

IHSEDU AGROCHEM PVT.LIMITED

ANNUAL REPORT

2010- 2011

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of IHSEDU AGROCHEM PVT. LTD. will be held on Monday, September 26, 2011 at 11.00 a.m. at the Registered Office of the Company at Akhandanand, 38, Marol Co-op. Indl. Estate, Off M.V.Road, Saki Naka, Andheri (East), Mumbai 400 059 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011, 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. Jayraj G. Udeshi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mulraj G. Udeshi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. **Appointment of Mr. Mukesh C.Khagram, as a Director of the Company, retiring by rotation.**

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

“RESOLVED that Mr. Mukesh C. Khagram who was appointed by the Board of Directors as an Additional Director of the Company with effect from 19th September,2010 and who holds office as such upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed as a Director of the Company.”

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)
MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.
TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.
TEL.: (02742) 252 658 • FAX : (02742)258 623

7 Appointment of Mr. Abhay V.Udeshi as a Director of the Company:

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

“RESOLVED that Mr. Abhay V.Udeshi who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17th December, 2010 and who holds office as such upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed a Director of the Company.”

8. Appointment of Mr.Vikram V.Udeshi as a Director of the Company :

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

“RESOLVED that Mr.Vikram V..Udeshi who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17th December,2010 and who holds office as such upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed a Director of the Company.”

9 Appointment of Mr. Sudhir V.Udeshi as a Director of the Company :

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

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

“RESOLVED that Mr. Sudhir V.Udeshi who was appointed by the Board of Directors as an Additional Director of the Company with effect from 17th December,2010 and who holds office as such upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed a Director of the Company.”

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

Note :

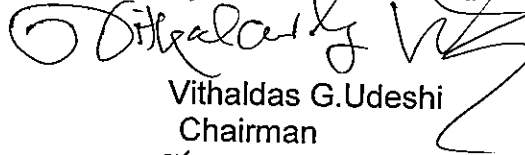
1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER.
2. The Relevant Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item Nos.6 to 9 as set out above, is annexed hereto.
3. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.

Place : Mumbai.

Date : 26th July, 2011

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

By Order of the Board


Vithaldas G. Udeshi
Chairman

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

EXPLANATORY STATEMENT, as required by Section 173 of the Companies Act, 1956.

Item No. 6

Mr. Mukesh C. Khagram was appointed as an Additional Director of the Company on 19th September, 2010. As per Section 260 of the Companies Act, 1956, Mr. Mukesh C. Khagram holds office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956, in respect of his candidature, proposing his appointment as Director of the Company, along with the requisite deposit. The Board considers it desirable that the Company should continue to avail itself of his services.

Ihstedu Agrochem Pvt. Limited is a material non-listed Indian subsidiary of Jayant Agro Organics Limited, and Jayant Agro Organics Limited is a listed Company on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited. According to Clause 49 III of the Listing Agreement, at least one Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of Ihstedu Agrochem Pvt. Ltd. Mr. Mukesh C. Khagram is an independent Director of Jayant Agro-Organics Limited. In compliance with the requirements of the Listing Agreement, the Board of Directors of the Company had appointed Mr. Mukesh C. Khagram, as Additional Director of the Company at its Meeting held on 19th September, 2010.

None of the directors of the Company except Mr. Mukesh C. Khagram may be deemed to be interested in the resolution relating to his own appointment.

The Directors recommend the Resolution No. 6 for your approval.

Item Nos. 7 to 9.

Mr. Abhay V. Udeshi, Mr. Vikram V. Udeshi, and Mr. Sudhir V. Udeshi, were appointed as Additional Directors of the Company on December 17, 2010. As per Section 260 of the Companies Act, 1956, these Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company and are eligible for appointment. The Company has received notices under Section 257 of the Companies Act, 1956, in respect of these candidates, proposing their appointment as Directors of the Company, along with the requisite deposit. The Board considers it desirable that the Company should continue to avail itself of their services.

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

~~Each of the Directors may be deemed to be interested in the resolution relating to his own appointment~~

The Directors recommend the Resolution No. 7 to 9 for your approval.

By Order of the Board

Vithaldas G. Udeshi
Chairman

Place : Mumbai.

Date : 26th July, 2011

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

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)
MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.
TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com
FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.
TEL.: (02742) 252 658 • FAX : (02742)258 623

DIRECTORS' REPORT

To,
The Shareholders,
Ihsedu Agrochem Pvt. Ltd.

Your Directors have pleasure in submitting their Eleventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011.

1. FINANCIAL RESULTS :

	(Rupees in Lacs)	
	Year Ended March 31,2011	Year Ended March 31, 2010
Gross profit (Loss) before interest, depreciation and tax	1,356.23	1,134.71
Less : Interest	147.43	137.93
Depreciation	272.09	231.94
Profit / (Loss) before tax	936.71	764.84
Less : Provision for taxation	200.87	138.00
Deferred tax liability	38.23	158.71
Wealth Tax	0.40	0.35
(Excess)/Short Provision for Earlier Years	(0.08)	0.33
Profit after tax	697.29	467.45
Balance brought forward	1,439.75	1,004.47
Balance carried to balance sheet	2,137.04	1,471.92

2. PERFORMANCE:

Your Directors are happy to inform you that your Company has achieved the turnover of Sales and Services of Rs.27,947.99 lacs and the profit after tax was Rs.697.29 lacs against Rs.11,910.97 lacs and Rs.467.45 lacs respectively in the previous year.

3. EXPANSION:

The Company, during the year under review, has installed additional Plant & Machinery worth Rs.656.58 lacs and constructed Building valued at Rs.23.38 lacs to expand its overall capacity.

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

4. DIVIDEND:

The Directors have recommended for consideration of the Shareholders at the ensuing Annual General Meeting payment of a Dividend at Rs. 0.50 per share (5%) for the year ended 31st March, 2011

5. FIXED DEPOSITS :

The Company has not accepted any deposit from the public, during the year under review.

6. DIRECTORS :

During the year, Mr.Mukesh C. Khagram, Independent Director, has been appointed as an Additional Director on the Board on 19th September, 2010 in compliance with the provisions of the Listing Agreement of Stock Exchanges with Jayant Agro-Organics Limited. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Mukesh C.Khagram, holds office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 in respect of Mr. Mukesh C. Khagram, proposing his name for the appointment as a Director of the Company, retiring by rotation, along with requisite deposit.

During the year, Mr.Abhay V. Udeshi, Mr.Vikram V. Udeshi and Mr.Sudhir V. Udeshi, have been appointed as an Additional Directors on the Board on 17th December, 2010. As per the provisions of the Companies Act, 1956, these Directors hold office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 in respect of these, proposing their name for the appointment as a Director of the Company, retiring by rotation, along with requisite deposit.

In accordance with the provisions of the Articles of Association of the Company, Mr. Jayraj G. Udeshi and Mr. Mulraj G. Udeshi are retiring by rotation and being eligible offer themselves for re-appointment.

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

7. PARTICULARS OF EMPLOYEES :

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 are Nil.

8. AUDITORS :

You are requested to appoint Auditors for the Current year and authorize the Board to fix their remuneration. It is proposed to re- appoint T.P.Ostwal & Associates, Chartered Accountants, as the Statutory Auditors of the Company.

9. 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".

10. DIRECTORS RESPONSIBILITY STATEMENT :

As required under Section 217 of the Companies Act, 1956, the Directors hereby confirm that:

- 1) in the preparation of the annual accounts, applicable accounting standards have been followed and there are no material departures;
- 2) the Directors have 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 at the end of the financial year and of the profit of the Company for the said period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

- 4) the Directors have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Place : Mumbai
Date : 26th July, 2011


VITHALDAS G. UDESHI
CHAIRMAN

IHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.

TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.

TEL.: (02742) 252 658 • FAX : (02742)258 623

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:-

The commercial production commenced only in January 2004.

FORM "A"

		<u>2010-2011</u>	<u>2009-2010</u>
a	Power & Fuel consumption		
1	(i) <u>Electricity</u>		
	Purchased Units	9,951,280	104,57,680
	Total Amount (Rs.in Lacs)	600.50	639.47
	Rate / Unit Rs.)	6.04	6.11
	(ii) <u>Own generation</u> Through Diesel Generator :	-	-
2	Fuel Consumption		
	Castor Meal (MT)	16,418.038	15,184.374
	Total Amount (Rs. in Lacs)	733.41	558.03
	Rate/Unit (Rs.)	4,450.00	3,675.00
b	Consumption per unit of castor seed Crushing (MT)	255,853.264	271,121.200
	Electricity (Per MT)	234.74	235.95
	Fuel Consumption (Per MT)	286.65	205.82
B	TECHNOLOGY ABSORPTION	-----	-----

JHSEDU AGROCHEM PVT. LTD.

(A 100% SUBSIDIARY OF JAYANT AGRO-ORGANICS LIMITED)

MANUFACTURERS & EXPORTERS OF CASTOR OIL & ITS PRODUCTS



REGD. OFFICE : AKHANDANAND, 38, MAROL CO-OP IND. ESTATE, OFF M.V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.
TEL. : (022) 4027 1300 • FAX : (022) 4027 1399 • E-MAIL : jaol@vsnl.net • WEBSITE : www.jayantagro.com

FACTORY : PLOT NO. 667, STATE HIGHWAY NO. 41, JAGANA, PALANPUR, DIST. BANASKANTHA, GUJARAT - 385 011 . INDIA.
TEL.: (02742) 252 658 • FAX : (02742)258 623

FORM "B"

a Research & Development -----

b Technology Absorption, Adoption and Innovation -----

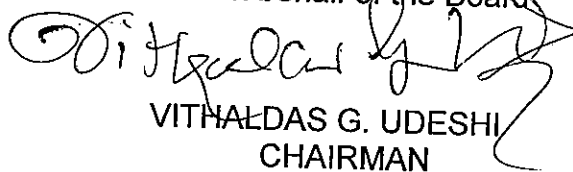
c. **FOREIGN EXCHANGE EARNING AND OUTGO :**

Details of Foreign Exchange earnings and outgo etc., are shown in the note 6 of notes to accounts of Schedule 15. Members are requested to refer to these notes.

Place : Mumbai.

Date : 26th July, 2011

For and on behalf of the Board


VITHALDAS G. UDESHI
CHAIRMAN

T.P. Ostwal & Associates (Regd.)

CHARTERED ACCOUNTANTS.

Bharat House, 4th Floor, 104, Mumbai Samachar Marg, Fort, Mumbai 400 001.

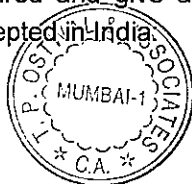
+91 22 4069 3939 ☎ Fax: 91-22-40693999,

Web: <http://www.tpostwal.in>, E-mail: fca@vsnl.com

AUDITORS' REPORT

To
The Members of
IHSEDU AGROCHEM PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **IHSEDU AGROCHEM PRIVATE LIMITED** as at 31st March, 2011, Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and also Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and also Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956;
 - e. on the basis of the written representations received from the directors of the Company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and;
- (iii) in the case of the Cash Flow Statement, the cash flows of the Company for the year ended on that date.

For **T. P. Ostwal & Associates(Regd.)**
Chartered Accountants
Registration No. 124444W
4th Floor,
104 Mumbai
Samachar Marg,
Fort, Mumbai
400 001
T. P. Ostwal
(Partner)
Membership No. 30848

Place: Mumbai.

Date: **26 JUL 2011**

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the financial statements for the year ended 31st March, 2011 of Ihsedu Agrochem Private Limited.

On the basis of such checks as we considered appropriate and in terms of the information and explanation given to us, we state that:

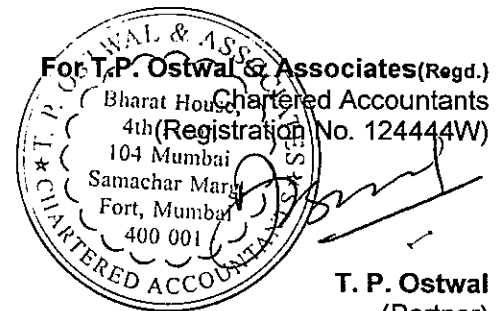
- i. (a) The Company has maintained proper books and records showing full particulars, including quantitative details and situations of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are physically verified periodically. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the company is not affected.
- ii. (a) As explained to us, inventory has been physically verified by the Company's management during the year. In our opinion, the frequency of verification of inventory is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties, covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of sub clauses (a), (b), (c) and (d) of the Paragraph 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any unsecured loans from companies, firms or other parties, covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (e), (f) and (g) of Paragraph 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) of the Order is not applicable.



- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public. Accordingly provisions of Paragraph 4(vi) of the Order are not applicable.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. According to the information and explanations given to us, maintenance of the cost records has not been prescribed by the central government under section 209(1) (d) of the Companies Act, 1956. Accordingly the provisions of Paragraph 4 (viii) of the order is not applicable to the Company.
- ix. In respect of Statutory dues:
- (a) According to the information and explanations given to us and on the basis of the records of the Company as examined by us, 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, 2011 for a period more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and on the basis of the records of the Company as examined by us, there are no dues of Income tax and other material statutory dues which have not been deposited with the appropriate authority on account of any dispute.
- x. The Company does not have accumulated losses. The Company has not incurred cash losses during the financial year covered by our report and immediately preceding financial year.
- xi. 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 and advances on the basis of security by way of pledge of shares, debenture or any other securities. Accordingly the provision of Paragraph 4(xii) of the order is not applicable to the Company.
- xiii. In our opinion, the Company is not a chit fund or a Nidhi or a mutual benefit fund/society. Accordingly, the provision of clause 4(xiii) of the said Order is not applicable to the Company.
- xiv. As per records of the Company as examined by us and on the basis of information and explanations given to us, Company is not dealing or trading in shares, securities and debentures and other investments. Accordingly the provision of Paragraph 4(xiv) of the order is not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any banks or financial institutions. Accordingly the provision of Paragraph 4(xv) of the order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company has applied term loan taken for the purpose for which they were raised during the year under audit.



- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the books of accounts of the Company, we report that no funds raised on a short-term basis, have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered under audit. Accordingly, the provisions of Paragraph 4(xix) of the Order are not applicable to the Company.
- xx. During the year under review, the Company has not raised any money by way of public issue.
- xxi. According to the information and explanations given by the management, we report that no material fraud on or by the Company has been noticed or reported, during the course of our audit.



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

Place: Mumbai.

Date: 26 JUL 2011

Ihsedu Agrochem Private Limited

BALANCE SHEET AS AT 31st MARCH, 2011

Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	[1] 55,000,000	55,000,000
Reserves and Surplus	[2] 210,502,930	143,980,363
LOAN FUNDS		
Secured Loans	[3] 257,646,952	135,541,185
Deferred Tax Liability	43,000,437	39,177,698
TOTAL	566,150,319	373,699,246
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	[4] 618,449,872	550,744,359
Less: Depreciation	105,174,275	79,217,457
Net Block	513,275,597	471,526,902
Capital Work in Progress	117,569,669	121,403,800
Advances against Capital Expenditure	6,700,000	7,900,000
	637,545,266	600,830,702
Investments	[5] 11,000	11,000
Current Assets, Loans and Advances		
Inventories	217,032,747	107,693,506
Sundry Debtors	31,058,855	10,598,988
Cash and Bank Balances	50,425,884	1,425,202
Loans and Advances	32,424,536	38,959,706
	330,942,021	158,677,402
Less: Current Liabilities and Provisions		
Current Liabilities	[7] 384,882,276	374,700,336
Provisions	17,465,693	11,119,523
	402,347,969	385,819,859
Net Current Assets	(71,405,947)	(227,142,457)
TOTAL	566,150,319	373,699,246

Significant Accounting Policies [14]

Notes on Accounts [15]

As per our report of even date attached

For T. P. Ostwal & Associates (Reg.)

Chartered Accountants

(Registration No: 124424W)

Bhamburda House,

4th Floor,

104 Mumbai

Samachar Marg,

Fort, Mumbai

400 001

T. P. Ostwal

Partner

Membership No:30848

For and on behalf of the Board

Vithaldas G. Udeshi

Vithaldas G. Udeshi
Chairman

Jayraj G. Udeshi

Jayraj G. Udeshi
Wholtime Director

Vikram V. Udeshi
Director

Place: Mumbai

Date: 26 JUL 2011

Ihsedu Agrochem Private Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

Schedule	For the year ended	For the year ended
	31.03.2011	31.03.2010
	₹	₹
INCOME		
Sales and Services	[8] 2,794,799,290	1,191,097,383
Other Income	[9] 6,486,625	3,422,717
Increase/(Decrease) in Stocks	[10] 130,506,137	14,303,367
TOTAL	2,931,792,052	1,208,823,466
EXPENDITURE		
Consumption of Raw Materials	[11] 2,479,620,794	834,287,422
Purchases of Finished Goods	70,736,917	34,385,870
Personnel Cost	[12] 29,812,829	24,961,566
Manufacturing and Other Expenses	[13] 215,997,803	201,717,752
Interest	14,743,277	13,792,927
Depreciation	[4] 27,209,353	23,193,873
TOTAL	2,838,120,973	1,132,339,410
Profit before Taxation	93,671,079	76,484,056
Less : Provision for		
Income Tax	20,087,500	13,800,000
Deferred Taxation	3,822,739	15,871,121
Wealth Tax	40,000	35,000
(Excess)\Short Provision of earlier years	(8,502)	33,213
Profit After Tax	69,729,342	46,744,722
Add : Balance in Profit & Loss Account brought forward	143,974,780	100,447,420
TOTAL	213,704,122	147,192,143
APPROPRIATION		
Proposed Dividend on Equity	2,750,000	2,750,000
Dividend Distribution Tax	456,775	467,363
Balance carried to Balance Sheet	210,497,347	143,974,780
	213,704,122	147,192,143

Significant Accounting Policies [14]
Notes on Accounts [15]

As per our report of even date attached

For T. P. Ostwal & Associates (Reg.)

Chartered Accountants

(Registration No. 124444W)

Bharat House, 1st Floor,

04 Mumbai

Samacher Marg,

Fort, Mumbai

400 001

T. P. Ostwal

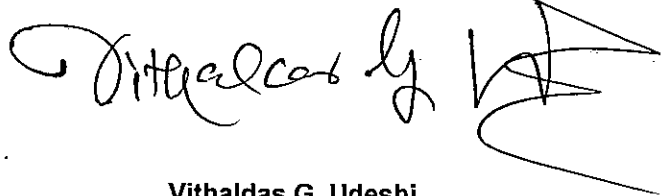
Partner

Membership No:30848

Place: Mumbai

Date: 26 JUL 2011

For and on behalf of the Board



Vithaldas G. Udeshi

Chairman



Jayraj G. Udeshi

Wholetime Director



Vikram V. Udeshi

Director

Ihsedu Agrochem Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 ST MARCH 2011

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
A Cash Flow from Operating Activities		
Net Profit before tax	93,671,079	76,484,057
Adjustments for :-		
Wealth tax paid	(26,498)	(33,213)
Interest earned	(333,869)	(313,020)
Depreciation	27,209,353	23,193,873
Provision for Leave Encashment	752,927	483,071
Loss on sale of Fixed Assets	531,772	93,414
Interest accrued on term loan	1,808,121	1,115,342
Interest Paid	14,743,277	13,792,927
Operating profit before working capital charges	138,356,162	114,816,451
Adjusted for :-		
(Increase)/Decrease in Inventories	(109,339,241)	(76,732,632)
(Increase)/Decrease in Debtors & Other Receivables	(28,413,365)	16,124,099
Increase/(Decrease) in Payables & Other Liabilities	10,181,940	122,217,258
	10,785,496	176,425,176
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(65,615,577)	(183,492,674)
Interest received	333,869	313,020
Sale of Fixed Assets	1,159,888	696,000
Net Cash from/(used in) Investing Activities	(64,121,820)	(182,483,654)
C Cash Flow from Financing Activities		
Proceeds from Borrowing	120,297,646	13,281,701
Interest Paid	(14,743,277)	(13,792,927)
Dividend paid	(2,750,000)	-
Dividend Distribution Tax paid	(467,363)	-
Net Cash from/(used in) Financing Activities	102,337,007	(511,226)
Net Increase/(Decrease) in cash equivalents	49,000,682	(6,569,704)
Cash & Cash equivalent		
At the beginning of the year	1,425,202	7,994,906
At the end of the year	50,425,884	1,425,202

As per our report of even date attached

For T. P. Ostwal & Associates (Reg.)

Chartered Accountants

(Registration No: 122424W)
Bharat House,
5th Floor,
104 Mumbai
Sainachar Marg,
Fort, Mumbai
400 001

T. P. Ostwal

Partner

Membership No:30848

Place: Mumbai

Date: 26 JUL 2011

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Jayraj G. Udeshi
Wholtime Director

Vikram V. Udeshi
Director

Ihsedu Agrochem Private Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2011 ₹	As at 31.03.2010 ₹
---	--------------------------	--------------------------

SCHEDULE 1

SHARE CAPITAL:

Authorised

6,000,000 (P.Y. 6,000,000) Equity Shares of ₹ 10/- each

60,000,000

60,000,000

Issued, Subscribed and Paid up capital

5,500,000 (P.Y. 5,500,000) Equity Shares of ₹ 10/- each fully paid

55,000,000

55,000,000

TOTAL

55,000,000

55,000,000

(All the shares are held by the holding Company. Jayant Agro-Organics Limited and its nominees).

SCHEDULE 2

RESERVES AND SURPLUS:

General Reserve

Balance as per last Balance Sheet

5,583

5,583

5,583

5,583

Surplus, i.e. balance in Profit & Loss Account

210,497,347

143,974,780

TOTAL

210,502,930

143,980,363

SCHEDULE 3

SECURED LOAN:

Long Term

From Banks (Note 1)

187,775,220

85,770,205

Short Term:

From Banks (Note 2)

68,063,611

48,655,637

Interest Accrued on Term Loan

1,808,121

1,115,342

TOTAL

257,646,952

135,541,185

Notes:

1. Long term loan is secured against hypothecation of Plant and Machinery and other Fixed Assets - (Present & Future) and equitable mortgage of Land and Building, factory premises (Installments due within a year ₹ 55,572,774 (P.Y. ₹ 37,923,282.)

2. Short term loan is Secured against hypothecation of inventory book debts, vehicles and export bills of the Company.

3. All the loans are guaranteed by the Directors personally and also by the corporate guarantee provided by the Holding Company.

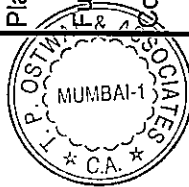


Ihstedu Agrochem Private Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET SCHEDULE 4 FIXED ASSETS:

Particulars	Gross Block				Depreciation			Net Block			
	As at 1.4.2010	Additions during the year	Deductions during the year	As at 31.3.2011	Upto 1.4.2010	For the year	Deductions during the Year	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010	
	(Amount in ₹)										
Own Assets:											
Freehold Land	23,417,719	-	-	23,417,719	-	-	-	-	23,417,719	23,417,719	
Building	73,250,931	2,338,000	-	75,588,931	6,024,290	2,203,055	-	8,227,345	67,361,586	67,226,641	
Plant & Machinery	437,515,438	65,658,520	-	503,173,958	68,721,859	23,508,270	-	92,230,129	410,943,829	368,793,579	
Furniture & Fixture	4,556,290	39,710	-	4,596,000	960,270	289,879	-	1,250,149	3,345,851	3,596,020	
Computer	1,135,174	77,474	-	1,212,648	771,116	121,802	-	892,918	319,730	364,058	
Motor Car	10,868,807	2,536,004	2,944,195	10,460,616	2,739,922	1,086,347	1,252,535	2,573,734	7,886,882	8,128,885	
TOTAL	550,744,359	70,649,708	2,944,195	618,449,872	79,217,457	27,209,353	1,252,535	105,174,275	513,275,597	471,526,902	
Previous Year	458,121,699	94,265,570	1,642,910	550,744,359	56,877,080	23,193,873	853,496	79,217,457	471,526,902	-	
Capital Work-in-Progress									117,569,669	121,403,800	

Note: Building includes ₹ 1,603,170 incurred on construction of temporary residential structures erected in the earlier year on leasehold land which is amortized over the remaining period of lease.



Ihsedu Agrochem Private Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 5		
INVESTMENTS:		
Non Trade Investment (at cost)		
National Saving Certificate (Deposited with Gujrat VAT)	11,000	11,000
TOTAL	11,000	11,000
SCHEDULE 6		
CURRENT ASSETS, LOANS & ADVANCES:		
A CURRENT ASSETS		
Inventories (as taken, valued and certified by the management) (Refer Note 7 of Schedule 14)		
Stores-Spares and Consumable	7,620,093	11,453,235
Raw Materials and Chemicals	49,090,987	73,394,582
Packing Materials	9,599,020	2,629,179
Finished Products	150,722,647	20,216,510
	217,032,747	107,693,506
Sundry Debtors (Unsecured and considered good)		
Outstanding for a period exceeding six months	838,304	652,797
Others	30,220,551	9,946,191
	31,058,855	10,598,988
Cash and Bank Balances		
Cash on hand	358,653	585,728
Bank Balance with scheduled banks - in current accounts	49,916,731	688,974
Margin money deposit	150,500	150,500
	50,425,884	1,425,202
TOTAL (A)	298,517,486	119,717,696
B LOANS AND ADVANCES (unsecured, considered good)		
VAT & Other Taxes Recoverable	12,222,223	18,401,958
Deposits	7,981,298	6,125,000
*Advances recoverable in cash or in kind	12,221,015	14,432,748
TOTAL (B)	32,424,536	38,959,706
TOTAL (A) + (B)	330,942,021	158,677,402

(* Of the above ₹ 4800 is due from the fellow subsidiary company Ihsedu Coreagri Services Pvt. Ltd.)



Ihsedu Agrochem Private Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2011 ₹	As at 31.03.2010 ₹
---	--------------------------	--------------------------

SCHEDULE 7

CURRENT LIABILITIES AND PROVISIONS:

A CURRENT LIABILITIES

Sundry Creditors	183,587,464	68,367,292
Advance from Holding Company	28,320,449	302,066,550
Advance from Customers	260,349	1,529
Bank account overdrawn	170,925,234	3,579,529
Other Liabilities	1,788,780	685,436
TOTAL (A)	384,882,276	374,700,336

B PROVISIONS

Income Tax	10,199,261	4,600,430
Wealth Tax	40,000	35,000
Proposed Dividend on Equity Shares	2,750,000	2,750,000
Dividend Distribution Tax	456,775	467,363
Leave Encashment	4,019,657	3,266,730
TOTAL (B)	17,465,693	11,119,523
TOTAL (A+B)	402,347,969	385,819,859



Ihsedu Agrochem Private Limited

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT		
SCHEDULE 8		
SALES AND SERVICES:		
Sales	2,504,808,570	895,863,586
Job charges received (T.D.S. ₹ 5,799,822 (P.Y. ₹ 6,282,648))	289,990,720	295,233,797
	2,794,799,290	1,191,097,383
SCHEDULE 9		
OTHER INCOME:		
Interest (T.D.S. ₹ 33,387 (P.Y. ₹ 80,817))	333,869	313,020
Miscellaneous Income	83,145	103,860
Insurance Claim received	6,069,611	3,005,837
TOTAL	6,486,625	3,422,717
SCHEDULE 10		
INCREASE/(DECREASE) IN STOCKS:		
Opening Stocks		
Finished goods	20,216,510	5,913,143
TOTAL(A)	20,216,510	5,913,143
Closing Stocks		
Finished goods	150,722,647	20,216,510
TOTAL(B)	150,722,647	20,216,510
Increase/(decrease) in finished goods	(B-A) 130,506,137	14,303,367
SCHEDULE 11		
CONSUMPTION OF RAW MATERIAL:		
Raw - Material Consumed		
Opening Stock	71,383,047	66,873
Add : Purchases	2,599,177,253	858,495,935
Less : Sales	200,532,698	279,020
	2,470,027,602	858,283,788
Less : Closing Stock	44,915,438	71,383,047
TOTAL(A)	2,425,112,164	786,900,741
Chemical Consumed		
Opening Stock	2,011,535	1,481,189
Add : Purchases	56,672,644	47,917,027
	58,684,179	49,398,216
Less : Closing Stock	4,175,549	2,011,535
TOTAL(B)	54,508,630	47,386,681
TOTAL (A+B)	2,479,620,794	834,287,422



Ihsedu Agrochem Private Limited

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
SCHEDULE 12		
PERSONNEL COST:		
Salary, Wages, Bonus etc.	25,054,744	21,042,943
Contribution to Provident Fund, Gratuity Fund and Others	3,339,677	2,917,212
Leave Encashment	1,213,025	834,489
Staff Welfare Expenses	205,382	166,922
TOTAL	<u>29,812,829</u>	<u>24,961,566</u>
SCHEDULE 13		
MANUFACTURING & OTHER EXPENSES:		
Consumption of Packing Materials	54,437,891	59,053,470
Consumption of Stores spares	14,714,649	15,409,930
Power and Fuel	65,820,978	65,461,215
Freight, Coolie and Cartage	38,075,952	34,300,791
Rent, Rates and Taxes	251,949	126,947
Repairs & Maintenances		
- Building	3,226,646	1,807,612
- Machinery	14,785,540	4,945,066
- Others	1,021,581	1,036,818
Insurance	1,105,878	896,937
Storage charges	846,000	1,017,000
Brokerage and Commission on Purchase	604,500	356,416
Brokerage and Commission on Sales	2,639,447	2,159,663
Miscellaneous Expenses	16,603,008	11,972,803
Donation	572,735	228,564
Loss on Sales of Assets	531,772	93,414
Sundry Balances Written Off	1,718	2,130,520
Audit Fees	757,560	720,586
TOTAL	<u>215,997,803</u>	<u>201,717,752</u>



Ihsedu Agrochem Private Limited

Schedules annexed to and forming part of Accounts

SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

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

2. USE OF ESTIMATES

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

3. 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.

4. BORROWING COSTS

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

5. DEPRECIATION

- (a) Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on additions/deletions of assets during the year is provided on a pro-rata basis.
- (c) Leasehold Land is amortised over the period of lease.
- (d) A temporary residential structure on leasehold land is amortized over the remaining period of lease.

6. 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.

7. INVENTORIES

- (a) Raw material, Chemicals, Packing Materials and Stores and Spares are valued at cost.
- (b) Work-in-process is valued at cost.
- (c) By-Products are valued at net realizable value.
- (d) Finished goods are recorded net of applicable taxes like Excise, VAT & CST.
- (e) Cost is determined on First-in-First Out basis.



Ihsedu Agrochem Private Limited

8. REVENUE RECOGNITION

- (a) Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.
- (b) Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
- (c) Export sales are accounted on CIF basis.
- (d) Sales are recorded net of applicable taxes like Excise Duty, VAT, and CST.

9. ACCOUNTING OF CLAIMS

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

10. EMPLOYEE BENEFITS

Defined Contribution Plan

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

11. FOREIGN CURRENCY

- (a) 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.
- (b) Foreign currency transactions covered by foreign currency contracts are recorded at the contracted rates.
- (c) 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 recognized as expenditure or income of the current year, as the case may be.
- (d) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

12. SUNDRY DEBTORS

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

13. 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.



Ihsedu Agrochem Private Limited

14. TAXES ON INCOME

(a) Current Tax

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

(b) Deferred Taxation

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

15. EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax. The number of shares used in computing Basic and Diluted EPS is the weighted average number of shares outstanding during the year.

16. 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.

17. PROVISIONS AND CONTINGENT LIABILITIES

The Company recognizes 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.

SCHEDULE 15: NOTES ON ACCOUNTS

1. Managerial Remuneration

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Remuneration	7,344,000	6,360,000
Perquisites	730,413	794,763
Provident Fund	590,400	590,400
Total	8,664,813	7,745,163

Note : Remuneration comprises of Salary, Allowances.



Ihsedu Agrochem Private Limited

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

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Profit before Taxation	93,671,079	76,484,056
Add: Managerial Remuneration	8,664,813	7,745,163
Add: Depreciation as per Companies act	27,209,353	23,193,873
Less: Depreciation under section 350 of the Act	(27,209,353)	(23,193,873)
Net Profit in accordance with Section 198 of the Act	102,335,892	84,229,219
Commission thereon @1% to Director within the Limit of maximum amount payable	1,023,359	842,292

2. PAYMENTS TO AUDITOR :

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Statutory Audit Fees	500,000	500,000
Tax Audit Fees	100,000	100,000
Income Tax Matters	110,300	110,300
Out of Pocket Expenses	47,260	10,286
Total	757,560	720,586

3. RELATED PARTY DISCLOSURES :

(As identified by the Management)

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

a) List of related parties

i. Holding Company :

Jayant Agro-Organics Ltd.

ii. Fellow Subsidiary:

Ihsedu Speciality Chemicals Private Ltd.

Ihsedu Coreagri Services Private Ltd.

Ihsedu Itoh Green Chemicals Marketing Private Ltd.

iii. Enterprises Controlled by directors/relatives :

Jayant Finvest Limited.

Gokulmani Real Estate Development Private Limited.

Enlite Chemical Industries Limited.

Gokuldas K. Udeshi Investments Pvt. Ltd.

Kalyan Impex Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Innovative Micro Systems Pvt. Ltd.



Ihsedu Agrochem Private Limited

iv. Key Management Personnel :

Name	Designation
Mr. Vithaldas G. Udeshi	Chairman
Mr. Jayraj G. Udeshi	Wholetime Director
Mr. Mulraj G. Udeshi	Director
Mr. Bharat G. Udeshi	Director
Mr. Dilipsinh G. Udeshi	Director
Mr. Abhay V. Udeshi	Director
Mr. Sudhir. V. Udeshi	Director
Mr. Vikram V. Udeshi	Director

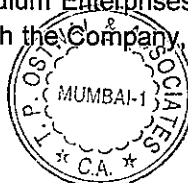
b) Details relating to parties referred to in items above :

(₹ in Lacs)

Particulars	Holding Company	Controlled by Directors & Relatives	Fellow Subsidiary	Key Management Personnel
Transactions during the Year				
Sale of Goods	21,394.15 (6,120.32)	-	278.12 (6.15)	-
Sale of Raw Material	-	2,005.33 (NIL)	-	-
Processing Charges Received	2,890.27 (2,944.02)	-	9.64 (8.32)	-
Purchases	707.37 (340.92)	-	494.25 (NIL)	-
Remuneration	-	-	-	76.81 (77.45)
Balance outstanding at the year end				
Share Capital Owned	550.00 (550.00)	-	-	-
Receivable	-	-	0.05 (NIL)	-
Advanced Received	283.20 (3,020.67)	-	-	-

Notes:

- The above information has been reckoned on the basis of information available with the Company.
- Figures in brackets are in respect of the Previous Year.
- 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, there are no delays in the payment of dues to such enterprises.



Ihsedu Agrochem Private Limited

5. DEFERRED TAXATION

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Deferred Tax Assets		
Expenditure covered by Section 43B of Income-tax Act, 1961.	1,805,793	1,260,981
Unabsorbed Business Loss & Depreciation under Income-tax Act, 1961.	-	1,559,125
MAT credit	15,503,756	4,885,839
Total Deferred Tax Assets	17,309,549	7,705,945
Deferred Tax Liabilities		
Excess of depreciation allowable under Income-tax Act, 1961 over depreciation provided in accounts.	60,309,986	46,883,643
Total Deferred Tax Liabilities	60,309,986	46,883,643
Not Deferred Tax Asset/(Liability)	(43,000,437)	(39,177,698)

6. ADDITIONAL INFORMATION PURSUANT TO THE PROVISION OF PARA 3, 4C, AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

A CAPACITY

Particulars	For Year ended March 31,2011		For Year ended March 31,2010	
	Licensed M.T	Installed M.T	Licensed M.T	Installed M.T
Seed Crushing	Not Applicable	360,000	Not Applicable	210,000
Cake Processing	Not Applicable	210,000	Not Applicable	165,000

B ACTUAL PRODUCTION

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
	Qty (M.T)	Qty (M.T)
Castor Oil	24,327.834	13,564.589
*By Product	28,505.594	15,550.234
Derivatives	86.400	54.720

*Consumed Internally: C.Y: 16,481.038 M.T. (P.Y: 15,029.594 M.T).

C OPENING STOCK

Finished Products	For Year ended March 31,2011		For Year ended March 31,2010	
	Qty (M.T)	Value (₹)	Qty (M.T)	Value (₹)
Castor Oil	318.095	19,437,822	88.810	4,185,048
By Product	87.745	377,509	346.015	1,141,850
Derivatives	5.425	401,179	9.500	586,245
Total		20,216,510		5,913,143



Ihsedu Agrochem Private Limited

D CLOSING STOCK

Finished Products	For Year ended March 31,2011		For Year ended March 31,2010	
	Qty (M.T)	Value (₹)	Qty (M.T)	Value (₹)
Castor Oils	1,317.749	148,407,152	318.095	19,437,822
By-Products	96.650	546,432	87.745	377,509
Derivatives	13.875	1,769,063	5.425	401,179
Total		150,722,647		20,216,510

E PURCHASES

Particulars	For Year ended March 31,2011		For Year ended March 31,2010	
	Qty (M.T)	Value (₹)	Qty (M.T)	Value (₹)
By-Products	19,500.000	66,030,000	8,916.000	31,206,020
Derivatives	47.925	4,706,917	46.000	3,179,850
Total		70,736,917		34,385,869

F SALES

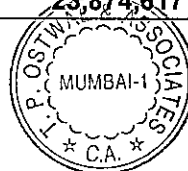
Particulars	For Year ended March 31,2011		For Year ended March 31,2010	
	Qty (M.T)	Value (₹)	Qty (M.T)	Value (₹)
Castor Oil	23,328.180	2,329,216,559	13335.304	834,814,790
By-Products	31,515.651	140,661,792	9539.970	41,272,064
Job Work Charges		289,990,720	-	295,233,797
Other		15,462,390	-	13,593,551
Derivatives	125.875	12,502,662	104.795	8,657,130
Power Generation	-	6,891,473	-	-
Total		2,794,725,596		1,193,571,332

G CONSUMPTION OF RAW MATERIAL

Particulars	For Year ended March 31,2011		For Year ended March 31,2010	
	Qty (M.T)	Value (₹)	Qty (M.T)	Value (₹)
Castor Seeds	52,919.838	2,425,112,213	29,017.303	786,900,741
Chemicals	-	54,508,630	-	47,386,681
Total		2,479,620,794		834,287,422

H BREAK UP CONSUMPTION

Particulars	For Year ended March 31,2011		For Year ended March 31,2010	
	%	Value (₹)	%	Value (₹)
Raw Material and Chemicals				
Indigenous	99.92	2,477,390,215	100.00	834,287,422
Imported	0.08	2,230,579	-	-
Total	100.00	2,479,620,794	100.00	834,287,422
Stores and Spares				
Indigenous	100.00	23,874,617	100.00	15,409,931
Imported	-	-	-	-
Total	100.00	23,874,617	100.00	15,409,931



Ihsedu Agrochem Private Limited

I. EXPENDITURE IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Brokerage and Commission	409,887	893,118
Export Expenses	94,735	77,294

J. EARNING IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
FOB Value on Export	245,706,541	22,0975,378

K. VALUE OF IMPORTS ON C.I.F. BASIS

(Amount in ₹)

Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Chemicals	2,088,740	-

7. In previous year company has received a notice of demand from Gujarat VAT authorities claiming VAT of ₹1,164.66 lacs including interest of ₹118.52 lacs and penalty of ₹702.23 lacs on self consumption of Castor meal (De-oiled cake) used in boiler as fuel. Company has paid ₹141.97 lacs on appeal to Tribunal; it has set aside the said demand and asked VAT authorities to pass the fresh order. Based on the order of Tribunal the said demand has not been shown as contingent liability and company is expected to receive the refund of ₹141.97 lacs from the VAT authorities.

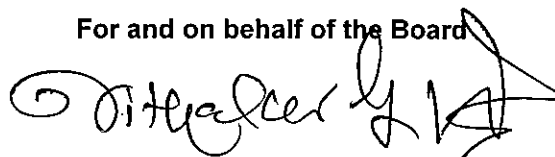
8. Estimated amount of contracts remaining to be executed on Capital Accounts amounted to ₹ 25,000,000/- (P.Y. ₹2,000,000 /-)

9. EARNING PER SHARE (EPS)

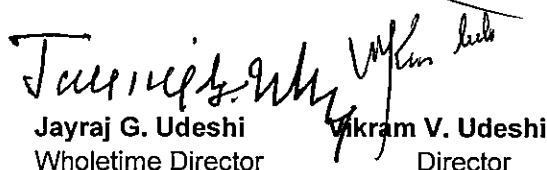
Particulars	For Year ended March 31,2011	For Year ended March 31,2010
Net Profit after Tax (₹)	69,729,342	46,744,723
Number of Equity Shares outstanding at the year End	5,500,000	5,500,000
Basic and Diluted Earnings Per Share (₹)	12.68	8.50
Nominal Value of Equity Share (₹)	10.00	10.00

10. Previous year figures are re-grouped and re-arranged to conform to current year's classification.

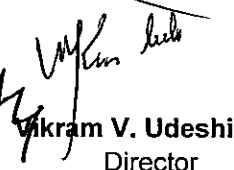
For and on behalf of the Board



Vithaldas G. Udeshi
Chairman



Jayraj G. Udeshi
Wholtime Director



Akram V. Udeshi
Director



Ihsedu Agrochem Private Limited

SCHEDULE FORMING PART OF BALANCE SHEET AS TA 31ST MARCH, 2011
Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile : (Part IV)

I	Registration Details		
	Registration No.	:	11-124048
	State Code	:	11
	Balance Sheet Date	:	31.03.2011
II	Capital raised during the year (Amount in ₹)		(₹'000)
	Public Issue	:	-
	Rights Issue	:	-
	Bonus Issue	:	-
	Private Issue	:	-
III	Position of Mobilisation and deployment of Funds. (Amount in ₹)		
	Total Liabilities	:	566,150
	Total Assets	:	566,150
IV	Sources of Funds :		
	Paid up Capital	:	55,000
	Reserve & Surplus	:	210,503
	Secured Loans	:	257,647
	Deffered Tax Liability	:	43,000
V	Application of Funds		
	Net Fixed Assets	:	513,276
	Investments	:	11
	Net Current Assets	:	(71,406)
VI	Performance of Company (Amount in ₹)		
	Turnover / Total Income (Including other income and inventories)	:	2,931,792
	Total Expenditure	:	2,838,121
	Profit/Loss Before Tax	:	93,671
	Profit/Loss After Tax	:	69,729
	Earning per share in Rs.	:	12.68
	Divident Rate %	:	5
VII	Generic Names of Three Principal Products/Services of Company (As per monetary Terms)		
	Item Code No. (ITC Code)	:	15153000
	Product Description	:	Castor Oil Refined

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Place: Mumbai

Date: 26 JUL 2011

Jayraj G. Udeshi
Wholesale Director

Vikram V. Udeshi
Director

