



Ihsedu Agrochem Private Limited

17th Annual Report

2016-17



NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of **Ihstedu Agrochem Pvt. Ltd.** will be held at 701, Tower “A”, Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 on Wednesday, May 3, 2016 at 5.00 p.m. to transact the following business :-

ORDINARY BUSINESS:

1. To consider and adopt the financial statement of the Company for the financial year ended March 31, 2017, the report of the Board Directors and Auditors thereon.
2. To ratify the payment of Interim/ special dividend and to declare final dividend.
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. Suresh Ramachandran who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Vatsaraj & Co., Chartered Accountants (Firm’s Registration no. 111327W) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s T.P. Ostwal & Associates LLP, Chartered Accountants, the retiring Auditors for a term of five years commencing from the financial year 2017-18 to hold office from the conclusion of the 17th Annual General Meeting of the Company till the conclusion of the 22nd Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”



SPECIAL BUSINESS:

6. Appointment of Mr. Francois Guillemet as Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Francois Guillemet (holding DIN 07655787) who was appointed as an Additional Non – Executive Director of the Company by the Board of Directors with effect from 1st December, 2016, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Non – Executive Director of the Company.”

Place: Mumbai

Date : May 3, 2017

By Order of the Board

S/d

Abhay V. Udeshi

Chairman

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 OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other shareholder or person.

The instrument of proxy in order to be effective, should be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 6.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

Place: Mumbai.

Date : May 3, 2017

Regd. Office:

701, Tower “A”,

Peninsula Business Park,

Senapati Bapat Marg,

Lower Parel (W),

Mumbai – 400 013.

By Order of the Board

S/d.

Abhay V. Udeshi

Chairman



Explanatory Statement in respect of Special Business Pursuant to Section 102 of the Companies Act, 2013:

Item No. 5

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act. Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s T. P. Ostwal & Associates LLP, the present Auditors of the Company complete their term as Auditors. In view of the above, M/s Vatsaraj & Co., Chartered Accountants (Firm's Registration no. 111327W), have been appointed as Auditors of the Company for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting, subject to ratification of their appointment by the Members at every intervening Annual General Meeting on a remuneration plus applicable taxes, out-of-pocket expenses, etc. incurred in connection with the Audit as may be decided by the Board of Directors in consultation with the Auditors.

The Board commends the Resolution at Item No.5 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.5 of the Notice.

Item No. 6

The Board of Directors of the Company vide their resolution dated December 19, 2016 appointed Mr. Francois Guillemet as an additional Director of the Company holding office up to the date of the ensuing Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("Act") read with the Articles of Association of the Company.

Pursuant to Section 160 of the Act, the Company has received a notice, together with requisite deposit of Rs. 1 lac from a member signifying its intension to propose Mr. Francois Guillemet, as candidate for the office of Director of the Company.

Mr. Francois Guillemet is not disqualified from being appointed as a Director in terms Section 164(2) of the Act.

The Board of Directors accordingly recommends the resolution set out at the Item No. 6 of the accompanying Notice for the approval of the members of the Company

Except for Mr. Francois Guillemet and Mr. Suresh Ramachandran, representatives of Arkema Asia SAS, none of the other Directors / Key Managerial Personnel of the Company / their relative are in any way concerned or interested, financially or otherwise, in the resolution set out at item No. 6.

Place: Mumbai

Date : May 3, 2017

By Order of the Board

S/d

Regd. Office:
701, Tower "A",
Peninsula Business Park,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.

Abhay V. Udeshi
Chairman

Directors' Report

Dear Shareholders,

The Directors present the Seventeenth Annual Report and the Audited Accounts for the year ended 31st March, 2017 together with the Auditor's Report thereon.

1. Financial Results (Accounts)

(Rs. in Lacs)

Particulars	2016 - 2017	2015 - 2016
Revenue from operations and other income	1,14,680.34	87,591.52
Profit before Depreciation & Amortisation Expenses, Finance Costs and Tax	3,970.11	2,511.19
Less: Depreciation, and Amortisation Expenses	287.25	284.83
Profit before Finance cost and Tax	3,682.86	2,226.36
Less: Finance Cost	1,930.91	1,645.22
Profit before Tax	1,751.95	581.14
Less: Provision for Tax	651.39	230.02
Profit After Tax	1,100.56	351.12
Add: Profit brought forward from the previous year	1,710.34	1,359.22
Profit available for appropriation, which is appropriated as follows:	2,810.90	1,710.34
Appropriations:		
Balance carried to Balance Sheet	2,810.90	1,710.34
Earnings per share(EPS) (Face Value of shares Rs. 10/-)	15.03	4.79

2. Dividend & Reserve:

During the year under review, the Company had declared special/ interim dividend of Rs. 3.22/- per share amounting to ₹ 177.10 lacs net of Dividend Distribution Tax and the total outgo, including dividend distribution tax, will be ₹ 213.10 lacs (inclusive of DDT of ₹ 36.05 lacs). In view of planned capital expenditure, the Directors have not recommended final dividend.

During the year under review, the Company has not transferred any amount to General Reserve.

3. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There has been no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

4. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The management monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Periodical reports on the same are presented to the Audit Committee.

5. Deposits

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

6. Particulars of loans, guarantees or investments under section 186

Particulars of loans given, investments made, guarantees given and securities provided are provided in the standalone financial statement (Please refer to Note 11 to the financial statement).

7. Particulars of contracts or arrangements with related parties:

All Related Party Transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business. All the Related Party Transactions are placed before the Audit Committee and also the Board for approval.

8. Alteration of Article of Association of the Company

During the year under review, the Company had altered its Article of Association by inserting sub article 223 and 232 (a) which was approved by the members at the Extra Ordinary General Meeting (EGM) held on 24th January, 2017.

9. Directors:

A) Changes, if any, in Directors and Key Managerial Personnel ("KMP"):

In accordance with the provisions of section 203 of the Companies Act, 2013, the following are the KMP's of the Company:

Name of KMP's	Designation
Mr. Jayraj G. Udeshi	Whole – Time Director
Mr. Mulraj G. Udeshi	Whole – Time Director
Mr. Bharat M. Udeshi	Whole – Time Director
Mr. Krunal G. Veni	Company Secretary

As per the provisions of the Companies Act, 2013, Mr. Jayraj G. Udeshi and Mr. Suresh Ramachandran, retire at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

The Board of Directors vide its resolution dated December 19, 2016 placed on record the resignation of Mr. Jean-Marc Biragnet effective from 1st December, 2016. The Board wishes to place on record its sincere appreciation and gratitude for the invaluable contribution made by him during his tenure with the Company. The Company on the same day also appointed Mr. Francois Guillemet as Additional, Non – Executive Director of the Company. He will hold office upto the date of ensuing Annual General Meeting. The Board recommends his re-appointment. Approval of the Shareholders' will be sought at the ensuing Annual General Meeting for appointment of Mr. Francois Guillemet as Non- Executive Director.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013

The Company has devised a Policy for remuneration for the Directors, KMPs and other employees. The policy also includes performance evaluation of the Board which includes

criteria for performance evaluation of the Independent Directors, Non-Executive Directors and Executive Directors.

10. Number of meetings of the Board of Directors

There were 6 meetings of the Board of directors during the year under review.

11. Board Committees

- Audit Committee

The Audit Committee of the Company comprises of 5 Directors, 3 of which are Independent Directors. The members of the Audit Committee are:-

Mr.	Mukesh C. Khagram	- Chairman
Mrs.	Sucheta N. Shah	- Member
Mr.	G.H.Mulani	- Member
Mr.	Abhay V. Udeshi	- Member
Mr.	Francois Guillemet	- Member

All the recommendations made by the Audit Committee were accepted by the Board.

- Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises of 4 Directors, all are Non – Executive Directors.

Mr.	Mukesh C. Khagram	- Chairman
Mrs.	Sucheta N. Shah	- Member
Mr.	Abhay V. Udeshi	- Member
Mr.	Francois Guillemet	- Member

12. Corporate Social Responsibility (“CSR”):

As a part of its initiatives under CSR, the Company has formulated a CSR Policy and has undertaken projects which are in accordance with Schedule VII of the Companies Act, 2013.

The Board of directors has constituted a Corporate Social Responsibility Committee comprising of:

Mr.	Mukesh C. Khagram	- Chairman
Mr.	Abhay V. Udeshi	- Member
Mr.	Francois Guillemet	- Member

As per section 135 of the Companies Act, 2013, the Company was required to spend 2% of the average net profits of last three year (i.e Rs. 6.00 Lacs). During the year under review, your company has spent Rs. 6.02 Lacs as part of its commitment to Corporate Social Responsibility.

The requisite details on CSR activities pursuant to Section 135 of the Act and as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed as **Annexure I**

13. Risk Management

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

14. Auditors

- Statutory Auditors

The Statutory Auditors, M/s. T. P. Ostwal & Associates LLP, Chartered Accountants (Formerly known as T.P. Ostwal & Associates), Mumbai, (Firm Regn. No. 124444W/W100150) shall continue to act as the Auditor of the Company upto the ensuing Annual General Meeting as M/s. T.P. Ostwal & Associates having completed the tenure more than a decade as the Statutory Auditors as well as the additional term of 3 years as the Statutory Auditor of the Company, they are not eligible to be appointed as the Statutory Auditor of the Company. In place of M/s. T. P. Ostwal & Associates LLP, the Board of Directors at their meeting held on 3rd May, 2017 appointed M/s. Vatsaraj & Co. Chartered Accountants (Firm's Registration no. 111327W) as the Statutory Auditor of the Company for a period of 5 years as recommended by the Audit Committee. M/s. Vatsaraj & Co. have confirmed their eligibility under Section 141 of the Companies Act, 2013 read with the Rules therein. Appointment of M/s. Vatsaraj & Co. will be placed before the Shareholders of the Company at the ensuing Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

The Board of Directors places on record its sincere appreciation and gratitude for the invaluable contribution made by M/s. T. P. Ostwal & Associates LLP, during its tenure as the Statutory Auditor of the Company

- Internal Auditor

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with the rules made thereunder, the Company has appointed M/s. K. C. Mehta & Co. as the Internal Auditor of the Company

- Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the rules therein, the Secretarial Audit Report given by M/s. V V Chakradeo & Co., a firm of Practising Company Secretaries has been annexed with the report.

- Extract of the annual return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report forms a part of the Board's report-**Annexure II**

15. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure III** to this Report.

16. Details of establishment of Vigil Mechanism for directors and employees

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, the Company has established a vigil mechanism for directors and employees to report genuine concerns.

17. Directors' Responsibility Statement

Pursuant to clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, we hereby state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 at the end of the financial year and of the profit of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There has been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

19. Industrial Relations:

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

20. Insurance:

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

21. Personnel:

No employee of the Company is in receipt of remuneration in excess of the sum prescribed under Rule 5 (2) of Chapter XIII, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013:

The Company has in place a Code on Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has set up an Internal Complaints Committee to redress complaints received regarding sexual harassment. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

23. Acknowledgement

The Directors wish to place on record their sincere appreciation for the dedication and devotion to duty shown by the employees at all levels. The Directors thank the Company's Bankers for the help and co-operation extended during the period.

For and on behalf of the Board of Directors
S/d.

Place Mumbai,

Abhay V. Udeshi

Date May 3, 2017

CHAIRMAN

ANNEXURE - I

REPORT ON CSR ACTIVITIES

- **A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The CSR Policy of the Company was approved by the Board of Directors at the Meeting held on 7th November, 2014. Broadly the Company has proposed to undertake activities relating to rural development and providing vocational education for the livelihood of the backward class of the society.

- **The Composition of the CSR Committee.**

Mr. Mukesh C Khagram	- Chairman
Mr. Abhay V. Udeshi	- Member
Mr. Francois Guillemet	- Member

- **Average net profit of the company for last three financial years (Rs. in Crs)**

Particulars	F Y 2013 – 14	F Y 2014 – 15	F Y 2015 - 16
Net Profit	5.43	(2.32)	5.81
3 years average profit	Rs. 2.97		
2 % of average profit	Rs. 0.06		

- **Details of CSR spent during the financial year:** During the year, the Company had spent a sum of Rs. 6.02 Lacs as a part of CSR Program. The said contribution was towards rural development and promoting education to farmers.
- **Total amount to be spent for the financial year: Rs. 6.02 lakhs**
- **Amount unspent, if any: NIL.**

➤ Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	CSR project or Activity identified	Sector	Location	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Training and Educating Farmers	Rural Development and Providing Vocational Education	Gujarat	Rs.6.02 Lacs	Rs.6.02 Lacs	Rs.6.02 Lacs	Direct
	TOTAL			Rs.6.02 Lacs	Rs.6.02 Lacs	Rs.6.02 Lacs	

Give details of implementing agency: NA

2. In case the Company has failed to spend the tow percent of the average net profit of three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Not Applicable
3. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company

Sd/- Abhay V. Udeshi Director	Sd/- Mukesh C Khagram (Chairman CSR Committee)
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ANNEXURE II

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Sr No.	Particulars	
i.	CIN	U11200MH2000PTC124048
ii.	Registration Date	04/02/2000
iii.	Name of the Company	Ihsedu Agrochem Private Limited
iv.	Category	Company Limited by Share
v.	Sub-Category	Indian Non – Government Company
vi.	Address of the Registered office	701, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, (W), Mumbai :- 400 013.
vii.	Contact details	(022) 40271300
viii.	Whether listed company	No
ix.	Name, Address and Contact details of Registrar and Transfer Agent	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Castor Oil	10402	90.41
2	De-oiled meal	10406	5.13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name and address of the Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Jayant Agro – Organics Limited	L24100MH1992PLC066691	Holding Company	75.10%	2 (46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Share Holding Pattern (Ordinary Equity Shares)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	De ma t	Physical	Total	% of Total Shares	De m at	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF										
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	54,99,400	54,99,400	99.98		54,99,400	54,99,400	99.98	-	-
d) Bank/FI										
e) Any other	-	600	600	0.02		600	600	0.02	-	-
SUB TOTAL:(A) (1)	-	55,00,000	55,00,000	100		55,00,000	55,00,000	100	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-	-
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	55,00,000	55,00,000	100		55,00,000	55,00,000	100	-	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-	-
(1) Institutions										
a) Mutual Funds										
b) Banks/FI										
C) Central govt										
d) State Govt.										
e) Venture Capital										

Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
NRI										
OCB										
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-	-
i)Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii)Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
i. Trust										
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	55,00,000	55,00,000	100	-	55,00,000	55,00,000	100	-	-

(ii) Shareholding of Promoters

S.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Jayant Agro-Organics Limited.	54,99,400	100	-	54,99,400			
2	Jayant Agro-Organics Ltd Jointly with Mr. Vikram V Udeshi	100		-	100		-	-
3	Jayant Agro-Organics Ltd Jointly with Mr. Jayraj G Udeshi	100		-	100		-	-
4	Jayant Agro-Organics Ltd Jointly with Mr. Hemant V Udeshi	100		-	100		-	-
5	Jayant Agro-Organics Ltd Jointly with Mr. Sudhir V Udeshi	100		-	100		-	-
6	Jayant Agro – Organics Ltd Jointly with Mr. Abhay V Udeshi	100		-	100		-	-
7	Jayant Agro – Organics Ltd Jointly with Dr. Subhash V Udeshi	100		-	100		-	-
	Total	5500000	100%	-	5500000	100%	-	-

Shareholding Pattern of Class A Shareholder

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	-	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-	-
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	-	-	-	-	-	-	-	-	-	-
(2) Foreign										
a) NRI- Individuals	-	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	-
d) Banks/FI	-									
e) Any other...	-									
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	-	-	-	-	-	-	-	-	-
B. PUBLIC SHAREHOLDING	-	-	-	-	-	-	-	-	-	-
(1) Institutions	-	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-	-
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central govt	-	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
g) FIIS	-	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-	-

NRI	-	-	-	-	-	-	-	-	-	-
OCB	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-	-
a) Bodies Corporates	-	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-	-
ii) Overseas	-	1823570	100	100	-	1823570	100	100	-	-
b) Individuals	-									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	-	-	-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	-	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-	-
i. Trust	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	1823570	100	100	-	1823570	100	100	-	-
Total Public Shareholding (B)= (B)(1)+(B)(2)	-	1823570	100	100	-	1823570	100	100	-	-
C. Shares held by Custodian for GDR & ADRS GDRs & ADRs	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1823570	100	100	-	1823570	100	100	-	-

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

SI	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
NIL					

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

SI	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

(v) Shareholding of Directors and Key Managerial Personnel:

No.		Shareholding at the beginning of the year		Cumulative Shareholding at the End of the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Jayraj G. Udeshi	-	-	-	-
2.	Mr. Mulraj G. Udeshi	-	-	-	-
3.	Mr. Bharat M. Udeshi	-	-	-	-
4.	Mr. Krunal G. Veni	-	-	-	-

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amount in Rs. Lacs) Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2016)				
Principal Amount	16,595.99	500.00	-	17,095.99
Interest due but not paid	-	-	-	-
Interest accrued but not due	5.28	-	-	5.28
Total (i + ii+ +iii)	16,601.27	500.00	-	17,101.27
Change in Indebtedness during the financial year				
Addition / (Reduction)	6573.74	(34.70)	-	6539.04
Indebtedness at the end of the financial year (31.03.2017)				
i) Principal Amount	23,169.73	465.30	-	23,635.03
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	11.87	-	-	11.87
Total (i+ii+iii)	23,181.60	465.30	-	23,646.90

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (Amt. in Rs. Lacs)

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr .No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Jayraj G. Udeshi	Mulraj G. Udeshi	Bharat M. Udeshi	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	83.58*	83.58*	83.58*	250.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6.89	1.98	0.17	9.04
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
	Total (A)	90.48	85.56	83.75	259.79
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as % of profit -others, specify	-	-	-	-
5	Others, please specify Contribution to Provident Fund	3.78	3.78	3.78	11.34
	Total (B)	3.78	3.78	3.78	11.34
	Total (A+B)	94.26	89.34	87.53	271.13

* includes arrears of previous years.

B. Remuneration to other directors:

(Amt. in Rs. Lacs)

Sr.No	Particulars of	Name of Directors								Total Amount
		Mukesh C Khagram	Sucheta N Shah	G H Mulani	Abhay V. Udeshi	Sudhir V. Udeshi	Jean Marc Biragnet*	Suresh Ramachandran	Francois Guillemet**	
	3. Other Non-Executive & Independent Directors									
	• Fee for attending board committee meetings	0.72	0.90	0.79	-	-	-	-		2.41
	• Commission				-	-	-	-		
	• Others, please specify				-	-	-	-		
	Total	0.72	0.90	0.79						2.41

*Resigned w.e.f 1st December, 2016

** Appointed w.e.f. 1st December, 2016

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs. Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Krunal G. Veni	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	7.69 - -	7.69 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others	-	-
5.	Others, please specify Contribution to Provident Fund	0.56	0.56
	Total	8.25	8.25

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NA

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

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

FORM "A"

a	POWER & FUEL CONSUMPTION	2016-2017	2015-2016
1	Electricity (i) Purchased Units Total Amount (Rs.in Lacs) Rate / Unit (Rs.) (ii) Own Generation Through Windmill Generator Units Total Cost (Rs. in Lacs) Rate/Unit (Rs.)	 14,101,411 1062.53 7.55 958589 63.83 6.64	 12,244,830 966.26 7.89 1,235,078 38.27 3.09
2	Fuel Consumption Castor Meal (MT) Total Amount (Rs. in Lacs) Rate/Unit (Rs) (MT)	 18,146.567 746.190 4112.00	 17627.771 881.388 5,000.00
b	Consumption Per Unit of Castor Seed Crushing (MT) Electricity (Rs. /KWH/T) Fuel Consumption (Rs./Kg. per MT)	 26,6142.862 49.10 74.12	 257302.869 49.49 69.05
B	TECHNOLOGY ABSORPTION		-----

FORM "B"

a	Research & Development	----
b	Technology Absorption, Adoption and Innovation	----
C	FOREIGN EXCHANGE EARNING AND OUTGO :	
	The Details of Total exchange used and earned are provided in Note No. 27 to 29 of notes on Financial Statements.	

Place: Mumbai
Dated: May 3, 2017

For and On behalf of the Board of Directors

Sd/-
Abhay V. Udeshi
Chairman

NOMINATION AND REMUNERATION POLICY

The terms of reference for the Committee *interalia* include the following alongwith detailed terms of reference as referred in this policy:

- (i) recommending to the Board qualifications, positive attributes and criteria for independence of a director;
- (ii) recommending to the Board a policy relating to the remuneration of the Directors, key Managerial Personnel and Senior Management;
- (iii) formulating a criteria for evaluation of independent Directors and the Board and carrying out evaluation of every Director's performance;
- (iv) devising a policy on Board diversity; and
- (v) identifying persons qualified to become Directors and be appointed as Senior Management in accordance with the criteria laid down, and recommending to the Board their appointment and removal.

Therefore, in furtherance to the aforementioned terms of reference, the Committee has formulated the following Nomination and Remuneration Policy in accordance with Section 178 of the Companies Act.

1. **Effective date:** This Policy shall come into effect immediately.

2. **Definitions:**

“Board” or **“Board of Directors”** shall mean the board of Directors of the Company as constituted from time to time.

“Company” shall mean Ihstedu Agrochem Private Limited.

“Companies Act” shall mean the Companies Act 2013 as amended, modified or supplemented from time to time, read with the relevant rules, regulations and notifications as may be applicable.

“Committee” shall mean the Nomination and Remuneration Committee of the Company.

“Directors” shall mean the executive, non-executive and independent directors appointed on the Board of the Company from time to time.

“Key Managerial Personnel” shall mean (i) chief executive officer or the managing director or the manager; (ii) company secretary; (iii) whole-time director; (iv) chief financial officer; and (v) such other officer as may be prescribed in the Companies Act.

“Policy” shall mean this Nomination and Remuneration Policy of the Company.

“Senior Management” shall mean the personnel constituting the core management team for the Company

Other terms used and not defined herein, shall have the same meaning as assigned to these in the Companies Act.

3. Policy in relation to nomination of Directors, Key Managerial Persons and Senior management

3.1 Guiding Principles

- (a) The nomination procedure adopted by the Company for identifying and appointing Directors, Key Managerial Personnel and Senior Management, shall be driven by meritocracy and will focus on inducting individuals from diverse backgrounds, having appropriate skills, qualifications, knowledge, expertise or experience, in one or more fields such as engineering, finance, management, business administration, sales, marketing, law, accountancy, research, corporate governance, technical operations, education, community service or any other disciplines connected with the business of the Company.
- (b) The Company seeks to have a management comprising of likeminded personnel, possessing skills which assist the Company in achieving its objectives and aiming for inclusive growth of the Company and the community.
- (c) The Company specifically looks for persons with qualities such as: (i) professional integrity and honesty; (ii) respect for and strong willingness to imbibe the Company's core values; (iii) ability to act impartially, exercise sound judgement and discharge the fiduciary duties owed by such individuals to the Company; (iv) strategic capability with business vision; (v) entrepreneurial spirit and track record of achievement; (vi) reasonable financial expertise; (vii) have contacts in the fields of business/corporate world/finance/chambers of commerce and industry; and (viii) capability to effectively review and challenge the performance of the management.
- (d) With respect to Independent Directors, the management of the Company shall devise and update, as and when required, programs for familiarizing such directors with the Company, its business, their roles, rights and responsibilities in the Company etc.
- (e) The Company seeks to have diversity on the Board by bringing in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment and mitigation strategy and human resource management in the Company. The Company will be considerate of succession planning and Board diversity while making appointments of directors on the Board.

3.2 Eligibility criteria

3.2.1 For all Directors: An individual being considered for being appointed as a Director must fulfil the following eligibility criterial:

- (a) he must be of a sound mind;
- (b) he should neither be an undischarged insolvent nor should he have preferred an application for being adjudicated as an insolvent, which application is pending before any court or authority;

- (c) he must not have been convicted by a court of any offence that makes him incapable of being appointed as a Director under the Companies Act;
- (d) no order disqualifying him from being appointed as a Director of any company should have been passed by a court or tribunal, or in case such an order has been passed, it must not be in force or be effective as prescribed under the Companies Act;
- (e) he should have paid calls with respect of any shares held by him in the Company, whether alone or jointly and in case such calls have not been paid, a period of 6 months shall not have lapsed from the date such payment is due;
- (f) he should not have been convicted of the offence dealing with related party transactions under section 188 of the Companies Act at any time during the five years, immediately preceding his appointment with the Company and in case such an order has been passed it must not be in effective in accordance with the terms of the Companies Act;
- (g) he must have been allotted a director identification number pursuant to the provision of the Companies Act;
- (h) he must not have been a Director of a Company which (i) has not filed financial statement or annual returns for any continuous period of three financial years, or (ii) has failed to repay deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, provided that if he has been the Director of such a company, the failure of the

Company to undertake these actions must not have occurred within the immediately preceding five years of his being considered for appointment as a Director with the Company.

3.2.2 For a managing director, whole-time director or manager: In addition to the criteria specified in clause 3.2.1, an individual being considered for the post of a managing director, whole time director or a manager must fulfil the following eligibility requirements:

- (a) he must be a resident of India;
- (b) he must have attained the age of 21 years and must not have attained the age of 70 years. However, in case the individual proposed to be appointed has attained the age of 70 years, he may be appointed as the managing director, whole-time director or manager if a special resolution is passed to this effect by the shareholders of the Company;
- (c) he must not have been adjudged as an insolvent at any point in time;
- (d) he must not have suspended payment to or made a composition with his creditors at any point of time;
- (e) he must not have been:

- (i) convicted by a court of an offence and sentenced to imprisonment or fine such that it would disentitle him from being appointed as the Managing Director, whole time director or a Manager in terms of the Companies Act; or
- (ii) detained for any period under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974 (52 of 1974).
- (f) In case an individual does not meet the eligibility criteria mentioned in clause 3.2.2 of this Policy (except sub-clause (f)), such an individual may be appointed as the Managing Director, whole time director or a manager with the approval of the Central Government.

3.2.3 For independent Directors; Pursuant to section 149 of the Companies Act, the Company is required to appoint specified number of independent directors. An individual, who is not an executive director or a nominee director, may be considered for being appointed as an independent director if he meets the following criteria:

- (a) Possesses appropriate skill, experience and knowledge in one or more fields of finance, law, management, sales, marketing administration, research, corporate governance, technical operations or other disciplines related to the Company's business;
- (b) in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (c) neither is nor was a promoter of the Company or its holding, subsidiary or associate company; or
- (d) is not related to the promoters of the Company, its holding, subsidiary or associate company;
- (e) apart from receiving director's remuneration, he neither has, nor has had a pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two financial years immediately preceding the year of his appointment or during the current financial year, which would disqualify him from being an independent director under the Companies Act or the Listing Agreement;
- (f) none of his relatives have or have had a pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed under the Companies Act, whichever is lower, during the two financial years immediately preceding the year of his appointment or during the current financial year;
- (g) neither himself nor any of his relatives

- i. holds or has held the position of a key Managerial Personnel in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
- ii. is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the year in which he is proposed to be appointed;
- iii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
 - (B) any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% (ten per cent) or more of the gross turnover of such firm;
- iv. holds together with his relatives 2% (two per cent) or more of the total voting power of the Company; or
- v. is a chief executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters. Directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company; or
- vi. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- (h) undertakes to abide by the code for Independent Directors as prescribed in the Companies Act; and
- (i) possesses such other qualifications as may be prescribed under the Companies Act.

3.2.4 **For Key Managerial Personnel and Senior Management:** Individuals to be appointed as Key Managerial Personnel (other than Managing Director, Manager and Whole-time Director) and Senior Management shall have such qualifications, experience and expertise as may be determined by the management in consultation with the Committee, provided that a whole-time Key Managerial Personnel of the Company shall not hold office in any other Company at the same time except (i) in its subsidiary; or (ii) as a Director of the other Company, with the permission of the Board.

4. APPOINTMENT, TERM AND RETIREMENT

4.1 Appointment and retirement

- (a) All Directors shall be appointed by the Board, based on the recommendations made by the Committee, subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.
- (b) The Company shall issue formal letters of appointment to the Independent Directors in a manner provided in the Companies Act.
- (c) A Whole-time Key Managerial Personnel of a Company shall be appointed only by a resolution of the Board containing the terms and conditions of the appointment, including the remuneration.

4.2 TERM OF OFFICE

- (a) No individual shall be appointed as the Managing Director, Whole-time Director or Manager for a term exceeding 5 (five) years at a time and no re-appointment shall be made earlier than one year before the expiry of his term.
- (b) An Independent Director shall hold office for a term up to 5 (five) consecutive years and may be re-appointed for another term of 5 (five) consecutive years, by a special resolution of the members of the Company. An individual who has held office as an Independent Director for two consecutive terms, shall be eligible for appointment as an Independent Director of the Company only after expiry of 3 (three) years of him ceasing to hold office as an Independent Director of the Company, if he has not, during the said period of 3 (three) years been associated with the Company in any other capacity, either directly or indirectly.
- (c) It is clarified that unless otherwise provided in the Companies Act, the term completed by an Independent Director prior to April 1, 2014 shall not be considered for fulfilling the requirements specified in clause 4.2 (b) above.

5. REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- 5.1 Guiding Principles:** This Policy of the Company aims to attract, retain and motivate professionals; in order to enable the Company to achieve its strategic objectives and develop a strong performance based culture and a competitive environment. This Policy and the compensation structure has been devised after taking into account all relevant factors and giving due regard to the interests of shareholders and the financial and commercial health of the Company.
- 5.2 Board to determine the remuneration:** The Board while determining the remuneration package of the Directors, key Managerial Personnel and Senior Management may take into account, all or any of the following:

- (a) The requirement of the Company, specifically in terms of the skill sets required, the qualification of the persons being considered and the long term and short term goals of the Company;
- (b) Interests of the shareholders and the financial and commercial health of the Company;
- (c) Individual performance of the persons being considered;
- (d) Performance of the Company;
- (e) remuneration packages offered by companies of comparable size in the same business as the Company;
- (f) other relevant factors it deems necessary.

5.3 Maximum Threshold: Except as otherwise provided under the Companies Act or with the prior approval of the Central Government, the total managerial remuneration payable by the Company, to its Directors (including Managing Director and Whole-time Director) and its Manager in respect of a financial year shall not exceed 11% (eleven per cent) of the net profits of the Company in the relevant financial year, computed in the manner prescribed under the Companies Act. Further, except with the approval of the Company in General Meeting:

- (a) The remuneration payable to any one Managing Director; or Whole-time Director or Manager shall not exceed 5% of the net profits of the Company and if there is more than one such Directors, remuneration shall not exceed ten per cent. of the net profits to all such Directors and Manager taken together;
- (b) The remuneration payable to Directors who are not Managing Directors nor Whole-time Directors shall not exceed 1% (one per cent) of the net profits of the Company.

5.4 Manner of Payment: Remuneration payable to key Managerial Personnel and Senior Management may be mix of (i) fixed components such as salary, perquisites and allowances and (ii) variable components including commission, based on the individual performance and the performance of the Company, as determined by the board, provided that the remuneration payable to the Directors shall be subject to the prior/post approval of the shareholders of the Company and/or the Central Government, as may be required under the applicable laws.

5.5 Perquisites/allowances: The Company may offer perquisites and allowances such as house rent allowance, leave travel concession, medical reimbursement, club membership, personal accident insurance and such other benefits, facilities and allowances, to Directors, key Managerial Personnel and Senior Management as determined by the Board from time to time.

5.6 Stock Options: The Company may issue stock option to its Directors (other than Independent Directors), Key Managerial Personnel and Senior Management, as it may deem fit.

5.7 Sitting fee: Non-executive Directors of the Company may be entitled to a sitting fee, as determined by the Board or the Company in accordance with the provisions of the Companies

- 5.8 Act. No executive Director shall be entitled to receive a sitting fee for attending Board meeting of the Company. Sitting fee will not be considered as a part of remuneration for determining the aggregate Managerial Remuneration being paid to Directors in accordance with this Policy.
- 5.9 **Remuneration to non-executive Directors:** Non-executive Directors may receive remuneration by way of (i) Sitting fee, (ii) reimbursement of expenses for participation in the Board and other meetings; (iii) profit related commission as may be approved by the shareholders and (iv) in such other manner as may be permitted under applicable law. An Independent Director shall not be entitled to any stock option.
- 5.10 **Fee for professional Services:** It is clarified that, the fee payable to a Director for any professional services rendered by him to the Company shall not be considered as a part of the relevant Director's remuneration. Further, payment of such professional fee shall not require approval of the shareholders, if the Committee is satisfied that the Director possesses the relevant qualifications for practicing the profession. Provided however that in case approval of the shareholders is required pursuant to the related party transactions policy of the Company or under the Companies Act (by virtue of such a transaction being considered as a contract or arrangement for availing any services and/or for appointment of a related party to any office or place of profit in the Company), such approval shall be obtained, in accordance with the provisions of the Companies Act.
- 5.11 **Professional Indemnity:** The Company may take such professional indemnity and liability insurance policy for its Directors, key Managerial Persons and Senior Management, as the Board may deem fit and the premium paid on such insurance shall not to be treated as part of the remuneration payable to any such personnel, except as otherwise provided under the Companies Act.
- 5.12 **Minimum Remuneration:** If an financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- 5.13 **Provisions for excess remuneration:** If any Director draws or receives, directly or indirectly by way or remuneration any such sums in excess of the limits prescribed under the Companies Act or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it, unless permitted by the Central Government.

6. EVALUATION

The Committee shall review the performance of every Director as per the performance evaluation provided in Schedule A of this policy and submit its report to the Board.

7. MISCELLANEOUS PROVISIONS

7.1 Interpretation

(a) Unless the context of this Policy otherwise requires:

- i. words using the singular or plural number also include the plural or singular number, respectively;
- ii. words of any gender are deemed to include the other gender;
- iii. reference to the word “include” shall be construed without limitation;
- iv. the terms “Clause” refers to the specified clause of this Policy;
- v. Reference to any legislation or law or to any provision thereof shall include reference to any such legislation or law as it may, after the date hereof, from time to time, be amended, supplemented, re-enacted, replaced or superseded, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision; and
- vi. The index bold typeface, headings and titles herein are used for convenience of reference only and shall not affect the construction of this Agreement.

7.2 **Applicable laws:** In case the provisions of this Policy are in conflict with the provisions of the applicable law (including provisions of the Companies Act) or provisions of the applicable law or any interpretation thereof are more beneficial than the provisions of this Policy, the provisions of the applicable law and the relevant interpretation thereof shall supersede the provisions of this Policy and the Company shall be entitled to act in accordance with such provisions of the applicable laws and any interpretation thereof. All actions taken by the Company in accordance with such applicable laws shall be deemed to be in consonance with the Policy.

Schedule A

Performance evaluation of Directors

Part A: Common for all Directors

Assessment of the following roles/attributes as performed by or observed in the Director whose performance is under evaluation:

Sr. No	Role / Attribute	Remarks (Y/N)
1	Attendance and participation in meetings of the Board of Directors and of the Board committees.	
2	Devoted sufficient time and attention to professional obligations for informed and balanced decision making	
3	Advising in implementation of good Corporate Governance practices	
4	Independent in judgment and actions	
5	Exercised his duties with due and reasonable care, skill and diligence	
6	Acted in good faith and in the best interests of the Company towards promotion of interest of the stakeholders.	
7	Not engaging in conduct which may not be in the interests of the Company	
	Overall Performance	

Part B: Applicable for Executive Directors

Accomplishment of following Company goals during the year under review:

Sr.No	Target	Remarks (Y/N)
1	Achievement of EDIDTA	
2	Compliance of applicable laws / statutory obligations in the functioning of the Company	
3	Brand Equity	
4	New initiative / expansion / innovation	
5	Customer satisfaction	
6	Investor relations	
7	Talent retention	
8	Awards & Recognitions	
	Overall Performance	

INDEPENDENT AUDITOR'S REPORT

To the Members of

Ihsedu Agrochem Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **IHSEDU AGROCHEM PRIVATE LIMITED**, which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and

- g) operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has discussed the impact of pending litigations on its financial position – Refer Note 35 to the Financial Statements
 - ii. Since company did not have any long term contracts including of derivatives, there are no material foreseeable losses on account of such contracts – Refer Note 40 to the Financial Statements.
 - iii. There was no amount which required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 41 to the Financial Statements.
 - iv. The Company has provided requisite disclosure in the financial statements as to holding as well as dealing in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016 – Refer Note 42 to the Financial Statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

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

Place: Mumbai
Date: May 03, 2017

Annexure A to the Independent Auditor's report of even date on the Standalone Financial Statements **Ihsedu Agrochem Private Limited**.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ihsedu Agrochem Private Limited**. ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

The Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

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

Place: Mumbai
Date: May 03, 2017

ANNEXURE B TO THE AUDITORS' REPORT

Referred to in paragraph 2 of our report of even date on the financial statements for the year ended March 31, 2017 of **Ihsedu Agrochem Private Limited** and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we state that:

- (i)
 - (a) The Company has generally maintained proper books and records showing full particulars, including quantitative details and situations of fixed assets
 - (b) The Company has a regular program 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 business. According to information and explanations given to us, no material discrepancies were noticed on such verification;
 - (c) The title deeds of immovable properties of the company are held in the name of the company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management. There is no material discrepancy noticed by management during the year. The discrepancies noticed have been dealt with in the books of account appropriately;
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register of maintained under Section 189 of the Companies Act 2013.
- (iv) Since there are no investments made or loan granted or guarantees given by the company, compliance with the provisions of Section 185 and 186 of the Companies Act, 2013 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) According to the information and explanation given to us, the Central Government vide Companies (Cost records and audit) Rules, 2014 prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. The company has maintained the cost records and accounts as required by the Companies (Cost records and audit) Rules, 2014.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanation given to us and according to the records of the Company as examined by us, undisputed statutory dues including, income tax,

custom duty, excise duty, service tax, cess and other statutory dues have been regularly deposited during the year with the appropriate authorities. No undisputed amounts payable were outstanding as at March 31, 2017 for a period of more than six months from the date on which they become payable.

- (b) According to the information and explanation given to us and based on the records of the Company examined by us, dues of income tax, VAT and other statutory dues outstanding as on March 31, 2017 which have not been deposited on account of any dispute are tabulated below:-

Name of Statute	Nature of Dues	Amount	Period to which it relates (Financial Year)	Forum where pending
Income Tax Act, 1961	Income Tax	4,303,116	2012-13	CIT (Appeals)
		1,197,482	2013-14	CIT (Appeals)
Gujarat VAT, 2003	VAT	3,025,945	2007-08	Gujarat Value Added Tax Tribunal
		1,294,025	2009-10	
		11,271,236	2010-11	
		1,192,330	2011-12	

- (viii) According to the information and explanations given to us, and based on the verification of records of the company, the company has not defaulted in repayment of loans or other borrowings from financial institutions, banks, Government or due to debenture holders.
- (ix) According to the information and explanations provided to us and as per the records of the company examined by us, company has not raised funds by way of public issue/ follow-on offer (including debt instruments) and term loans.
- (x) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported, during the year.
- (xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- (xii) In our opinion and according to information and explanations given to us, Company is not a Nidhi Company.

- (xiii) All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details of the same have been disclosed in the Financial Statements in Note 33 as required by the accounting standards and Companies Act, 2013.
- (xiv) During the year under review the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures.
- (xv) During the year under review, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For T. P. Ostwal & Associates LLP
Chartered Accountants
(Registration No. 124444W/W100150)

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

Place: Mumbai
Date: May 03, 2017

Ihsedu Agrochem Private Limited

BALANCE SHEET AS AT MARCH 31, 2017

(Amount in `)

Particulars	Note No.	March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	732,35,700	732,35,700
Reserves and Surplus	2	5801,27,437	5129,85,106
Non-Current Liabilities			
Long-Term Borrowings	3	-	150,00,000
Deferred Tax Liabilities (net)	4	1102,63,170	1011,23,596
Current Liabilities			
Short-Term Borrowings	5	23485,03,379	16645,98,680
Trade Payables	6		
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
(ii) Total Outstanding Dues of Creditors other than micro Enterprises and Small Enterprises		1541,85,963	2336,46,633
Other Current Liabilities	7	875,86,771	1590,88,719
Short-Term Provisions	8	130,95,485	205,22,637
TOTAL		33669,97,906	27802,01,071
ASSETS			
Non-current assets			
Fixed assets			
Tangible Assets	9	5644,45,841	5678,59,779
Capital Work-in-Progress		16,40,642	-
Non Current Investments	10	6,000	6,000
Long-Term Loans and Advances	11	51,43,404	246,61,556
Other Non-Current Assets	12	26,000	4,50,500
Current assets			
Inventories	13	13299,53,440	8386,11,677
Trade Receivables	14	10521,71,451	8527,79,092
Cash and Bank Balances	15	81,10,711	1062,90,510
Short-Term Loans and Advances	16	3188,97,524	2954,36,431
Other Current Assets	17	866,02,893	941,05,525
TOTAL		33669,97,906	27802,01,071
Significant Accounting Policies			
Notes on Financial Statements	1 to 44		

As per our Report of even date

For **T.P. Ostwal & Associates LLP**
Chartered Accountants
(Registration No: 124444W/W100150)

For and on behalf of the Board of Directors

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

Abhay V. Udeshi
Chairman
(DIN No.00355598)

Jayraj G. Udeshi
Director
(DIN No.00529205)

Place: Mumbai
Date: May 03, 2017

Francois Guillemet
Director
(DIN No.07655787)

Krunal G. Veni
Company Secretary

Ihsedu Agrochem Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Amount in `)

Particulars	Note No.	March 31, 2017	March 31, 2016
INCOME:			
Revenue from Operations	18	114623,87,749	87482,76,714
Other Income	19	56,46,743	108,75,382
Total Revenue		114680,34,492	87591,52,096
EXPENDITURE:			
Cost of Materials Consumed	20	75229,16,247	64223,29,432
Purchases of Stock-in-Trade		30453,52,391	12455,53,303
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	21	(3012,40,030)	546,27,286
Employee Benefits Expense	22	963,86,373	869,85,286
Finance Costs	23	1930,90,901	1645,22,254
Depreciation and Amortization Expense	9	287,24,988	284,82,899
Other Expenses	24	7076,07,931	6985,37,712
Total Expenses		112928,38,800	87010,38,172
Profit Before Tax		1751,95,692	581,13,924
Less: Tax Expenses			
Current Tax		560,00,000	121,15,000
Deferred Tax		91,39,575	174,21,066
Add: MAT Credit Entitlement		-	65,33,608
Profit After Tax		1100,56,117	351,11,466
Add: Mat Credit Entitlement of earlier years		11,51,871	-
Profit for the Year		1112,07,988	351,11,466
Earnings per Equity Share of Face Value of ` 10/- Each			
Basic and Diluted EPS (in `)		15.03	4.79

Significant Accounting Policies

Notes on Financial Statements

1 to 44

As per our Report of even date

For **T.P. Ostwal & Associates LLP**

Chartered Accountants

(Registration No: 124444W/W100150)

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

T. P. Ostwal

(Partner)

Membership No:30848

Abhay V. Udeshi

Chairman

(DIN No.00355598)

Jayraj G. Udeshi

Director

(DIN No.00529205)

Place: Mumbai

Date: May 03, 2017

Francois Guillemet

Director

(DIN No.07655787)

Krunal G. Veni

Company Secretary

Ihsedu Agrochem Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	1751,95,692	581,13,924
Adjustments for :-		
Depreciation & Amortization	287,24,988	284,82,899
Loss/(Profit) on Sale of Assets	65,240	(1,19,253)
Interest Received	(18,32,206)	(23,42,209)
Forward Contract Loss/(Gain)	(227,50,256)	(235,68,947)
Short/(Excess) Provision Written Back	-	(8,850)
Interest Paid	1930,90,901	1645,22,254
Operating Profit before Working Capital Changes	3724,94,359	2250,79,818
Adjusted for :-		
(Increase)/Decrease In Inventories	(4913,41,763)	(3799,04,587)
(Increase)/Decrease In Trade Receivables	(1993,92,359)	(2502,09,982)
(Increase)/Decrease In Short Term Loans & Advances	(234,61,093)	(870,70,413)
(Increase)/Decrease In Long Term Loans & Advances	(1,78,145)	118,36,436
(Increase)/Decrease In Other Current Assets	75,02,633	159,26,468
(Increase)/Decrease In Other Non Current Assets	4,24,500	(3,00,000)
Increase/(Decrease) In Trade Payables	(794,60,670)	33,79,606
Increase/(Decrease) In Long Term & Short Term Provisions	(74,27,152)	50,16,854
Increase/(Decrease) In Other Long Term Liabilities	-	(3,06,152)
Increase/(Decrease) In Other Current Liabilities	(715,01,948)	974,76,893
Cash Generated from Operation	(8648,35,998)	(5841,54,877)
Less: Taxes Paid	(351,51,831)	(89,29,522)
Net Cash from Operating Activities	(8999,87,829)	(5930,84,399)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(278,04,344)	(93,83,789)
Sale of Fixed Assets	7,87,413	5,74,500
Interest Received	18,32,206	23,42,209
Net Cash from /(used in) Investing Activities	(251,84,725)	(64,67,080)
C Cash Flow from Financing Activities		
Borrowings	6689,04,700	5872,36,069
Dividend Paid	(177,10,000)	-
Tax on Distributed Profits	(36,05,402)	-
Wealth Tax Paid	-	(61,150)
Interest Paid	(1930,90,901)	(1645,22,254)
Net Cash from/(used in) Financing Activities	4544,98,397	4226,52,666
Net Increase/(Decrease) in Cash Equivalents	(981,79,799)	481,81,005
Cash & Cash equivalent		
At the beginning of the year	1062,90,510	581,09,505
At the end of the year	81,10,711	1062,90,510

As per our report of even date

For T.P. Ostwal & Associates LLP
Chartered Accountants
(Registration No: 124444W/W100150)

For and on behalf of the Board of Directors

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

Abhay V. Udeshi
Chairman
(DIN No.00355598)

Jayraj G. Udeshi
Director
(DIN No.00529205)

Place: Mumbai
Date:May 03, 2017

Francois Guillemet
Director
(DIN No.07655787)

Krunal G. Veni
Company Secretary

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 1: Share Capital

(a) Authorised/Issued/Subscribed and Paid Up

Particulars	March 31, 2017		March 31, 2016	
	Number		Number	
Authorised				
Equity Shares of ` 10/- each	75,00,000	750,00,000	75,00,000	750,00,000
Equity Shares Class A of ` 10/- each	25,00,000	250,00,000	25,00,000	250,00,000
	100,00,000	1000,00,000	100,00,000	1000,00,000
Issued, Subscribed and Paid up				
Equity Shares of ` 10/- each fully paid up	55,00,000	550,00,000	55,00,000	550,00,000
Equity Shares Class A of ` 10/- each	18,23,570	182,35,700	18,23,570	182,35,700
	73,23,570	732,35,700	73,23,570	732,35,700

(b) Reconciliation of outstanding number of shares

(b.1) Reconciliation of outstanding number of equity shares

Particulars	March 31, 2017		March 31, 2016	
	Number		Number	
Shares outstanding at the beginning of the year	73,23,570	732,35,700	73,23,570	732,35,700
Shares outstanding at the end of the year	73,23,570	732,35,700	73,23,570	732,35,700

(b.2) Reconciliation of outstanding number of Class A equity shares

Particulars	March 31, 2017		March 31, 2016	
	Number		Number	
Shares outstanding at the beginning of the year	18,23,570	182,35,700	18,23,570	182,35,700
Shares outstanding at the end of the year	18,23,570	182,35,700	18,23,570	182,35,700

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 1: Share Capital (continued...)

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

(c.1) Details of shareholders holding more than 5 % equity shares

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayant Agro-Organics Limited and its nominees.	55,00,000	75.10%	55,00,000	75.10%

(c.2) Details of shareholders holding more than 5 % Class A equity shares

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Arkema Asie SAS	18,23,570	24.90%	18,23,570	24.90%

(d) Rights, preferences and restrictions attached to equity shares

The Company has two classes of equity shares viz Equity Shares and Class A Equity Shares each having a face value of ₹10/- per share. Both classes of shares carry one vote per share held and have equal right to receive dividend except as follows:

Equity shares vide Article 209 of Articles of Association ("Articles") carry in addition to other rights voting rights on the dealings pertaining to the Land as defined in the Article 2 of Articles ("Land") of the Company such as transfer, sale, creation of encumbrance, lease, grant of third party rights, grant of right to use, any construction or alteration to the Land, any changes or work done on the Land. They are also entitled to receive dividend declared out of and is attributable to the proceeds of sale or lease or license of the Land held by the company. In case of winding up/liquidation such shares shall have full right on the proceeds realized from the sale or disposal of Land held by the Company.

Class A Equity Shares do not carry any voting rights on the dealings pertaining to the Land of the Company: transfer, sale, creation of encumbrance, lease, grant of third party rights, grant of right to use, any construction or alteration to the Land, any changes or work done on the Land, and are not be entitled to receive any dividend on such shares which is declared out of and is attributable to the proceeds of sale or lease or license of the Land held by the company. In case of winding up/liquidation such shares shall not have any right on the proceeds realized from the sale or disposal of Land held by the Company.

(e) Equity Shares held by Holding Company

Particulars	March 31, 2017	March 31, 2016
Holding Company		
55,00,000 (P.Y. 55,00,000) equity shares are held by Jayant Agro-Organics Limited and its nominees.	55,00,000	55,00,000

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 2: Reserves and Surplus

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
General Reserve		
Balance at the beginning of the year	190,24,395	190,24,395
Add: Transfer from Surplus in Statement of Profit and Loss	-	-
Balance at the end of the year	(a) 190,24,395	190,24,395
Foreign Currency Fluctuation Reserve		
Balance at the beginning of the year	437,56,122	66,50,039
Add/ (Less):during the year	(227,50,256)	371,06,083
Balance at the end of the year	(b) 210,05,866	437,56,122
Securities Premium Account		
Balance at the beginning of the year	2791,70,331	2791,70,331
Add: During the year	-	-
Balance at the end of the year	(c) 2791,70,331	2791,70,331
Surplus		
Balance at the beginning of the year	1710,34,258	1359,22,792
Add: Net Profit for the current year	1112,07,988	351,11,466
Less: Interim Dividend	177,10,000	-
Dividend Distribution Tax	36,05,402	-
Balance at the end of the year	(d) 2609,26,845	1710,34,258
Total (a+b+c+d)	5801,27,437	5129,85,106

Note 3: Long Term Borrowings

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Term loans - Secured		
From a Bank #	-	150,00,000
	-	150,00,000

(3.1) Term loans from a bank are secured by exclusive charge on land and building, factory premises (present and future), hypothecation of plant and machinery and fixed assets of the company including Capital Work-in-Progress.

Corporate Guarantee of Holding Company and personal guarantee given by 3 directors.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 4: Deferred Taxation

Deferred Tax Working as per Accounting Standard 22

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Opening Deferred Tax Liability	1011,23,596	837,02,530
Add: Deferred Tax Liability		
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts	68,60,463	113,27,741
Expenses allowable on actual payment basis	27,59,551	-
Reversal of asset on account of business loss	-	81,13,235
Total (a)	1107,43,610	1031,43,506
Less: Deferred Tax Asset		
Expenses allowable on actual payment basis	4,80,440	20,19,910
Total (b)	4,80,440	20,19,910
Deferred Tax Liability (Net)	Total (a-b)	1102,63,170

Note 5: Short Term Borrowings

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Secured		
From banks*	23019,72,739	16145,98,680
Unsecured		
From a bank	465,30,640	500,00,000
	23485,03,379	16645,98,680

* Working capital loans from banks are secured by first *pari passu* hypothecation charge on entire current assets present and future. They are collaterally secured by equitable mortgage of land, buildings, factory premises of Company and corporate guarantee of Holding Company and personal guarantee by 3 directors.

Note 6: Trade Payables

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	1541,85,963	2336,46,633
	1541,85,963	2336,46,633

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 7: Other Current Liabilities

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Interest Accrued and Due on Borrowings	12,48,629	5,27,928
Current Maturities of Long-Term Debt	150,00,000	300,00,000
Advances from Customers	58,41,066	68,54,929
Security Deposit	130,00,000	130,00,000
Statutory Dues	44,90,472	25,69,060
Other Payable	5,03,011	2,06,181
Bank Accounts Overdrawn	475,03,593	1059,30,621
	875,86,771	1590,88,719

Note 8: Short Term Provisions

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Provision for Employee Benefits		
Bonus	37,10,107	33,97,692
Compensated Absences	47,90,853	133,61,067
Gratuity	45,94,525	37,63,878
	130,95,485	205,22,637

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 9: Fixed Assets

(Amount in `)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2016	Additions/ Adjustments during the year	Deductions/ Adjustments during the year	As at March 31, 2017	As at April 1, 2016	For the year	Deductions/ Adjustments during the year	Upto March 31, 2017	As at March 31, 2017	As at March 31, 2016
Tangible assets										
Freehold land	269,70,735	-	-	269,70,735	-	-	-	-	269,70,735	269,70,735
Buildings	1287,65,003	15,53,112	-	1303,18,115	316,22,509	57,45,025	-	373,67,534	929,50,580	971,42,493
Plant and machinery	6542,83,378	175,12,211	-	6717,95,589	2219,70,458	199,28,940	-	2418,99,398	4298,96,191	4323,12,920
Office Equipment	49,27,842	4,39,553	-	53,67,395	35,20,645	3,63,564	-	38,84,209	14,83,185	14,07,196
Computers	21,13,257	1,69,273	-	22,82,530	16,78,767	2,35,018	-	19,13,785	3,68,745	4,34,490
Furniture and fittings	52,95,816	7,48,140	-	60,43,956	36,00,287	6,32,294	-	42,32,581	18,11,375	16,95,529
Vehicles	153,96,855	57,41,413	40,30,828	171,07,440	75,00,440	18,20,147	31,78,175	61,42,411	109,65,029	78,96,415
Total	8377,52,886	261,63,702	40,30,828	8598,85,760	2698,93,107	287,24,988	31,78,175	2954,39,919	5644,45,841	5678,59,779
Previous Year	8171,67,716	229,05,270	23,20,100	8377,52,886	2432,75,060	284,82,899	18,64,853	2698,93,106	5678,59,779	
Capital work-in-progress									16,40,642	-

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 10: Non Current Investments

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Other Investments (At Cost)		
National Saving Certificate	6,000	6,000
	6,000	6,000

Note 11: Long Term Loans and Advances

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Unsecured and Considered Good		
Security Deposits	2,44,765	2,19,765
(a)	2,44,765	2,19,765
Other Loans and Advances		
Loan to Employees	13,44,833	11,91,688
Advance Income Tax	11,94,139	41,46,599
MAT Credit Entitlement	23,59,667	191,03,504
(b)	48,98,639	244,41,791
Total (a+b)	51,43,404	246,61,556

Note 12: Other Non-Current Assets

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Other Bank Balances		
Margin Money with Bank	-	4,50,500
Fixed Deposit with Bank	26,000	-
	26,000	4,50,500

Note 13: Inventories

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Raw Materials, Chemicals and Packing Materials	6703,26,980	4767,57,900
Finished Goods	2589,29,519	3454,10,727
Traded Goods	3877,21,238	-
Stores and Spares	129,75,703	164,43,050
(For mode and method of valuation refer point F of Note 26)		
	13299,53,440	8386,11,677

Productwise Description of Finished and Traded Goods

Finished Goods		
Castor Oil	2357,45,234	3273,14,186
By-Products	231,84,285	180,96,541
Traded Goods		
Castor Oil	3805,61,678	-
Hybrid Seed	71,59,560	-
	6466,50,757	3454,10,727

Note 14: Trade Receivables

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Unsecured and Considered Good		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	10521,71,451	8527,79,092
	10521,71,451	8527,79,092

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 15: Cash and Bank Balances

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Cash and Cash Equivalents		
Cash on hand	1,14,043	1,27,088
Balance with Banks		
- in Current Accounts	66,96,668	1049,69,822
Other Bank Balances		
Fixed Deposit with Bank	13,00,000	11,93,600
	81,10,711	1062,90,510

Note 16: Short Term Loans and Advances

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Others - Unsecured, considered good		
VAT and Other Taxes Recoverable	3183,11,880	2949,10,486
Loan to Employees	5,85,644	5,25,945
	3188,97,524	2954,36,431

Note 17: Other Current Assets

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Export Incentive Receivable	214,82,038	193,68,716
Mark to Market Gain on Forward Contracts	591,88,416	710,43,961
Prepaid Expenses	8,95,965	10,10,005
Accrued Interest on Fixed Deposit	11,219	-
Advance to Creditors	50,25,254	26,82,843
	866,02,893	941,05,525

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 18: Revenue from Operations

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Sale of Products		
Finished Goods	112143,68,565	86093,72,237
Less: Excise Duty	107,55,243	96,58,815
	112036,13,322	85997,13,422
Income from Services	1376,47,988	1410,27,112
Power Generation Income	63,83,087	89,76,806
Other Operating Income		
Foreign Exchange Gain/(Loss)	1147,43,351	(14,40,626)
	114623,87,749	87482,76,714

18.1 Details of Products Sold

Castor Oil	106060,61,220	77179,91,783
By-Products	5955,64,333	8777,15,029
Hybrid Seeds	19,87,770	40,06,610
	112036,13,322	85997,13,422

18.2 Details of Manufactured and Traded Goods

Manufactured Goods	80335,67,056	72799,23,227
Traded Goods	31700,46,266	13197,90,195
	112036,13,322	85997,13,422

Note 19: Other Income

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Gain on Foreign Exchange Fluctuation	-	43,59,316
Interest Income	18,32,206	23,42,209
Miscellaneous Receipts	38,14,537	40,54,604
Profit on Sale of Fixed Assets	-	1,19,253
	56,46,743	108,75,382

Note 20: Cost of Raw Materials Consumed

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Raw Material	74554,83,716	63567,15,494
Chemicals	674,32,531	656,13,938
	75229,16,247	64223,29,432

20.1 Principle Raw material

Castor Seed	62833,06,605	63567,15,494
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Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 21: Changes in inventories of finished goods, work-in-process and stock-in-trade

	(Amount in `)	
Increase/(Decrease) in Stock	March 31, 2017	March 31, 2016
Opening Stock		
Finished Goods	3454,10,727	3870,37,630
Traded Goods	-	130,00,383
	3454,10,727	4000,38,013
Closing Stock		
Finished Goods	2589,29,519	3454,10,727
Traded Goods	3877,21,238	-
	6466,50,757	3454,10,727
Increase/(Decrease) in Stock	3012,40,030	(546,27,286)

21.1 Major components of Finished and Traded Goods

Opening Stock		
Castor Oil	3273,14,186	3796,47,618
Hybrid Seed	-	5,89,657
By-Products	180,96,541	198,00,738
	3454,10,727	4000,38,013
Closing Stock		
Castor Oil	6163,06,912	3273,14,186
Hybrid Seed	71,59,560	-
By-Products	231,84,285	180,96,541
	6466,50,757	3454,10,727

Note 22: Employee Benefits Expense

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Salaries and Incentives	871,69,969	752,09,753
Contributions to Provident Fund and Other Funds	76,79,186	105,41,331
Staff Welfare Expenses	15,37,218	12,34,202
	963,86,373	869,85,286

Note 23: Finance Costs

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Interest Expense		
Banks	1859,61,929	1561,98,426
Others	3,772	1,827
Other Borrowing Cost		
Processing Fees	71,25,200	83,22,000
	1930,90,901	1645,22,254

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 24: Other Expenses

	(Amount in `)	
Particulars	March 31, 2017	March 31, 2016
Consumption of Stores and Spares	251,48,535	258,67,185
Consumption of Packing Materials	703,16,367	749,98,972
Power and Fuel	997,30,160	981,55,121
Rent, Rates and Taxes	143,79,820	137,39,692
Repairs & Maintenance		
Building	21,00,711	12,50,386
Machinery	140,10,674	138,79,120
Others	48,37,164	47,52,753
Insurance	57,71,357	44,73,421
Freight, coolie and cartage	3567,17,993	3664,25,767
Corporate Social Responsibility Expenditure (Refer Note No. 36)	6,02,082	11,60,538
Storage Charges	378,12,910	378,95,176
Brokerage on Sales	62,20,911	47,19,012
Brokerage on Purchases	76,80,946	54,38,573
Loss on Sale of Fixed Asset	65,240	-
Loss on Foreign Exchange Fluctuation	105,50,940	-
Other operating expenses	488,00,096	431,14,922
Auditors Remuneration		
Statutory Audit Fees	10,35,000	10,30,500
Tax Audit Fees	1,72,500	1,71,750
Transfer Pricing Audit Fees	-	1,31,100
Income Tax Matters	14,37,500	9,64,824
Others	2,17,025	3,68,900
	7076,07,931	6985,37,712

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 25: Corporate Information

Ihsedu Agrochem Private Limited was incorporated on February 4, 2000 having CIN U11200MH2000PTC124048 and is subsidiary of Jayant Agro-Organics Limited. Company is mainly engaged in manufacturing and trading of various grades of castor oil.

Note 26: Significant Accounting Policies

A Basis of Accounting

The financial statements are prepared to comply in all material respects with the mandatory Accounting Standards under section 133 of the Companies Act, 2013, as applicable. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India.

B Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and the results of operations during the period. Although these estimates are based upon management's best knowledge of current events, plans and actions, actual results could differ from these estimates. Any revision to accounting estimates and assumptions are recognized prospectively.

C Fixed Assets

Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Cost comprises the purchase price and any attributable / allocated cost of bringing the asset to its working condition for its intended use. The cost also includes direct costs and other related incidental expenses. Pre-operative expenses including trial run expenses (net of revenue) are capitalized.

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

Capital work in progress is stated at cost less impairment losses, if any. Cost comprises of expenditure incurred in respect of capital projects under development and includes any attributable / allocable cost and other incidental expenses. Revenue earned, if any, before capitalisation from such capital projects are adjusted against the capital work in progress.

Borrowing costs relating to acquisition/ construction/ development of tangible assets, intangible assets and capital work in progress which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

D Borrowing Costs

Borrowing costs that are directly attributable to the acquisition of qualifying asset or for long - term project development are capitalised as part of their costs. Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the asset for their intended use are in progress. Other borrowing costs are recognized as an expense, in the period in which they are incurred.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

E Depreciation

i) Tangible Assets:

Depreciation on assets is provided from the date asset is put to use on straight line method as per the useful life of the assets estimated by the management or at the rates prescribed under Schedule II of the Companies Act, 2013.

Depreciation method, useful life and residual value are reviewed periodically.

Assets of ₹ 5,000/- or less are fully depreciated in the year of purchase.

Life of certain items of plant and equipments varies from 26 to 40 years as the case may be, building (road) is taken as 10 years.

ii) Intangible Assets:

Intangible Asset is amortised using straight line method over the estimated useful life, not exceeding 5 years. Amortisation method, useful life and residual value are reviewed periodically.

F Valuation of Inventories

Inventories are valued at lower of cost and net realizable value except by-products which are valued at net realizable value.

Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.

Cost of inventories of raw material, material cost of finished goods as well as work-in-process, Chemicals, Packing Materials, stores and spare parts are valued at weighted average cost.

G Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized when goods are supplied. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/value added tax and excise duty.

Revenue from services is recognised pro-rata over the period of the contract as and when services are rendered.

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

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

H Accounting of Claims

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.

Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.

Export incentive and duty drawback claims are accounted on accrual basis.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

I Foreign Currency Transactions

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

Hedge Reserve : In order to recognize the impact of fluctuation in foreign currency rates arising out of derivative instruments acquired to hedge receivables as well as highly probable forecast transactions in appropriate accounting periods, the Company applies the principles of recognition set out in the GN (A) 33 (issued 2015) - Guidance Note on Derivative Contracts by the Institute of Chartered Accountants of India.

Accordingly, the net unrealized gain/(loss) consequent to foreign currency fluctuations on such hedging instruments to hedge future exports are carried as a Hedging Reserve and ultimately set off in the statement of Profit and Loss when the underlying transaction arises.

The net unrealised gain/(loss) consequent to foreign currency fluctuations on such hedging instruments to hedge receivables are accounted in the profit and loss account at the year end date.

J Sundry Debtors

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

K Impairment of Assets

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

L Employee Benefits

Defined Contribution Plan

Retirement benefits in the form of contribution to provident fund and pension fund are charged to statement of profit and loss.

Entitlements to annual leave and sick leave are recognized when they accrue to the employees. Sick leave can only be availed and 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.

Defined Benefit Plan

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services. Company has taken a policy from Life Insurance Corporation of India ("LIC") to meet its gratuity obligations and contributes annual premium to the fund maintained by LIC. Company has made appropriate provision for payment of gratuity to those employees which are not covered under the gratuity scheme so managed by LIC.

M Taxes on Income

Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the year after availing exemptions and deductions at the rates applicable under the Income Tax Act, 1961.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Deferred Taxation

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

Minimum Alternative Tax (MAT)

Minimum Alternative Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will be able to utilize the MAT Credit Entitlement within the period specified under the Income Tax Act, 1961.

N Earnings Per Share (EPS)

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

P Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources. A contingent liability also arises in rare cases where there is a probable liability that cannot be recognized because it cannot be measured reliably.

Where there is a possible obligation or a present obligation such that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Contingent assets are not recognized in the financial statements as this may result in the recognition of income that may never be realised.

Q Proposed Dividend

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

R Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank including fixed deposits and cheques in hand. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

S Current / Non-Current Classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities

T Leases

Where the Company is the Lessee

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognized as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Where the Company is the Lessor

Assets representing lease arrangements given under operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on straight line basis over the lease term, unless there is another systematic basis which is more representative of the time pattern of the lease.

Initial direct costs related to lease contracts are recognized immediately in the statement of profit and loss.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 27: Expenditure In Foreign Currency

(Amount in `)		
Particulars	March 31, 2017	March 31, 2016
Brokerage and Commission	36,46,298	27,96,811
Insurance Expense on Export Sales	4,34,361	4,51,880
Selling and Distribution Expenses	13,37,936	107,25,722
Licence and Subscription Fees	2,02,615	98,113
Legal and Professional Fees	9,30,751	-
Ocean Freight	945,22,968	929,07,080
	1010,74,929	1069,79,606

Note 28: Value of Imports on C.I.F. Basis

(Amount in `)		
Particulars	March 31, 2017	March 31, 2016
Packing Material	111,44,810	54,98,711
Castor Oil	342,35,938	-
	453,80,748	54,98,711

Note 29: Earning in Foreign Currency

(Amount in `)		
Particulars	March 31, 2017	March 31, 2016
FOB Value of Export	92955,53,595	76788,71,614
	92955,53,595	76788,71,614

Note 30: Break up of Consumption

Particulars	March 31, 2017		March 31, 2016	
	%	Value `	%	Value `
Raw Material and Chemicals				
Indigenous	100.00	75229,16,247	100.00	64223,29,432
Import	-	-	-	-
Total	100.00	75229,16,247	100.00	64223,29,432

Stores and Spares

Indigenous	100.00	251,48,535	100	258,67,185
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Note 31: Earning Per Share

Particulars	March 31, 2017	March 31, 2016
Net Profit Available for Equity Shareholders (in ₹)	1112,07,988	351,11,466
Number of Shares	73,23,570	73,23,570
Basic and Diluted Earning Per Share (in `)	15.18	4.79
Face Value Per Equity Share (in `)	10	10

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 32: Employee Benefit Expense

The Company has recognised, in the Statement of Profit and Loss the following amount as contribution made under defined contribution plans.

	(Amount in `)	
Benefit (Contribution to)	March 31, 2017	March 31, 2016
Provident Fund	53,85,946	51,13,122

The Company's contributions paid / payable during the year towards provident fund and superannuation fund are charged in the Statement of Profit and Loss every year. Superannuation fund is recognised by the Income-tax authorities and administered by various trustees.

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of the five years of continuous service and once vested is payable to employee on retirement or on termination of employment. The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Reconciliation of opening and closing balances of Defined Benefit Obligation

	(Amount in `)	
	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Defined Benefit Obligation at beginning of year	93,95,034	87,44,102
Current Service Cost	9,08,111	9,93,060
Interest Cost	7,51,603	6,99,528
Actuarial (Gain)/Loss	21,189	(65,927)
Benefits Paid	(1,47,808)	(9,75,729)
Defined Benefit Obligation at year end	109,28,129	93,95,034

Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Fair Value of Plan Assets at beginning of year	94,15,891	73,12,843
Expected Return on Plan Assets	8,20,267	7,07,532
Employer Contribution	13,13,685	18,23,548
Benefits Paid	(1,47,808)	(4,28,032)
Fair Value of Plan Assets at year end	114,02,035	94,15,891

Reconciliation of fair value of Plan Assets and Obligations

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Fair Value of Plan Assets	109,28,129	93,95,034
Present Value of Obligation	114,02,035	94,15,891
Amount recognised in Balance Sheet	(4,73,906)	(20,857)

Expenses recognised during the year

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Current Service Cost	9,08,111	9,93,060
Interest Cost	7,51,603	6,99,528
Expected Return on Plan Assets	(8,20,267)	7,07,532
Actuarial (Gain) / Loss	21,189	(65,927)

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 32: Employee Benefit Expense

The Company has recognised, in the Statement of Profit and Loss the following amount as contribution made under defined contribution plans.

	(Amount in `)	
Benefit (Contribution to)	March 31, 2017	March 31, 2016
Provident Fund	53,85,946	51,13,122

The Company's contributions paid / payable during the year towards provident fund and superannuation fund are charged in the Statement of Profit and Loss every year. Superannuation fund is recognised by the Income-tax authorities and administered by various trustees.

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of the five years of continuous service and once vested is payable to employee on retirement or on termination of employment. The Company makes annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Reconciliation of opening and closing balances of Defined Benefit Obligation

	(Amount in `)	
	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Defined Benefit Obligation at beginning of year	93,95,034	87,44,102
Current Service Cost	9,08,111	9,93,060
Interest Cost	7,51,603	6,99,528
Actuarial (Gain)/Loss	21,189	(65,927)
Benefits Paid	(1,47,808)	(9,75,729)
Defined Benefit Obligation at year end	109,28,129	93,95,034

Reconciliation of opening and closing balances of fair value of Plan Assets

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Fair Value of Plan Assets at beginning of year	94,15,891	73,12,843
Expected Return on Plan Assets	8,20,267	7,07,532
Employer Contribution	13,13,685	18,23,548
Benefits Paid	(1,47,808)	(4,28,032)
Fair Value of Plan Assets at year end	114,02,035	94,15,891

Reconciliation of fair value of Plan Assets and Obligations

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Fair Value of Plan Assets	109,28,129	93,95,034
Present Value of Obligation	114,02,035	94,15,891
Amount recognised in Balance Sheet	(4,73,906)	(20,857)

Expenses recognised during the year

	Gratuity (Funded)	
Particulars	March 31, 2017	March 31, 2016
Current Service Cost	9,08,111	9,93,060
Interest Cost	7,51,603	6,99,528
Expected Return on Plan Assets	(8,20,267)	7,07,532
Actuarial (Gain) / Loss	21,189	(65,927)

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 32: Employee Benefit Expense (continued...)

Details of the funded post retirement gratuity plan which is a defined benefit plan are given below, which is certified by the actuary and relied upon by the auditors:

Assumptions and definitions:

Particulars	March 31, 2017	March 31, 2016
Discounting rate	8.00%	8.00%
Rate of increase in compensation level	5.00%	5.00%
Attrition rate	1 - 3%	1 - 3%
Retirement age	62	62
Mortality table	Indian assured lives mortality (2006-08) Ultimate	

Note 33: 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. Ultimate Holding Company

Jayant Finvest Limited

ii. Holding Company

Jayant Agro-Organics Limited

iii. Fellow Subsidiary

Ihsedu Coreagri Services Private Limited

Ihsedu Itoh Green Chemicals Marketing Private Limited

iv. Associates

Arkema Asie SAS

Arkema France

Casda Biomaterials Co. Limited

Vithal Castor Polyols Private Limited

v. Entities controlled by directors/relatives

Udeshi Trust

Gokulmani Agricom Limited

Enlite Chemical Industries Limited

Gokuldas K. Udeshi Investments

Innovative Micro Systems Private Limited

Akhandanand Engineering & Trading Company

vi. Key Management Personnel

Name	Designation
Abhay V. Udeshi	Chairman
Mulraj G. Udeshi	Wholetime Director
Jayraj G. Udeshi	Wholetime Director
Bharat M. Udeshi	Wholetime Director
Sudhir V. Udeshi	Director
Jean Marc Biragnet	Director (till December 1, 2016)
Francois Guillemet	Director (from December 1, 2016)
Suresh Ramchandran	Nominee Director
Krunal G. Veni	Company Secretary

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 33: Related Party Disclosures: (continued...)

b) Transaction with related parties during the year

(Amount in `)

Particulars	Ultimate holding Company	Holding Company	Fellow Subsidiary	Associates	Controlled by director & relatives	Key Management Personnel
Sale of Goods						
Jayant Agro-Organics Limited	- (-)	1,215,575,805 (304,998,016)	- (-)	- (-)	- (-)	- (-)
Arkema France	- (-)	- (-)	- (-)	3,120,801,881 (2,745,763,336)	- (-)	- (-)
Casda Biomaterials Co. Limited	- (-)	- (-)	- (-)	937,587,043 (446,063,836)	- (-)	- (-)
Vithal Castor Polyols Private Limited	- (-)	- (-)	- (-)	1,568,145 (5,963,423)	- (-)	- (-)
Processing Charges Received						
Jayant Agro-Organics Limited	- (-)	137,647,986 (141,027,113)	- (-)	- (-)	- (-)	- (-)
Purchase of Goods						
Arkema France	- (-)	- (-)	- (-)	34,235,938 (-)	- (-)	- (-)
Jayant Agro-Organics Limited	- (-)	66,172,300 (167,799,347)	- (-)	- (-)	- (-)	- (-)
Remuneration						
Remuneration to Executive Directors	- (-)	- (-)	- (-)	- (-)	- (-)	27,898,936 (12,889,887)
Remuneration to Company Secretary	- (-)	- (-)	- (-)	- (-)	- (-)	825,681 (641,471)
Interest Received						
Arkema France	- (-)	- (-)	- (-)	- (721,345)	- (-)	- (-)
Rent Paid						
Udeshi Trust	- (-)	- (-)	- (-)	- (-)	12,207,214 (11,653,370)	- (-)
Dividend Paid						
Jayant Agro-Organics Limited	- (-)	17,710,000 (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of Expenses						
Jayant Agro-Organics Limited	- (-)	15,759,982 (15,285,782)	- (-)	- (-)	- (-)	- (-)
Balances as at March 31, 2017						
Trade Payable						
Jayant Agro-Organics Limited	- (-)	15,893,305 (-)	- (-)	- (-)	- (-)	- (-)
Trade Receivable						
Vithal Castor Polyols Private Limited	- (-)	- (-)	- (-)	- (1,092,672)	- (-)	- (-)
Arkema France	- (-)	- (-)	- (-)	287,795,644 (262,134,955)	- (-)	- (-)
Casda Biomaterials Co. Limited	- (-)	- (-)	- (-)	319,119,933 (38,767,736)	- (-)	- (-)

Note:

- Figures in bracket represents the amount of previous year.
- All the figures are Net of taxes.

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 34: Foreign Currency Exposure

Particulars	Foreign Currency	Current Year			Previous Year		
		Exchange Rate	Amount in Foreign Currency	Amount in `	Exchange Rate	Amount in Foreign Currency	Amount in `
I. Assets							
Receivables (trade & other)	USD	64.85	157,75,691	10230,53,539	66.24	124,89,804	8273,24,620
Other Monetary assets (e.g. ICDs/ Loans given in FC)		-	-	-	-	-	-
Total Receivables (A)	USD	64.85	157,75,691	10230,53,539	66.24	124,89,804	8273,24,620
Hedges by derivative contracts (B)	USD	64.85	157,75,691	10230,53,539	66.24	124,89,804	8273,24,620
Unhedged receivables (C=A-B)		-	-	-	-	-	-
II. Liabilities							
Payables (trade & other)	USD	64.85	5,51,091	357,38,282	66.24	1,198	79,342
Borrowings (ECB and Others)		-	-	-	-	-	-
Total Payables (D)	USD	64.85	5,51,091	357,38,282	66.24	1,198	79,342
Hedges by derivative contracts (E)		-	-	-	-	-	-
Unhedged Payables (F=D-E)	USD	64.85	5,51,091	357,38,282	66.24	1,198	79,342
III. Contingent Liabilities and Commitments							
Contingent Liabilities		-	-	-	-	-	-
Commitments		-	-	-	-	-	-
Total (G)		-	-	-	-	-	-
Hedges by derivative contracts (H)		-	-	-	-	-	-
Unhedged Payables (I=G-H)		-	-	-	-	-	-
Total unhedged FC Exposures (J=C+F+I)	USD	64.85	5,51,091	357,38,282	66.24	1,198	79,342

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 35: Contingent Liabilities

(Amount in `)		
Particulars	March 31, 2017	March 31, 2016
Claims against company not acknowledged as debts		
Income Tax Act, 1961	55,00,598	4,04,320
Industrial Dispute Act, 1947	3,88,623	3,88,623
Gujarat Value Added Tax Act, 2003	167,83,536	155,91,206

Note 36: Expenditure towards Corporate Social Responsibility (CSR) activities

(Amount in `)		
Particulars	March 31, 2017	March 31, 2016
a) Gross amount required to be spent by the Company during the year:	6,00,000	10,20,000

b) Amount spent during the year on:

Sr. No.	Particulars	Paid	Yet to be paid	Total
(i)	Construction/acquisition of asset	-	-	-
(ii)	On purpose other than (i) above			
	- Rural Development & Promoting Education	6,02,082	-	6,02,082
	Total	6,02,082	-	6,02,082
	Previous Year	11,60,538	-	11,60,538

Note 37: Outstanding Forward Contracts

Forward Contracts of ` 1,543,020,478 (USD 23.23 Million) (PY ` 891,290,878 (USD 12.79 Million)) are outstanding as on March 31, 2017.

Note 38: 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, 2017.

Note 39: Capital Commitment

Estimated amount of contracts remaining to be executed on capital account amounted to ` 779,358 (P.Y. ` Nil).

Note 40: Long Term Derivative Contracts

The Company does not have any long term contracts or derivatives contract, which require provision of any foreseeable losses.

Note 41: Investor Education and Protection Fund

There is no amounts required to be transferred to Investor Education and Protection Fund as at March 31, 2017 (` Nil as at March 31, 2016).

Ihsedu Agrochem Private Limited

Notes on Financial Statements for the year ended March 31, 2017

Note 42: Disclosure of Specified Bank Notes (SBNs)

(As required by Ministry of Corporate Notification No. G.S.R. 307(E) and 308(E) dated March 30, 2017

(Amount in `)

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	2,19,000	39,776	2,58,776
Add: Permitted receipts	-	9,92,506	9,92,506
Less:			
Permitted payments	-	9,26,352	9,26,352
Amount deposited in Banks	2,19,000	-	2,19,000
Closing cash in hand as on December 30, 2016	-	1,05,930	1,05,930

Note 43: Export Incentive on Incremental Export Turnover

Claim for export incentive on its incremental export turnover achieved is not accounted in the books of accounts in absence of certainty and notification issued by Directorate General of Foreign Trade from time to time.

Note 44: Previous year figures are re-grouped and re-arranged to conform to current year's classification.

For and on Behalf of Board of Directors

Abhay V. Udeshi
Chairman
(DIN No.00355598)

Jayraj G. Udeshi
Director
(DIN No.00529205)

Francois Guillemet
Director
(DIN No.07655787)

Krunal G. Veni
Company Secretary

Place: Mumbai
Date: May 03, 2017