



BOARD OF DIRECTORS

Mr. Vithaldas G. Udeshi	- Chairman
Mr. Hemant V. Udeshi	- Managing Director
Mr. Gordhandas H. Mulani (upto 31 st March, 2009)	
Mr. Sudhir V. Udeshi (upto 31 st March, 2009)]
Mr. Abhay V. Udeshi] Executive Directors
Dr. Subhash V. Udeshi]
Mr. Jayasinh V. Mariwala	
Mr. Vijay Kumar Bhandari	
Mr. Mukesh C. Khagram	
Mr. Deepak V. Bhimani	

CHIEF FINANCIAL OFFICER

Mr. Vikram V. Udeshi

COMPANY SECRETARY

Mr. Dinesh Kapadia

BANKERS

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

AUDITORS

T. P. Ostwal & Associates
Chartered Accountants

SOLICITORS

M/s Tyabji Dayabhai & Co.

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 No. 602, 624 - 627, Behind G.A.C.L.
Post Petrochemicals
Dist. Vadodara 391 346.
Gujarat.

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NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of **JAYANT AGRO-ORGANICS LTD.**, will be held on **Thursday, the 27th August, 2009** at 11.00 A.M. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 2nd Floor, 18/20, Kaikhushru 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, 2009, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Vithaldas G. Udeshi, 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. **Keeping of register and index of members.**

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 163 and all other applicable provisions, if any, of the Companies Act, 1956 the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders and other related books be kept at the premises of the Company's Registrar and Transfer Agents viz. M/s. Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072 and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400 021.”

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 22nd August, 2009 to 27th August, 2009 (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 1st September, 2009 to those persons or their mandates:
 - (a) Whose names appear as Beneficial Owners as at the end of the business hours on 21st August, 2009 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 21st August, 2009.



- 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 Agent or the Depository Participants (in case of Shares which have been dematerialized) by quoting their registered Folio Number.
- 7 **Those members who have not yet encashed their dividend warrants for the financial year ended 31st March, 2002 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 Agent, 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.
- 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.

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

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

Place : Mumbai.
Date : 25th June, 2009

Dinesh 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 25th June, 2009.

Item No.6

Under the provisions of the Companies Act, 1956, (the "Act") certain documents such as the Register and Index of Members, Register and Index of Debentureholders, other related books and papers etc., are required to be kept at the Registered Office of your Company. However, these documents can be kept at any other place within the city, town or village in which the Registered Office of your Company is situated, with the approval of the Members to be accorded by a Special Resolution.

M/s. Sharepro Services (India) Private Limited, Mumbai is our Registrar and Share Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. Hence, the approval of the Members is sought in terms of Section 163(1) of the Act, for keeping the aforementioned Registers and documents at the premises of the RTA as stated in the resolution.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution. The Board recommends the Special Resolution for your approval.

Regd. Office:
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Mumbai – 400 059.

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

Place : Mumbai.
Date : 25th June, 2009

Dinesh Kapadia
Company Secretary



ANNEXURE TO NOTICE

Directors' appointment

Details of Directors seeking re-appointment at the ensuing Annual General Meeting are given as under:-

Name of Director	Mr. Vithaldas G. Udeshi	Mr. Deepak V. Bhimani
Date of Birth	20.04.1931	31.08.1939
Date of Appointment	07.07.1992	27.10.2005
Qualification	B.Sc., from St. Xaviers College, Bombay University.	Graduation and Post Graduation from Lowell Technological Institute, Lowell, Massachusetts in USA, in the field of Textile Chemistry.
Expertise in specific Functional area	Experience over five decades in manufacture and export of Castor Oil and Castor Oil Derivatives.	Expertise in manufacturing chemicals for textile and allied products since 1964. Served on various committees of Indian Chemicals Auxilliaries Manufacturers Assn. and has been Vice-President during 1977-78. Represented the Indian Speciality Chemicals Mfg. Assn. on the Task Force, an 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.
Directorships in other Public Companies (excluding foreign companies and Section 25 Companies)	Jayant Finvest Limited	-NIL-
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit and Shareholders/ Investors Grievance Committee)	-NIL-	-NIL-
Shareholding in the Company	57,900 Equity Shares	-NIL-



DIRECTORS' REPORT

Your Directors are pleased to present the Seventeenth Annual Report along with the Audited Statement of Accounts and Auditors' Report for the year ended 31st March 2009.

FINANCIAL RESULTS:

(Rs. in lacs)

	Year ended March 31, 2009	Year ended March 31, 2008
Gross Profit (before interest, depreciation, extraordinary item and tax)	2521.49	2234.50
Less : Interest		
Depreciation	1289.34	1050.68
Profit before Tax	<u>224.87</u>	<u>215.08</u>
	1007.28	968.74
<u>Less : Provision for Taxation :</u>		
Current		
Deferred Tax (Asset)	340.00	328.00
Wealth Tax Paid	90.73	16.06
Fringe Benefit Tax	0.15	0.12
Profit after Tax	<u>11.60</u>	<u>10.65</u>
Add : Surplus brought forward	564.80	613.91
	<u>2271.57</u>	<u>1966.59</u>
<u>Appropriations:</u>	<u>2836.37</u>	<u>2580.50</u>
Proposed Dividend (Equity)		
Dividend on Preference Shares, paid	187.50	187.50
DDT (Dividend Distribution Tax)	0.46	21.00
Transfer to Capital Redemption Reserve	82.94	35.43
Transfer to General Reserves	300.00	-
Balance in Profit & Loss Account	60.00	65.00
	<u>2205.47</u>	<u>2271.57</u>
	<u>2836.37</u>	<u>2580.50</u>

DIVIDEND :

The Board has recommended a Dividend of Rs.1.25 per share on 1,50,00,000 Equity Shares of nominal value of Rs.5/- each, amounting to Rs.187.50 lacs and the total outgo, including dividend distribution tax, will be Rs 219.37 lacs.

INCREASE IN PAID-UP SHARE CAPITAL:

The Company has allotted 5,10,000 Equity Shares of Rs.5/- each at a premium of Rs.60/- per share to M/s. Udeshi Trust, Promoter Group and 6,00,000 Equity Shares of Rs.5/- each at a premium of Rs.60/- per share to M/s. Investindia Sec. P. Ltd. , other than Promoter Group, on 12th July, 2008, who opted for conversion of 11,10,000 warrants out of 18,00,000 warrants allotted on 14th January, 2007.

This resulted in the increase of paid up Equity Share Capital of the Company from Rs.6,94,50,000/- to Rs.7,50,00,000/- consisting of 1,50,00,000 Equity Shares of Rs.5/- each.

BUSINESS PERFORMANCE:

Your Company's sales turnover during the year under report was Rs 81027.29 lacs against the sales of Rs. 59410.91 lacs during the previous year, an increase of 36.38%. Profit after tax has decreased by Rs. 49.10 lacs i.e. by 8% as compared to the previous year.



BUSINESS PROSPECTS:

The aftermath, of the worst financial turmoil seen by the last two generations, continues to affect the immediate prospects of a majority of the companies.

Your Company's focus on the core business, prudence in taking risks, all round innovation in products and processes, backing of world class Research, introduction of new products and above all the focus on the customer needs has helped the Company to tide over this turmoil in a relatively comfortable manner. Your Company continues to expand its capacities and add new derivatives, albeit in a phased manner.

The Company's subsidiary Ihsedu Speciality Chemicals Private Limited, a Joint Venture with Mitsui & Co, is expected to start production of Sebacic Acid towards the end of the second quarter of this financial year.

Though the immediate prospects remain subdued, your Directors see a bright future for your Company from the medium to long term.

RESEARCH & DEVELOPMENT:

The R & D has worked relentlessly on new value-added products based on specific customer requirements. These products are currently at different stages of commercialization and some of them are expected to yield good commercial success in the years to come. The other significant effort put in by the process engineers is in the area of improving production efficiencies thereby making the products more cost competitive. Our R & D has been certified as ISO 9001 : 2000.

The Company has been selected as consortium partner for the World Bank Funded National Agricultural Innovation Project (NAIP) titled a value-chain on Castor and its products, by Indian Council of Agricultural Research, New Delhi.

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. Safety Week celebrated on 8th March, 2009 and Fire Day on 24th August, 2008 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.

Your Company, as has always been aware of its responsibilities as a good citizen action, in health, safety and environment management, 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. Vithaldas G. Udeshi and Mr. Deepak V. Bhimani are retiring by rotation and being eligible offer themselves for re-appointment.

Mr. Sudhir V. Udeshi has resigned from the Board with effect from 31st March, 2009 and has taken office as a Wholetime Director of Ihsedu Speciality Chemicals Private Limited, a subsidiary of Jayant Agro-Organics Ltd. Mr. Gordhandas H. Mulani, Director of your Company has also resigned with effect from 31st March, 2009, but continues to be associated with the Company as a Consultant. The Board has accepted their resignation with effect from the same date. The Board of Directors of your Company wishes to place on record its sincere appreciation and continues to look forward to receive their valuable advice and guidance in future.



SUBSIDIARY COMPANY :

During the year under review, the Company has paid towards full and final call money in the capital of M/s Ihsedu Speciality Chemicals Pvt. Ltd., on 11,150,000 Equity Shares of Rs. 10/- each – (Rs. 5/- per share called up.)

The statement pursuant to Section 212 of the Companies Act, 1956, containing details of subsidiaries of the Company, forming part of the Annual Report, is annexed.

The Company has been granted exemption by the Ministry of Corporate Affairs, Government of India, from attaching to its Balance Sheet for the year ended March 31, 2009, the individual Annual Reports of its subsidiary companies. As per the terms of the exemption Letter No. 47/15/2009-CL-III dated 13th March, 2009, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2009 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Member of the Company/its subsidiaries seeking such information at any point of time and are also available for inspection by any Member of the Company/its subsidiaries at the Registered Office of the Company. The details are as per Annexure B.

PERFORMANCE OF SUBSIDIARY COMPANIES:

Ihsedu Agrochem Private Limited (IHSEDU)

During the year under review, the Ihsedu Agrochem Pvt. Ltd. a Wholly owned Subsidiary of the Company, achieved a turnover of Rs.8741.68 lacs as compared to Rs.5884.98 lacs in the previous year. The net profit however decreased to Rs. 266.76 lacs against Rs.508.84 lacs in the previous year.

Ihsedu Speciality Chemicals Private Limited (ISCPL)

During the year under review, your Company had invested a sum of Rs. 5,57,50,000/- towards payment of Final Call on 1,11,50,000 equity shares of Rs.10/- each (Rs.5/- called up). Mitsui & Co. Ltd., Japan and Mitsui & Co. (Asia Pacific) Pte. Ltd., Singapore, each of them had invested a sum of Rs.1,51,38,000/- towards payment of Final Call on 18,00,000 equity shares of Rs.10/- each (Rs.5/- F.V. + Rs.3.41 Premium) respectively.

ISCPL has not commenced commercial production.

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.

AWARDS:

1. The Shareholders will be happy to note that the Company has been bestowed by the Basic Chemicals, Pharmaceuticals & Cosmetics Export Promotion Council-CHEMEXCIL (set-up by the Ministry of Commerce, Government of India) “**LIFETIME ACHIEVEMENT AWARD**” under ‘Castor Oil Panel’ for the outstanding Export performance for the year 2006-2007.
2. The President, Shri Ashok Sethia, of the Solvent Extractors’ Association of India has on 14th February, 2009, presented an Award to **Shri Vithaldas G. Udeshi, Chairman of Jayant Agro – Organics Ltd.**, in appreciation of his visionary leadership, commitment & technology innovation to promote India’s Castor Oil & its Derivatives in the Global Market for over 50 years.

RE-APPOINTMENT OF AUDITORS:

The Members are requested to re-appoint M/s. T.P. Ostwal & Associates, Chartered Accountants, 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.

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 Agreements 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 2008-09, 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 31st March 2009, 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 declared dividend for F.Y. 2000-01(Equity Final) & (Equity Spl) amounting to Rs.1,06,583/- and Rs.1,45,130/- respectively, which remained unclaimed for the period of seven years has been transferred by the Company on 4th September, 2008 & 6th December, 2008 respectively 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 dividend 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 31st March, 2009 is as under:-

Financial Year	Type	Unclaimed Dividend Amount as on 31-3-2009 (Rs. in lacs)	Due date for transfer to IEPF
2001-2002	Equity	0.50	11-08-2009
2002-2003	Equity	0.34	29-07-2010
2003-2004	Preference	0.23	28-07-2011
2004-2005	Equity	2.01	28-09-2012
2004-2005	Preference	0.18	28-09-2012
2005-2006	Equity	2.48	25-09-2013
2005-2006	Preference	0.25	25-09-2013
2006-2007	Equity	2.23	24-08-2014
2006-2007	Preference	0.38	24-08-2014
2007-2008	Equity	3.78	14.09.2015
2007-2008	Preference	4.04	07-05-2015



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., Oriental Bank of Commerce, Authorities of Government such as Ministry of Commerce and the Development Commissioner of Kandla Free Trade Zone, State Government of Gujarat, Gujarat State Electricity Board, Gujarat Pollution Control Board, Gujarat Industrial Development Corporation, Gujarat Alkalies & Chemicals Ltd., and Ranoli Panchayat.

For and on behalf of the Board

Place : Mumbai.
Date : 25th June, 2009

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

Energy conservation measures taken:-

- a) Installation of Electric Timers for plant and street lighting to save power consumption.
- b) Measures taken to install and monitor adequate number of capacitors to maintain power factor.
- c) Efficient condensation recovery system has continuously resulted in fuel and water saving.
- d) Using Cooling Water treatment chemicals for better productivity due to improved heat transfer.
- e) Maximum utilisation of machineries by way of better production planning.
- f) Minimising idle running of equipment like Air Conditioners, Pumps, Lights etc. by creating awareness.
- g) Keeping existing machineries in good and working condition by preventive measures.
- h) Thermal insulators checked and replaced wherever necessary to prevent heat losses.
- i) Boiler and thermic fluid heaters are installed based on renewable energy resources, thus conserving fossil fuel.
- j) Wind mills operative supplementing clean power as part of the power used.
- k) Energy Audit was conducted by Electrical Research and Development Association, Vadodara. Some of their recommendations are implemented and some are in process and
- l) Continuation and increasing scale of measures taken in earlier years.



FORM 'A'

a Power & Fuel consumption		<u>2008-2009</u>	<u>2007-2008</u>
1	<u>Electricity</u>		
	(i) Purchased Units (KWH)	5636.224	5704.827
	Total Amount (Rs.in Lacs)	309.50	270.32
	Rate /Unit (Rs.)	5.49	4.74
	(ii) <u>Own generation</u>		
	Through Diesel Generator :		
	Unit (KWH in '000)	55.182	19.482
	Unit per Ltr. of Diesel Oil	17.212	6.1697
	Cost/unit (Rs.)	11.90	11.18
2	<u>Fuel</u>		
	(i) Furnace Oil Quantity (KGS)	378.567	290.461
	Total Amount (Rs. in Lacs)	92.40	74.59
	Rate/Unit (Rs.)	24.41	25.68
	(ii) De-Oil Cake : Quantity (M.T.)	8355.385	8166.580
	Total amount (Rs. in lacs)	320.99	232.25
	Rate / MT (Rs.)	3841.80	2843.86
b	Consumption per Unit of Production		
	Electricity (KWH/MT)	79.44	71.89
	Furnace Oil (LTR/MT)	5.33	3.66
	De – Oil cake (Kg/MT)	117.78	102.91

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 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 processes.
 - Improvements in quality of various products.

(iv) Expenditure on R & D **Rs. in lacs.**

2008-2009

(a) Capital	57.13
(b) Recurring (Gross)	63.48
(c) Total	120.61
(d) Total R & D Expenditure as percentage of total turnover.	0.15


b Technology Absorption, Adoption and Innovation

Details of Technology imported during the last five years: NIL

C FOREIGN EXCHANGE EARNING AND OUTGO :

Earning and Outgo.

Details of Foreign Exchange outgo on account of imports, technical know-how, royalty and earnings etc., are shown in notes II-J-i, J-j, J-k and J-l respectively of notes to accounts, Schedule 13. Members are requested to refer to these notes.

For and on behalf of the Board

Place: Mumbai.

Date : 25th June, 2009

VITHALDAS G. UDESHI
CHAIRMAN

ANNEXURE “B” TO DIRECTOR’S REPORT
Details of Subsidiary Companies
Rs. in lacs

Sr. No.	Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Details of Investments	Turnover	Profits Before Tax	Provisions for taxation	Profit After Tax	Proposed Dividend
1	Ihsedu Agrochem Pvt. Ltd.	550.00	1004.53	2999.04	2999.04	0.11	8741.68	266.76	82.21	184.55	-
2	Ihsedu Speciality Chemicals Pvt. Ltd.*	1500.00	245.88	3017.86	3017.86	-	-	-	-	-	-

* The Company has not yet commenced commercial production.



MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Developments.

India ranks as the largest source of Castor Seeds in the world, accounting for nearly 75% of the world's crop. About 90% of the world demand for Castor Oil and derivatives is met by India. The estimated total production of castor seeds for the year is around 9.76 lac tons against 9.10 lac tons in the previous year.

The availability and pricing of castor seeds continues to be governed amongst other things, by Castor seeds grown in the major castor growing areas - Gujarat, Andhra Pradesh and Rajasthan, weather condition and growing international demand. Total area under castor cultivation in the country in 2008-09 has risen by 10 percent to 8.26 lac hectares from 7.48 lac hectares a year ago. Further, continues decrease in the other major castor seed growing countries viz, China and Brazil, increased the dependency in the world on India for its requirement of castor oil.

(b) Opportunities & Threats.

The global economy is in deep trouble due to worldwide recession. But because of precautionary measures taken by India, the impact of recession is not as great as on many other countries. The impact of recession has affected the sectors like services, automobiles, infrastructures housing and paint business, since the castor oil is used in manufacturing paints, adhesives, lubricating etc. In-house Research and Development Department of the Company enables the Company to improve the quality of existing range of products, cost reduction, development of new products and exports, introduction of new products, improvement in manufacturing process, product cost and export promotion.

The products are being used by Cosmetics, Perfumeries, Plastics and Rubbers, Lubrication, Textile Chemicals, Paper, Paints, Inks and Adhesives, Pharmaceuticals, Food and Electrical, Electronics and Telecommunication etc. So, potential for growth is virtually boundless.

Castor Seeds continue to be a volatile raw material in terms of its price. Being an agricultural product, it depends on the rainfall and weather condition prevailing in the area of castor growing States in the country, though it is a sturdy crop.

(c) Segment.

The Company is organised into four business segments – Castor Oil and its derivatives, based on customers, different risks and returns and the internal financial reporting systems; Power Generation and Trading.

(d) Outlook.

The Company plans to introduce new products to give a fillip to the sales and profits of the Company and also to overcome competitive environment. The Company has introduced **Pragati** + which is 100% organic fertilizer and many countries in the world like Japan, France, Germany, Taiwan and Korea import **Pragati** + on a large scale.

There is a growing domestic use of castor oil in both China and Brazil, and these countries have also not reported any significant rise in castor seed production. These factors may work to India's advantage.

The Company remains focused on increasing its market share in the overall castor oil business. The Company has undertaken backward-integration by putting up manufacturing facilities for crushing of castor seeds through its 100% subsidiary, Ihsedu Agrochem Pvt. Ltd., which has commenced commercial production from January 2004 and has undertaken further expansion programme.

(e) Risks and Concerns.

The 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 behaviour of raw material depends on monsoon and weather conditions, which continues to be of concern. The Company is closely watching the development of monsoon as also castor seed sowing. According to meteorological department, the monsoon during this year may be normal.



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

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

(f) **Foreign Exchange.**

The appreciation of Rupee against Dollar continues to put pressure on the margins of the castor oil business, which is operating under high competitive environment. The Company 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 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 :

<u>Particulars</u>	(Rs. in lacs)	
	<u>2008-2009</u>	<u>2007-2008</u>
Sales turnover	81027.29	59410.91
P B I D T	2521.49	2234.50
Interest	1289.34	1050.68
Profit after interest	1232.15	1183.82
Depreciation	224.87	215.08
Provision for taxation - Current Tax	340.00	328.00
- Deferred Tax	90.73	16.06
Fringe Benefit Tax	11.60	10.65
Wealth Tax	0.15	0.12
Net Profit	564.80	613.91

(i) **Human Resources / Industrial Relations.**

Industrial Relations have continued to be harmonious through out 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 216

(j) **Cautionary Statement.**

Statements in this "Management 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, 2009, 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, 2009.

Place : Mumbai.
Date : 25th June, 2009

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 satisfy 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 31st March 2009 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 is given below.

Sr. No	Name of Directors	Executive/ Non-Executive/ Independent	No. of Board Meetings /Committee Meetings during the year 2008-2009		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	5	6	Yes	1	----



2.	Mr. Hemant V. Udeshi - Managing Director*	Executive Non-Independent	2	--	Yes	----	----
3.	Mr. Gordhandas H. Mulani (Resigned on 31-3-2009)	Non-Executive Non-Independent	5	1	Yes	----	----
4.	Mr. Sudhir V. Udeshi (Resigned on 31-3-2009)	Executive Non-Independent	5	1	Yes	1	----
5.	Mr. Abhay V. Udeshi*	Executive Non-Independent	5	--	Yes	1	----
6.	Dr. Subhash V. Udeshi*	Executive Non-Independent	5	--	Yes	1	----
7.	Mr. Jayasinh V. Mariwala.	Non-Executive/Independent	5	5	Yes	5	----
8.	Mr. Vijay Kumar Bhandari	Non - Executive/Independent	5	4	Yes	7	5
9.	Mr. Mukesh C. Khagram	Non - Executive/Independent	4	3	Yes	----	----
10.	Mr. Deepak V. Bhimani	Non - Executive/Independent	4	3	Yes	----	----

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.

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, 5 Board Meetings were held on 29.04.2008, 24.07.2008, 15.10.2008, 29.01.2009 and 30.03.2009.

3. AUDIT COMMITTEE :

The Audit Committee Meetings were held on 29.04.2008, 24.07.2008, 15.10.2008, and 29.01.2009. The Audit Committee comprises of :

- Mr. Jayasinh V. Mariwala – C.A. - Chairman – Non-Executive – Independent Director.
- Mr. Vithaldas G. Udeshi – Member - Non-Executive, Director
- Mr. Mukesh C. Khagram – Member – Non-Executive – Independent Director.
- Mr. Deepak V. Bhimani - Member - Non-Executive – Independent Director.
- 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 4, 4, 3, 3 and 4 respectively.

The C.F.O. and Statutory Auditor including Internal Auditor are 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 2008-2009.		
	Remuneration Package	Service contract, and notice period, severance fee.	Stock option details, if any.
1. Mr.Hemant V. Udeshi, Managing Director	Please see note (a)	Please see note (b)	Please see note (c)
2. Mr. Sudhir V. Udeshi *	- do -	- do -	- do -
3. Mr. Abhay V. Udeshi	- do -	- do -	- do -
4. Dr. Subhash V. Udeshi	- do -	- do -	- do -

* Resigned on 31-3-2009.

- NOTES:** (a) Details as per Note II(c) of Schedule 13 to the Accounts.
 (b) 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.
 (c) 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 Rs.2,500/- per sitting of Board / Committee as approved by the Board which was within the limit as prescribed under the Companies Act 1956, the details of which are: -**

Mr. Vithaldas G. Udeshi – Rs.27,500/-; Mr. Gordhandas H. Mulani – Rs.15,000/- , Mr. Jayasinh V. Mariwala – Rs. 25,000/-; Mr. Vijay Kumar Bhandari – Rs.22,500/-; Mr. Mukesh C. Khagram – Rs.17,500/- and Mr. Deepak V. Bhimani – Rs.17,500/-.

The Remuneration Committee members are :

- (a) Mr. Jayasinh V. Mariwala – (Chairman) – Non-Executive / Independent Director
 (b) Mr. Vithaldas G. Udeshi – Non-Executive Director
 (c) Mr. Gordhandas H. Mulani – Non-Executive Director (upto 31st March, 2009)
 (d) Mr. Mukesh C.Khagram - Non-Executive / Independent Director w.e.f. 1st April,2009

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 31-03-2009 (own or held by/for other persons on beneficial basis)
1. Mr. Vithaldas G. Udeshi	57900
2. Mr. Gordhandas. H. Mulani	14000
3. Mr. Jayasinh V. Mariwala	Nil
4. Mr. Vijay Kumar Bhandari	Nil
5. Mr. Mukesh C. Khagram	Nil
6. 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 Kapadia
 Company Secretary

Details of complaints received in 2008-2009 from Shareholders:

- (1) Opening balance : NIL
 (2) Received during the year : 8* *Complaints: non-receipt of Dividend
 (3) Resolved during the year : 8
 (4) 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
2005-2006 AGM	Walchand Hirachand Hall, 4 th floor, IMC Building, IMC Marg, Churchgate, Mumbai 400 020	26.09.2006 3.30.P.M.	Payment of Remuneration to Non-Executive Directors.
Extraordinary General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd floor, 18/20, Kaikhashru Dubash Marg, Mumbai 400 001	30.12.2006 11.00 A.M.	Approval for issue of 24,00,000 Warrants to Select Investors and the Promoters on preferential basis, as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000
2006-2007 AGM	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd floor, 18/20, Kaikhashru Dubash Marg, Mumbai 400 001	25.08.2007 10.00 A.M.	None
Extraordinary General Meeting	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd floor, 18/20, Kaikhashru Dubash Marg, Mumbai 400 001	18.01.2008 11.00 A.M.	1. Amendment to the Capital Clause of Memorandum of Association - increasing Authorised Capital from Rs. 12.50 crore to Rs. 17.50 Crore. 2. Amendment to the Article 4 of Articles of Association - increasing the Authorised Capital from Rs 12.50 Crore to Rs. 17.50 Crore. 3. Issue of further 6,00,000 equity shares of Rs. 105/- each to Itoh Oil Chemicals Co. Ltd, Japan pursuant to Sec 81(1A) & other applicable provisions of the Companies Act, 1956. 4. Approval for issue of 17,00,000 Warrants to Select Investor and the Promoters on Preferential basis, as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000.



			5. Approval to issue Foreign Currency Convertible Bond etc. pursuant to Sec 81(1A) of the Companies Act, 1956 for not exceeding US\$ 20 Million.
2007-08 AGM	M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd floor, 18/20, Kaikhashru Dubash Marg, Mumbai 400 001	15.09.2008 11.00 A.M.	1. Approval to issue Foreign Currency Convertible Bond etc. Pursuant to Sec 81(1A) of the Companies Act, 1956 for not exceeding US\$ 20 Million. 2. Approval for Inter Corporate Loans, Investments, Security and Guarantee pursuant to Section 372A of the Companies Act, 1956 for not exceeding Rs. 700 crores.

(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 Schedule 13, Item (II)(f)(2) to the Accounts.

(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 25th June, 2009, to approve the Audited Annual Accounts for the year ended 31st March, 2009.

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 and Time :- Venue :-	17 th Annual General Meeting on Thursday, the 27 th August 2009 at 11.00 A.M. M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 2 nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	
(2)	Financial Calendar (Tentative) Financial Year : From 1 st April, 2009 to 31 st March, 2010	Results for quarter ending 30 th June, 30 th September and 31 st December, 2009 Results for year ending 31 st March, 2010 Annual General Meeting for the year ended on 31 st March, 2010	Will be in the last week of July 2009, October,2009, and January 2010, respectively Unaudited : Last week of April, 2010 Before Sept. 2010
(3)	Book Closure date	22.08.2009 to 27.08.2009 (both days inclusive)	
(4)	Dividend payment date	On or after 1 st September, 2009	
(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 2009-2010 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 24th July, 2000. As on 31st March, 2009, 91.54% of Equity Shares 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	20,900	17,200
No. of Shares accepted	11,200	15,800
No. of Shares rejected, due to signature difference	9,700	1,400

**(9) Stock Market Data from 1st April 2008 to 31st March 2009.**

Month	(BSE) (in Rs.)		(NSE) (in Rs.)		BSE SENSEX
	High	Low	High	Low	
Apr-08	87.90	67.00	86.50	56.80	17287.31
May-08	85.35	68.50	85.00	66.35	16415.57
June-08	73.90	54.05	75.90	54.00	13461.60
July-08	65.00	47.50	64.75	45.15	14355.75
Aug-08	83.50	63.05	89.75	56.00	14564.53
Sep-08	74.50	51.50	74.50	49.00	12860.43
Oct-08	60.00	34.00	62.00	33.60	9788.06
Nov-08	43.50	28.25	44.00	28.25	9092.72
Dec08	41.45	27.50	41.85	29.00	9647.31
Jan-09	41.00	30.60	40.95	29.90	9424.24
Feb-09	38.40	31.05	39.50	30.20	8891.61
March-09	36.00	30.85	39.70	31.00	9708.50



(10) Distribution of Shareholdings as on 31st March, 2009.

No. of Equity Shares held	No. of Share Holders	% of Share holders	No. of Shares held	% Share - holding
1-1000	5764	89.24	1,397,576	9.32
1001-2000	327	5.06	509,347	3.40
2001-4000	181	2.80	536,252	3.57
4001-6000	51	0.79	256,812	1.71
6001-8000	16	0.25	115,686	0.77
8001-10000	12	0.19	109,676	0.73
10001 and above	108	1.67	12,074,651	80.50
Total	6459	100.00	15,000,000	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 Email Id : sharepro@shareproservices.com

(12) Categories of Shareholdings as on 31st March, 2009.

Category	No. of Shares Held	% of Shares held
Promoters/Associates/ Directors	8,241,027	54.94
Private Corporate Bodies	1,803,269	12.02
OCB	600,000	4.00
N R I	42,122	0.28
Mutual Funds/ Nationalised Banks	7,600	0.06
Indian Public	4,305,982	28.70
Total	15,000,000	100.00

(13) Details on use of public funds obtained in the last three years :

No funds have been raised from public in the last three years.

(14) Outstanding GDRs / ADRs / Warrant etc. :

The Company did not issue any GDRs / ADRs :

17,00,000 convertible warrants into Equity Shares in the ration of 1:1 were issued on 2/02/2008, with an option of conversion into equity shares on or before 2nd August, 2009

(15) Plant location : Plot No.602, 624- 627

Behind G. A. C. L.
 Post Petrochemicals,
 Dist. Vadodara 391 346,
 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

Place : Mumbai.
Date : 25th June, 2009

VITHALDAS G. UDESHI
CHAIRMAN

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 31st March 2009, 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: 25th June, 2009

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 31st March, 2009, 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
Chartered Accountants

Place : Mumbai
Dated : 25th June, 2009

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

**AUDITORS' REPORT**

To
The Members of
JAYANT AGRO-ORGANICS LIMITED

We have audited the attached Balance Sheet of **Jayant Agro-Organics Limited** ('the Company') as at 31st March 2009, the Profit & Loss Account of the Company and the Cash Flow Statement of the Company 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.

1. 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.
2. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 ('the Act') we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the annexure referred to 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, the Company has kept proper books of account as required by Law, so far, as appears from our examination of the books;
 - c. the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and 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, as at 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 31st March, 2009 from being appointed as a director in terms of section 274 (1) (g) of the Act and;
 - 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 Act, 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, 2009;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and;
 - (iii) in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

For **T.P. OSTWAL & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 25th June, 2009

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

**Annexure to the Auditors' Report**

The Annexure referred to in our report to the members of Jayant Agro Organics Limited ('the Company') for the year ended 31st March, 2009. We report that :

- i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets. No material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of operations and the nature of the assets of the Company.
 - (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- ii (a) As explained to us, inventories have been physically verified during the year by the management, and with regards to inventories lying with third parties, stock confirmation certificates have been received in respect of the stock held by them during the year or at the year end.
 - (b) In our opinion, 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 on 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) The Company has not granted loans to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a), (b), (c) and (d) of clause 4(iii) are not applicable to the Company.
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 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 with regard to purchase of inventory, fixed assets and with regard to the sale of goods. The Company's operations do not give rise to sale of services. During the course of our audit, we have not observed any major weakness in the internal control system.
- v. (a) To the best of our knowledge and belief according to the information and explanations given to us, we are of the opinion that, the particulars of the contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available. Necessary approvals from the Central Government are obtained.
- vi. The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order is not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.



viii. The Central Government of India has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 (1 of 1956), hence the question of maintaining them does not arise.

ix. In respect of Statutory dues:

- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other Statutory dues have been generally regularly deposited 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, 2009 for a period more than six months from the date on which they became payable.
- b. The disputed statutory dues aggregating to Rs. 55.87 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which Amount relates	Amount Rs. in Lacs
Central Excise Act, 1944	Excise Duty	Appellate Tribunal (Due to setting aside by Supreme Court)	1997 – Feb 2002	55.87

- x. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, 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, debentures or any other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management, the terms and conditions on which the Company has given corporate guarantee for loans taken by others from any bank or financial institutions are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short-term basis have been used for long term investment.
- xviii. According to the information and explanations given to us, the Company has made preferential allotment of warrants convertible to shares at a later date, to a company which is covered in the register maintained under Section 301 of the Companies Act, 1956 during the year and the price at which the warrants have been issued is not prejudicial to the interest of the Company.



- 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. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- xx. During the period covered by our audit report, the Company has not raised any money by public issues.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **T.P. OSTWAL & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 25th June, 2009

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



BALANCE SHEET AS AT 31 ST MARCH, 2009

			AS AT 31/3/2008 RUPEES
SOURCES OF FUNDS	SCHEDULE	RUPEES	
SHAREHOLDERS' FUNDS			
Share Capital	1	92,850,000	124,515,000
Reserves and Surplus	2	643,198,866	547,208,118
LOAN FUNDS			
Secured Loans	3	228,030,341	770,710,465
Unsecured Loans	4	430,000,000	391,039,692
DEFERRED TAX LIABILITY		38,806,052	29,732,913
	TOTAL	1,432,885,259	1,863,206,188
APPLICATION OF FUNDS			
FIXED ASSETS	5		
Gross Block		466,402,264	427,125,468
Less : Depreciation		148,921,875	126,434,810
Net Block		317,480,389	300,690,658
Capital Work in Progress		1,279,276	2,774,057
		318,759,665	303,464,715
INVESTMENTS	6	209,677,952	123,900,000
CURRENT ASSETS, LOANS AND ADVANCES	7		
Inventories		431,646,315	1,010,120,785
Sundry Debtors		267,421,886	287,523,834
Cash and Bank Balances		135,297,850	33,180,975
Other Current Assets		-	2,391,365
Loans and Advances		474,850,356	461,287,311
		1,309,216,407	1,794,504,270
LESS : CURRENT LIABILITIES AND PROVISIONS	8		
Current Liabilities		278,517,912	267,756,023
Provisions		126,250,853	90,906,774
		404,768,765	358,662,797
NET CURRENT ASSETS		904,447,642	1,435,841,473
	TOTAL	1,432,885,259	1,863,206,188
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

Note: The schedules referred to above are an integral part of the Balance Sheet.

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

Chartered Accountants

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

For and on behalf of the Board

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

Place : Mumbai
Date : 25th June, 2009

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer



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

			PREVIOUS YEAR
INCOME	SCHEDULE	RUPEES	RUPEES
Sales		8,102,729,276	5,941,091,017
Other Income	9	216,397,404	131,348,685
Increase/ (Decrease) in Stocks	10	(333,364,499)	226,161,089
	TOTAL	<u>7,985,762,181</u>	<u>6,298,600,791</u>
EXPENDITURE			
Consumption of Raw Materials		6,101,918,770	4,570,911,051
Purchases of Finished Goods		871,893,834	940,468,514
Personnel Costs	11	56,294,617	45,521,426
Manufacturing and other expenses	12	703,505,624	518,248,338
Interest - Term Loan		3,967,826	6,888,220
Interest -Others		124,965,826	98,180,682
Depreciation		22,487,065	21,508,035
	TOTAL	<u>7,885,033,562</u>	<u>6,201,726,266</u>
PROFIT BEFORE TAXATION		100,728,619	96,874,525
Provision for Taxation			
- Current Tax		34,000,000	32,800,000
- Fringe Benefit Tax		1,160,000	1,065,000
- Deferred Tax		9,073,139	1,606,762
- Wealth Tax		15,000	12,000
PROFIT AFTER TAX		56,480,481	61,390,763
Add : Balance in Profit & Loss Account brought forward		227,156,610	196,659,305
	TOTAL	<u>283,637,091</u>	<u>258,050,068</u>
APPROPRIATIONS			
Preference dividend		46,200	-
Proposed Dividend:			
-Equity		18,750,000	18,750,000
-Preference		-	2,100,000
Dividend Distribution Tax		8,293,533	3,543,458
Transfer to Capital Redemption Reserve		30,000,000	-
Transfer to General Reserve		6,000,000	6,500,000
Balance carried to Balance Sheet		220,547,358	227,156,610
		<u>283,637,091</u>	<u>258,050,068</u>
EARNING PER EQUITY SHARE			
{Face value of Rs.5/- per Share - See notes to accounts (II) (g)}			
Basic Earning Per Share		3.49	4.64
Diluted Earning Per Share		3.13	4.19

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES
ON ACCOUNTS**

13

Note: The schedules referred to above are an integral part of the Profit and Loss account.

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

For and on behalf of the Board

Chartered Accountants

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

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

Place : Mumbai
Date : 25th June, 2009

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer



Schedules annexed to and forming part of Accounts

	RUPEES	AS AT 31/3/2008 RUPEES
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
6,000,000 (P.Y.6,000,000) 7% Redeemable Preference Shares of Rs. 5/- each	30,000,000	30,000,000
29,000,000 (P.Y. 29,000,000) Equity Shares of Rs. 5/- each	<u>145,000,000</u>	<u>145,000,000</u>
	<u>175,000,000</u>	<u>175,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
6,000,000 (P.Y 6,000,000) 7% Redeemable Preference Shares of Rs. 5/- each	-	30,000,000
15,000,000 (P. Y. 13,890,000) Equity Shares of Rs. 5/- each	<u>75,000,000</u>	<u>69,450,000</u>
	<u>75,000,000</u>	<u>99,450,000</u>
Share Warrant Money (Refer Note 3 and 4 below)	<u>17,850,000</u>	<u>25,065,000</u>
TOTAL	<u>92,850,000</u>	<u>124,515,000</u>

Of the above :

1. 6,000,000, 7% Redeemable Preference Shares of Rs. 5/- each were allotted in 2003-04 as fully paid up bonus shares by way of capitalisation of General Reserves. These shares were redeemed at par on 8th April, 2008.
2. 6,000,000 Equity Shares of Rs. 5/- each fully paid up have been issued as bonus shares by capitalisation of General Reserves.
3. The Company had allotted on preferential basis 2,400,000 warrants during the year 2006-07 against which it had received 10% of the price, Rs.6.50/- per warrant. Each warrant holder was entitled to, on payment of balance of Rs.58.50/- per warrant, 1 equity share of Rs. 5/- each on or before 13th July 2008. The Company had, on conversion of warrants into equity shares by the allottees, allotted 6,00,000 equity shares in 2006 – 2007, 6,90,000 equity shares in 2007 – 2008 and the balance 11,10,000 equity shares during the year.
4. The Company had allotted on preferential basis 1,700,000 warrants during the year 2007-08 against which it had received 10% of the price, Rs.10.50 per warrant. Each warrant holder is entitled to, on payment of balance of Rs.94.50 per warrant, 1 Equity Share of Rs.5 each on or before 2nd August 2009.
5. During the year 2007-08, the Company had allotted 600,000 Equity Shares of Rs 5 each, fully paid up, at a premium of Rs.100/- per share on a preferential basis.



Schedules annexed to and forming part of Accounts

	RUPEES	AS AT 31/3/2008 RUPEES
SCHEDULE 2 : RESERVES AND SURPLUS		
CAPITAL REDEMPTION RESERVE		
Transferred from profit and loss account	<u>30,000,000</u>	-
	<u>30,000,000</u>	-
SHARE PREMIUM ACCOUNT		
Balance as per last Balance Sheet	137,400,000	36,000,000
Received during the year on preferential issue of Equity Shares	-	60,000,000
Received during the year on issue of Equity Shares to warrant holders	<u>66,600,000</u>	<u>41,400,000</u>
	<u>204,000,000</u>	<u>137,400,000</u>
GENERAL RESERVE		
Balance as per last Balance Sheet	182,651,508	176,151,508
Add :Transfer from Profit and Loss account	<u>6,000,000</u>	<u>6,500,000</u>
	<u>188,651,508</u>	<u>182,651,508</u>
Balance i.e surplus in Profit & Loss Account	<u>220,547,358</u>	<u>227,156,610</u>
TOTAL	<u>643,198,866</u>	<u>547,208,118</u>
SCHEDULE 3 : SECURED LOANS		
From Banks		
Export Credit	203,255,238	724,372,686
Term Loans	22,665,186	44,771,235
Interest Accrued on Term Loan	<u>2,109,916</u>	<u>1,566,544</u>
TOTAL	<u>228,030,341</u>	<u>770,710,465</u>
Note		
Export Credit is 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 charge on all present and future immovable properties comprising inter alia machinery, equipments, plant and spares. Term Loans are secured against hypothecation of Wind Mill and Vehicles Installments due within a year Rs.14,963,967/- (P.Y Rs. 23,659,228/-)		
SCHEDULE 4 : UNSECURED LOANS		
From Banks		
Borrowings	430,000,000	200,000,000
Bill Discounting	-	<u>191,039,692</u>
TOTAL	<u>430,000,000</u>	<u>391,039,692</u>



SCHEDULE 5

Schedules annexed to and forming part of Accounts

SCHEDULE 5: FIXED ASSETS

(Amount in Rupees.)

PARTICULARS	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As At 01-04-2008	Additions for the year	Retirement during the year	As at 31-03-2009	As At 01-04-2008	Deductions/ Retirement during the year	For the Year	As at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Freehold Land	532,272	14,035,530	-	14,567,802	-	-	-	-	14,567,802	532,272
Leasehold Land	10,126,777	-	-	10,126,777	1,080,263	-	104,742	1,185,005	8,941,772	9,046,514
Buildings	39,413,787	281,723	-	39,695,510	9,570,036	-	933,523	10,503,559	29,191,951	29,843,751
Plant & Machinery	345,518,393	19,981,779	-	365,500,172	104,102,154	-	18,050,321	122,152,475	243,347,697	241,416,239
Computers	11,963,392	422,448	-	12,385,840	6,149,854	-	1,674,853	7,824,707	4,561,133	5,813,538
Furniture and Fixtures	9,022,055	887,192	-	9,909,247	2,613,636	-	594,500	3,208,136	6,701,111	6,408,419
Vehicles	10,548,792	3,668,124	-	14,216,916	2,918,867	-	1,129,126	4,047,993	10,168,923	7,629,925
TOTAL	427,125,468	39,276,796	-	466,402,264	126,434,810	-	22,487,065	148,921,875	317,480,389	300,690,658
Previous Year	395,519,869	32,527,285	921,686	427,125,468	105,420,869	494,094	21,508,035	126,434,810	300,690,658	
Capital Work in Progress									1,279,276	2,774,057

SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE 5: FIXED ASSETS

(Amount in Rupees.)

PARTICULARS	ORIGINAL COST				DEPRECIATION				NET BOOK VALUE	
	As At 1-04-2008	Additions for the year	Deletions/ Retirement during the year	As at 31-03-2009	As At 1-04-2008	Deductions/ Retirement during the year	For the Year	As at 31-03-2009	As at 31-03-2009	As at 31-03-2008
Freehold Land	60,739,007	15,065,764	-	75,804,771	-	-	-	-	75,804,771	60,739,007
Leasehold Land	10,126,777	-	-	10,126,777	1,080,263	-	104,742	1,185,005	8,941,772	9,046,514
Buildings	101,435,878	8,728,568	-	110,164,446	11,687,552	-	2,708,771	14,396,323	95,768,123	89,748,326
Plant & Machinery	658,177,745	57,516,172	-	715,693,917	135,245,426	-	36,013,214	171,258,640	544,435,277	522,932,319
Computers	13,071,242	570,744	-	13,641,986	6,576,324	-	1,864,040	8,440,364	5,201,622	6,494,918
Furniture and Fixtures	13,504,860	979,652	-	14,484,512	3,005,382	-	880,316	3,885,698	10,598,814	10,499,478
Vehicles	17,618,909	6,886,608	-	24,505,517	4,687,502	-	2,054,559	6,742,061	17,763,456	12,931,407
TOTAL	874,674,418	89,747,508	-	964,421,926	162,282,449	-	43,625,642	205,908,091	758,513,835	712,391,969
Previous Year	667,982,447	207,613,657	921,686	874,674,418	128,930,107	494,094	33,846,436	162,282,449	712,391,969	
Capital Work in Progress									207,773,034	44,985,592
Advances against Capital Expenditure									80,399,037	1,125,114

Note : Additions to building includes Rs.1,603,170 incurred on construction of temporary residential structures on leasehold land which is amortized over the remaining period of lease.



Schedules annexed to and forming part of Accounts

	RUPEES	AS AT 31/3/2008 RUPEES
SCHEDULE 6 : INVESTMENTS		
Long Term Investment (at cost)		
Fully paid Equity Shares (Unquoted)		
Enviro Infrastructure Co. Ltd.		
75,000 (P.Y 75,000) Equity Shares of Rs.10/- each fully paid	750,000	750,000
INVESTMENT IN SUBSIDIARY COMPANIES		
Fully paid Equity Shares (Unquoted)		
Ihsedu Agrochem Pvt. Ltd		
5,500,000 (P.Y. 5,500,000) Equity Shares of Rs.10/- each fully paid	55,000,000	55,000,000
Ihsedu Speciality Chemicals Pvt. Ltd.		
240,000 (P.Y. 240,000) Equity Shares of Rs.10/- each fully paid	2,400,000	2,400,000
11,150,000 (P.Y.11,150,000) Equity Shares of Rs.10/- each, fully paid (P.Y.Rs.5/- paid up)	111,500,000	55,750,000
OTHERS		
Kotak Pension Balanced Fund	10,000,000	10,000,000
(Refer Notes to Accounts (b) (i))		
SBI Magnum Insta Cash Fund Daily Dividend Option (Quoted)	30,027,952	-
(Market value as on 31st March, 2009 Rs.30,027,952/- P.Y NIL)		
TOTAL	<u>209,677,952</u>	<u>123,900,000</u>
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventories - valued and certified by the Management		
(Refer Note I (h) of Schedule 13)		
Raw Materials, Chemicals and Packing Materials	222,878,833	466,803,519
Work-in-Process	4,245,749	5,691,296
Finished Products	197,979,871	529,898,823
Stores, Spares and Consumables	6,541,862	7,727,147
	<u>431,646,315</u>	<u>1,010,120,785</u>
Sundry Debtors		
(Unsecured, considered good)		
Exceeding Six Months	59,662,529	60,023,799
Others	207,759,357	227,500,035
	<u>267,421,886</u>	<u>287,523,834</u>
Cash and Bank Balances		
Cash on Hand	823,396	818,135
Balance with Scheduled Banks :		
In Current Accounts #	129,313,404	28,319,955
Margin money Account	2,661,050	1,542,885
Fixed Deposits with Bank	2,500,000	2,500,000
	<u>135,297,850</u>	<u>33,180,975</u>



Schedules annexed to and forming part of Accounts

	RUPEES	AS AT 31/3/2008 RUPEES
Other Current Assets		
Interest Accrued but not due	-	2,391,365
	<u>-</u>	<u>2,391,365</u>
Loans and Advances		
(Unsecured, considered good)		
Excise & Other Taxes Recoverable	94,150,550	58,441,388
Advance to subsidiaries	240,160,559	205,970,061
Advances recoverable *	16,066,697	102,737,727
Prepaid expenses	693,101	745,155
Balance with Central Excise	7,953,803	2,981,239
Deposits	23,498,252	24,029,152
Advance Income-tax (including T.D.S.)	92,327,394	66,382,589
	<u>474,850,356</u>	<u>461,287,311</u>
TOTAL	<u>1,309,216,407</u>	<u>1,794,504,270</u>

Note : Maximum amount outstanding during the year from Subsidiaries

Rs 240,160,559/- (P.Y.Rs.205,970,061/-)

* Refer Notes to Accounts (b) (ii)

Refer Notes to Accounts (b) (iii)

SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS

Current Liabilities

Sundry Creditors	239,159,487	185,337,590
Advances against Orders	35,344,597	38,745,007
Investor Education and Protection Fund		
Unclaimed Dividend *	1,643,193	1,184,172
Bank Account Overdrawn	41,790	40,355,107
Other Liabilities	2,328,845	2,134,147
TOTAL(A)	<u>278,517,912</u>	<u>267,756,023</u>

*There are no amounts due and outstanding as on 31st March, 2009 to be credited to Investor Education and Protection Fund. These amounts shall be paid to the Fund as and when they become due.

Provisions

Income Tax	92,550,000	58,550,000
Fringe Benefit Tax	3,979,430	2,819,430
Wealth Tax	15,000	12,000
Proposed Dividend		
-Equity	18,750,000	18,750,000
-Preference	-	2,100,000
Dividend Distribution Tax	3,187,181	3,543,458
Leave Encashment	7,769,242	5,131,886
TOTAL(B)	<u>126,250,853</u>	<u>90,906,774</u>
TOTAL (A+B)	<u>404,768,765</u>	<u>358,662,797</u>



Schedules annexed to and forming part of Accounts

	RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE 9 : OTHER INCOME		
Sale of import licences	141,517,435	63,528,715
Export Incentive	55,809,297	41,616,360
Duty Drawback	5,453,339	11,724,952
Refunds & claims	5,095,837	3,199,460
Miscellaneous receipts	7,454,576	160,977
Exchange Rate Fluctuation	-	6,683,347
Sundry Balance Written back	781,120	397,730
Dividend (from Mutual Fund)	27,952	-
Interest	257,848	4,037,144
(T.D.S Rs.55,652/- P.Y Rs.895,403/-)		
TOTAL	<u>216,397,404</u>	<u>131,348,685</u>
SCHEDULE 10 : INCREASE/ (DECREASE) IN STOCKS		
Opening Stocks		
Work in process	5,691,296	7,385,897
Finished goods	<u>529,898,823</u>	<u>302,043,133</u>
TOTAL (A)	<u>535,590,119</u>	<u>309,429,030</u>
Closing Stocks		
Work in process	4,245,749	5,691,296
Finished goods	<u>197,979,871</u>	<u>529,898,823</u>
TOTAL (B)	<u>202,225,620</u>	<u>535,590,119</u>
Increase/(Decrease) in Stocks	<u>(B-A)</u>	<u>226,161,089</u>
SCHEDULE 11 : PERSONNEL COSTS		
Salaries, Wages, Bonus etc.	42,310,319	37,022,423
Contribution to Provident Fund, Gratuity & others	6,444,981	3,668,494
Leave Encashment	3,453,356	1,615,583
Staff Welfare Expenses	<u>4,085,962</u>	<u>3,214,927</u>
TOTAL	<u>56,294,617</u>	<u>45,521,426</u>



Schedules annexed to and forming part of Accounts

	RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE 12 : MANUFACTURING AND OTHER EXPENSES		
Job work Charges	234,512,660	180,423,529
Consumption of stores and spares	10,660,206	8,847,297
Consumption of packing materials	25,054,804	3,009,982
Power and Fuel	41,810,282	35,423,473
Rent, Rates and Taxes	718,571	625,189
<u>Repairs & Maintenance</u>		
-Building	363,256	13,609
-Machinery	4,010,980	2,011,033
-Others	1,092,667	3,557,315
Insurance	14,038,253	8,537,820
Freight, Coolie and Cartage	224,852,740	188,211,801
Exchange Rate Fluctuation	44,731,329	-
Storage charges	16,651,676	11,333,956
Brokerage on sales	19,392,292	20,010,902
Brokerage on purchases	2,209,990	2,370,198
Miscellaneous Expenses	60,919,653	51,298,701
Research and Development Expenses	880,448	895,509
Loss on sale of Assets	-	236,148
Donations	242,504	89,803
<u>Auditor's Remuneration</u>		
-Audit Fees	827,250	842,700
-Tax Audit Fees	275,750	280,900
-Taxation	110,300	112,360
-Other Services	75,843	107,683
-Reimbursement of Expenses	74,171	8,430
TOTAL	703,505,624	518,248,338

SCHEDULE 13: NOTES FORMING PART OF THE ACCOUNTS

I STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with mandatory accounting standards issued by the Institute of Chartered Accountants of India and relevant presentational requirements of the Companies Act, 1956.

(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 recognised in the period in which they materialize.



(c) **FIXED ASSETS**

Fixed assets are carried at the original cost of acquisition and include all incidental expenses related to acquisition and installation of the concerned assets.

(d) **BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition of qualifying asset are capitalised 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 recognised as an expense in the period in which they are incurred.

(e) **DEPRECIATION**

- i Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- ii Depreciation on additions/deletions of assets during the year is provided on a pro-rata basis.
- iii Leasehold Land is amortised over the period of lease.

(f) **RESEARCH AND DEVELOPMENT**

Revenue expenditure on research and development is recognised 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.

(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**

- i Raw Material, Chemicals, Packing Materials and Stores and Spares are valued at cost.
- ii Work- in -process is valued at cost.
- iii Finished products are valued at cost or net realisable value whichever is lower. The cost includes cost of production and expenses incurred in putting the goods in their present location and condition.
- iv By-Products are valued at net realisable value.
- v Cost is determined on First-in-First Out basis.

(i) **REVENUE RECOGNITION**

- i Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.
- ii Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- iii Export sales are accounted on F.O.B. basis.

(j) **ACCOUNTING OF CLAIMS**

- i 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.
- ii Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.
- iii Central Sales Tax claims and duty drawback claims which are accounted on accrual basis.

(k) **FOREIGN CURRENCY**

- i Transactions denominated in foreign currencies and not covered by foreign exchange forward contracts are recorded at the exchange rate prevailing at the time of the transaction.
- ii Foreign currency transactions covered by foreign currency contracts are recorded at the contracted rates.



- iii Monetary items denominated in foreign currency are translated at the rates prevailing at the end of the year and losses and gains, if any, on translation are recognised as expenditure or income of the current year, as the case may be.
- iv Non monetary items which are carried in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

(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

- i 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.
- ii 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.
- iii 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.

(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.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets, if any, are reviewed as at each Balance Sheet date to reassess realisation.

Fringe Benefit Tax

Provision for Fringe Benefit Tax has been made in accordance with the applicable Income Tax Laws prevailing for relevant assessment years.

(o) **EARNINGS PER SHARE (EPS)**

Basic earnings 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.

**(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

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

(r) PROVISION FOR DOUBTFUL DEBTS

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle.

(s) PROVISIONS AND CONTINGENT LIABILITIES

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(t) PROPOSED DIVIDEND

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

II NOTES TO ACCOUNTS**a CONTINGENT LIABILITIES**

	RUPEES	PREVIOUS YEAR RUPEES
Claims against the Company not acknowledged as debts - Excise Duty	5,586,791	5,586,791
Liability in respect of excise duty where the issue was decided in favour of the Company for which the Department is in further appeal	743,991	4,631,665
Guarantees given on behalf of its subsidiaries	806,768,000	562,500,000
Guarantees given on behalf of farmers for purchase of castor seed	190,000,000	20,00,00,000
Guarantee given to bank for discounting of bills	250,000,000	-
Bank guarantee given to GSAMB (Gujarat State Agricultural Marketing Board)	3,000,000	3,000,000

Note: The Company has deposited Rs. 3,243,991/- (P.Y. Rs. 3,243,991/-) and furnished bank guarantee for Rs. 2,500,000/- (P.Y. 2,500,000/-) to the excise authority.



- b (i)** Other 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 rupees one crore paid during the previous year, the Company has paid rupees one lakh during the current year and is required to pay rupees one lakh for the next year 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 alongwith 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.
- (ii)** Advances Recoverable includes an amount of Rs.1,877,566/- (P.Y Rs.1,877,566/-) paid to the Excise Authorities under protest on account of disputed availment of Cenvat Credit on Service Tax.
- (iii)** Unclaimed Dividend:
The balance with banks in current accounts include Rs. 1,643,193/- (P.Y Rs. 1,184,172/-) set aside for payment of dividends.
- (iv)** The Company had entered into Memorandum of Understanding 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 it is possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has a MOU.

c (i) MANAGERIAL REMUNERATION

	PREVIOUS YEAR RUPEES	RUPEES
Managing & Wholetime Directors		
Remuneration	3,600,000	4,998,000
Commission to Wholetime Directors	800,000	800,000
Perquisites	410,808	481,964
Contribution to Provident Fund	341,280	444,240
	<u>5,152,088</u>	<u>6,724,204</u>

Note : Remuneration comprises of Salary, Allowances, Company's Contribution to Provident Fund and Leave Encashment and excludes contribution to Gratuity Fund.

(ii) Computation of Net Profit under Section 349 and Section 198(1) of the Companies Act, 1956

Profit before taxation	100,728,619	96,874,525
Add: Managerial Remuneration	6,724,204	5,152,088
Depreciation under the Companies Act,1956	22,487,065	21,508,035
Book loss on sale of assets	-	236,148
	<u>29,211,269</u>	26,896,271
Less: Depreciation under Section 350 of the Act	22,487,065	21,508,035
Net Profit in accordance with Section 198 of the Act	<u>107,452,823</u>	<u>102,262,761</u>
Commission thereon @1% to Managing / Wholetime Directors	1,074,528	1,022,628
Within the limits of maximum amount payable	800,000	800,000



d DETAILS OF THE UTILIZATION OF FUNDS FROM PREFERENTIAL ISSUE OF EQUITY SHARES / WARRANTS CONVERTIBLE INTO EQUITY SHARES.

	RUPEES	PREVIOUS YEAR RUPEES
1 Funds unutilised during the previous year	28,319,955	10,360,120
2 Warrants issued on preferential basis converted into equity shares fully paid up	64,935,000	40,365,000
3 Equity shares issued on preferential basis	-	63,000,000
4 Application money received on warrants which were not opted for allotment of equity shares	-	17,850,000
Total money received from issue of warrants/equity shares on preferential basis	93,254,955	131,575,120
Funds Utilised		
(a) Investment in Share Capital of Ihsedu Speciality Chemicals Pvt. Ltd. (Subsidiary Co.) 11,150,000 equity shares of Rs. 10/- each, fully paid up. (P.Y 11,150,000 equity shares of Rs. 10/- each, Rs. 5/- paid up)	55,750,000	55,750,000
(b) Working capital requirements	37,504,955	47,505,165
(c) Balance Amount with Company's Bank Accounts	-	28,319,955
Total money utilised which was received from issue of warrants/equity shares on preferential basis	93,254,955	131,575,120

e SEGMENT INFORMATION

The business segment has been considered as the primary segment. The Company is organised into four business segments namely Castor Oil, Derivatives, Power Generation and Trading. 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 remainder 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.



Particulars	Castor Oil	Derivatives	Power Generation	Trading	Total	Castor Oil	Derivatives	Power Generation	Previous Year Rupees in Lacs	
									Trading	Total
REVENUE										
Net Sales/Income from Operation										
Local	3,399.40	8,587.85	127.90	-	12,115.15	1,506.13	6,061.03	141.53	-	7,708.69
Export	47,959.47	20,952.68	-	-	68,912.15	34,697.10	16,930.86	-	74.25	51,702.22
Total Revenue	51,358.87	29,540.53	127.90	-	81,027.30	36,203.24	22,991.89	141.53	74.25	59,410.91
RESULT										
Segment Result	343.84	2,075.12	116.00	-	2,534.96	449.80	1,651.93	139.62	1.75	2,243.10
Unallocated Corporate Expenses					16.05					48.95
Operating Profit					2,518.91					2,194.15
Interest Expense					1,289.34					1,050.69
Interest Income					2.58					40.37
Income Tax					340.00					328.00
Fringe Benefit Tax					11.60					10.65
Wealth Tax					0.15					0.12
Deferred Tax					90.73					16.07
Net Profit before depreciation					789.67					828.99
OTHER INFORMATION										
Segment Assets	5,172.02	5,196.31	686.65	-	11,054.98	10,564.96	6,093.39	733.75	3.42	17,395.52
Unallocated Corporate Assets					7,321.55					4,818.44
Total Assets					18,376.53					22,213.96
Segment Liabilities	3,466.91	1,329.65	207.13	-	5,003.69	10,046.64	1,443.70	348.41	-	11,838.75
Unallocated Corporate Liabilities					6,012.35					3,657.98
Total Liabilities					11,016.04					15,496.73
Capital Expenditure	-	305.69	-	-	305.69	-	295.35	-	-	295.35
Unallocated Capital Expenditure					87.08					29.92
Total Capital Expenditure					392.77					325.27
Depreciation	-	158.07	35.15	-	193.22	-	151.07	35.15	-	186.22
Unallocated Depreciation					31.65					28.86
Total Depreciation					224.87					215.08



f RELATED PARTY DISCLOSURES :

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

1 Related Parties and their Relationship :

a **Subsidiary Companies**

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd.

b **Enterprises Controlled by directors/relatives**

Jayant Finvest Ltd.

Enlite Chemical Industries Ltd.

Gokuldas K. Udeshi Investment.

Innovative Micro Systems Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Gokulmani Real Estate Development Pvt. Ltd.

Ihsedu Coreagri Services Pvt. Ltd.

Akhandanand Engineering & Trading Company.

c **Associate Enterprises**

Mitsui & Co (Asia Pacific) PTE Ltd, Singapore.

Mitsui & Co Ltd. Japan.

d **Key Management Personnel :**

Mr Vithaldas G. Udeshi	(Chairman)	Mr. Deepak V. Bhimani	(Independent Director)
Mr Hemant V. Udeshi	(Managing Director)	Mr. Jayasinh V. Mariwala	(Independent Director)
Mr Sudhir V. Udeshi*	(Executive Director)	Mr. Gordhandas H. Mulani*	(Director)
Mr. Abhay V. Udeshi	(Executive Director)	Mr. Vijay Kumar Bhandari	(Independent Director)
Dr. Subhash V. Udeshi	(Executive Director)	Mr. Mukesh C. Khagram	(Independent Director)

e **Relatives of Key Management Personnel**

Mr. Dilipsinh G. Udeshi

Mr. Mulraj G. Udeshi

Mr. Jayraj G. Udeshi

Mr. Bharat M. Udeshi

Mr. Vikram V. Udeshi

Mr. Hitesh J. Udeshi

Note: * indicates the directors who have resigned with effect from 1st April, 2009.



2 **The following transactions were carried out with the related parties in the ordinary course of business :
Details relating to parties referred to in items above :**

	Rupees in Lacs			
	Subsidiary Companies	Controlled by Directors & Relatives	Key Management Personnel	Others/ Relatives
Transaction during the year				
Purchase of Raw Material	19,530.22	8,289.77	-	-
	(3,359.15)	(3,272.16)	-	-
Purchase of Goods	3,153.49	-	-	-
	(2,413.09)	-	-	-
Receiving of Services	2,302.98	4.86	5.25	-
	(1,755.46)	(4.72)	(5.25)	-
Sale of Goods Interest	1,022.13	-	-	-
	(456.65)	-	-	-
Received Share	-	-	-	-
	(37.70)	-	-	-
Capital received	-	22.95	-	-
	-	(34.50)	-	-
Share Premium received	-	275.40	-	-
	-	(414.00)	-	-
Share Application Money received	-	-	-	-
	-	(136.50)	-	-
Remuneration to Managing Director	-	-	17.15	-
	-	-	(15.64)	-
Remuneration to Executive Directors	-	-	50.09	-
	-	-	(35.88)	-
Balances outstanding at the year end				
Deposits	-	161.00	-	-
	-	(161.00)	-	-
Finance	2,401.61	-	-	-
	(2,059.69)	(5.75)	-	-
Equity Contribution	1,689.00	-	-	-
	(1,131.50)	-	-	-

Note : 1 The above information, has been reckoned on the basis of information available with the Company.

2 Figures in brackets are in respect of the previous year.



g EARNING PER SHARE (EPS)		Year ended March 31,2009	Year ended March 31,2008	
Weighted average number of shares for Earning Per Share computation				
i)	For Basic Earning Per Share of Rs. 5 each.	14,689,808	12,687,863	
ii)	For Diluted Earning Per Share of Rs.5 each.	16,389,808	14,072,658	
Net profit available for Equity Shareholders.		51,327,929	58,933,868	
Earning Per Share (Weighted Average)				
i)	Basic Earnings per Share	3.49	4.64	
ii)	Diluted Earnings per Share	3.13	4.19	
h DEFERRED TAXATION		As at March 31, 2009 RUPEES	As at March 31,2008 RUPEES	
i)	Opening Deferred Tax Difference due to Change in the rate of Tax	29,732,913 -	28,126,151 275,747	
		A	29,732,913	
ii)	Deferred tax assets Expenditure covered under Section 43B of Income tax Act	2,273,688	408,160	
		B	408,160	
iii)	Deferred tax liability Difference of net block claimed as per Income Tax Act over net block as per the books of accounts.	11,346,827	1,739,175	
		C	1,739,175	
Deferred Tax Liability (Net)		(A + C – B)	38,806,052	
			29,732,913	
i IMPAIRMENT OF ASSETS				
There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.				
j QUANTITATIVE INFORMATION PURSUANT TO PARA 3, 4C, AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956				
(a) CAPACITY	LICENSED M.T	INSTALLED M.T.	PREVIOUS YEAR LICENSED M.T.	INSTALLED M.T
Castor oil & its derivatives including refined Castor oil, Oxidized, Dehydrated, Blown, Polymerised etc.	50400.000	43000.000	50400.000	43000.000
Hydrogenated Castor Oil	15600.000	18720.000	15600.000	18720.000
Fatty Acid and its Salt, Easters, Amides, Polyamides, Polyols, and its allied products	38340.000	27000.000	38340.000	27000.000



(b) ACTUAL PRODUCTION	QTY. (M.T.)	VALUE (Rs.)	PREVIOUS YEAR	
			QTY. (M.T.)	VALUE (Rs.)
Castor Oils	60531.260	-	58086.581	-
Derivatives	36964.772	-	38316.354	-
By-Products	98111.681	-	96754.963	-
Others	6069.428	-	6238.407	-
Note : 1. Production procured from other is shown in actual production.				
2. Production is net of consumption.				
(c) OPENING STOCKS				
Finished Products				
Castor Oils	8603.237	436,818,026	5117.097	231,151,150
Derivatives	639.200	38,643,963	842.684	41,265,552
By- Products	6341.542	36,061,967	10497.300	26,934,421
Others	936.959	18,033,232	173.135	2,350,375
Other Trading Goods		<u>341,635</u>		<u>341,635</u>
		<u>529,898,823</u>		<u>302,043,133</u>
Work- in-Process		<u>5,691,296</u>		<u>7,385,897</u>
(d) CLOSING STOCKS				
Castor Oils	2870.286	134,317,756	8603.237	436,818,026
Derivatives	732.725	44,878,730	639.200	38,643,963
By- Products	3370.670	11,129,190	6341.542	36,061,967
Others	2328.599	7,312,560	936.959	18,033,232
Other Trading Goods		<u>341,635</u>		<u>341,635</u>
		<u>197,979,871</u>		<u>529,898,823</u>
Work- in-Process		<u>4,245,749</u>		<u>5,691,296</u>
(e) PURCHASES				
Castor Oils	12343.435	748,855,589	18749.130	861,199,207
Derivatives	498.372	35,785,893	801.860	45,030,958
By-Products	16592.255	87,252,352	4851.180	26,920,016
Others	-	-	16.390	67,851
Other Trading Goods	-	-	-	<u>7,250,482</u>
		<u>871,893,834</u>		<u>940,468,514</u>
(f) SALES				
Castor Oils	78409.078	4,576,247,378	73115.683	3,240,483,189
Derivatives	37366.459	2,877,893,376	39319.517	2,231,567,381
By-Products	116451.342	557,400,494	104969.372	379,841,558
Others	4677.788	78,398,443	5490.973	67,621,493
Other Trading Goods	-	-	-	<u>7,424,563</u>
Power Generation	-	<u>12,789,585</u>	-	<u>14,152,833</u>
		<u>8,102,729,276</u>		<u>5,941,091,017</u>



(g) CONSUMPTION OF RAW MATERIALS				
	QTY. (M.T.)	VALUE (Rs.)	QTY. (M.T.)	VALUE (Rs.)
Castor Seeds	200193.995	5,554,331,431	197192.168	4,156,196,034
Castor Oil	5666.717	352,489,561	5799.999	274,035,161
Chemicals		195,097,778		140,679,856
		6,101,918,770		4,570,911,051
(h) BREAK-UP OF CONSUMPTION				
	%	VALUE (Rs.)	%	VALUE (Rs.)
Raw materials and Chemicals				
Indigenous	99.27	6,057,648,066	99.67	4,555,977,436
Imported	0.73	44,270,704	0.33	14,933,615
	100.00	6,101,918,770	100.00	4,570,911,051
Stores and Spares				
Indigenous	100.00	10,660,206	100.00	8,847,297
(i) VALUE OF IMPORTS ON C.I.F. BASIS				
Chemicals		55,696,001		13,149,492
Capital Goods		1,314,240		-
(j) EXPENDITURE IN FOREIGN CURRENCY				
Travelling Expenditure		2,051,134		1,097,766
Professional Fees		-		1,418,823
Brokerage & Commission		12,948,247		13,638,952
Membership & Subscription		1,044,815		176,716
Others		387,479		93,817
		16,431,675		16,426,074

**(k) REMITTANCE IN FOREIGN CURRENCY FOR DIVIDEND**

For Final Dividend

Equity Shares

i Number of non-resident shareholders	49	48
ii Number of Other Body Corporate	1	-
iii Number of Ordinary shares held by non-resident shareholders	40,185	746,448
iv Number of Ordinary shares held by Other Body Corporate	600,000	-
v Gross amount of dividend	800,231*	933,060 *

Preference Shares

i Number of non-resident shareholders	9	8
ii Number of Preference shares held by them	11,050	10,600
iii Gross amount of dividend	3,953*	3,710 *
iv. Redemption amount of preference shares	55,250 *	- *

*Amounts credited to Rupee Account in India out of which Rs.750,000 amount of equity dividend has been credited to other than Rupee Account in India.

(l) EARNINGS IN FOREIGN CURRENCY

F.O.B. Value of Exports	6,891,214,478	5,170,221,279
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k DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

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 and small enterprises during the year ended March 31, 2009 and March 31, 2008 and as at March 31, 2009 and March 31, 2008.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties are identified on the basis of information available with the Company. This has been relied upon by the auditors.

l The Company has not given any loan to its subsidiaries or associates.

RESEARCH AND DEVELOPMENT**m EXPENDITURE**

Particulars	Year ended March 31,	
	2009	2008
	(Amount in Rupees)	
Capital	5,712,669	354,666
Revenue	6,348,326	4,859,149

n Previous year figures have been recast/re-grouped wherever necessary to conform to Current Year's presentation.

o Figures have been rounded off to the nearest of a Rupee.



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration no.	1	1	-	6	6	6	9	1
State Code	1	1						
Balance Sheet Date	3	1		0	3		0	9
	Date			Month			Year	

II. Capital Raised during the year (Amount in Rs. Thousand)

Public Issue		N	I	L
Bonus Issue		N	I	L
Rights Issue		N	I	L
Private Placement	5	5	5	0

III. Position of Mobilisation and Deployment of Funds

(Amount in Rs. Thousands)

Total Liabilities	1	4	3	2	8	8	5
Total Assets	1	4	3	2	8	8	5

Sources of Funds

Paid-up Capital	0	9	2	8	5	0
Reserves & Surplus	6	4	3	1	9	9
Secured Loans	2	2	8	0	3	0
Unsecured Loans	4	3	0	0	0	0
Deferred Tax Liability	3	8	8	0	6	

Application of Funds

Net Fixed Assets	3	1	8	7	6	0
Investments	2	0	9	6	7	8
Net Current Assets	9	0	4	4	4	8
Misc. Expenditure	N	I	L			
Accumulated Losses	N	I	L			

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	7	9	8	5	7	6	2
Total Expenditure	7	8	8	5	0	3	3
Profit/Loss before Tax	+	1	0	0	7	2	9
Profit/Loss after Tax	+	5	6	4	8	0	
Earning per Share (Basic) in Rs.	0	3	.	4	9		
Earning per Share (Diluted) in Rs.	0	3	.	1	3		
Dividend rate %	2	5					

(Equity Share of Rs. 5/- each)

V. Generic Names of Three Principal Products/Services of Company. (As per monetary terms)

Item Code No. (ITC Code)	Product Description
1 5 1 6 2 0 . 0 3	Hydrogenated Castor Oil
1 5 1 5 3 0 . 0 0	Castor Refined Oil
1 5 1 9 1 1 . 0 0	12 Hydroxy Stearic Acid/Fatty Acid

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

Chartered Accountants

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

For and on behalf of the Board

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer

Place : Mumbai
Date : 25th June, 2009



Cash Flow Statement	2008 - 2009	2007 - 2008
For the year ended March 31,	Rupees	Rupees
A Cash Flow from Operating Activities		
Net Profit before tax	100,728,619	96,874,525
Adjustments for :-		
Depreciation	22,487,065	21,508,035
Dividend	(27,952)	-
Provision for Leave Encashment	2,637,356	1,083,329
Interest Paid	128,933,652	91,292,462
(Profit)/ Loss on sale of Fixed Asset	-	236,149
Interest earned	(257,848)	(4,037,144)
Wealth Tax Paid	(12,000)	(10,000)
Operating profit before working capital changes	254,488,892	206,947,355
Adjusted for :-		
(Increase)/Decrease in Inventories	578,474,470	(316,694,851)
(Increase)/Decrease in Debtors & Other Receivables	8,930,268	(83,408,383)
Increase/(Decrease) in Payables & Other Liabilities	10,761,888	(28,446,217)
	852,655,519	(221,602,096)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(37,782,015)	(17,626,436)
Sale of Assets	-	191,444
Investment in Subsidiary Company	(55,750,000)	(55,750,000)
Dividend received	27,952	-
Purchase of Investment	(30,027,952)	(10,000,000)
Interest	257,848	4,037,144
Net Cash from /(used in) Investing Activities	(123,274,167)	(79,147,848)
C Cash Flow from Financing Activities		
Proceeds from Borrowing	(503,719,816)	94,094,260
Interest Paid	(128,933,652)	(91,292,462)
Dividend and Dividend Tax Paid	(29,546,010)	(20,883,608)
Share warrants converted	-	3,450,000
Equity Shares issued	-	3,000,000
Redemption of preference shares	(30,000,000)	-
Share Premium	64,935,000	101,400,000
Share warrants money received	-	13,365,000
Net Cash from/(used in) Financing Activities	(627,264,478)	103,133,190
Net Increase/(Decrease) in cash equivalents	102,116,874	(197,616,755)
Cash & Cash equivalents		
At the Beginning of the year	33,180,975	230,797,730
At the End of the year	135,297,849	33,180,975

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 13

Notes: a) All figures in brackets are outflow.

b) Previous year's figures are regrouped / recasted wherever necessary.

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

Chartered Accountants

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

For and on behalf of the Board

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

Place : Mumbai
Date : 25th June, 2009

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer



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

1	Name of the Subsidiary	Ihsedu Agrochem Private Limited	Ihsedu Speciality Chemicals Private Limited
2	Financial year / for period of the subsidiary	1 st April 2008 to 31 st March 2009	1 st April 2008 to 31 st March 2009
3	Shares of the subsidiary held by the Company on the above date		
	(a) Number and face value	5,500,000 Equity Shares of Rs.10/-each fully paid up.	15,000,000 Equity Shares of Rs.10/- each fully paid up.
	(b) Extent of holding	100%	75.93%
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.	Rs. 184.55 Lacs	Nil
	(b) for the previous financial year since it became a subsidiary.	Rs. 337.39 Lacs	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.	Nil	Nil
	(b) for the previous financial year since it became a subsidiary.	Nil	Nil

For and on behalf of the Board

VITHALDAS G. UDESHI

Chairman

ABHAY V. UDESHI

Director

DR. SUBHASH V. UDESHI

Director

Place : Mumbai

Date : 25th June, 2009

DINESH M. KAPADIA

Company Secretary

VIKRAM V. UDESHI

Chief Financial Officer



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 2009, the Consolidated Profit and Loss account 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 consolidated financial statements.
4. 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 the consolidated Balance Sheet, of the state of affairs of Jayant Agro-Organics Limited and its Subsidiaries as at 31st March 2009;
 - ii) in the case of the consolidated Profit and Loss, of the profit of Jayant Agro-Organics Limited and its Subsidiaries for the year ended on that date;and
 - iii) in the case of the consolidated Cash Flow Statement, of the cash flows of Jayant Agro-Organics Limited and its Subsidiaries for the year ended on that date.

For **T.P. OSTWAL & ASSOCIATES**
Chartered Accountants

Place : Mumbai
Dated : 25th June, 2009

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



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

SOURCES OF FUNDS	SCHEDULE	RUPEES	AS AT 31/03/2008 RUPEES
SHAREHOLDERS' FUNDS			
Share Capital	1	92,850,000	124,515,000
Reserves and Surplus	2	762,321,538	638,554,355
MINORITY INTEREST		42,018,332	21,063,497
LOAN FUNDS			
Secured Loans	3	476,372,028	848,406,600
Unsecured Loans	4	430,000,000	391,039,692
DEFERRED TAX LIABILITY		62,112,629	48,321,379
TOTAL		<u>1,865,674,527</u>	<u>2,071,900,523</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	964,421,926	874,674,418
Less : Depreciation		205,908,091	162,282,449
Net Block		758,513,835	712,391,969
Capital Work in Progress		207,773,034	44,985,592
Advance Against Capital Expenditure		80,399,037	1,125,114
Pre Operative Expenses		30,944,824	13,030,435
		<u>1,077,630,730</u>	<u>771,533,110</u>
INVESTMENTS	6	40,788,952	30,931,462
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	462,607,189	1,067,231,464
Sundry Debtors		316,980,566	376,584,032
Cash and Bank Balances		148,714,962	44,093,475
Other Current Assets		-	2,391,365
Loans and Advances		284,841,959	283,129,027
		<u>1,213,144,676</u>	<u>1,773,429,363</u>
LESS : CURRENT LIABILITIES AND PROVISIONS	8		
Current Liabilities		324,324,552	402,851,473
Provisions		141,693,113	101,269,773
		<u>466,017,665</u>	<u>504,121,246</u>
NET CURRENT ASSETS		747,127,011	1,269,308,117
MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Preliminary Expenses		127,834	127,834
TOTAL		<u>1,865,674,527</u>	<u>2,071,900,523</u>
NOTES TO ACCOUNTS AND ACCOUNTING POLICIES	13		

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

Chartered Accountants

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

For and on behalf of the Board

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

Place : Mumbai
Date : 25th June, 2009

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer



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

	SCHEDULE	RUPEES	PREVIOUS YEAR RUPEES
INCOME			
Sales & Services		8,329,037,136	6,067,068,752
Other Income	9	225,361,362	136,294,179
Increase/ (Decrease) in Stocks	10	(329,679,265)	209,067,580
TOTAL		8,224,719,233	6,412,430,511
EXPENDITURE			
Consumption of Raw Materials		6,687,532,008	4,905,820,395
Purchase of Finished Goods		559,329,514	715,617,590
Personnel Costs	11	72,576,481	56,878,264
Manufacturing and other expenses	12	590,175,697	441,980,291
Interest - Term Loan		14,245,322	8,876,601
Interest -Others		129,929,660	101,661,905
Depreciation		43,525,885	33,837,057
TOTAL		8,097,314,567	6,264,672,103
PROFIT BEFORE TAXATION		127,404,666	147,758,408
Provision for Taxation			
- Current Tax		37,025,000	38,800,000
- Fringe Benefit Tax		1,620,000	1,440,000
- Deferred Tax		13,791,250	12,094,762
- Wealth Tax		32,667	23,930
- Short/(Excess) Tax Provision for earlier years		-	269,835
PROFIT AFTER TAX		74,935,749	95,129,881
Add : Balance in Profit & Loss Account brought forward		309,148,761	244,912,338
TOTAL		384,084,510	340,042,219
APPROPRIATIONS			
Preference Dividend		46,200	-
Proposed Dividend:			
-Equity		18,750,000	18,750,000
-Preference		-	2,100,000
Corporate Dividend Tax		8,293,533	3,543,458
Transfer to Capital Redemption Reserve		30,000,000	-
Transfer to General Reserve		6,000,000	6,500,000
Balance carried to Balance Sheet		320,994,777	309,148,761
		384,084,510	340,042,219
EARNING PER EQUITY SHARE			
(Face value of Rs. 5/- per Share - See Notes to Accounts H)			
Basic Earning Per Share		4.53	7.30
Diluted Earning Per Share		4.06	6.59

NOTES TO ACCOUNTS AND ACCOUNTING POLICIES

13

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

For and on behalf of the Board

Chartered Accountants

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

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

Place : Mumbai
Date : 25th June, 2009

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer


SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	RUPEES	AS AT 31/03/08 RUPEES
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
6,000,000 7% Redeemable Preference Shares of Rs. 5/- each	30,000,000	30,000,000
29,000,000 (P.Y 29,000,000) Equity Shares of Rs. 5/- each	145,000,000	145,000,000
	<u>175,000,000</u>	<u>175,000,000</u>
ISSUED, SUBSCRIBED AND PAID UP		
6,000,000 (P.Y 6,000,000) 7% Redeemable Preference Shares of Rs. 5/- each	-	30,000,000
15,000,000 (P.Y 13,890,000) Equity Shares of Rs. 5/- each	75,000,000	69,450,000
	75,000,000	99,450,000
Share Warrant Money (Refer note no .3 & 4 below)	17,850,000	25,065,000
	<u>92,850,000</u>	<u>124,515,000</u>
TOTAL		

Of the above :

1. 6,000,000, 7% Redeemable Preference Shares of Rs. 5/- each were allotted in 2003-04 as fully paid up bonus shares by way of capitalisation of General Reserves. These shares were redeemed at par on 8th April, 2008.
2. 6,000,000 Equity Shares of Rs. 5/- each fully paid up have been issued as bonus shares by capitalisation of General Reserves.
3. The Company had allotted on preferential basis 2,400,000 warrants during the year 2006-07 against which it had received 10% of the price, Rs.6.50 per warrant. Each warrant holder was entitled to, on payment of balance of Rs.58.50 per warrant, 1 equity share of Rs. 5/- each on or before 13th July 2008. The Company had, on conversion of warrants into equity shares by the allottees, allotted 6,00,000 equity shares in 2006 – 2007, 6,90,000 equity shares in 2007 – 2008 and the balance 11,10,000 equity shares during the year.
4. The Company had allotted on preferential basis 1,700,000 warrants during the year 2007-08 against which it had received 10% of the price, Rs.10.50 per warrant. Each warrant holder is entitled to, on payment of balance of Rs.94.50 per warrant, 1 Equity Share of Rs. 5/- each on or before 2nd August 2009.
5. During the year 2007-08, the Company had allotted 600,000 Equity Shares of Rs. 5/- each, fully paid up, at a premium of Rs.100/- per share on a preferential basis.



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE 2 : RESERVES AND SURPLUS

	RUPEES	AS AT 31/03/2008 RUPEES
CAPITAL REDEMPTION RESERVE		
Transferred from profit and loss account	30,000,000	-
	30,000,000	-
SHARE PREMIUM ACCOUNT		
Balance as per last Balance Sheet	146,748,503	36,000,000
Received on preferential issue of Equity Shares	-	60,000,000
Received on issue of Equity shares to warrant holders	66,600,000	41,400,000
Received on issue of partly paid up Equity Shares	9,321,167	9,348,503
	222,669,670	146,748,503
GENERAL RESERVE		
Balance as per last Balance Sheet	182,657,091	176,157,091
Add :Transfer from Profit and Loss account	6,000,000	6,500,000
	188,657,091	182,657,091
Balance i.e surplus in Profit & Loss Account	320,994,777	309,148,761
TOTAL	762,321,538	638,554,355

SCHEDULE 3 : SECURED LOANS

From Banks

Export Credit	209,329,398	746,535,868
Term loan	262,286,710	99,727,976
Others	748,686	-
Interest Accrued on Term Loan	4,007,234	2,142,756
TOTAL	476,372,028	848,406,600

Note:

Export Credit is 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 charge on all present and future immovable properties comprising inter alia machinery, equipments, plant and spares.

Term Loans are secured by deed of hypothecation of Plant and Machinery, Wind Mill, Vehicles and other fixed assets and equitable mortgage of Land and Building.

(Installments due within a year Rs.53,073,832/- P.Y Rs.45,812,534/-)

SCHEDULE 4 : UNSECURED LOANS

From Banks

Borrowings	430,000,000	200,000,000
Bill Discounting	-	191,039,692
TOTAL	430,000,000	391,039,692



SCHEDULE 5



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	RUPEES	AS AT 31/03/2008 RUPEES
SCHEDULE 6 : INVESTMENTS		
Long Term Investments (at costs)		
Fully paid Equity Shares (Unquoted)		
Enviro Infrastructure Co. Ltd.	750,000	750,000
75,000 Equity Shares of Rs.10/- each fully paid		
Government and Other Securities		
7 Years National Savings Certificate (Deposited with Sales Tax Department)	11,000	11,000
OTHERS		
Kotak Pension Balanced Fund (Refer Notes to Accounts (no. B (i)))	10,000,000	10,000,000
LICMF Liquid Fund - Dividend Reinvestment Plan (Quoted) (Nil units (P.Y. 2,017,046.223) face value of Rs. 10/- each)	-	20,170,462
SBI Magnum Insta Cash Fund Daily Dividend Option (Quoted) (Market Value as on 31st March, 2009, Rs.30,027,952/- P.Y Nil)	30,027,952	-
TOTAL	40,788,952	30,931,462
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventories - valued and certified by management (Refer Note 1 (g) of Schedule 13)		
Raw Materials, Chemicals and Packing Materials	237,840,136	513,414,104
Work-in-Process	4,245,749	5,691,296
Finished Products	203,893,014	532,126,732
Stores, Spares and Consumables	16,628,290	15,999,332
	462,607,189	1,067,231,464
Sundry Debtors (Unsecured, considered good)		
Exceeding Six Months	62,767,868	62,786,475
Others	254,212,698	313,797,557
	316,980,566	376,584,032
Cash and Bank Balances		
Cash on Hand	1,398,575	1,471,908
Balance with Scheduled Banks :		
In Current Accounts #	142,004,837	36,137,182
Margin money Account	2,811,550	3,984,385
Fixed Deposits with Bank	2,500,000	2,500,000
	148,714,962	44,093,475
Other Current Assets		
Interest Accrued but not due	-	2,391,365
	-	2,391,365
Loans and Advances (Unsecured, considered good)		
Excise and Other Taxes Recoverable	120,826,580	70,332,813
Advances recoverable *	18,182,756	105,600,999
Prepaid expenses	693,101	745,155
Balance with Central Excise	7,953,803	2,981,239
Deposits	29,414,150	29,263,877
Advance Income-tax (including T.D.S.)	107,771,569	74,204,944
	284,841,959	283,129,027
TOTAL	1,213,144,676	1,773,429,363

* Refer Notes to Accounts (B (ii))

Includes balance in unclaimed dividend account. Refer Notes to Accounts (B (iii))


SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

		AS AT 31/03/2008 RUPEES
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
	RUPEES	RUPEES
Current Liabilities		
Sundry Creditors	281,185,485	302,078,186
Advances against Orders	35,344,597	38,959,320
Investor Education and Protection Fund		
Unclaimed Dividend *	1,643,193	1,184,172
Bank Account Overdrawn	41,790	57,671,044
Other Liabilities	3,406,748	2,743,801
Security Deposits	1,137,385	210,000
Share Application Money	-	4,950
Retention Money	1,565,354	-
TOTAL(A)	324,324,552	402,851,473
*There are no amounts due and outstanding as on 31st March, 2009 to be credited to Investor Education and Protection Fund. These amounts shall be paid to the Fund as and when they become due.		
Provisions		
Income Tax	103,975,000	66,950,000
Fringe Benefit Tax	5,213,031	3,527,031
Wealth Tax	15,000	12,000
Proposed Dividend		
Equity	18,750,000	18,750,000
Preference	-	2,100,000
Corporate Dividend Tax	3,187,181	3,543,458
Leave Encashment	10,552,901	6,387,284
TOTAL(B)	141,693,113	101,269,773
TOTAL (A+B)	466,017,665	504,121,246
SCHEDULE 9 : OTHER INCOME		
	RUPEES	PREVIOUS YEAR RUPEES
Sale of import licenses	145,994,062	64,495,325
Export Incentive	59,338,353	42,960,404
Duty Drawback	5,453,339	12,178,777
Refunds & claims	5,095,837	3,456,560
Miscellaneous receipts	7,599,754	160,977
Exchange Rate Fluctuation	-	6,683,347
Sundry Balance Written back	790,818	424,516
Interest Subsidy	580,768	1,570,189
Interest on Income Tax Refund	-	121,330
Interest	480,479	4,242,754
(T.D.S Rs. 106,100/- P.Y Rs. 941,994/-)		
Dividend (From mutual fund)	27,952	-
TOTAL	225,361,362	136,294,179



SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	RUPEES	PREVIOUS YEAR RUPEES
SCHEDULE 10 : INCREASE/ (DECREASE) IN STOCKS		
Opening Stocks		
Work in process	5,691,296	7,385,897
Finished goods	<u>532,126,732</u>	<u>321,364,551</u>
TOTAL (A)	<u>537,818,028</u>	<u>328,750,448</u>
Closing Stocks		
Work in process	4,245,749	5,691,296
Finished goods	<u>203,893,014</u>	<u>532,126,732</u>
TOTAL (B)	<u>208,138,763</u>	<u>537,818,028</u>
Increase/(decrease) in Stocks	(B-A)	<u>209,067,580</u>
SCHEDULE 11 : PERSONNEL COSTS		
Salaries, Wages, Bonus etc.	55,208,869	46,594,555
Contribution to Provident Fund, Gratuity & others	7,790,154	4,744,488
Leave Encashment	5,007,795	1,853,928
Staff Welfare Expenses	<u>4,569,663</u>	<u>3,685,293</u>
TOTAL	<u>72,576,481</u>	<u>56,878,264</u>
SCHEDULE 12 : MANUFACTURING AND OTHER EXPENSES		
Job work Charges	4,944,606	4,878,008
Consumption of stores and spares	21,418,870	16,132,057
Consumption of packing materials	28,804,105	20,224,000
Power and Fuel	88,771,738	71,882,563
Rent, Rates and Taxes	792,571	931,668
<u>Repairs & Maintenance</u>		
Building	770,656	302,165
Machinery	11,151,057	4,223,167
Others	2,869,494	3,956,132
Insurance	15,094,102	9,561,605
Freight, Coolie and Cartage	250,301,474	210,002,087
Storage charges	17,600,676	12,221,456
Brokerage on sales	20,190,969	20,603,591
Brokerage on purchases	4,668,283	2,743,238
Exchange Rate Fluctuation	44,787,348	123,174
Miscellaneous Expenses	74,795,998	61,007,580
Research and Development Expenses	880,448	895,509
Loss on sale of Assets	-	236,148
Donations	335,763	202,920
<u>Auditor's Remuneration</u>		
Audit Fees	1,268,450	1,123,600
Tax Audit Fees	358,475	365,170
Taxation	220,600	224,720
Other Services	75,843	107,683
Reimbursement of Expenses	74,171	8,430
Preliminary Expenses Written Off	-	23,620
TOTAL	<u>590,175,697</u>	<u>441,980,291</u>


SCHEDULES TO CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009
SCHEDULE 13: NOTES FORMING PART OF THE ACCOUNTS
I STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
(a) BASIS OF ACCOUNTING

- 1 The financial statements of Jayant Agro-Organics Limited and its subsidiaries are prepared under historical cost convention on the accrual basis of accounting and are in accordance with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- 2 Use of Estimates
The preparation of financial statements required management to make certain estimates and assumptions that effect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognised in the period in which they materialize.

(b) PRINCIPLES OF CONSOLIDATION

The consolidated statements have been prepared on the following basis :

- i 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.
- ii 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 unrealized profits or losses.
- iii 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.

The Subsidiary Companies which are included in consolidation and Parent Company's holding therein are as under :

Name of the Company	Percentage of Holding	
	Current year	Previous year
IHSEDU AGROCHEM PRIVATE LIMITED	100%	100%
IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED	75.93%	75.93%

The above Subsidiary Companies are incorporated in India.

(c) FIXED ASSETS

Fixed assets are carried at the original cost of acquisition and include all incidental expenses related to acquisition and installation of the concerned assets.

(d) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition of qualifying asset are capitalised 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 recognised as an expense in the period in which they are incurred.

(e) DEPRECIATION

- i Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- ii Depreciation on additions/deletions of assets during the year is provided on a pro-rata basis.
- iii Leasehold Land is amortised over the period of lease.
- iv Temporary residential structures on leasehold land which is amortized over the remaining period of lease.

**(f) 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.

(g) INVENTORIES

- i Raw Materials, Chemicals, Packing Materials, Stores and Spares are valued at cost.
- ii Work- in -process is valued at cost.
- iii Finished products are valued at cost or net realisable value whichever is lower. The cost includes cost of production and expenses incurred in putting the goods in their present location and condition.
- iv By-Products are valued at net realisable value.
- v Cost is determined on First-in-First Out basis.

(h) REVENUE RECOGNITION

- i Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.
- ii Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.
- iii Export sales are accounted on F.O.B. basis.

(i) ACCOUNTING OF CLAIMS

- i 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.
- ii Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.
- iii Central Sales Tax claims and duty drawback claims which are accounted on accrual basis.

(j) FOREIGN CURRENCY

- i Transactions denominated in foreign currencies and not covered by foreign exchange forward contracts are recorded at the exchange rate prevailing at the time of the transaction.
- ii Foreign currency transactions covered by foreign currency contracts are recorded at the contracted rates.
- iii Monetary items denominated in foreign currency are translated at the rates prevailing at the end of the year and losses and gains, if any, on translation are recognised as expenditure or income of the current year, as the case may be.
- iv Non monetary items which are carried in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

(k) SUNDRY DEBTORS

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

(l) EMPLOYEE BENEFITS**Defined Contribution Plan**

- i 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.
- ii 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.
- iii 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.

(m) **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.

Deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets, if any, are reviewed as at each Balance Sheet date to reassess realisation.

Fringe Benefit Tax

Provision for Fringe Benefit Tax has been made in accordance with the applicable Income Tax Laws prevailing for relevant assessment years.

(n) **EARNINGS PER SHARE (EPS)**

Basic earnings 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.

(o) **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 group are segregated.

(p) **IMPAIRMENT OF ASSETS**

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

(q) **PROVISION FOR DOUBTFUL DEBTS**

Periodically, the Company evaluates all customer dues to the Company for collectability. The need for provisions is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customer operates, general economic factors, which could affect the customer's ability to settle.

(r) **PROVISIONS AND CONTINGENT LIABILITIES**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

(s) **PROPOSED DIVIDEND**

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



II NOTES TO ACCOUNTS

A CONTINGENT LIABILITIES

	RUPEES	PREVIOUS YEAR RUPEES
Claims against the Company not acknowledged as debts -		
Excise Duty	5,586,791	5,586,791
Liability in respect of excise duty where the issue was decided in favour of the Company for which the Department is in further appeal	743,991	4,631,665
Guarantees given on behalf of farmers for purchase of castor seed	190,000,000	200,000,000
Guarantee given to bank for discounting of bills	250,000,000	-
Bank guarantee given to GSAMB (Gujarat State Agricultural Marketing Board)	3,000,000	3,000,000
Note: The Company has deposited Rs. 3,243,991/- (P.Y.Rs.3,243,991/-) and furnished bank guarantee for Rs. 2,500,000/- (P.Y.Rs.2,500,000/-) to the excise authority.		

- B** i Other 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 rupees one crore paid during the previous year, the Company has paid rupees one lacs during the current year and is required to pay rupees one lacs for the next year 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 alongwith 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.
- ii Advances Recoverable includes an amount of Rs.1,877,566/- (P.Y Rs.1,877,566/-) paid to the Excise Authorities under protest on account of disputed availment of Cenvat Credit on Service Tax.
- iii Unclaimed Dividend:
The balance with banks in current accounts include Rs. 1,643,193/- (P.Y Rs. 1,184,172/-) set aside for payment of dividends.
- iv The Company had entered into Memorandum of Understanding 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 it is possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has a MOU.

C INTEREST SUBSIDY

Interest Subsidy amounting to Rs. 580,768/- (P.Y. Rs. 1,570,189/-) received from Gujarat Agro Industries Corporation Ltd. under New Agro Industrial Policy is accounted as other income.



D (i) Managerial Remuneration

	RUPEES	PREVIOUS YEAR RUPEES
Managing & Whole-time Directors Remuneration	7,632,000	6,624,000
Commission to Wholetime Director	800,000	800,000
Perquisites	481,964	587,042
Contribution to Provident Fund	674,240	593,280
	<u>9,588,204</u>	<u>8,604,322</u>

Note: Remuneration comprises of Salary, Allowances, Company's Contribution to Provident Fund and Leave Encashment and excludes contribution to Gratuity Fund.

(ii) Computation of Net Profit under Section 349 and Section 198(1) of the Companies Act, 1956

Profit before taxation	127,404,666	147,758,408
Add: Managerial Remuneration	9,588,204	8,604,322
Depreciation under the Companies Act	43,525,885	33,837,057
Book loss on sale of assets	-	236,148
	<u>180,518,755</u>	<u>190,435,935</u>
Less: Depreciation under Section 350 of the Act	43,525,885	33,837,057
Net Profit in accordance with Section 198 of the Act	<u>136,992,870</u>	<u>156,598,878</u>
Commission thereon @1% to Managing Director / Whole Time Directors	1,369,930	1,565,990
Within the limits of maximum amount payable	800,000	800,000

E DETAILS OF THE UTILIZATION OF FUNDS FROM PREFERENTIAL ISSUE OF EQUITY SHARES / WARRANTS CONVERTIBLE INTO EQUITY SHARES.

1 Opening Balance Amount with Company's Bank Accounts	28,319,955	10,360,120
2 Warrants issued on preferential basis converted into equity shares fully paid up	64,935,000	40,365,000
3 Equity Shares issued on preferential basis	-	63,000,000
4 Application money received on warrants which were not opted for allotment of equity shares	-	17,850,000
Total money received from issue of warrants/equity shares on preferential basis	<u>93,254,955</u>	<u>131,575,120</u>
Funds Utilised		
1 Investment in Share Capital of Ihsedu Speciality Chemicals Pvt Ltd. (Subsidiary Co.) 11,150,000 equity shares of Rs.10/- each, fully paid up. (P. Y. 11,150,000 equity shares of Rs.10/- each, Rs.5/- paid up)	55,750,000	55,750,000
2 For Working Capital	37,504,955	47,505,165
Balance Amount with Company's Bank Accounts	-	28,319,955
Total money utilised which was received from issue of warrants/equity shares on preferential basis	<u>93,254,955</u>	<u>131,575,120</u>



F SEGMENT INFORMATION

The business segment has been considered as the primary segment. The Company is organised into four business segments namely Castor Oil, Derivatives, Power Generation and Trading. 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 remainder 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.

Particulars	Castor Oil	Derivatives	Power Generation	Trading	Total	Previous Year				
						Castor Oil	Derivatives	Power Generation	Trading	Total
Rupees in Lacs										
REVENUE										
Net Sales/Income from Operation										
Local	2,625.33	8,587.85	127.90	-	11,341.08	1,366.75	6,061.03	141.53	-	7,569.31
Export	50,996.61	20,952.68	-	-	71,949.29	36,096.27	16,930.86	-	74.25	53,101.38
Total Revenue	53,621.94	29,540.53	127.90	-	83,290.37	37,463.02	22,991.89	141.53	74.25	60,670.69
RESULT										
Segment Result	965.37	2,075.12	116.00	-	3,156.49	1,117.66	1,651.93	139.62	1.75	2,910.96
Unallocated Corporate Expenses					16.05					48.95
Operating Profit					3,140.44					2,862.01
Interest Expense					1,441.75					1,105.39
Interest Income					10.61					59.34
Income Tax					370.25					390.70
Fringe Benefit Tax					16.20					14.40
Wealth Tax					0.33					0.24
Deferred Tax					137.91					120.95
Net Profit before depreciation					1,184.61					1,289.67
OTHER INFORMATION										
Segment Assets	10,616.05	8,487.92	686.65	-	19,790.62	16,336.14	6,853.24	733.75	3.42	23,926.55
Unallocated Corporate Assets					3,526.29					1,828.94
Total Assets					23,316.91					25,755.49
Segment Liabilities	5,023.61	2,714.41	207.13	-	7,945.15	12,392.25	1,515.52	348.41	-	14,256.18
Unallocated Corporate Liabilities					6,399.83					3,868.62
Total Liabilities					14,344.98					18,124.80
Capital Expenditure	502.81	307.59	-	-	810.40	1,734.01	312.20	-	-	2,046.21
Unallocated Capital Expenditure					87.08					29.92
Total Capital Expenditure					897.48					2,076.13
Depreciation	210.39	158.07	35.15	-	403.61	123.29	151.07	35.15	-	309.51
Unallocated Depreciation					31.65					28.86
Total Depreciation					435.26					338.37



G RELATED PARTY DISCLOSURES

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

1 Related Parties and their Relationships :

a Subsidiary Companies :

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd.

b Associate Company:

Mitsui & Co (Asia Pacific) PTE Ltd, Singapore.

Mitsui & Co Ltd. Japan.

c Enterprises Controlled by directors/relatives :

Jayant Finvest Ltd.

Enlite Chemical Industries Ltd.

Gokuldas K. Udeshi Investment.

Innovative Micro Systems Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Gokulmani Real Estate Development Pvt. Ltd.

Ihsedu Coreagri Services Pvt. Ltd.

Akhandanand Engineering & Trading Company.

d Key Management Personnel

Mr Vithaldas G. Udeshi	(Chairman)	Mr. Jayraj G. Udeshi	(Executive Director)
Mr Hemant V. Udeshi	(Managing Director)	Mr. Bharat M. Udeshi	(Executive Director)
Mr Sudhir V. Udeshi*	(Executive Director)	Mr. Gordhandas H. Mulani*	(Director)
Mr. Abhay V. Udeshi	(Executive Director)	Mr. Vijay Kumar Bhandari	(Independent Director)
Dr. Subhash V. Udeshi	(Executive Director)	Mr. Mukesh C. Khagram	(Independent Director)
Mr. Dilipsinh G. Udeshi	(Executive Director)	Mr. Jayasinh V. Mariwala	(Independent Director)
Mr. Mulraj G. Udeshi	(Executive Director)	Mr. Deepak V Bhimani	(Independent Director)

e Relatives of Key Management Personnel

Mr. Vikram V. Udeshi

Mr. Hitesh J. Udeshi

Note : * Indicates the Directors who have resigned with effect from 1st April, 2009.



**2 The following transactions were carried out with the related parties in the ordinary course of business :
Details relating to parties referred to in items above :**

Rupees in Lacs

	31st March 2009		
	Controlled by directors & relatives	Key Management Personnel	Associate Company
Transactions during the year			
Sale of Raw Material	3,595.31	-	-
	(2,687.36)	-	-
Purchase of Raw Material	8,289.77	-	-
	(3,272.16)	-	-
Receiving of Services	5.72	5.25	-
	(5.08)	(5.25)	-
Receipt of Share Capital	22.95	-	180.00
	(34.50)	-	(180.00)
Receipt of Share Application Money	-	-	-
	(136.50)	-	(0.05)
Share Premium	275.40	-	122.76
	(414.00)	-	(123.12)
Remuneration to Managing Director	-	17.15	-
	-	(15.64)	-
Remuneration to Executive Directors	-	78.73	-
	-	(70.40)	-
Balances outstanding at the year end			
Share Capital Owned	1.00	-	180.00
	(1.00)	-	(180.00)
Deposits	161.00	-	-
	(161.00)	-	-
Finance	-	-	-
	(751.86)	-	-
Payables	0.84	-	-
	(0.35)	-	-

Note : 1. The above information, has been reckoned on the basis of information available with the Company.

2. Figures in brackets are in respect of the previous year.



H EARNING PER SHARE (EPS)	Year ended March 31,2009	Year ended March 31,2008
Weighted average number of shares for Earning Per Share computation		
i) For Basic Earning Per Share of Rs. 5/- each	14,689,808	12,687,863
ii) For Diluted Earning Per Share of Rs. 5/- each	16,389,808	14,072,658
iii) Number of Equity Shares of Rs. 5/- each fully paid up, at the year beginning and year end	15,000,000	13,890,000
iv) Net profit available for Equity Shareholders	66,596,016	92,672,986
Earning Per Share (Weighted Average)		
v) Basic Earnings per Share	4.53	7.30
vi) Diluted Earnings per Share	4.06	6.59
vii) Nominal value of Equity Share (Rupees)	5.00	5.00
I DEFERRED TAXATION		
Opening Deferred Tax	48,321,379	36,226,617
Difference due to Change in the rate of Tax	-	355,163
	48,321,379	36,581,780
i) Deferred tax assets		
a) Expenditure covered under Section 43B of Income Tax Act, 1961.	3,283,402	514,343
b) Unabsorbed Business Loss and Depreciation under Income Tax Act, 1961.	2,081,888	-
c) Preliminary Expenses written off as per Companies Act, 1961.	-	8,028
d) MAT credit	4,940,000	-
	10,305,290	522,371
ii) Deferred tax liability		
a) Difference of depreciation claimed as per Income Tax Act over depreciation and the books of accounts.	-	12,261,970
b) Difference of net block as per Income Tax Act over net block in the books of accounts.	24,096,540	-
	24,096,540	12,261,970
Deferred tax liability (Net)	13,791,250	11,739,599
Closing Deferred Tax Liability	62,112,629	48,321,379

J IMPAIRMENT OF ASSETS

There was no impairment loss on Fixed Assets on the basis of review carried out by the Management in accordance with Accounting Standard 28 issued by the Institute of Chartered Accountants of India.

K QUANTITATIVE INFORMATION PURSUANT TO PARA 3, 4C, AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

a CAPACITY	LICENSED M.T	INSTALLED M.T.	PREVIOUS YEAR	
			LICENSED M.T.	INSTALLED M.T.
Castor oil & its derivatives including refined Castor oil, Oxidized, Dehydrated, Blown, Polymerised etc.	50400.000	43000.000	50400.000	43000.000
Hydrogenated Castor Oil	15600.000	18720.000	15600.000	18720.000
Fatty Acid and its Salt, Easters, Amides, Polyamides, Polyols, and its allied products	38340.000	27000.000	38340.000	27000.000
Seed Crushing	Not Applicable	210000.000	Not Applicable	150000.000
Cake Processing	Not Applicable	165000.000	Not Applicable	165000.000



b ACTUAL PRODUCTION	QTY. (M.T.)	VALUE (Rs.)	QTY. (M.T.)	VALUE (Rs.)
Castor Oils	69588.509	-	64679.313	-
Derivatives	36964.772	-	38316.354	-
By-Products	109422.568*	-	95678.049	-
Others	6069.428	-	6238.407	-
Note : 1. Production procured from other is shown in actual production.				
Note : 2. Production is net of consumption.				
* Includes consumed internally				
c OPENING STOCKS				
Finished Products				
Castor Oils	8635.923	438,760,725	5522.341	248,237,353
Derivatives	639.200	38,643,963	842.684	41,265,552
By- Products	6398.584	36,347,177	11373.855	29,169,636
Others	936.959	18,033,232	173.135	2350375
Other Trading Goods	-	341,635	-	341,635
		532,126,732		321,364,551
Work- in-Process		5,691,296		7,385,897
d CLOSING STOCKS				
Castor Oils	2968.596	139,089,049	8635.923	438,760,725
Derivatives	732.725	44,878,730	639.200	38,643,963
By- Products	3716.685	12,271,040	6398.584	36,347,177
Others	2328.599	7,312,560	936.959	18,033,232
Other Trading Goods	-	341,635	-	341,635
		203,893,014		532,126,732
Work- in-Process		4,245,749		5,691,296
e PURCHASES				
Castor Oils	7590.595	458,833,959	14403.935	655,605,694
Derivatives	346.667	24,972,143	487.860	30,318,559
By- Products	14054.305	75,523,412	3260.560	22,375,004
Others	-	-	16.390	67,851
Other Trading Goods	-	-	-	7,250,482
		559,329,514		715,617,590
f SALES				
Castor Oils	82494.598	4,830,279,882	75420.503	3,361,547,224
Derivatives	37356.959	2,877,336,876	39319.517	2,231,567,381
By-Products	109924.387	529,451,335	103121.343	384,376,351
Others	4677.788	79,179,458	5490.973	68,000,400
Other Trading Goods	-	-	-	7,424,563
Power Generation	-	12,789,585	-	14,152,833
		8,329,037,136		6,067,068,752
g CONSUMPTION OF RAW MATERIALS				
Castor Seeds	219512.718	6,091,057,588	211205.582	4,461,209,713
Castor Oil	5666.717	352,489,561	5799.999	274,035,161
Castor Cake	1050.388	6,362,963	-	-
Chemicals	-	237,621,896	-	170,575,521
		6,687,532,008		4,905,820,395



h BREAK-UP OF CONSUMPTION	%	VALUE (Rs.)	%	VALUE (Rs.)
Raw materials and Chemicals				
Indigenous	99.34	6,643,261,304	99.70	4,890,886,780
Imported	0.66	44,270,704	0.30	14,933,615
	<u>100.00</u>	<u>6,687,532,008</u>	<u>100.00</u>	<u>4,905,820,395</u>
Stores and Spares				
Indigenous	100.00	21,418,870	100.00	16,132,057
i VALUE OF IMPORTS ON C.I.F. BASIS				
Chemicals		55,696,001		13,396,437
Capital Goods		19,900,548		-
j EXPENDITURE IN FOREIGN CURRENCY				
Travelling Expenditure		2,507,671		1,729,691
Professional Fees		-		1,418,823
Brokerage & Commission		13,439,838		14,114,485
Membership & Subscription		1,044,815		176,716
Technical Fees		28,573,800		11,892,698
Inspection fees		968,521		-
Export expenses		190,581		-
Others		387,479		93,817
		<u>47,112,705</u>		<u>29,426,230</u>

K REMITTANCE IN FOREIGN CURRENCY

FOR DIVIDEND

For Final Dividend

Equity Shares

i Number of non-resident shareholders	49	48
ii Number of Other Body Corporates	1	-
iii Number of Ordinary shares held by non-resident shareholders	40,185	746,448
iv Number of Ordinary shares held by Other Body Corporates	600,000	-
v Gross amount of dividend	800,231 *	933,060 *

Preference Shares

i Number of non-resident shareholders	9	8
ii Number of Preference shares held by them	11,050	10,600
iii Gross amount of dividend	3,953 *	3,710 *
iv Redemption amount of preference shares	55,250 *	-

*Amounts credited to Rupee Account in India out of which Rs.750,000 amount of equity dividend has been credited to other than Rupee Account in India.

I EARNINGS IN FOREIGN CURRENCY

F.O.B. Value of Exports	7,194,928,830	5,310,137,959
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L Dues to Micro, Small and Medium Enterprises

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 and small enterprises during the year ended March 31, 2009 and March 31, 2008 and as at March 31, 2009 and March 31, 2008. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties are identified on the basis of information available with the Company. This has been relied upon by the auditors.



M The Company has not given any loan to its subsidiaries or associates.

N Research and Development expenditure

Particulars	Year ended March 31,	
	2009	2008
	(Amount in Rupees)	
Capital	5,712,669	354,666
Revenue	6,348,326	4,859,149

O Estimated amount of contracts remaining to be executed on Capital Accounts amounts to Rs. 215,317,830/- (P.Y.Rs.2,174,969/-)

P Previous year figures have been recast/re-grouped wherever necessary to conform to Current Year's presentation.

Q Figures have been rounded off to the nearest of a Rupee.



Consolidated Cash Flow Statement for the year ended 31st March, 2009

	2008 - 2009	2007 - 2008
	Rupees	Rupees
A Cash Flow from Operating Activities		
Net Profit before tax	127,404,666	147,758,408
Adjustments for :-		
Depreciation	43,525,885	33,837,057
Miscellaneous Expenditure Amortised	-	23,620
Provision for Leave Encashment	4,165,617	1,313,014
Interest Paid	144,174,982	110,538,506
(Profit)/ Loss on sales of Asset	-	236,148
Interest Earned	(480,479)	(4,364,084)
Dividend Received	(27,952)	-
Wealth Tax paid	(29,667)	(21,930)
Operating profit before working capital changes	318,733,052	289,320,739
Adjusted for :-		
(Increase)/Decrease in Inventories	604,624,275	(298,539,934)
(Increase)/Decrease in Debtors & Other Receivables	60,281,899	(89,960,720)
Increase/(Decrease) in Payables & Other Liabilities	(78,526,921)	58,140,457
	905,112,305	(41,039,458)
B Cash Flow form Investing Activities		
Purchase of Fixed Assets	(331,808,873)	(221,165,298)
Increase in Pre Operative Expenditure	(17,748,632)	(10,066,556)
Dividend Received	27,952	-
Sale of Assets	-	191,444
Interest Received	480,479	4,364,084
Purchase of Investments	(9,857,490)	(30,170,462)
Net Cash from / (used in) Investing Activities	(358,906,564)	(256,846,788)
C Cash Flow from Financing Activities		
Minority Interest	20,954,835	20,963,497
Share warrants converted	5,550,000	3,450,000
Share Premium	75,921,167	110,748,503
Share Application money received	(7,215,000)	13,365,000
Equity Shares issued	-	3,000,000
Redemption of Preference Shares	(30,000,000)	-
Proceeds from Borrowings	(333,074,264)	83,814,887
Interest Paid	(144,174,982)	(110,538,506)
Dividend and Dividend Tax Paid	(29,546,010)	(20,883,608)
Net Cash from/(used in) Financing Activity	(441,584,254)	103,919,773
Net Increase/(Decrease) in cash equivalents	104,621,487	(193,966,473)
Cash & Cash equivalents		
At the Beginning of the year	44,093,475	238,059,948
At the End of the year	148,714,962	44,093,475

As per our report attached.

For T.P. OSTWAL & ASSOCIATES

Chartered Accountants

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

For and on behalf of the Board

VITHALDAS G. UDESHI
Chairman

ABHAY V. UDESHI
Director

DR. SUBHASH V. UDESHI
Director

DINESH M. KAPADIA
Company Secretary

VIKRAM V. UDESHI
Chief Financial Officer

Place : Mumbai

Date : 25th June, 2009

