Foreign Exchange Management Act, 1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule, 2000. Neither any quantification has been done by the authorities of any potential penal liabilities nor is it possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has MOU.

Note 37: Amalgamation of Ihsedu Speciality Chemicals Private Limited

Pursuant to the scheme of Amalgamation ("the Scheme") of Ihsedu Speciality Chemicals Private Limited ("ISCPL") with the Company under sections 391 to 394 of the Companies Act, 1956 sanctioned by the Hon'ble High Court of Judicature at Bombay as per their Order dated July 6, 2012, the assets and the liabilities of the ISCPL were transferred to and vested in the Company w.e.f October 1, 2011. Accordingly, the scheme has been given effect to in these accounts w.e.f. the said date. The operations of ISCPL includes manufacturing of Castor Oil Derivatives.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

The amalgamation has been accounted for under the "Amalgamation in the nature of Merger" as prescribed by AS 14 : "Accounting for Amalgamation". Accordingly, the accounting treatment has been given as under:

- i) the assets, liabilities, reserves of ISCPL as at October 1, 2011 have been incorporated at their book values in the financial statements of the Company.
- ii) 50,000,000 equity shares of ₹ 5/- each fully paid-up of ISCPL and investments in such equity shares held by the Company stands cancelled and accordingly the difference in the value of investment and the paid-up share capital of ISCPL is taken as Capital Reserve. Refer Note 3.
- iii) Authorised Share Capital of the company is being increased by ₹ 250,000,000 consisting of 50,000,000 equity shares of ₹ 5/- each subsequently to the year end as necessary filing with the authorities was done based on the order of the Bombay High Court.

Consequently, the financial statements for the year ended 31st March, 2012 includes the operation of ISCPL.

Note 38: Capital Commitment

Estimated amount of contracts remaining to be executed on Capital accounts amounted to ₹ 36,000,000 (P.Y. ₹ 50,000,000)

Note 39: Outstanding Forward Contracts

Forward Contracts of ₹ 2,835,106,780 (USD 55.76 Million) (PY ₹ 2,539,421,964 (USD 55.23 Million)) are outstanding as on March 31, 2012.

Note 40: Capitalisation of Pre-Operative Expenses:

Pre-operative expenses as on October 1, 2011 appearing in the books of Ihsedu Speciality Chemicals Pvt. Ltd., (ISCPL) a Company amalgamated with the Company pursuant to the order of Hon'ble Bombay High Court dated July 6, 2012 u/s 391 and 394 of the Companies Act, 1956 were capitalised as a cost of Plant & Machinery and Building in the ratio of the respective costs as on December 23, 2012 being the date on which the said plant had began commercial production. The assets of the ISCPL have been accounted in the books of the Company accordingly.

Note 41: Related Party disclosures :

(As identified by the Management)

Related party disclosures as required by Accounting Standard 18, "Related Party Disclosures", issued by the Institute of Chartered Accountants of India are given below :-

a) Related Parties and their relationship :

i. Holding Company :

Jayant Finvest Ltd. (from 28th March, 2012)

ii. Subsidiary companies :

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd. (up to 30th September, 2011)

Ihsedu Coreagri Services Pvt. Ltd.

Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

iii. Enterprises Controlled by directors/relatives:

Enlite Chemical Industries Ltd.
Gokuldas K. Udeshi Investments.
Innovative Micro Systems Pvt. Ltd.
Varun Leasing & Finance Pvt. Ltd.
Kalyan Impex Pvt. Ltd.
Gokulmani Real Estate Development Pvt. Ltd.
Akhandanand Engineering & Trading Company.

iv. Associate Company:

Mitsui & Co (Asia Pacific) Pte Ltd., Singapore (up to 31st August, 2011)
Mitsui & Co Ltd., Japan (up to 31st August, 2011)
Itoh Oil Chemicals Co. Ltd., Japan. (from 19th January 2012)

v. Key Management Personnel:

Mr. Vithaldas G. Udeshi	-	Chairman
Mr. Hemant V. Udeshi	-	Managing Director
Mr. Vikram V. Udeshi	-	Chief Financial Officer
Mr. Abhay V. Udeshi	-	Executive Director
Dr. Subhash V. Udeshi	-	Executive Director
Mr. Dilipsinh G. Udeshi	-	Wholetime Director
Mr. Mulraj G. Udeshi	-	Wholetime Director
Mr. Bharat M. Udeshi	-	Wholetime Director
Mr. Jayraj G. Udeshi	-	Wholetime Director
Mr. Sudhir V. Udeshi	-	Wholetime Director (of ISCPL)

vi. Relative of Key Management Personnel:

Mr. Hitesh J. Udeshi
Mr. Varun A. Udeshi
Mrs. Trupti A. Udeshi



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 41: Related Party disclosures (Continued...)

b) Details of Transactions with related parties referred to in items above :

(₹ in lacs)

Particulars	Holding Company	Associate Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
Purchase of Raw Materials:					
Jayant Finvest Ltd.	1,248.80 (1,424.79)	- (-)	- (-)	- (-)	- (-)
Enlite Chemical Industries Ltd.	- (-)	- (-)	4,423.66 (3,027.59)	- (-)	- (-)
Services Received :					
Gokulmani Real Estate Development Pvt. Ltd.	- (-)	- (-)	4.32 (5.23)	- (-)	- (-)
Subscription to Share Capital					
Itoh Oil Chemicals Company Limited	- (-)	50.00 (-)	- (-)	- (-)	- (-)
Sale of Goods :					
Jayant Finvest Ltd.	2,512.58 (1,111.56)	- (-)	- (-)	- (-)	- (-)
Enlite Chemical Industries Ltd.	- (-)	- (-)	4,824.64 (893.77)	- (-)	- (-)
Relatives of Key Management Personnel					
- Rent Paid	- (-)	- (-)	- (-)	4.20 (-)	4.20 (-)
- Remuneration	- (-)	- (-)	- (-)	- (-)	13.86 (-)
Remuneration to Managing Director	- (-)	- (-)	- (-)	22.99 (19.65)	- (-)
Remuneration to Executive Directors:	- (-)	- (-)	- (-)	192.09 (130.05)	- (-)
Balance Outstanding at the year end					
i) Loans and Advances					
Jayant Finvest Ltd.	20.00 (-)	- (-)	- (-)	- (-)	- (-)
Gokulmani Real Estate Development Pvt. Ltd.	- (-)	- (-)	180.00 (-)	- (-)	- (-)
ii) Trade Receivable:					
Enlite Chemical Industries Ltd.	- (-)	- (-)	210.62 (-)	- (-)	- (-)
iii) Trade Payable:					
Gokulmani Real Estate Development Pvt. Ltd.	- (-)	- (-)	4.24 (0.13)	- (-)	- (-)
Jayant Finvest Ltd.	- (532.32)	- (-)	- (-)	- (-)	- (-)
Enlite Chemical Industries Ltd.	- (-)	- (-)	- (259.25)	- (-)	- (-)
iv) Deposits:					
Akhandanand Engineering & Trading Company	- (-)	- (-)	161.00 (161.00)	- (-)	- (-)

Notes:

1. The above information has been reckoned on the basis of information available with the Company.
2. Figures in the bracket are in respect of the Previous Year.

Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 42: Segment Information

The business segment has been considered as the primary segment. The Company is organized into three business segments namely Castor Oil, Derivatives and Power Generation. These business segments have been identified considering the customers, the differing Risks and Returns and the Internal Financial Reporting System. Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and the amounts allocated on a reasonable basis. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the significant accounting policies. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of the costs are categorized in relation to the associated turnover of the segment.

Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income. Fixed assets used in the Company's business or liabilities contracted have been identified to the reportable segments.

(Amount in lacs ₹)

Particulars	2012					2011				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
REVENUE										
Net Sales/Income from Operation										
Local	15,112.12	13,834.08	298.79	328.98	29,573.97	6,366.57	12,260.48	248.09	-	18,875.14
Export	99,862.40	53,789.81	-	-	153,652.21	61,406.02	37,244.36	-	-	98,650.38
Total Revenue	114,974.52	67,623.89	298.79	328.98	183,226.18	67,772.59	49,504.84	248.09	-	117,525.52
RESULT										
Segment Result	3,822.78	4,524.28	203.12	48.01	8,598.19	2,489.37	3,541.16	228.84	-	6,259.37
Unallocated Corporate Expenses					-					0.93
Operating Profit					8,598.19					6,258.44
Finance Costs					3,805.38					2,278.44
Interest Income					16.09					136.39
Income Tax					1,044.28					1,004.21
Mat Credit Entitlement					209.42					-
Wealth Tax					0.75					0.39
Deferred Tax					838.08					79.45
Net Profit after tax and before depreciation					3,135.21					3,032.34





Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 42: Segment Information (Continued...)

(Amount in lacs ₹)

Particulars	2012					2011				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
OTHER INFORMATION										
Segment Assets	26,312.72	23,887.41	1,307.16	-	51,507.29	25,158.43	19,395.36	1,393.00	-	45,946.79
Unallocated Corporate Assets					2,388.49					1,357.51
Total Assets					53,895.78					47,304.30
Segment Liabilities	22,699.12	13,754.07	452.47	-	36,905.66	21,109.57	11,772.87	592.02	-	33,474.46
Unallocated Corporate Liabilities					2,350.67					2,164.42
Total Liabilities					39,256.33					35,638.88
Capital Expenditure	1,280.64	9,054.72	-	-	10,335.36	706.50	346.12	-	-	1,052.62
Unallocated Capital Expenditure					44.10					108.05
Total Capital Expenditure					10,379.46					1,160.67
Depreciation	308.82	360.80	76.01	-	745.63	251.67	171.65	76.00		499.32
Unallocated Depreciation					31.65					41.29
Total Depreciation					777.28					540.61



Consolidated Notes on Financial Statements for the year ended 31st March, 2012

Note 43: Micro, Small and Medium Enterprises Dues:

The Company is in the process of identifying the Micro, Small and Medium Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006." However, based on the information so far available with the Company, the Company has no dues to Micro Small and Medium Enterprises during the year ended March 31, 2012.

Note 44: In Financial year 2010-11 company has received a notice of demand from Gujarat Vat authorities claiming Vat of ₹ 1164.66 lacs including interest of ₹118.52 lacs and penalty of ₹ 702.23 lacs on self consumption of Castor meal (De-oiled cake) used in boiler as fuel. Company has paid ₹141.97 lacs on appeal to Tribunal; it has set aside the said demand and asked VAT authorities to pass the fresh order. Based on the order of Tribunal the said demand has not been shown as contingent Liability and company is expected to receive the refund of ₹141.97 lacs from the VAT authorities.

Note 45: Debtors amounting to ₹ 28.51 lacs in respect of which legal suit has been filed on account of non recovery. Company is hopeful to recover the said amount. Accordingly no provision for doubtful debts has been made in the accounts inspite debtor being outstanding for more than 6 months.

Note 46: On amalgamation Securities Premium of ₹ 245.88 lacs appearing in books of transferor company is transferred to transferee Company however on consolidation amount of ₹ 59.18 lacs in proportion to minority interest is added to Securities Premium Account.

Note 47: Previous Year Figures

Pursuant to the amalgamation of Ihsedu Speciality Chemicals Private Limited with the Company (refer Note 37), the current year figures are not comparable with those of the previous year. Previous year figures have been regrouped / reclassified wherever necessary, to confirm to Current Year's Classification.



Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary.

Sr. No.	Name of the Subsidiary	Ihsedu Agrochem Private Limited	Ihsedu Speciality Chemicals Private Limited	Ihsedu Coreagri Services Private Limited	Ihsedu Itoh Green Chemicals Marketing Private Limited
1	Financial year / for period of the subsidiary	1st April 2011 to 31st March 2012	1st April 2011 to 30th September 2011*	1st April 2011 to 31st March 2012	1st April 2011 to 31st March 2012
2	Shares of the subsidiary held by the Company on the above date:				
	(a) Number and face value	5,500,000 Equity Shares of ₹ 10/- each fully paid up.	50,000,000 Equity Shares of ₹ 5/- each fully paid up.	50,000 Equity Shares of ₹10/- each fully paid up.	750,000 Equity Shares of ₹10/- each fully paid up
	(b) Extent of holding	100%	100%	100%	60%
3.	Subscribed Share Capital (No. of Shares) of the Subsidiary Company	5,500,000 Equity Shares of ₹ 10/- each fully paid up.	50,000,000 Equity Shares of ₹ 5/- each fully paid up.	50,000 Equity Shares of ₹10/- each fully paid up.	1,250,000 Equity Shares of ₹ 10/- each fully paid up
4	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary not dealt with in the company's accounts.				
	(a) for the financial year of the subsidiary –profit.	Nil	Nil	Nil	Nil
	(b) for the previous financial year since it became a subsidiary.	Nil	Nil	Nil	Nil
5	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary dealt with in the company's accounts.				
	(a) For the financial year of the subsidiary.	₹ 920.06 Lacs	Nil	₹ 18.21 Lacs	₹ (0.58) Lacs
	(b) for the previous financial year since it became a subsidiary.	₹ 697.29 Lacs	Nil	₹ 21.26 Lacs	₹ (0.84) Lacs

* Note:- Pursuant to Order dated July 6, 2012 passed by the Hon'ble High Court of Judicature at Bombay sanctioning the Scheme of Amalgamation of Ihsedu Speciality Chemicals Pvt Ltd., (ISCPL) with the Company, the details u/s 212 is given upto September 30, 2011 (Appointed date of Amalgamation is October 1, 2011)

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: August 4, 2012

Dinesh M. Kapadia
Company Secretary



JAYANT AGRO-ORGANICS LTD.

'Akhandanand' 38, Marol Co-operative Industrial Estate,
Off. M. V. Road, Sakinaka, Andheri (East), Mumbai 400 059.

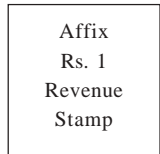
PROXY FORM

I\We.....
of.....being
a Member/Members of Jayant Agro-Organics Limited hereby appoint
.....of.....
or failing himof.....
or failing himof.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the 20th Annual General Meeting of the Company to be held at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubhash Marg, Mumbai- 400 001 on Wednesday, the September 26, 2012 at 11.00 a.m. or at any adjournment thereof.

Signed this.....day of.....2012.

Member Folio No.

DPID.....Client ID.....



(Signature)

NOTE :

The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



JAYANT AGRO-ORGANICS LTD.

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ATTENDANCE SLIP

I hereby record my presence at the 20th Annual General Meeting of the Company to be held on Wednesday, the September 26, 2012 at 11.00 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubhash Marg, Mumbai- 400 001

.....
Name of the Attending Shareholder (in Block Letter)

.....
Name of the Proxy (To be filled in if the proxy attends instead of the Shareholder)

Signature of the Shareholder / Proxy Date

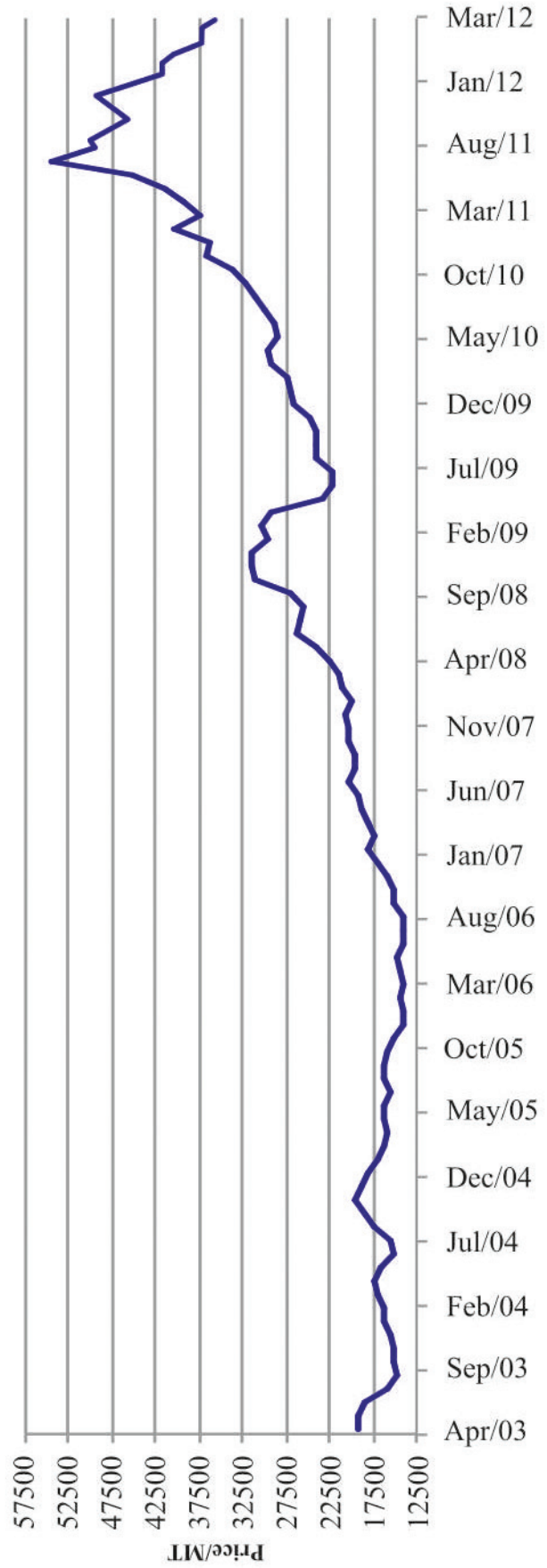
Ledger Folio Number No. of Shares held

DP ID No..... Client ID No.

NOTE : Shareholders/Proxy holders are requested to bring the Attendance Slip with them duly completed when they come to the meeting and hand over the same at the gate after affixing their signatures thereon.



Average Castor Seed - Market Yard Price - April 2003 to Mar 2012





JAYANT AGRO-ORGANICS LTD.

Leadership through Innovation

www.jayantagro.com

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