Ihsedu Agrochem Private Limited

18th Annual Report
2017-18

BOARD OF DIRECTORS

Mr.	Abhay V. Udeshi	-	Chairman & Non- Executive Director
Mr.	Jayraj G. Udeshi	-	Executive Director
Mr.	Mulraj G. Udeshi	-	Executive Director
Mr.	Bharat M. Udeshi	-	Executive Director
Mr.	Sudhir V. Udeshi	-	Non – Executive Director
Mr.	Francois Guillemet	-	Non – Executive Director
Mr.	Suresh Ramachandran	-	Non – Executive Director
Mr.	Mukesh C. Khagram	-	Independent Director
Mrs.	Sucheta N. Shah	-	Independent Director
Mr.	G. H. Mulani	-	Independent Director

CHIEF FIANANCIAL OFFICER
Mr. Vikram V. Udeshi (w.e.f 26/10/2017)

COMPANY SECRETARY
Mr. Krunal G. Veni

AUDITORS
T.P. Ostwal & Associates LLP
Chartered Accountants

REGISTERED OFFICE
701, Tower 'A', Peninsula Business Park,
Senapati Bapat Marg,Lower Parel (West),
Mumbai 400013

WORKS
Plot Nos. 667, State Highway No. 41,
Jagana, Palanpur, dist. Banaskantha,
Gujrat 385001.

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of Ihsedu Agrochem Private Limited will be held at 701, Tower "A", Peninsula Business Park, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 on Friday, May 4, 2018 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2018 together with the report of the Board Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Abhay V. Udeshi who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Mr. Francois Guillemet who retires by rotation and being eligible, offers himself for re-appointment.

4. 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 Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the appointment of M/s Vatsaraj & Co., Chartered Accountants (Firm's Registration no. 111327W), as Auditors of the Company, by resolution passed at the 17th Annual General Meeting of the Company, to hold office from the conclusion of that Annual General Meeting until the conclusion of the 22nd Annual General Meeting to be held in year 2022, be and is hereby ratified for the balance term and accordingly they continue to hold office from the conclusion of the 18th Annual General Meeting until the conclusion of the 22nd Annual General Meeting on such remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

   "RESOLVED FURTHER THAT the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and are hereby severally 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:

5. **Re- appointment of Mr. Jayraj G. Udeshi as Whole-time Director of the Company**

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

   "RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Jayraj G. Udeshi as a Whole-time Director of the Company for a period of Three years commencing from 1st November, 2017 on the terms and conditions including remuneration as set out in the Explanatory Statement."

"RESOLVED FURTHER that notwithstanding anything contained hereinabove, where, during the term of employment of Whole- time Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Whole- time Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

6. **Re- appointment of Mr. Mulraj G. Udeshi as Whole-time Director of the Company**

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Mulraj G. Udeshi as a Whole-time Director of the Company for a period of Three years commencing from 1st July, 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement."

"RESOLVED FURTHER that notwithstanding anything contained hereinabove, where, during the term of employment of Whole- time Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Whole- time Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

7. **Re- appointment of Mr. Bharat M. Udeshi as Whole-time Director of the Company:**

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

"RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Bharat M. Udeshi as a Whole-time Director of the Company for a period of Three years commencing from 1st July, 2018 on the terms and conditions including remuneration as set out in the Explanatory Statement."

"RESOLVED FURTHER that notwithstanding anything contained hereinabove, where, during the term of employment of Whole- time Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Whole- time Director including salary, perquisites and any other allowances shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution."

8. Issue of Debt Securities and/or Commercial Paper on Private Placement basis:

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

"RESOLVED THAT pursuant to the provisions of Sections 42 and 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 framed thereunder and all other applicable rules, if any, and other applicable Guidelines and Regulations issued by the any statutory authorities or any other applicable law for the time being in force (including any statutory modification(s) or amendment thereto or re-enactment thereof for the time being in force) and subject to the provisions of the Articles of Association of the Company and such other approvals as may be required from regulatory authorities from time to time the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee thereof) to offer, issue and allot, secured and / or unsecured, listed and / or unlisted redeemable Non-Convertible Debentures ("NCDs") and / or other debt securities, including Bonds, Commercial Paper ("CP"), etc., on private placement basis, in one or more series/tranches, aggregating upto Rs. 500 crores (Rupees Five Hundred Crores Only) on such terms and conditions and at such times and at par or at such premium or at discount, as the Board may, from time to time determine and consider proper and most beneficial to the Company including as to when the said NCDs and / or CP and / or other debt securities be issued, the consideration for the issue, utilisation of the issue proceeds and all matters connected with or incidental thereto."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, and execute all such deeds, documents, instruments and writings, and take all such steps as it may in its sole and absolute discretion deem necessary including for the purpose of determining terms of issue of NCDs and / or CP and / or other debt securities and to settle all questions, difficulties and doubts that may arise in relation thereto."

Place: Mumbai.
Date : May 4, 2018

By Order of the Board
For Ihsedu Agrochem Private Limited

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

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. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy

4. 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 4, 2018

By Order of the Board
For Ihsedu Agrochem Private Limited

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

Abhay V. Udeshi
Chairman

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 5

The Members at their 15th Annual General Meeting held on 22nd July, 2015 had re-appointed Mr. Jayraj G. Udeshi, as a Whole-time Director of the Company with effect from 1st November, 2014 for a period of three years from the said date.

On recommendation of Nomination & Remuneration Committee at is Meeting held on 26th October, 2017, the Board of Directors at their Meeting, held on same day, approved and recommended to the members, the re-appointed Mr. Jayraj G. Udeshi as Whole-time Director for the period of three years commencing form 1st November, 2017 to 31st October, 2020 on the terms and conditions contained in the Resolutions and also as contained hereunder:

Terms and Conditions of appointment of Mr. Jayraj G Udeshi

PART A

a) **Salary**

Name	**Period**	**Salary**
Mr. Jayraj G. Udeshi Whole- time Director	3 Years from 1st November, 2017 to 31st October, 2020	Rs. 410,000/- per month in the grade of Rs. 450,000/- to Rs. 750,000/- with Annual increment as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.*

Salary grade revised (Rs. 1,25,000 to Rs. 500,000/- to Rs. 450,000 to Rs. 750,000/-)

Special Allowance/Performance Bonus: linked to the achievement of Targets, as may be decided by Board/Chairman of the Board of Directors

b) **Commission:** As may be recommended and approved by the Board of Directos. but not exceeding 1% of the net profit of the Company

PART B

Perquisites

Housing I: The expenditure by the Company on hiring furnished accommodation for the Whole-time Director will be subject to a ceiling of sixty percent of his salary, over and above ten percent payable by him.

Housing II: In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to house rent allowance of sixty percent of his salary, over and above ten percent payable by him.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however be subject to a ceiling of ten percent of the salary of the Whole-time Director.

Medical Reimbursement: Expenses incurred for the Whole-time Director and his family subject to a ceiling of three months' salary over a period of three years.

Leave Travel Concession: For the Whole-time Director and his family once in a year incurred in accordance with the Rules specified by the Company.

Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

Personal Accident Insurance: Premium not to exceed 10,000/- per annum.

"Family" means the spouse / dependent children and dependent parents of the Whole time Director.

(i) Contribution to the Provident, Superannuation or Annuity Fund in accordance with the schemes of the Company. Such contributions will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

(ii) Gratuity not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of tenure.

(iv) Provision of car for the use of the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole time Director.

General Conditions:

1. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole - time Director in the course of the Company's business.

2. He will not receive sitting fees for attending the Meetings of the Board or Committee thereof.

3. The Whole - time Director will be liable to retire by rotation during his tenure up to 31st October, 2020.

4. He shall not divulge the secrets of the Company.

5. The appointment may be terminated by either party by giving six months' notice or by mutual consent.

6. If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company. If at any time, the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be Director of the Company.

7. Subject as aforesaid, the Whole-time Director shall be governed by such other Rules as to payment or otherwise as are applicable to the Senior Executives of the Company from time to time

8. The Whole - time Director, if re-appointed by virtue of his employment in the Company and his reappointment is subject to the provisions of Section 164 of the Companies Act, 2013.

9. The Whole - time Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Central Government.

The Board of directors recommends passing of the special resolution at item number 5 of the Notice.

Apart from Mr. Jayraj G. Udeshi and Mr. Mulraj G. Udeshi, none of the Directors / key managerial personnel's (KMP's) and/or their relatives are concerned or interested in the above mentioned resolution.

Item No. 6

The Members at their 15th Annual General Meeting held on 22nd July, 2015 had re- appointed Mr. Mulraj G. Udeshi, as a Whole – time Director of the Company with effect from 1st July, 2015 for a period of three years from the said date.

On recommendation of Nomination & Remuneration Committee at is Meeting held on 4th May, 2018, the Board of Directors at their Meeting, held on same day, approved and recommended to the members, the re-appointed Mr. Mulraj G. Udeshi as Whole-time Director for the period of three years commencing form 1st July, 2018 to 30th June, 2021 on the terms and conditions contained in the Resolutions and also as contained hereunder:

Terms and Conditions of appointment of Mr. Mulraj G. Udeshi

PART A

a) <u>Salary</u>

Name	**Period**	**Salary**
Mr. Mulraj G. Udeshi Whole- time Director	3 Years from 1st July, 2018 to 30th June, 2021	Rs. 450,000/- per month in the grade of Rs. 450,000/- to Rs. 750,000/- with Annual increment as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

b) Special Allowance/Performance Bonus: linked to the achievement of Targets, as may be decided by Board/Chairman of the Board of Directors

c) Commission: As may be recommended and approved by the Board of Directos. but not exceeding 1% of the net profit of the Company

PART B

Perquisites

Housing I: The expenditure by the Company on hiring furnished accommodation for the Whole-time Director will be subject to a ceiling of sixty percent of his salary, over and above ten percent payable by him.

Housing II: In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to house rent allowance of sixty percent of his salary, over and above ten percent payable by him.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however be subject to a ceiling of ten percent of the salary of the Whole-time Director.

Medical Reimbursement: Expenses incurred for the Whole-time Director and his family subject to a ceiling of three months' salary over a period of three years.

Leave Travel Concession: For the Whole-time Director and his family once in a year incurred in accordance with the Rules specified by the Company.

Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

Personal Accident Insurance: Premium not to exceed 10,000/- per annum.

"Family" means the spouse / dependent children and dependent parents of the Whole time Director.

(i) Contribution to the Provident, Superannuation or Annuity Fund in accordance with the schemes of the Company. Such contributions will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

(ii) Gratuity not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of tenure.

(iv) Provision of car for the use of the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole time Director.

General Conditions:

1. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole - time Director in the course of the Company's business.
2. He will not receive sitting fees for attending the Meetings of the Board or Committee thereof.
3. The Whole - time Director will be liable to retire by rotation during his tenure up to 30th June, 2021
4. He shall not divulge the secrets of the Company.
5. The appointment may be terminated by either party by giving six months' notice or by mutual consent.

6. If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company. If at any time, the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be Director of the Company.
7. Subject as aforesaid, the Whole-time Director shall be governed by such other Rules as to payment or otherwise as are applicable to the Senior Executives of the Company from time to time
8. The Whole - time Director, if re-appointed by virtue of his employment in the Company and his reappointment is subject to the provisions of Section 164 of the Companies Act, 2013.
9. The Whole - time Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Central Government.

The Board of directors recommend passing of the special resolution at item number 6 of the Notice.

Apart from Mr. Mulraj G. Udeshi, Mr. Jayraj G. Udeshi and Mr. Bharat M. Udeshi none of the Directors / key managerial personnel's (KMP's) and/or their relatives are concerned or interested in the above mentioned resolution.

Item No. 7

The Members at their 15th Annual General Meeting held on 22nd July, 2015 had re- appointed Mr. Bharat M. Udeshi, as a Whole – time Director of the Company with effect from 1st July, 2015 for a period of three years from the said date.

On recommendation of Nomination & Remuneration Committee at is Meeting held on 4th May, 2018, the Board of Directors at their Meeting, held on same day, approved and recommended to the members, the re-appointed Mr. Bharat M. Udeshi as Whole-time Director for the period of three years commencing form 1st July, 2018 to 30th June, 2021 on the terms and conditions contained in the Resolutions and also as contained hereunder:

Terms and Conditions of appointment of Mr. Bharat M. Udeshi

PART A

a) <u>Salary</u>

Name	**Period**	**Salary**
Mr. Bharat M. Udeshi Whole- time Director	3 Years from 1st July, 2018 to 30th June, 2021	Rs. 450,000/- per month in the grade of Rs. 450,000/- to Rs. 750,000/- with Annual increment as may be recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

b) Special Allowance/Performance Bonus: linked to the achievement of Targets, as may be decided by Board/Chairman of the Board of Directors

c) Commission: As may be recommended and approved by the Board of Directos. but not exceeding 1% of the net profit of the Company

PART B

Perquisites

Housing I: The expenditure by the Company on hiring furnished accommodation for the Whole-time Director will be subject to a ceiling of sixty percent of his salary, over and above ten percent payable by him.

Housing II: In case no accommodation is provided by the Company, the Whole-time Director shall be entitled to house rent allowance of sixty percent of his salary, over and above ten percent payable by him.

Explanation: The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall however be subject to a ceiling of ten percent of the salary of the Whole-time Director.

Medical Reimbursement: Expenses incurred for the Whole-time Director and his family subject to a ceiling of three months' salary over a period of three years.

Leave Travel Concession: For the Whole-time Director and his family once in a year incurred in accordance with the Rules specified by the Company.

Club Fees: Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

Personal Accident Insurance: Premium not to exceed 10,000/- per annum.

"Family" means the spouse / dependent children and dependent parents of the Whole time Director.

(i) Contribution to the Provident, Superannuation or Annuity Fund in accordance with the schemes of the Company. Such contributions will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

(ii) Gratuity not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of tenure.

(iv) Provision of car for the use of the Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole time Director.

General Conditions:

1. The Company shall reimburse actual entertainment and travelling expenses incurred by the Whole - time Director in the course of the Company's business.
2. He will not receive sitting fees for attending the Meetings of the Board or Committee thereof.
3. The Whole - time Director will be liable to retire by rotation during his tenure up to 30th June, 2021
4. He shall not divulge the secrets of the Company.
5. The appointment may be terminated by either party by giving six months' notice or by mutual consent.

6. If at any time the Whole-time Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Whole-time Director of the Company. If at any time, the Whole-time Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be Director of the Company.
7. Subject as aforesaid, the Whole-time Director shall be governed by such other Rules as to payment or otherwise as are applicable to the Senior Executives of the Company from time to time
8. The Whole - time Director, if re-appointed by virtue of his employment in the Company and his reappointment is subject to the provisions of Section 164 of the Companies Act, 2013.
9. The Whole - time Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Central Government.

The Board of directors recommend passing of the special resolution at item number 7 of the Notice.

Apart from Mr. Bharat M. Udeshi and Mr. Mulraj G. Udeshi none of the Directors / key managerial personnel's (KMP's) and/or their relatives are concerned or interested in the above mentioned resolution.

Item No. 8

In terms of section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the Rules), a Company shall not make Private Placement of its Securities unless the proposed offer of Securities or invitation to subscribe to Securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation for offer of Non-Convertible Debentures, the Company can pass a Special Resolution once a year for all the offers or invitations to be made for such Debentures during the year.

In order to augment resources for and to control the finance cost, the Board may, at an appropriate time, offer or invite subscription for secured and / or unsecured, listed and / or unlisted redeemable non-convertible debentures and / or other debt securities, including Bonds, Commercial Paper, etc., in one or more series/tranches on private placement, issuable/redeemable at par or premium or discount as the case may be for an amount not exceeding) Rs. 500 crores (Rupees Five Hundred Crores Only).

Accordingly, consent of the members is sought for passing the Special Resolution in the Notice. This resolution is an enabling resolution and authorises the Board of Directors or its Committee of the Company to offer or invite subscription for secured and / or unsecured, listed and / or unlisted redeemable non-convertible debentures and / or other debt securities, including Bonds, Commercial Paper etc. as may be required by the Company, from time to time for a period of one year from the date of passing this resolution.

The Board commends the Resolution at Item No. 8 for approval by the Members.

None of the Directors, Key Managerial Personnel and/or their relatives is concerned or interested in the Resolution.

Place: Mumbai.
Date : May 4, 2018

By Order of the Board
For Ihsedu Agrochem Private Limited

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

Abhay V. Udeshi
Chairman

ANNEXURE TO NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER SECRETARIAL STANDARDS -2:

Name of Director	Mr. Jayraj G. Udeshi Whole-time Director	Mr. Mulraj G. Udeshi Whole-time Director	Mr. Bharat M. Udeshi Whole-time Director
Date of Birth/Age	13-09-1940 77 years	10-11-1933 84 years	19-09-1964 53 years
Date of Original appointment on the Board	01-07-2002	01-07-2002	01-07-2002
Experience & Qualifications	Around Five decades of experience in Purchase and Trading of Castor Seeds and Oil.	Around four decades of experience in Castor Oil Manufacturing.	Around 25 years of experience in factory management for manufacturing castor oil.
Terms and conditions of appointment	Please refer Explanatory Statement of Item No. 5 of the Notice	Please refer Explanatory Statement of Item No. 6 of the Notice	Please refer Explanatory Statement of Item No. 7 of the Notice
Directorship in other Companies	1.Jayant Finvest Limited	1.Jayant Finvest Limited 2. Gokulmani Agricom Limited 3.Ihsedu Coreagri Services Private Limited	1. Innovative Micro Systems Private Limited
Memberships/ Chairmanships of Committees of other Companies.	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	NIL
Relationship with other Directors	Brother of Mr. Mulraj G. Udeshi	Brother of Mr. Jayraj G. Udeshi and Father of Mr. Bharat M. Udeshi	Son of Mr. Mulraj G. Udeshi
No. of meetings of the Board attended during the year*	4 out of 4 Meetings	1 out of 4 Meetings	3 out of 4 Meetings

*include Meeting attended through Video Conference.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER SECRETARIAL STANDARDS -2:

Name of Director	Mr. Abhay V. Udeshi Non-Executive Director	Mr. Francois Guillemet Non-Executive Director
Date of Birth/Age	18-06-1960 57 years	19-04-1968 50 years
Date of Original appointment on the Board	17-12-2010	01-12-2016
Experience & Qualifications	Around three decades of experience in the industry and leads the marketing and sales of castor oil and castor based products.	Heading the Purchase at Arkema France
Terms and conditions of appointment	Upon re-appointment, Mr. Abhay V. Udeshi shall continue to be a Non-executive Director on the Board of the Company.	Upon re-appointment, Mr. Francois Guillemet shall continue to be a Non-executive Director on the Board of the Company.
Directorship in other Companies	1. Enlite Chemical Industries Limited 2. Ihsedu Coreagri Services Private Limited 3. Ihsedu Itoh Green Chemicals Marketing Private Limited 4. Jayant Agro- Organics Limited 5. Gokulmani Agircom Limited 6. Vithal Castor Polyols Private Limited 7. The Solvent Extractors Association of India 8. Garware Club House	NIL
Memberships/ Chairmanships of Committees of other Companies.	*Name of The Company:* Jayant Agro – Organics Limited *Membership in Following Committee*: 1. Audit Committee 2. Stakeholder Relationship Committee 3. CSR Committee	NIl
Shareholding in the Company	NIL	NIL
Relationship with other Directors	NA	NA
No. of meetings of the Board attended during the year*	4 out of 4 Meetings	4 out of 4 Meetings

*include Meeting attended through Video Conference.

Route Map for AGM Venue:

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the Eighteenth Annual Report and the Audited Accounts for the year ended 31st March, 2018 together with the Auditor's Report thereon.

1. FINANCIAL HIGHLIGHTS:

(Rs. in Lacs)

Particulars	2017 - 2018	2016 - 2017
Revenue from operations and other income	**1,96,456.05**	**114872.09**
Profit before Depreciation & Amortisation Expenses, Finance Costs and Tax	5,701.86	4051.47
Less: Depreciation, and Amortisation Expenses	301.00	287.25
Profit before Finance cost and Tax	**5,400.86**	**3764.22**
Less: Finance Cost	3,183.46	1931.86
Profit before Tax	**2,217.40**	**1832.36**
Less: Provision for Tax	783.25	640.91
Profit After Tax	**1,434.15**	**1191.45**
Earnings per share(EPS) (Face Value of shares Rs. 10/-)	19.58	16.27

2. DIVIDEND & RESERVE:

In order to conserve reserves, your directors do not recommend dividend in the current year and no amount was transferred to General reserves.

3. MATERIAL CHANGES AND COMMITMENTS:

There have 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. INTERNAL FINANCIAL CONTROLS:

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.

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 notes 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. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. BOARD OF DIRECTORS:

As on March 31, 2018, the Board of Directors of the Company comprised of ten Directors, the details of which are given below:

Name of the Director	Category
Mr. Abhay V. Udeshi	Chairman & Non-Executive Director
Mr. Jayraj G. Udeshi	Whole-time Director
Mr. Mulraj G Udeshi	Whole-time Director
Mr. Bharat M. Udeshi	Whole-time Director
Mr. Sudhir V. Udeshi	Non-Executive Director
Mr. Suresh Ramachandran	Non-Executive Director
Mr. Francois Guillemet	Non-Executive Director
Mr. Mukesh C. Khagram	Independent Director
Mrs. Sucheta N. Shah	Independent Director
Mr. G. H. Mulani	Independent Director

As per the provisions of the Companies Act, 2013, Mr. Abhay V. Udeshi and Mr. Francois Guillemet, retire at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board recommends his re-appointment.

Mr. Jayraj G. Udeshi is being re-appointed as Whole-time Director of the Company for a period of 3 years w.e.f 1st November, 2017 subject to approval of the members at the ensuing Annual General Meeting.

Mr. Mulraj G. Udeshi and Mr. Bharat M. Udeshi are being re-appointed as Whole-Time Directors of the Company for a period of 3 years w.e.f 1st July, 2018 subject to approval of the members at the ensuing Annual General Meeting.

B. KEY MANAGERIAL PERSONNEL:

As good governance practice during the year under review, Mr. Vikram V. Udeshi was appointed as Chief Financial Officer of the Company with effect from 26th October, 2017.

As on March 31, 2018, the Key Managerial Personnel (KMP) of the Company as per Section 203(1) of the Companies Act, 2013 comprised of the following:

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. Vikram V. Udeshi	Chief Financial Officer
Mr. Krunal G. Veni	Company Secretary

There has been no other change in the KMPs during the year under review.

C. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:

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

D. POLICIES ON DIRECTORS' APPOINTMENT AND REMUNERATION

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.

The Policies above mention is attached as Annexure I and forms part of this report.

9. BOARD MEETINGS:

During the period ended March 31, 2018, four Board Meeting were held.

10.BOARD COMMITTEES:

A. 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: -

Name of the Member	Category
Mr. Mukesh C. Khagram	Chairman
Mrs. Sucheta N. Shah	Member
Mr. G. H. Mulani	Member
Mr. Abhay V. Udeshi	Member
Mr. Francois Guillemet	Member

During the year ended 31st March, 2018, four audit committee Meeting were held. All the recommendations made by the Audit Committee were accepted by the Board.

B. NOMINATION AND REMUNERATION COMMITTEE:

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

Name of the Member	Category
Mr. Mukesh C. Khagram	Chairman
Mrs. Sucheta N. Shah	Member
Mr. Abhay V. Udeshi	Member
Mr. Francois Guillemet	Member

During the year ended 31st March, 2018, two Nomination and Remuneration Committee Meeting were held.

11. 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:

Name of the Member	Category
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. 14 Lacs). During the year under review, your company has spent Rs. 12.24 Lacs and is required to spend a further of Rs 1.76 Lacs, as part of its commitment to Corporate Social Responsibility.

During the year under review, the Company continued its activities of rural development and promoting education to farmers. Additionally, the Company is also in process of structuring projects which will ensure necessary spent of the CSR amounts for the years to come. The requisite details on CSR activities for the current year are annexed as Annexure II**.**

12. 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.

13. EXTRACT OF THE ANNUAL RETURN:

As required pursuant to section 134(3)(a) and 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 Form No MGT-9 attached herewith as Annexure-III and form this Report.

14. AUDITORS:

A. STATUTORY AUDITORS:

The Statutory Auditors, M/s. Vatsaraj & Co., Chartered Accountants (Firm's Registration no. 111327W) have been appointed as the Statutory Auditors of the Company to hold office until the conclusion of the 22nd Annual General Meeting to be held in 2022, subject to the ratification of the members at each Annual General Meeting.

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s. Vatsaraj & Co., Chartered Accountants to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Members are requested to ratify the appointment of the Statutory Auditors. The Auditors' Report does not contain any qualification, reservation or adverse remark.

B. INTERNAL AUDITOR

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with the rules made thereunder, the Company had appointed M/s. K. C. Mehta & Co. as the Internal Auditor of the Company for the financial year 2017-18.

***C. SECRETARIAL* AUDITOR**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. V V Chakradeo & Co., a firm of Practising Company Secretaries to undertake the Secretarial Audit of the Company.

In terms of provisions of sub-section 1 of section 204 of the Companies Act, 2013, the Company has annexed to this Board Report as Annexure IV, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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 V to this Report.

16. VIGIL MECHANISM:

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 have 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.

21. 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.

22. 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.

Place: Mumbai,
Date: May 4, 2018

For and on behalf of the Board of Directors

Abhay V. Udeshi
Chairman

ANNEXURE-I

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 Ihsedu 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 (expect 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	

ANNEXURE - II

REPORT ON CSR ACTIVITIES

1. **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.

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

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

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

Particulars	F Y 2014 – 15	F Y 2015 – 16	F Y 2016 - 17
Net Profit	(2.32)	5.81	17.52
3 years average profit			**7.00**
2 % of average profit			**0.14**

4. **Details of CSR spent during the financial year:** During the year, the Company had spent a sum of Rs. 12.24 Lacs as a part of CSR Program. The said contribution was towards rural development and promoting education to farmers.

5. **Total amount to be spent for the financial year: Rs. 12.24 lacs**

6. **Amount unspent, if any:** 1.76 lacs

7. **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: Direct expenditure on projects or programs (2) Overheads:**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
1	Training and Educating Farmers	Rural Development and Providing Vocational Education	Gujarat	Rs.14.00 Lacs	Rs. 12.24 Lacs	Rs. 12.24 Lacs	Direct
	TOTAL			**Rs.14.00 Lacs**	**Rs. 12.24 Lacs**	**Rs. 12.24 Lacs**	

Give details of implementing agency: NA

8. **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:**

   During the year under review, the Company continued its activities of rural development and promoting education to farmers. Additionally, the Company is also in process of structuring projects which will ensure necessary spent of the CSR amounts for the years to come

9. **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:**

   The CSR Committee confirms that the implementing and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the company

Abhay V. Udeshi
Director

Mukesh C Khagram
Chairman CSR Committee

ANNEXURE – III

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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	95.87

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**	
	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	-	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 SHAREHOLDIN G	-	-	-	-	-	-	-	-	-	-
(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

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

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) Cenntral 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**	**-**	**-**

V. 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.	**For Each of the Directors and KMP**	**Shareholding at the beginning of the year**		**Cumulative 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**
1.	Mr. Jayraj G. Udeshi	-	-	-	-
2.	Mr. Mulraj G. Udeshi	-	-	-	-
3.	Mr. Bharat M. Udeshi	-	-	-	-
4.	Mr. Krunal G. Veni	-	-	-	-

VI. INDEBTEDNESS

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2017)				
(i) Principal Amount	23,169.57	465.3	-	23,634.87
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	12.48	-	-	12.48
Total (i + ii+ +iii)	**23,182.05**	**465.3**	**-**	**23,647.35**
Change in Indebtedness during the financial year				
Addition / (Reduction)	13229.10	(465.3)	-	12763.80
Indebtedness at the end of the financial year (31.03.2018)				
i) Principal Amount	36,411.15	-	-	36411.15
ii) Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	201.23	-	-	201.23
Total (i+ii+iii)	**36,612.38**	**-**	**-**	**36,612.38**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr .No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Jayraj G. Udeshi	Mr. Mulraj G. Udeshi	Mr. Bharat M. Udeshi	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,16,967	56,16,967	56,16,967	1,68,50,901
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11,69,004	2,45,658	10,718	14,25,380
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
	Total (A)	**67,85,971**	**58,62,625**	**56,27,685**	**1,82,76,281**
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission -as % of profit -others, specify	-	-	-	
5	Others, please specify Contribution to Provident Fund				
	Total (B)	**4,13,280**	**4,13,280**	**4,13,280**	**12,39,840**
	Total (A+B)	**71,99,251**	**62,75,905**	**60,40,965**	**1,95,16,121**

B. Remuneration to other directors:

Sr. No	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. Mukesh C Khagram	**Mrs. Sucheta N Shah**	**Mr. G H Mulani**	**Mr. Abhay V. Udeshi**	**Mr. Sudhir V. Udeshi**	**Mr. Francois Guillemet**	**Mr. Suresh Ramachandran**	
	3. Other Non-Executive & Independent Directors	1,82,500	1,82,500	1,55,000	-	-	-	-	5,20,000
	• Fee for attending board committee meetings	-	-	-	-	-	-	-	-
	• Commission	-	-	-					-
	• Others, please specify	-	-	-	-	-	-	-	-
	Total	**1,82,500**	**1,82,500**	**1,55,000**	**-**	**-**	**-**	**-**	**5,20,000**

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

(₹ in Lacs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vikram V. Udeshi CFO	**Krunal G. Veni Company Secretary**	**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	-	9.90	9.90
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others	-	-	-
5.	Others, please specify Contribution to Provident Fund	-	0.74	0.74
	Total	**-**	**10.64**	**10.64**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: ***(Not Applicable)***

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE – IV

SECRETARIAL AUDITOR REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
For the Financial year ended 31st March 2018
(Pursuant to section 204 (1) of the companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of managerial Personnel rules, 2014)

To,
The Members,
Ihsedu Agrochem Private Limited,
Mumbai.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ihsedu Agrochem Private Limited. (Hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2018 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter :

I have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

i) The Companies Act, 2013 (Act) and the rules thereunder;

ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

iii) All applicable Labour Laws;

iv) Factory's Act 1948;

v) Bombay Shop & Establishment Act,1948;

vi) Environment Protection Act, 1986 and other environmental laws;

vii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003;

viii) Indian Contract Act,1872;

ix) Income Tax Act, 1961 and Indirect Tax Laws.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

I further report that:

a) The board of directors of the company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) Adequate notice is given to all directors to schedule the board meeting and agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

c) Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

Place: Mumbai
Date: 14th April, 2018

FOR V V CHAKRADEO & CO.

Sd/-

V V CHAKRADEO
COP 1705 /FCS 3382

ANNEXURE-V

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

In line with company's commitment towards conservation of energy, company's plant continues with their endeavor to make more efficient use of energy through improved operational and maintenance practices.

(i) The steps taken or impact on Conservation of Energy and Utilisation of Alternate Source of Energy.

The Company is continuously putting efforts to improve Energy Management by way of monitoring energy related parameters on regular basis. The Company is committed to transform energy conservation into a strategic business goal fully along with the sustainable development of Energy Management System. To achieve the above objectives the following measures are undertaken by the Company:

1. 100 % of thermal energy generated by using eco-friendly Castor De-oiled Cake.
2. Installation of energy monitoring system for greater accuracy of energy consumption.
3. To Prevent heat loss, efficient thermal insulation provided wherever necessary.
4. Steam condensate recovered & Water used in process.
5. Optimization of boiler blowdowns and use of water for process plant.
6. Wind mills are efficiently operative to generate clean power.
7. Heat recovery by recycling maximum condensate hot water to boiler feed.
8. Bag fitters are revamped and taken into operation for control of air pollution.

B. Technology Absorption, Adoption and Innovation and Research & Development (R & D):

(i) The efforts towards technology absorption: - Nil

(ii) Benefits derived as a result of the above efforts: - Nil

(iii)Expenditure on R & D:- Provided in the notes to accounts

C. Foreign Exchange Earning and Outgo:

Details of Foreign Exchange used and earned are provided in Notes on Financial Statements.

Independent Auditor's Report

To the Members,

Ihsedu Agrochem Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Ihsedu Agrochem Private Limited** ('the Company'), which comprise the Balance Sheet as at 31st March 2018, and the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements"). The financial statements for the year ended March 31, 2017 were audited and reported upon by another firm of Chartered Accountants vide their report issued on May 03, 2017. We have relied upon these financial statements for the purpose of opening balances as at April 01, 2017 which are regrouped or restated where necessary.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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.

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity 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 including other comprehensive income, the cash flow statement and statement of changes in equity dealt with by this Report are in agreement with the relevant books of account;

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position. Refer Note No. 37 to the Ind AS financial statements.

ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses. Refer Note No. 48 to the Ind AS financial statements.

iii. There was no amount which was required to be transferred to the Investor Education and Protection Fund by the Company. Refer Note No. 49 to the Ind AS financial statements.

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

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 04th May, 2018

Annexure - A to the Independent Auditors' Report on the Ind AS financial statements of Ihsedu Agrochem Private Limited

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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 31st March 2018 in conjunction with our audit of the Ind AS 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 judgment, including the assessment of the risks of material misstatement of the Ind AS 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 unauthorised 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

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

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 04th May, 2018

Annexure - B to the Independent Auditors' Report on the Ind AS financial statements of Ihsedu Agrochem Private Limited

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

(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, 2018 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, 2018 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	
		11,271,235	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 is, 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 Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 04th May, 2018

Ihsedu Agrochem Private Limited

BALANCE SHEET AS AT MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	6	5516,81,092	5644,45,841	5678,59,779
Capital work-in-progress	7	69,43,439	16,40,642	-
Financial assets				
Investments	8	6,000	6,000	6,000
Loans	9	8,79,579	13,67,437	11,31,847
Other financial assets	10	2,70,765	2,70,765	6,70,265
Other non current assets	11	51,33,192	87,228	1,31,987
Current tax assets (net)	12	103,76,609	40,76,059	70,28,519
Current Assets				
Inventories	13	23557,33,793	13299,53,440	8386,11,677
Financial Assets				
Trade Receivables	14	16889,11,104	10521,71,451	8527,79,092
Cash and Cash Equivalents	15	4,63,975	68,10,711	1050,96,910
Other Bank Balances	16	16,05,003	13,00,000	11,93,600
Loans	9	3,54,043	4,28,607	3,94,221
Other financial assets	10	12,184	591,99,635	409,91,800
Other Current Assets	11	5984,79,323	3457,62,326	3180,31,628
	TOTAL	**52208,50,101**	**33675,20,143**	**27339,27,326**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	17	732,35,700	732,35,700	732,35,700
Other Equity	18	6842,41,040	5770,24,344	4805,31,293
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
Borrowings	19	-	-	149,84,750
Provisions	23	2,47,661	44,74,213	38,22,997
Deferred Tax Liabilities (Net)	20	1113,97,237	1065,47,618	807,08,735
Current Liabilities				
Financial Liabilities				
Borrowings	19	36411,15,203	23485,03,379	16645,98,680
Trade Payables	21			
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-	-
(ii) Total Outstanding Dues of Creditors other than micro Enterprises and Small Enterprises		5354,21,650	1541,85,963	2336,46,633
Other Financial Liabilities	22	1393,54,417	767,36,973	1493,63,812
Provisions	23	163,20,997	130,95,485	205,22,637
Other Current Liabilities	24	124,59,152	108,34,549	96,30,169
Current tax liabilities	25	70,57,043	28,81,920	28,81,920
	TOTAL	**52208,50,102**	**33675,20,143**	**27339,27,326**
Significant Accounting Policies				
Notes on Financial Statements	1 to 52			

As per our Report of even date

For Vatsaraj & Co.
Chartered Accountants
(Registration No: 111327W)

CA Dr. B. K. Vatsaraj
(Partner)
Membership No.039894

Place: Mumbai
Date: May 04, 2018

For and on behalf of the 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

Ihsedu Agrochem Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	Note No.	March 31, 2018	March 31, 2017
INCOME:			
Revenue from Operations	26	196283,09,139	114815,02,505
Other Income	27	172,96,703	57,06,802
Total Revenue		**196456,05,843**	**114872,09,306**
EXPENDITURE:			
Cost of Materials Consumed	28	127161,11,065	75885,83,892
Purchases of Stock-in-Trade		54104,28,246	30453,52,391
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	29	350,99,612	(3012,40,030)
Employee Benefits Expense	30	1101,11,114	966,70,630
Excise Duty	31	31,83,434	107,55,243
Finance Costs	32	3183,46,446	1931,85,638
Depreciation and Amortization Expense	6	301,00,909	287,24,988
Other Expenses	33	8004,85,630	6419,40,286
Total Expenses		**194238,66,456**	**113039,73,037**
Profit Before Tax		**2217,39,387**	**1832,36,269**
Less: Tax Expenses			
Current Tax		756,00,000	560,00,000
Deferred Tax		27,25,196	92,42,834
Profit After Tax		**1434,14,190**	**1179,93,435**
Add: Mat Credit Entitlement of earlier years		-	11,51,871
Profit for the Year		**1434,14,190**	**1191,45,306**
Other Comprehensive Income (OCI)			
A. Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit (liability)/asset		40,14,109	(2,79,245)
B. Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		(402,11,603)	(10,57,609)
Total Comprehensive Income for the Year		**1072,16,697**	**1178,08,452**
Earnings per Equity Share of Face Value of ₹ 10/- Each			
Basic and Diluted EPS (in ₹)		19.58	16.27
Significant Accounting Policies			
Notes on Financial Statements	1 to 52		

As per our Report of even date

For Vatsaraj & Co.
Chartered Accountants
(Registration No: 111327W)

For and on behalf of the Board of Directors

Abhay V. Udeshi
Chairman
(DIN No. 00355598)

Jayraj G. Udeshi
Director
(DIN No. 00529205)

CA Dr. B. K. Vatsaraj
(Partner)
Membership No.039894

Francois Guillemet
Director
(DIN No. 07655787)

Krunal G. Veni
Company Secretary

Place: Mumbai
Date: May 04, 2018

Ihsedu Agrochem Private Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity				Total equity attributable to equity holders of the Company
		Reserves & Surplus			Other Comprehensive income	
		Retained earnings	Securities Premium	General Reserve		
Balance as of April 1, 2016	732,35,700	1632,40,473	2791,70,331	190,24,395	190,96,094	5537,66,993
Changes in equity for the year ended March 31, 2017						
Transfer to General Reserve	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(2,79,245)	(2,79,245)
Equity instruments through other comprehensive income	-	-	-	-	-	-
Fair value changes on cash flow hedges					(10,57,609)	(10,57,609)
Dividends (including dividend distribution tax)	-	(213,15,402)	-	-	-	(213,15,402)
Profit for the year	-	1191,45,306	-	-	-	1191,45,306
Balance as of March 31, 2017	**732,35,700**	**2610,70,378**	**2791,70,331**	**190,24,395**	**177,59,240**	**6502,60,043**
Transfer to General Reserve	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	40,14,109	40,14,109
Equity instruments through other comprehensive income	-	-	-	-	-	-
Fair value changes on cash flow hedges	-	-	-	-	(402,11,603)	(402,11,603)
Dividends (including dividend distribution tax)	-	-	-	-	-	-
Profit for the year	-	1434,14,190	-	-	-	1434,14,190
Balance as of March 31, 2018	**732,35,700**	**4044,84,568**	**2791,70,331**	**190,24,395**	**(184,38,254)**	**7574,76,740**

Significant Accounting Policies
Notes on Financial Statements 1 to 52

As per our Report of even date

For Vatsaraj & Co.
Chartered Accountants
(Registration No: 111327W)

CA Dr. B. K. Vatsaraj
(Partner)
Membership No.039894

Place: Mumbai
Date: May 04, 2018

For and on behalf of the 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

Ihsedu Agrochem Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
A Cash Flow from Operating Activities		
Net Profit/(Loss) Before Tax	2217,39,387	1832,36,269
Adjustments for :-		
Depreciation & Amortization	301,00,909	287,24,988
Loss/(Profit) on Sale of Assets	5,785	65,240
Interest Received	(150,95,866)	(18,92,265)
Forward Contract Loss/(Gain)	(340,73,071)	(14,84,642)
Interest Paid	3183,46,446	1931,85,638
Operating Profit before Working Capital Changes	**5210,23,590**	**4018,35,228**
Adjusted for :-		
(Increase)/Decrease In Inventories	(10257,80,353)	(4913,41,763)
(Increase)/Decrease In Trade Receivables	(6367,39,653)	(1993,92,359)
(Increase)/Decrease In Current Loan	74,564	(34,386)
(Increase)/Decrease In Non Current Loan	4,87,858	(2,35,590)
(Increase)/Decrease In Other Current Financials Assets	591,87,451	(182,07,835)
(Increase)/Decrease In Other Non Current Financials Assets	-	3,99,500
(Increase)/Decrease In Other Current Assets	(2527,16,997)	(277,30,698)
(Increase)/Decrease In Other Non Current Assets	(50,45,964)	44,759
Increase/(Decrease) In Trade Payables	3812,35,687	(794,60,670)
Increase/(Decrease) In Other Financial Liabilities	626,17,445	(726,26,840)
Increase/(Decrease) In Non Current Provision	(42,26,552)	6,51,216
Increase/(Decrease) In Current Provision	32,25,512	(74,27,152)
Increase/(Decrease) In Other Current Liabilities	16,24,604	12,04,380
Cash Generated from Operation	**(14160,56,398)**	**(8941,57,438)**
Less: Taxes Paid	(777,25,427)	(351,51,832)
Net Cash from Operating Activities	**(14937,81,825)**	**(9293,09,270)**
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(231,15,039)	(278,04,344)
Sale of Fixed Assets	4,70,297	7,87,413
Interest Received	150,95,866	18,92,265
Net Cash from /(used in) Investing Activities	**(75,48,876)**	**(251,24,666)**
C Cash Flow from Financing Activities		
Borrowings	12926,11,824	6689,19,950
Dividend Paid	-	(177,10,000)
Tax on Distributed Profits	-	(36,05,402)
Interest Paid	(3183,46,446)	(1931,85,638)
Net Cash from/(used in) Financing Activities	**9742,65,378**	**4544,18,910**
Net Increase/(Decrease) in Cash Equivalents	**(60,41,733)**	**(981,79,798)**
Cash & Cash equivalent		
At the beginning of the year	81,10,711	1062,90,510
At the end of the year	20,68,978	81,10,711
Significant Accounting Policies		
Notes on Financial Statements	1 to 52	

As per our report of even date

For Vatsaraj & Co.
Chartered Accountants
(Registration No: 111327W)

CA Dr. B. K. Vatsaraj
(Partner)
Membership No.039894

For and on behalf of the 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 04, 2018

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

1 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.

2 Significant Accounting Policies and Key Accounting Estimates and Judgements

2.1 Basis of preparation of Financial Statements

a) Compliance with Ind AS

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards (‘Ind AS’) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (‘Previous GAAP’). Detailed explanation on how the transition from previous GAAP to Ind AS has affected the Company’s Balance Sheet, financial performance and cash flows is given under Note 52.

b) Historical Cost Convention

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for :

- Certain Financial Assets and Liabilities that are measured at fair value
- Defined Benefits Plans - Plan assets measured at fair value

2.2 Current / Non-Current Classification

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months and certain criteria set out in the Schedule III to the Act. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

3 Summary of Significant Accounting Policies

3.1 Operating Cycle

An operating cycle is the time between the acquisition of goods for processing and their realisation in cash or cash equivalents. The Company has ascertained the operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3.2 Functional and Presentation Currency

The Financial Statements are presented in Indian Rupees (INR), which is also the Company’s functional currency.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

3.3 Fair Value Measurement of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.4 Foreign Currency Translation

<u>Initial Recognition:</u>

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

<u>Measurement of foreign currency items at reporting date:</u>

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. When any non-monetary foreign currency item is recognised in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in Other Comprehensive Income.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

3.5 Property, plant and equipment (PPE)

On adoption of Ind AS, the Company retained the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind ASs, measured as per the previous GAAP and used that as its deemed cost as permitted by Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

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Notes forming part of Financial Statements for the year ended March 31, 2018

Measurement and Recognition :

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and useful lives.

Depreciation :

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Type/Category of Asset	**Useful life**
Buildings including factory buildings	10-60 years
General Plant and Machinery	5-8 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computer and Data Processing Units	3 years
Laboratory Equipments	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Derecognition :

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Fully depreciated assets still in use are retained in financial statements.

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Notes forming part of Financial Statements for the year ended March 31, 2018

3.6 Capital work-in-progress, intangible assets under development and Capital Advances

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances given towards acquisition of Property, Plant and Equipment/ Intangible assets outstanding at each Balance Sheet date are disclosed under Other Non-Current Assets.

3.7 Non-derivative financial instruments

i) Financial Assets

A) Initial Recognition and measurement

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

B) Subsequent Measurement :

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments not held for trading in Other Comprehensive Income.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL.

The company has accounted for its investments in subsidiaries, associates and joint ventures at cost.

ii) Financial liabilities

A) Initial Recognition and measurement

All financial liabilities are recognised at fair value and in case of loans net of directly attributable cost. Fees or recurring nature are directly recognised in statement of Profit & Loss.

B) Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Standalone Statement of Profit and Loss.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to off set the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

The Company recognises loss allowances for expected credit losses on:

financial assets measured at amortised cost; and

financial assets measured at FVOCI – debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘creditimpaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

In accordance with Ind AS 109 – Financial Instruments, the Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.8 Impairment

Assets that are subject to depreciation and amortization and assets representing investments in subsidiary and associate companies are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognized in the Statement of Profit and Loss and included in depreciation and amortization expense. Impairment losses are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

3.9 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realizable value, except in case of by-products which are valued at NRV. However, materials and other items held for use in production are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, unrecoverable taxes and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

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Notes forming part of Financial Statements for the year ended March 31, 2018

3.10 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. No element of financing is deemed present as the sales are made with credit terms in line with market practice.

3.10.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

• the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
• the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
• the amount of revenue can be measured reliably;
• it is probable that the economic benefits associated with the transaction will flow to the Company; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.10.2 Rendering of services
Income recognition for services takes place as and when the services are performed.

3.10.3 Interest Income

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

3.10.4 Dividend

Dividend income from investments is recognised when the shareholder's right to receive payment has been established and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

3.10.5 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

3.11 Research and development expenses

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. Tangible assets used in research and development are capitalised.

3.12 Leases

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed. The aggregate benefit of incentives (excluding inflationary increases where rentals are structured solely to increase in line with the expected general inflation to compensate for the lessor's inflationary cost increases, such increases are recognised in the year in which the benefits accrue) provided by the lessor is recognized as a reduction of rental expense over the lease term on a straight-line basis.

(ii) Finance Lease:

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

3.13 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving disposal of an investment, the investment that will be disposed of is classified as held for sale when the criteria described above are met.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortized.

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Notes forming part of Financial Statements for the year ended March 31, 2018

3.14 Employee Benefit Expenses

Employee benefits consist of contribution to provident fund, compensated absences and supplemental pay.

Post-employment benefit plans

Defined Contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Short term employee benefit

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services

3.15 Finance cost

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

3.16 Income Tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

<u>Current tax, including MAT (if applicable)</u>

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

<u>Deferred tax</u>

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to off set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

3.17 Provisions and Contingencies

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

3.18 Earnings Per Share (EPS)

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

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Notes forming part of Financial Statements for the year ended March 31, 2018

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical Judgements

In the process of applying the Company`s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

4.1.1 Discount rate used to determine the carrying amount of the Company's defined benefit obligation

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

4.1.2 Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability.

4.1.3 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

4.1.4 Useful lives of property, plant and equipment

As described in Note 3, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

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4.1.5 Allowances for doubtful debts

The Company makes allowances for doubtful debts based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

4.1.6 Allowances for inventories

Management reviews the inventory age listing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realizable value. The purpose is to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items. Management is satisfied that adequate allowance for obsolete and slow-moving inventories has been made in the financial statements.

4.1.7 Liability for sales return

In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return.

Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

5 First Time adoption of Ind AS

5.1 For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (‘Previous GAAP’). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following :

a) Balance Sheet as at 1st April, 2016 (Transition date);
b) Balance Sheet as at 31st March, 2017;
c) Statement of Profit and Loss for the year ended 31st March, 2017; and
d) Statement of Cash flows for the year ended 31st March, 2017.

5.2 Exemptions Availed :

Ind AS 101- First-time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemptions as per Ind AS 101:

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Notes forming part of Financial Statements for the year ended March 31, 2018

i) The Company has elected not to apply Ind AS 103- Business Combinations, retrospectively to past business combinations that occurred before 1st January, 2015. Consequent to use of this exemption from retrospective application:

a) the carrying amount of assets and liabilities acquired pursuant to past bunsiness combinations are recognised in the financial statements Also, there is no change in classification of such assets and liabilities;prepared under Previous GAAP, are considered to be the deemed cost under Ind AS, on the date of acquisition. After the date of acquisition, measurement of such assets and liabilities is in accordance with respective Ind AS. Also, there is no change in classification of such assets and liabilities;
b) the company has not recognised assets and liabilities that neither were recognised in the financial statements prepared under Previous GAAP nor qualify for recognition under Ind AS in the Balance Sheet of the acquiree;

c) the company has excluded from its opening Ind AS Balance Sheet (as at 1st April, 2016), those assets and liabilities which were recognised in accordance with Previous GAAP but do not qualify for recognition as an asset or liability under Ind AS; and
d) use of these exemption from retrospective application of Ind AS 103 - Business Combinations requires that the carrying amount of goodwill as per financial statements prepared under Previous GAAP should be recognised in the opening Ind AS Balance Sheet after adjusting for impairment, if any. The Company has therefore tested goodwill for impairment as at the date of transition to Ind AS and accordingly, no goodwill impairment was deemed necessary.

ii) For financial instruments, wherein fair market values are not available (viz. interest free and below market rate security deposits or loans) the Company has elected to adopt fair value recognition prospectively to transactions entered after the date of transition.

iii) The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet.

iv) The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

v) The requirements of Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance and Ind AS 109- Financial Instruments, in respect of recognition and measurement of interest free loans from government authorities is opted to be applied prospectively to all grants received after the date of transition to Ind AS. Consequently, the carrying amount of such interest free loans as per the financial statements of the Company prepared under Previous GAAP is considered for recognition in the opening Ind AS Balance Sheet.

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Notes forming part of Financial Statements for the year ended March 31, 2018

Note 6: Property, plant and equipment

(Amount in `)

Cost or Deemed Cost	Land - Freehold	Building	Plant and Machinery	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total
Balance as at April 1, 2016	**269,70,735**	**971,42,493**	**4323,12,920**	**14,07,196**	**4,34,490**	**16,95,529**	**78,96,415**	**5678,59,779**
Additions	-	15,53,112	175,12,211	4,39,553	1,69,273	7,48,140	57,41,413	261,63,702
Disposals / Adjustments	-	-	-	-	-	-	40,30,828	40,30,828
Balance as at March 31, 2017	**269,70,735**	**986,95,605**	**4498,25,131**	**18,46,749**	**6,03,763**	**24,43,669**	**96,07,000**	**5899,92,653**
Additions	-	51,42,802	83,07,131	15,39,463	1,90,352	-	26,32,494	178,12,243
Disposals / Adjustments	-	-	-	-	-	-	11,58,290	11,58,290
Balance as at March 31, 2018	**269,70,735**	**1038,38,408**	**4581,32,262**	**33,86,212**	**7,94,115**	**24,43,669**	**110,81,204**	**6066,46,606**

(Amount in `)

Accumulated Depreciation / Amortisation	Land - Freehold	Building	Plant and Machinery	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total
Balance as at April 1, 2016*	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation/ Amortisation Expense	-	57,45,025	199,28,940	3,63,564	2,35,018	6,32,294	18,20,147	287,24,988
Eliminated on Disposal of Assets	-	-	-	-	-	-	31,78,175	31,78,175
Balance as at March 31, 2017	**-**	**57,45,025**	**199,28,940**	**3,63,564**	**2,35,018**	**6,32,294**	**-13,58,029**	**255,46,812**
Depreciation/ Amortisation Expense	-	57,85,612	213,27,911	4,36,552	2,01,998	5,25,629	18,23,207	301,00,909
Eliminated on Disposal of Assets	-	-	-	-	-	-	6,82,208	6,82,208
Balance as at March 31, 2018	**-**	**115,30,637**	**412,56,851**	**8,00,116**	**4,37,016**	**11,57,923**	**-2,17,030**	**549,65,514**

(Amount in `)

Carrying Amount	Land - Freehold	Building	Plant and Machinery	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total
Balance as at April 1, 2016	**269,70,735**	**971,42,493**	**4323,12,920**	**14,07,196**	**4,34,490**	**16,95,529**	**78,96,415**	**5678,59,779**
Additions	-	15,53,112	175,12,211	4,39,553	1,69,273	7,48,140	57,41,413	261,63,702
Disposals / Adjustments	-	-	-	-	-	-	8,52,653	8,52,653
Depreciation/ Amortisation Expense	-	57,45,025	199,28,940	3,63,564	2,35,018	6,32,294	18,20,147	287,24,988
Balance as at March 31, 2017	**269,70,735**	**929,50,580**	**4298,96,191**	**14,83,185**	**3,68,745**	**18,11,375**	**109,65,029**	**5644,45,841**
Additions	-	51,42,802	83,07,131	15,39,463	1,90,352	-	26,32,494	178,12,243
Depreciation/ Amortisation Expense	-	57,85,612	213,27,911	4,36,552	2,01,998	5,25,629	18,23,207	301,00,909
Disposals / Adjustments	-	-	-	-	-	-	4,76,082	4,76,082
Balance as at March 31, 2018	**269,70,735**	**923,07,771**	**4168,75,411**	**25,86,096**	**3,57,099**	**12,85,746**	**112,98,234**	**5516,81,092**

Notes:

1. Plant and machinery includes general plant and machinery, electrical installations, laboratory equipments and windmill.

* The Company has elected to consider the carrying value of all its items of property, plant and equipment and intangible assets recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the opening Ind AS Balance Sheet. Accordingly, the accumulated deprication in the opening Ind AS Balance Sheet is Nil.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 7: Capital Work-in-Progress (Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Capital Work-in-Progress	69,43,439	16,40,642	-
	69,43,439	**16,40,642**	**-**

Note 8: Investments

(Amount in ₹)

Particulars	Face Value	March 31, 2018 No. of shares	March 31, 2018 Amount	March 31, 2017 No. of shares	March 31, 2017 Amount	April 1, 2016 No. of shares	April 1, 2016 Amount
Non - Current							
Unquoted (Fully paid)							
Investment carried at Fair Value through Profit and Loss Account (FVTPL)							
National Saving Certificate	5000	1	5,000	1	5,000	1	5,000
National Saving Certificate	500	2	1,000	2	1,000	2	1,000
			6,000		6,000		6,000
Total Unquoted Investments			**6,000**		**6,000**		**6,000**

Note 9: Loans

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non - Current			
(Unsecured, Considered Good)			
Loan to Employees	8,79,579	13,67,437	11,31,847
	8,79,579	**13,67,437**	**11,31,847**
Current			
(Unsecured, Considered Good)			
Loan to Employees	3,54,043	4,28,607	3,94,221
	3,54,043	**4,28,607**	**3,94,221**

Note 10: Other financial assets

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non - Current			
Security Deposits	2,44,765	2,44,765	2,19,765
Margin Money with Bank	-	-	4,50,500
Fixed Deposit with Bank	26,000	26,000	-
	2,70,765	**2,70,765**	**6,70,265**
Current			
Accrued Interest on Fixed Deposit	12,184	11,219	-
Mark to Market Gain on Forward Contracts	-	591,88,416	409,91,800
	12,184	**591,99,635**	**409,91,800**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 11: Other assets

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non - Current			
Prepaid Expenses	47,692	87,228	1,31,987
Capital Advances	50,85,500	-	-
	51,33,192	**87,228**	**1,31,987**
Current			
Advance to Suppliers	1877,49,226	50,25,254	26,82,843
Others			
Export Benefits Receivable	83,08,784	214,82,038	193,68,716
GST, VAT and Other Taxes Recoverable	4023,83,558	3183,11,880	2949,10,486
Prepaid Expenses	37,755	9,43,153	10,69,582
	5984,79,323	**3457,62,326**	**3180,31,628**

Note 12: Current tax assets (net)

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Income Tax	103,76,609	40,76,059	70,28,519
	103,76,609	**40,76,059**	**70,28,519**

Note 13: Inventories

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Raw Materials	17176,99,080	6508,06,251	4675,73,682
Chemicals	39,83,045	49,20,277	32,22,874
Finished Goods	3364,33,561	2589,29,519	3454,10,727
Packing Material	82,02,295	146,00,452	59,61,345
Traded Goods	2751,17,584	3877,21,238	-
Stores and Spares	142,98,228	129,75,703	164,43,050
	23557,33,793	**13299,53,440**	**8386,11,677**

Note 14: Trade Receivables

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, Considered Good	16889,11,104	10521,71,451	8527,79,092
	16889,11,104	**10521,71,451**	**8527,79,092**

Note 15: Cash and Cash Equivalents

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Cash and Cash Equivalents			
Balance with Banks			
in Current Accounts	4,26,947	66,96,668	1049,69,822
Cash on hand	37,028	1,14,043	1,27,088
	4,63,975	**68,10,711**	**1050,96,910**

Note 16: Other Bank Balances

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Other Bank Balance			
Fixed Deposit with Banks	16,05,003	13,00,000	11,93,600
	16,05,003	**13,00,000**	**11,93,600**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 17: Equity Share Capital

(a) Authorised/Issued/Subscribed and Paid Up

Particulars	March 31, 2018 ₹	March 31, 2017 ₹	April 1, 2016 ₹
Authorised			
75,00,000 Equity Shares of ₹ 10/- each	750,00,000	750,00,000	750,00,000
25,00,000 Equity Shares Class A of ₹ 10/- each	250,00,000	250,00,000	250,00,000
	1000,00,000	**1000,00,000**	**1000,00,000**
Issued, Subscribed and Paid up			
55,00,000 Equity Shares of ₹10/- each fully paid up	550,00,000	550,00,000	550,00,000
18,23,570 Equity Shares Class A of ₹ 10/- each	182,35,700	182,35,700	182,35,700
	732,35,700	**732,35,700**	**732,35,700**

(b) Reconciliation of outstanding number of shares

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

Particulars	No. of Shares held	Amount
Shares outstanding at the April 1, 2016	55,00,000	550,00,000
Movements	-	-
Shares outstanding at the March 31, 2017	55,00,000	550,00,000
Movements	-	-
Shares outstanding at the March 31, 2018	**55,00,000**	**550,00,000**

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

Particulars	No. of Shares held	Amount
Shares outstanding at the April 1, 2016	18,23,570	182,35,700
Movements	-	-
Shares outstanding at the March 31, 2017	18,23,570	182,35,700
Movements	-	-
Shares outstanding at the March 31, 2018	**18,23,570**	**182,35,700**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 17: Equity Share Capital

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

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

Name of Shareholder	No. of Shares held	% of Holding
Jayant Agro-Organics Limited and its nominees.		
As at April 1, 2016	55,00,000	75.10%
As at March 31, 2017	55,00,000	75.10%
As at March 31, 2018	55,00,000	75.10%

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

Name of Shareholder	No. of Shares held	% of Holding
Arkema Asie SAS		
As at April 1, 2016	18,23,570	24.90%
As at March 31, 2017	18,23,570	24.90%
As at March 31, 2018	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

Holding Company	No. of Shares held	`
Jayant Agro-Organics Limited and its nominees. (Holding Company)		
As at April 1, 2016	55,00,000	550,00,000
As at March 31, 2017	55,00,000	550,00,000
As at March 31, 2018	55,00,000	550,00,000

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 18: Other Equity

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Securities Premium Account *	2791,70,331	2791,70,331	2791,70,331
General Reserve **	190,24,395	190,24,395	190,24,395
Surplus			
Balance at the beginning of the year	2610,70,378	1632,40,473	1353,29,204
Add: Net Profit for the current year	1434,14,190	1191,45,306	279,11,269
Less: Interim Dividend	-	177,10,000	-
Dividend Distribution Tax	-	36,05,402	-
Balance at the end of the year	**4044,84,568**	**2610,70,378**	**1632,40,473**
Other Comprehensive Income			
Balance as at the beginning of the year	177,59,240	190,96,094	66,50,039
Add/(Less): During the year	(361,97,494)	(13,36,854)	124,46,055
Balance at the end of the year	**(184,38,254)**	**177,59,240**	**190,96,094**
	6842,41,040	**5770,24,344**	**4805,31,293**

* Amount received on issue of shares in excess of the par value has been classified as security share premium.

** General Reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purpose. General Reserve is created by transfer of one component of equity to another and hence not an item of Other Comprehensive Income.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 19: Borrowings

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non Current - Secured			
Term Loans			
From a Bank	-	-	149,84,750
	-	**-**	**149,84,750**
Current - Secured			
From banks*	36411,15,203	23019,72,739	16145,98,680
Unsecured			
From a bank	-	465,30,640	500,00,000
	36411,15,203	**23485,03,379**	**16645,98,680**

As at April 1, 2016

Particulars	Amount Outstanding	Nature of Security	Terms of Repayment
Secured Term Loan from Bank	150,00,000	(i) 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. (ii) Some of the term loans are personally guaranteed by promoter directors.	The loan is repayable in quaterly installments of Rs. 75,00,000 each

* 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.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 20: Deferred Tax

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Deferred Tax Liability			
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts	1171,31,319	1149,82,528	1078,84,336
Difference arising on Fair Valuation of Financial Instruments	-	5,278	36,365
Deferred Tax on Gratuity- Profit and Loss	6,41,917	1,69,806	2,47,391
	1177,73,236	**1151,57,612**	**1081,68,092**
Less: Deferred Tax Asset			
Expenses allowable on actual payment basis	56,48,371	45,32,085	67,85,399
Deferred Tax on OCI - Gratuity	7,27,627	17,18,242	15,70,454
MAT Credit Entitlement	-	23,59,667	191,03,504
	63,75,998	**86,09,994**	**274,59,357**
Deferred Tax Liability (Net)	**1113,97,237**	**1065,47,618**	**807,08,735**

Note 21: Trade Payables

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-	-
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	5354,21,650	1541,85,963	2336,46,633
	5354,21,650	**1541,85,963**	**2336,46,633**

Note 22: Other Financial Liabilities

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Interest Accrued and Due on Borrowings	201,23,513	12,48,629	5,27,928
Current Maturities of Long-Term Debt	-	149,84,750	299,05,263
Creditors for Capital Goods	20,32,333	-	-
Mark to Market Loss on Forward Contracts	342,09,429	-	-
Security Deposit	180,00,000	130,00,000	130,00,000
Bank Accounts Overdrawn	649,89,143	475,03,593	1059,30,621
	1393,54,417	**767,36,973**	**1493,63,812**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 23: Provisions

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non-Current			
Gratuity	2,47,661	44,74,213	38,22,997
	2,47,661	**44,74,213**	**38,22,997**
Current			
Provision for Employee Benefits			
Bonus	41,89,598	37,10,107	33,97,692
Compensated Absences	63,92,685	47,90,853	133,61,067
Gratuity	57,38,714	45,94,525	37,63,878
	163,20,997	**130,95,485**	**205,22,637**

Note 24: Other Liabilities

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advances from Customers	74,61,386	58,41,066	68,54,929
Statutory Dues	44,49,424	44,90,472	25,69,060
Other Payable	5,48,343	5,03,011	2,06,180
	124,59,152	**108,34,549**	**96,30,169**

Note 25: Current tax liabilities (net)

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Income Tax	70,57,043	28,81,920	28,81,920
	70,57,043	**28,81,920**	**28,81,920**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 26: Revenue from Operations

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Sale of Products (including excise duty)	191862,43,095	110572,38,221
Income from Services	1335,53,181	1376,47,988
Power Generation Income	80,50,370	63,83,087
Other Operating Income		
Export incentives	1007,62,758	1571,30,344
Gain on Foreign Exchange Fluctuation	1996,99,735	1231,02,864
	196283,09,139	**114815,02,505**

Note 27: Other Income

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Interest Income		
Interest Income on bank deposit carried at amortised cost	94,408	1,13,407
Interest Income on Financial Assets carried at amortised cost	148,45,608	16,10,570
Interest Income on Loan carried at Fair Value	1,55,851	1,68,288
Other Non-Operating Income		
Miscellaneous Receipts	22,00,837	38,14,537
	172,96,703	**57,06,802**

Note 28: Cost of Materials Consumed

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Raw Material		
Inventory at the beginning of the year	6566,85,411	4693,31,736
Add: Purchases	136104,42,751	76396,27,542
	142671,28,162	81089,59,278
Less: Inventory at the end of the year	(17176,99,080)	(6566,85,411)
Cost of Raw Materials consumed	**125494,29,082**	**74522,73,867**
Chemicals		
Inventory at the beginning of the year	49,20,277	32,22,874
Add: Purchases	855,24,108	691,29,935
	904,44,385	723,52,808
Less: Inventory at the end of the year	(39,83,045)	(49,20,277)
Cost of Chemical consumed	**864,61,340**	**674,32,531**
Primary Packing Materials		
Inventory at the beginning of the year	84,45,621	39,42,791
Add: Purchases	794,24,670	733,80,324
	878,70,291	773,23,115
Less: Inventory at the end of the year	(76,49,647)	(84,45,621)
Cost of Packing Materials consumed	**802,20,644**	**688,77,494**
	127161,11,065	**75885,83,892**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 29: Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade

(Amount in ₹)

Increase/(Decrease) in Stock	March 31, 2018	March 31, 2017
Opening Stock		
Finished Goods	2589,29,519	3454,10,727
Traded Goods	3877,21,238	-
	6466,50,757	**3454,10,727**
Closing Stock		
Finished Goods	3364,33,561	2589,29,519
Traded Goods	2751,17,584	3877,21,238
	6115,51,145	**6466,50,757**
Increase/(Decrease) in Stock	**(350,99,612)**	**3012,40,030**

Note 30: Employee Benefits Expense

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Salaries and Incentives	978,12,794	872,30,043
Contributions to Provident Fund and Other Funds	98,06,742	79,03,369
Staff Welfare Expenses	24,91,578	15,37,218
	1101,11,114	**966,70,630**

Note 31: Excise Duty

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Excise Duty Paid	31,83,434	107,55,243
	31,83,434	**107,55,243**

Note 32: Finance Costs

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Interest Expense		
To Banks	3047,85,978	1860,56,666
To Others	14,468	3,772
Other Borrowing Cost		
Processing Fees	135,46,000	71,25,200
	3183,46,446	**1931,85,638**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 33: Other Expenses

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Consumption of Stores and Spares	279,82,198	251,48,535
Consumption of Packing Materials	39,26,312	46,48,723
Power and Fuel	1210,99,800	997,30,160
Rent Rates and Taxes	250,17,669	143,79,820
Repairs & Maintenance		
Building	15,67,326	21,00,711
Machinery	171,82,526	140,10,674
Others	51,13,562	48,37,164
Insurance	63,21,613	57,71,357
Freight, coolie and cartage	4150,70,632	3567,17,993
Corporate Social Responsibility Expenditure (Refer Note No. 47)	12,23,672	6,02,082
Storage Charges	500,71,752	378,12,910
Brokerage on Sales	129,12,298	62,20,911
Brokerage on Purchases	111,53,962	76,80,946
Loss on Sale of Fixed Asset	5,785	65,240
Loss on Foreign Exchange Fluctuation	440,39,584	105,50,940
Other operating expenses	567,96,938	491,73,404
Auditors Remuneration		
Statutory Audit Fees	10,00,000	9,00,000
Tax Audit Fees	-	1,50,000
Income Tax Matters	-	12,50,000
Others	-	1,88,717
	8004,85,630	**6419,40,286**

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 34: Fair Value Measurement

Financial instruments by category **(Amount in ₹)**

Particulars	31 March 2018			31 March 2017			1 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
-Unquoted	-	-	6,000	-	-	6,000	-	-	6,000
Loans	12,33,622	-	-	17,96,045	-	-	15,26,068	-	-
Trade Receivables	-	-	16889,11,104	-	-	10521,71,451	-	-	8527,79,092
Cash & Cash Equivalents	-	-	4,63,975	-	-	68,10,711	-	-	1050,96,910
Other Financial Assets	-	-	2,82,949	591,88,416	-	2,81,984	409,91,800	-	6,70,265
Total financial assets	12,33,622	-	16896,64,028	609,84,461	-	10592,70,146	425,17,868	-	9585,52,267
Financial liabilities									
Borrowings		-	36411,15,203	-	-	23485,03,379	-	-	16795,83,430
Trade Payables	-	-	5354,21,650	-	-	1541,85,963	-	-	2336,46,633
Other financial liabilities		-	1393,54,417	-	-	767,36,973	-	-	1493,63,812
	-	-	43158,91,271	-	-	25794,26,315	-	-	20625,93,875

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	6,000	6,000
Loans	-	-	12,33,622	12,33,622
Trade Receivables	-	-	16889,11,104	16889,11,104
Cash & Cash Equivalents	-	-	4,63,975	4,63,975
Other Financial Assets	-	-	2,82,949	2,82,949
Total financial assets	-	-	16908,97,650	16908,97,650
Financial liabilities				
Borrowings	-	-	36411,15,203	36411,15,203
Trade Payables	-	-	5354,21,650	5354,21,650
Other financial liabilities	-	-	1393,54,417	1393,54,417
Total financial liabilities	-	-	43158,91,271	43158,91,271

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments			6,000	6,000

Loans	-	-	17,96,045	17,96,045
Trade Receviables	-	-	10521,71,451	10521,71,451
Cash & Cash Equivalents	-	-	68,10,711	68,10,711
Other Financial Assets	-	-	594,70,400	594,70,400
Total financial assets	-	-	11202,54,607	11202,54,607
Financial liabilities	-	-		
Borrowings	-	-	23485,03,379	23485,03,379
Trade Payables	-	-	1541,85,963	1541,85,963
Other financial liabilities	-	-	767,36,973	767,36,973
Total financial liabilities	-	-	25794,26,315	25794,26,315

(Amount in ₹)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at 1 April 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	-	-	6,000	6,000
Loans	-	-	15,26,068	15,26,068
Trade Receviables	-	-	8527,79,092	8527,79,092
Cash & Cash Equivalents	-	-	1050,96,910	1050,96,910
Other Financial Assets	-	-	416,62,065	416,62,065
Total financial assets	-	-	10010,70,135	10010,70,135
Financial liabilities				
Borrowings	-	-	16795,83,430	16795,83,430
Trade Payables	-	-	2336,46,633	2336,46,633
Other financial liabilities	-	-	1493,63,812	1493,63,812
Total financial liabilities	-	-	20625,93,875	20625,93,875

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarachy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows :

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-thecounter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. Considering that all significant inputs required to fair value such instruments are observable, these are included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(ii) Valuation technique used to determine fair value
The fair value of financial instrument is determined using discounted cash flow analysis.

For Assets and liabilities not discounted:
The carrying amounts of trade receivables, loans, cash and bank balances,trade payable and other financial liabilites are considered to be the same as their fair values, due to their short-term nature.

For assets and liabilities discounted:

The fair values for Unbilled revenue were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 35: Financial risk management

The Company’s business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management policy of the Company provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Finance department activities are designed to:
- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimising returns; and
- protect the Company’s financial investments, while maximising returns.

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance sheet date:

(Amount in ₹)

As at March 31, 2018	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	36411,15,203	-	-	36411,15,203
Trade payables	5354,21,650	-	-	5354,21,650
Other liabilities	1518,13,570	-	-	1518,13,570

As at March 31, 2017	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	23634,88,129	-	-	23634,88,129
Trade payables	1541,85,963	-	-	1541,85,963
Other liabilities	875,71,521	-	-	875,71,521

As at April 01, 2016	Less than 1 year	1-3 Years	3-5 Years	Total
Borrowings	16945,03,943	-	-	16945,03,943
Trade payables	2336,46,633	-	-	2336,46,633
Other liabilities	1589,93,981	-	-	1589,93,981

A) Management of market risk

A1 - Interest Risk

Company's borrowing is in the form of working capital loans which are linked to MCLR of the lending banks. Any change in the MCLR can have a positive or negative impact on the companies profit to the extent the benefit or cost is not absorbed in the selling price of the products.

A2 - Commodity Risk

The prices of agricultural commodities are subject to vide fluctuations due to unpredictable factors such as weather, government policies, change in global demand and farmers sowing pattern.

The castor seed crop is shallow in nature and much smaller crop in size, therefore there is an inherent risk associated with the vide fluctuation in castor seed prices, the main raw material of the company.

The company has in place Risk Management Policy which is reviewed from time to time to cap the potential losses arising from such risks.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

B) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations.
The group is exposed to credit risk from Loans and Inter corporate deposits, deposits with banks and financial institutions, as well as credit exposure to customers with deferred payment terms.

Trade receivables
Credit risks related to receivables resulting from the sale of inventory property is managed by screening the customer profile and also by sales to high credit rating counterparties therefore, substantially eliminating the Company's credit risk in this respect.

Other financial assets
Credit risk from balances with banks and financial institutions is managed in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparties. Counterparty credit limits are reviewed on periodic basis, and updated the same as and when required as per the credit profile of the customer. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure

C) Foreign Currency Risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency dominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Liabilities (Foreign Currency)			Assets (Foreign Currency)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
In US Dollars (USD)	10,59,208	5,51,091	1,198	234,70,765	157,75,691	124,89,804

Particulars	Liabilities (Amount in ₹)			Assets (Amount in ₹)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
In US Dollars (USD)	691,62,744	357,38,282	79,342	15296,97,294	10230,53,539	8273,24,620

Foreign Currency Sensitivity Analysis
The Company is mainly exposed to the currency : USD, EUR, JPY.

The following table details the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key managerial personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the exposure outstanding on receivables and payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. A positive number below indicates an increase in the profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Impact on profit or loss and total equity **(Amount in ₹)**

Particulars	USD Impact		
	March 31, 2018	March 31, 2017	April 1, 2016
Increase in exchange rate by 5%	730,26,728	493,65,763	413,62,264
Decrease in exchange rate by 5%	(730,26,728)	(493,65,763)	(413,62,264)

The Company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rate variations. The counter party is generally a bank. These contracts are for a period between one day and four years. The above sensitivity does not include the impact of foreign currency forward contracts which largely mitigate the risk.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Derivative Instruments:

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to accounts receivable, accounts payable and future sales order. The use of foreign currency forward contracts is governed by the Company's strategy approved by the Board of Directors, which provide principles on the use of such forward contracts consistent with the Company's Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The following forward exchange contracts are outstanding as at balance sheet date :

Particulars	Payable			Receivable/Future Sales Order		
	No. of Contracts	Amount in ₹	Foreign Currency in lac	No. of Contracts	Amount in ₹	Foreign Currency in million
March 31, 2018	-	-	-	236	40058,75,114	62.06
March 31, 2017	-	-	-	157	25457,29,463	36.26
April 1, 2016	-	-	-	102	16748,59,377	25.28

The line item in the Balance Sheet that includes the above hedging instruments are "Other financial assets and other financial liabilities".

Note 34 (a): Capital Management

The Company considers that capital includes net debt and equity attributable to the equity holders.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy credit ratios in order to support its business and maximise shareholders value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018 and 31 March 2017.

The Company monitors capital using a gearing ratio which is total capital divided by Net debt. The Company includes within Net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents excluding discontinued operations.

The gearing ratios were as follows:

(Amount in ₹)

Particulars	31 March 2018	31 March 2017	1 April 2016
Net debt (net off cash and bank balances)	43444,55,107	26010,19,850	19914,72,768
Total Equity	7574,76,740	6502,60,044	5537,66,993
Net debt to equity ratio	5.74	4.00	3.60

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 36: Outstanding Forward Contracts

Forward Contracts of ₹ 4,005,875,114/- (USD 62.06 Million) (PY ₹ 2,545,729,463/- (USD 39.26 Million)) are outstanding as on March 31, 2018.

Note 37: Contingent Liabilities

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Claims against company not acknowledged as debts		
Income Tax Act, 1961	55,00,598	55,00,598
Industrial Dispute Act, 1947	3,88,623	3,88,623
Gujarat Value Added Tax Act, 2003	167,83,536	167,83,536

Note 38: Dividend

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Dividend on equity shares paid during the year		
Interim dividend for the FY 2017-18 ₹ Nil (Previous year ₹ 3.22) per equity share of 10 each #	-	177,10,000
Dividend distribution tax on interim dividend	-	36,05,402
	-	**213,15,402**

The Dividend has been given to shareholders other than Class 'A' equity shareholder.

Note 39: Capital Commitment

Estimated amount of contracts remaining to be executed on capital account amounted to ₹ 11,814,500 (P.Y. ₹ 779,358).

Note 40: Disclosure under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

The Company has no dues towards pricipal and interest amount to micro, small and medium enterprise at the year end March 31, 2018.

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 41: Earning Per Share

Particulars	March 31, 2018	March 31, 2017
Weighted Average Number of Shares for Earning Per Share computation		
For Basic Earning Per Share of ₹10/- each	73,23,570	73,23,570
For Diluted Earning Per Share of ₹10/- each	73,23,570	73,23,570
Net Profit Available for Equity Shareholders	1434,14,190	1191,45,306
Earning Per Share (Weighted Average)		
Basic Earnings Per Share ₹	19.58	16.27
Diluted Earnings Per Share ₹	19.58	16.27

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 42: Employee Benefit Obligation

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

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
Provident Fund	61,00,986	53,85,946

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 Present Value Obligation

(Amount in ₹)

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Present Value Obligation at beginning of the period	159,00,208	132,38,887
Interest Cost	10,51,094	9,82,108
Current Service Cost	16,09,144	13,26,528
Past Service Cost	5,66,888	-
Benefits Paid	(3,77,583)	(1,47,808)
Acturial (Gain)/Loss	(59,29,438)	5,00,493
Present Value Obligation Obligation at the end of the period	128,20,313	159,00,208

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

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Fair Value of Plan Assets at beginning of year	114,25,995	94,15,890
Expected Return on Plan Assets	9,78,322	8,20,266
Employer Contribution	5,69,878	13,37,647
Benefits Paid	(3,77,583)	(1,47,808)
Fair Value of Plan Assets at year end	125,72,652	114,25,995

Reconciliation of fair value of Plan Assets and Obligations

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Present Value Obligation at beginning of the period	159,00,208	132,38,887
Fair Value of Plan Assets at beginning of year	114,25,995	94,15,890
Net asset/(liability) recognised in Balance Sheet	44,74,213	38,22,997

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Expenses recognised during the year

(Amount in ₹)

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Current Service Cost	16,09,144	13,26,528
Interest Cost	2,81,866	2,35,302
Past Service Cost	5,66,888	-
Actuarial (Gain) / Loss	24,57,898	15,61,830

Amounts to be recognised in Balance Sheet

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Present Value Obligation Obligation at the end of the period	128,20,313	159,00,208
Fair Value of Plan Assets at year end	125,72,652	114,25,995
Funded Status	(2,47,661)	(44,74,213)
Net Asset/(Liability) recognised in the balance sheet	(2,47,661)	(44,74,213)

Other Comprehensive Income (OCI)

Particulars	Gratuity (Funded)	
	March 31, 2018	March 31, 2017
Acturial (Gain)/Loss recognised for the period	(59,29,438)	5,00,493
Return on plan assets excluding net interest	(2,09,094)	(73,460)
Total acturial (Gain)/Loss recognised in OCI	(61,38,532)	4,27,033

Investment Details

Particulars	March 31, 2018	March 31, 2017
Insurer Managed Fund	100%	100%

Assumptions and definitions:

Particulars	March 31, 2018	March 31, 2017
Discounting rate	7.68%	6.69%
Rate of increase in compensation level	4.00%	5.00%
Expected average remaining service	15.53	9.41
Mortality table	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Attrition rate	PS: 0 to 5: 15% PS: 5 to 10: 5% PS: 10 to 44: 0%	PS: 0 to 44 :11% - -

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Company’s policy for Plan Assets Management.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in ₹)

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 1%)	141,48,749	117,12,217	169,86,674	149,68,008
Change in rate of salary increase (delta effect of +/- 1%)	117,53,763	140,92,230	150,24,590	168,84,732

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 43: Related Party disclosures
(As identified by the Management)

Related party disclosures as required by Indian Accounting Standard 24, "Related Party Disclosures"

I. RELATED PARTIES AND NATURE OF THEIR RELATIONSHIP

A. Parties where control exists

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

Abhay V. Udeshi	Chairman
Mulraj G. Udeshi	Wholetime Director
Jayraj G. Udeshi	Wholetime Director
Bharat M. Udeshi	Wholetime Director
Sudhir V. Udeshi	Director
Francois Guillemet	Director
Suresh Ramchandran	Nominee Director
Krunal G. Veni	Company Secretary

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 43: Related Party disclosures
(As identified by the Management)

(Amount in ₹)

Particulars	Holding Company	Fellow Subsidiary	Associates	Controlled by director & relatives	Key Management Personnel
Sale of Goods					
Jayant Agro-Organics Limited	1,759,667,837 (1,215,795,805)	- (-)	- (-)	- (-)	- (-)
Arkema France	- (-)	- (-)	3,774,342,906 (3,120,801,881)	- (-)	- (-)
Casda Biomaterials Co. Limited	- (-)	- (-)	1,629,649,554 (937,587,043)	- (-)	- (-)
Vithal Castor Polyols Private Limited	- (-)	- (-)	2,055,452 (1,568,145)	- (-)	- (-)
Processing Charges Received					
Jayant Agro-Organics Limited	133,553,181 (137,647,986)	- (-)	- (-)	- (-)	- (-)
Purchase of Goods					
Arkema France	- (-)	- (-)	253,133,809 (34,235,938)	- (-)	- (-)
Jayant Agro-Organics Limited	39,979,705 (66,172,300)	- (-)	- (-)	- (-)	- (-)
Remuneration					
Remuneration to Executive Directors	- (-)	- (-)	- (-)	- (-)	19,516,121 (27,898,936)
Remuneration to Company Secretary	- (-)	- (-)	- (-)	- (-)	1,066,849 (825,681)
Rent Paid					
Udeshi Trust	- (-)	- (-)	- (-)	13,085,083 (12,207,214)	- (-)
Reimbursement of Expenses					
Jayant Agro-Organics Limited	22,970,603 (15,759,982)	- (-)	- (-)	- (-)	- (-)
Balances as at March 31, 2018					
Trade Payable					
Jayant Agro-Organics Limited	13,335,027 (15,893,305)	- (-)	- (-)	- (-)	- (-)
Trade Receivable					
Arkema France	- (-)	- (-)	309,380,589 (287,795,644)	- (-)	- (-)
Casda Biomaterials Co. Limited	- (-)	- (-)	197,712,084 (319,119,933)	- (-)	- (-)

Note: Figures in bracket represents the amount of previous year.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 44: Foreign Currency Exposure

Particulars	Foreign Currency	March 31, 2018			March 31, 2017		
		Exchange Rate	Amount in Foreign Currency	Amount in `	Exchange Rate	Amount in Foreign Currency	Amount in `
I. Assets							
Receivables (trade & other)	USD	65.17	234,70,765	15296,97,294	64.85	157,75,691	10230,53,539
Other Monetary assets (e.g. ICDs/ Loans givien in FC)		-	-	-	-	-	-
Total Receivables (A)	USD	65.17	234,70,765	15296,97,294	64.85	157,75,691	10230,53,539
Hedges by derivative contracts (B)	USD	65.17	234,70,765	15296,97,294	64.85	157,75,691	10230,53,539
Unhedged receivables (C=A-B)		-	-	-	-	-	-
II. Liabilities							
Payables (trade & other)	USD	65.30	10,59,208	691,62,744	64.85	5,51,091	357,38,282
Borrowings (ECB and Others)		-	-	-	-	-	-
Total Payables (D)	USD	65.30	10,59,208	691,62,744	64.85	5,51,091	357,38,282
Hedges by derivative contracts (E)		-	-	-	-	-	-
Unhedged Payables (F=D-E)	USD	65.30	10,59,208	691,62,744	64.85	5,51,091	357,38,282
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	65.30	10,59,208	691,62,744	64.85	5,51,091	357,38,282

Note 45: Disclosure as per Regulation 53(F) of SEBI (Listing Obligation and Disclosure Requirements) Regulations

There was no loans and advances in the nature of loans given to subsidiaries, associates and firms or companies in which directors are interested.

Note 46: Disclosure as per Section 186 of the Companies Act, 2013

The Company has not given any loan or issued any guarantee which is required to be maintained under Section 186 of the Companies Act, 2013 and read with the Companies (Meetings of Board and its Powers) rules, 2014.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 47: Corporate Social Responsibility Expenses

(Amount in ₹)

Particulars	March 31, 2018	March 31, 2017
a) Gross amount required to be spent by the Company during the year:	14,00,000	6,00,000

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	12,23,672	-	12,23,672
	Total	**12,23,672**	**-**	**12,23,672**
	Previous Year	6,02,082	-	6,02,082

Note 48: Long Term Derivative Contracts

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

Note 49: Investor Education and Protection Fund

There is no amounts required to be transferred to Investor Education and Protection Fund as at March 31, 2018 (₹ Nil as at March 31, 2017).

Note 50: Interest Income

Interest income include an amount of ₹ 14,493,664/- (P.Y. ₹ Nil) received from Department of Commercial Tax in Gujarat as interest on VAT refunds.

Note 51: Approval of Financial Statements

The financial statements are approved for issue by the Audit Committee at its meeting held on 4th May, 2018 and by the Board of Directors on 4th May, 2018.

Note 52: Previous Year Figures

Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification.

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

53.2 Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind AS

Particluars	Note	Balance Sheet as at March 31, 2017		
		IGAAP	Effects of Transition to Ind - AS	Ind As
Revenue from Operations	26	114623,87,749	191,14,756	114815,02,505
Other Income	27	56,46,743	60,059	57,06,802
Total Revenue		**114680,34,492**	191,74,814	**114872,09,306**
EXPENSES				
Cost of Materials Consumed	28	75229,16,247	656,67,645	75885,83,892
Purchases of Stock-in-Trade		30453,52,391	-	30453,52,391
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	29	(3012,40,030)	-	(3012,40,030)
Employee Benefits Expense	30	963,86,373	2,84,257	966,70,630
Excise Duty paid	31	-	107,55,243	107,55,243
Finance Costs	32	1930,90,901	94,737	1931,85,638
Depreciation and Amortization Expense	6	287,24,988	-	287,24,988
Other Expenses	33	7076,07,931	(656,67,645)	6419,40,286
Total Expenses		**112928,38,800**	111,34,237	**113039,73,037**
Profit Before Tax		**1751,95,692**	80,40,578	**1832,36,269**
Less: Tax Expense:				
Current Tax		560,00,000	-	560,00,000
Deferred Tax		91,39,575	1,03,259	92,42,834
Profit After Tax		**1100,56,117**	**79,37,319**	**1179,93,435**
Add: Mat Credit Entitlement of earlier years		11,51,871	-	11,51,871
Profit for the year before OCI		**1112,07,988**	**79,37,319**	**1191,45,306**

Expalnations for reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind - AS.

The reconciliation pertains to Fair Valuation of Financial Instruments.

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 04, 2018

Ihsedu Agrochem Private Limited

Notes forming part of Financial Statements for the year ended March 31, 2018

Note 53: First Time Adoption Reconciliations

53.1 Reconciliation of Equity as previously reported under IGAAP to Ind AS

(Amount in ₹)

Particluars	Note	Opening Balance Sheet as at April 1, 2016			Balance Sheet as at March 31, 2017		
		IGAAP	Effects of Transition to Ind - AS	Ind AS	IGAAP	Effects of Transition to Ind - AS	Ind As
ASSETS							
Non-Current Assets							
Property, plant and equipment	6	5678,59,779	-	5678,59,779	5644,45,841	-	5644,45,841
Capital work-in-progress	7	-	-	-	16,40,642	-	16,40,642
Financial assets		-	-	-	-	-	-
Investments	8	6,000	-	6,000	6,000	-	6,000
Loans	9	202,95,192	(191,63,345)	11,31,847	37,04,500	(23,37,063)	13,67,437
Other financial assets	10	6,70,265	-	6,70,265	2,70,765	-	2,70,765
Other non-current assets	11	-	1,31,987	1,31,987	-	87,228	87,228
Income tax assets (net)	12	70,28,519	-	70,28,519	40,76,059	-	40,76,059
							-
Current Assets							
Inventories	13	8386,11,677	-	8386,11,677	13299,53,440	-	13299,53,440
Financial Assets		-	-	-	-	-	-
Trade Receivables	14	8527,79,092	-	8527,79,092	10521,71,451	-	10521,71,451
Cash and Bank Balances	15	1050,96,910	-	1050,96,910	68,10,711	-	68,10,711
Other Bank Balances	16	11,93,600		11,93,600	13,00,000		13,00,000
Loans	9	5,25,945	(1,31,724)	3,94,221	5,85,644	(1,57,037)	4,28,607
Other financial assets	10	710,43,961	(300,52,161)	409,91,800	591,99,635	-	591,99,635
Other Current Assets	11	3179,72,051	59,577	3180,31,628	3457,15,137	47,188	3457,62,326
		27830,82,991	**(491,55,666)**	**27339,27,326**	**33698,79,826**	**(23,59,683)**	**33675,20,143**
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital	17	732,35,700	-	732,35,700	732,35,700	-	732,35,700
Other Equity	18	5129,85,106	(324,53,813)	4805,31,293	5801,27,437	(31,03,093)	5770,24,344
Liabilities							
Non-Current Liabilities							
Financial Liabilities							
Long-Term Borrowings	19	150,00,000	(15,250)	149,84,750	-	-	-
Provisions	23	-	38,22,997	38,22,997	-	44,74,213	44,74,213
Deferred Tax Liabilities (Net)	20	1011,23,596	(204,14,861)	807,08,735	1102,63,170	(37,15,552)	1065,47,618
Current Liabilities							
Financial Liabilities							
Short Term Borrowings	19	16645,98,680	-	16645,98,680	23485,03,379	-	23485,03,379
Trade Payables	21						
(i) Total Outstanding Dues of Micro Enterprises and Small Enterprises							
(ii) Total Outstanding Dues Creditors other than of Micro Enterprises and Small Enterprises		2336,46,633	-	2336,46,633	1541,85,963	-	1541,85,963
Other Financial Liabilities	22	1494,58,549	(94,737)	1493,63,812	767,52,223	(15,251)	767,36,973
Provisions	23	205,22,637	-	205,22,637	130,95,485	-	130,95,485
Other Current Liabilities	22	96,30,169	-	96,30,169	108,34,549	-	108,34,549
Current Tax Liabilities	25	28,81,920	-	28,81,920	28,81,920		28,81,920
TOTAL		**27830,82,990**	**(491,55,664)**	**27339,27,326**	**33698,79,826**	**(23,59,683)**	**33675,20,143**

Expalnations for reconciliation of Balance Sheet as previously reported under IGAAP and Ind - AS.

The reconciliation pertains to Fair Valuation of Financial Instruments