

IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED



- REGD. OFFICE □ : AKHANDANAND, 38, MAROL CO-OP. IND. ESTATE, OFF M. V. ROAD, SAKINAKA, ANDHERI (E), MUMBAI - 400 059. INDIA.
TEL. : +91 22 40271300 / 66970470 • FAX : +91 22 40271399 / 66970474 • E-Mail : jaol@vsnl.net • Visit : www.jayantagro.com
- PROJECT OFF. □ : PLOT NO. 59 - P2/P1, NEAR JASUBHAI'S GODOWN, OPP. BHAGWAN PARK, GACL ROAD, RANOLI, TAL : VADODARA,
GUJARAT - 391 350 INDIA. TEL.: (0265) 2240 410 • FAX :(0265) 2240 403
- FACTORY □ : 296/300, VILLAGE DHANORA, TALUKA :VADODARA, DIST. VADODARA GUJARAT. INDIA.

NOTICE

Notice is hereby given that the Fourth Annual General Meeting of the Shareholders of Ihstedu Speciality Chemicals Private Limited will be held on Thursday, the 15th July, 2010 at 2.00 p.m. at The Malabar Hill Club (formerly : W.I.A.A. Club) Opp. Hanging Garden, B.G.Kher Marg, Mumbai – 400 006 to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010, and the Cash flow Statement for the year ended on that date and the Reports of the 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 Dr.Subhash V.Udeshi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

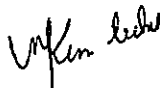
5. Appointment of Mr. J. V. Mariwala, as a Director of the Company, retiring by rotation.

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

“RESOLVED that Mr. J.V.Mariwala who was appointed by the Board of Directors as an Additional Director of the Company with effect from 18th September, 2009 and who holds office as such upto the date of this Annual General Meeting of the Company in terms of Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed as a Director of the Company.”

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

By Order of the Board of Directors of
Ihstedu Speciality Chemicals Pvt.Ltd


Vikram Udeshi
Director

Place : Mumbai.
Date : 15th July, 2010

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: 2 :

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy and vote instead of himself and the Proxy need not be a member of the Company.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 which sets out details relating to Item No. 5 is annexed hereto.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. J.V.Mariwala was appointed as an Additional Director of the Company on 18th September, 2009. As per Section 260 of the Companies Act, 1956, Mr.J. V. Mariwala holds office only upto the date of the forthcoming Annual General Meeting of the Company and is eligible for re-appointment. The Company has received notices under Section 257 of the Companies Act, 1956, in respect of his candidature, proposing his appointment as Director of the Company, along with the requisite deposit. The Board considers it desirable that the Company should continue to avail itself of his services.

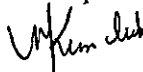
IhSEDU Speciality Chemicals Pvt. Limited is a material non-listed Indian subsidiary of Jayant Agro Organics Limited, and Jayant Agro Organics Limited is a listed Company on Bombay Stock Exchange Limited and on National Stock Exchange of India Limited. According to Clause 49 III of the Listing Agreement, at least one Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Directors of IhSEDU Speciality Chemicals Pvt. Ltd. Mr. J.V.Mariwala, is a Chartered Accountant having a considerable experience in finance and is an independent Director of Jayant Agro-Organics Limited. In compliance with the requirements of the Listing Agreement, the Board of Directors of the Company had appointed Mr. J.V.Mariwala, as Additional Director of the Company at its Meeting held on 18th September, 2009.

None of the directors of the Company except Mr.J.V.Mariwala may be deemed to be interested in the resolution relating to his own appointment.

The Directors recommend the Resolution No. 5 for your approval.

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

By Order of the Board of Directors of
IhSEDU Speciality Chemicals Pvt.Ltd


Vikram Udeshi
DIRECTOR

Place : Mumbai
Date : 15th July, 2010

IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED



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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Fourth Annual Report and the Audited Statement of Accounts of the Company for the year ended March 31, 2010

FINANCIAL RESULTS:

The Directors are pleased to inform you that the Company has commenced trial production w.e.f. 27th March, 2010.

ISSUE OF FURTHER CAPITAL :

During the year under review, the Company has allotted at par totaling 10,000,000 Equity Shares of Rs.10/- each, out of which,7,600,000,Equity Shares of Rs.10/- each to Jayant Agro-Organics Limited;1,200,000 Equity Shares of Rs. 10/- each to Mitsui & Co (Asia Pacific) Pte.Ltd, Singapore and 1,200,000 Equity Shares of Rs. 10/- each to Mitsui & Co.Ltd,Japan. Hence, the paid-up Equity Share Capital of the Company has increased to Rs. 250,000,000/- (Rs.250 Million) comprising of 25,000,000 Equity Shares of Rs.10/- each.

DIRECTORS:

The Board of Directors at their meeting held on 20th April, 2010, have appointed Mr.Makoto Kato, in the casual vacancy caused by the replacement of Mr.Kimihide Kondo, a Director of the Company, by Mitsui & Co (Asia Pacific) Pte.Ltd, Singapore. The Board of Directors of your Company wishes to place on record their sincere appreciations to the advice and valuable services rendered by him during his tenure as Director of the Company.

During the year, Mr.J.V.Mariwala, Independent Director, has been appointed as an Additional Director on the Board on 18th September, 2009 in compliance with the provisions of the Listing Agreement of Stock Exchanges with Jayant Agro-Organics Limited. As per the provisions of Section 260 of the Companies Act, 1956, Mr. J.V. Mariwala, holds office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notices under Section 257 of the Companies Act, 1956 in respect of Mr.J.V. Mariwala, proposing his name for the appointment as a Director of the Company, retiring by rotation, along with requisite deposit.

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: 2 :

In accordance with the provisions of the Articles of Association of the Company, Mr. Abhay V. Udeshi and Dr.Subhash V.Udeshi are retiring by rotation and being eligible offer themselves for re-appointment.

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

The Company has started its trial production on 27th March, 2010 and the Company has installed micro filters system for collecting rain water to use in the plant which will save the energy to pump the water, by which the energy cost will be saved.”

PARTICULARS REGARDING EMPLOYEES:

None of the employees of the Company is in receipt of remuneration in excess of the sum prescribed under Section 217 (2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS:

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

DIRECTORS' RESONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:-

- i) in the preparation of the annual accounts, the applicable accounting Standards had been followed, and there was no material departure;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010,

...3/-

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: 3 :

- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis.

AUDITORS:

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

INSURANCE :

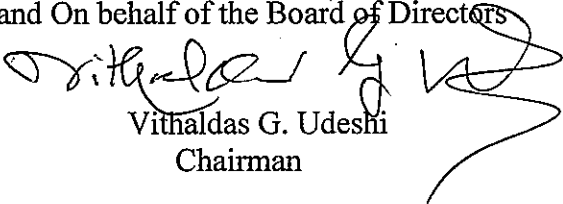
The properties and insurable interest of your Company like Building, Plant and Machinery, Stocks, etc are properly insured.

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 also thank the Company's Bankers for the help and co-operation extended during the period.

Place :Mumbai,
Dated : 15th July, 2010

For and On behalf of the Board of Directors


Vithaldas G. Udeshi
Chairman

T.P. Ostwal & Associates

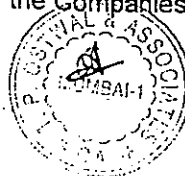
CHARTERED ACCOUNTANTS

Bharat House, 4th Floor, 104, Mumbai Samachar Marg, Fort, Mumbai 400 001.
☎ 91-22-40693900 ☎ Fax: 91-22-40693999, E-mail: fca@vsnl.com

AUDITORS' REPORT

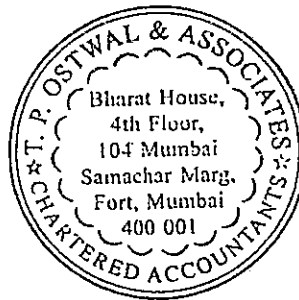
To
The Members of
IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of **IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED** as at 31st March, 2010 and the Cash Flow Statement for the year ended on that date annexed thereto. There is no business activity conducted by the Company for the year, hence no Profit & Loss statement is prepared and a statement of pre-operative expenses has been prepared and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of those books;
 - c. the Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956;
 - e. on the basis of the written representations received from the directors of the Company, taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;



- f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
- (ii) in the case of the Cash Flow Statement, the cash flows of the Company for the year ended on that date.

For T. P. Ostwal & Associates
Chartered Accountants



Sharad Jain
(Partner)
M. No:106958
F.R.No.124444W

Place: Mumbai
Dated: 15 JUL 2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the financial statements for the year ended 31st March, 2010 of Ihsedu Speciality Chemicals Private Limited.

- (i) (a) The Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No discrepancies were noticed on such physical verification.
- (c) The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
- (ii) (a) As explained to us, inventories have been physically verified during the year by the management, and with regards to inventories lying with third parties, stock confirmation certificates have been received in respect of the stock held by them during the year or at the year end.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) (a) The Company has not granted loans to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (a), (b), (c) and (d) of clause 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clauses (e), (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the Company and the nature of its business.
- (v) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(v) of the Order is not applicable.

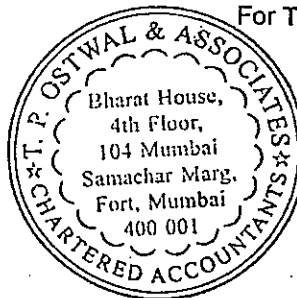


- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause 4(vi) of the Order are not applicable to the company.
- (vii) In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size and the nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 (1 of 1956) for any of the products of the Company, hence the question of maintaining them does not arise
- (ix) In respect of Statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other Statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period more than six months from the date of becoming payable.
- (b) According to records of the Company, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty, Service Tax and Cess, which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period less than five years and hence the provisions of clause 4 (x) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xi) In our opinion and according to explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (xii) In our opinion and according to explanations given to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures, and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.



- (xv) According to the information and explanations given to us, and the representations made by the management, the Company has not given guarantee for loans taken by others from any bank or financial institutions and hence the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company
- (xvi) According to the information and explanations given to us, term loans were applied for the purpose for which these were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on a short term basis which have been used for long term investment.
- (xviii) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
- (xx) During the year under review, the Company has not raised any money by way of public issue.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Mumbai
Dated: 15 JUL 2010



Sharad Jain
Sharad Jain
(Partner)
M. No:106958
F.R.No.124444W

IHSEDU SPECIALITY CHEMICALS PVT. LTD

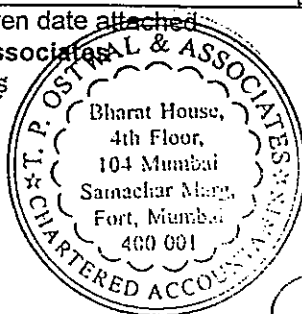
BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31.03.2010 [Rs.]	As at 31.03.2009 [Rs.]
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	[1]	250,000,000	150,000,000
Reserves and Surplus	[2]	24,588,000	24,588,000
		<u>274,588,000</u>	<u>174,588,000</u>
Loan Funds			
Secured Loan	[3]	419,121,375	127,197,546
		<u>693,709,375</u>	<u>301,785,546</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	[4]	179,440,881	39,897,963
Less : Depreciation		329,344	109,136
Net Block		<u>179,111,537</u>	<u>39,788,827</u>
Capital Work-In-Progress		421,883,523	183,997,349
Advances against capital commitments		500,788	62,818,750
		<u>601,495,848</u>	<u>286,604,926</u>
Pre-Operative Expenses (Pending Capitalisation)	[5]	79,288,679	30,944,824
Current Assets, Loan & Advances			
Inventories	[6]	31,152,428	-
Sundry Debtors		1,058,803	-
Cash and Bank Balances		9,052,487	5,422,206
Loans and Advances		51,137,465	12,257,713
		<u>92,401,183</u>	<u>17,679,919</u>
Less: Current Liabilities & Provisions	[7]		
Current Liabilities		79,516,334	33,484,122
Provisions		87,835	87,835
		<u>79,604,169</u>	<u>33,571,957</u>
Net Current Assets		<u>12,797,015</u>	<u>(15,892,039)</u>
Miscellaneous Expenditure (To the extent not written off or adjusted)	[8]		
Preliminary Expenses		127,834	127,834
		<u>693,709,375</u>	<u>301,785,546</u>
Significant Accounting Policies	[9]		
Notes on Accounts	[10]		

As per our report of even date attached
For T. P. Ostwal & Associates
Chartered Accountants

Sharad Jain
Partner
M.No:106958
F.R.No.124444W

Place: Mumbai
Date: 15 JUL 2010



For and on behalf of the Board of Directors

S.V. UDESHI
Wholetime Director

Director

Director

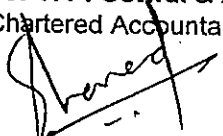
Director

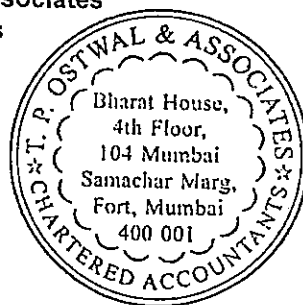
IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31.03.2010 [Rs.]	For the year ended 31.03.2009 [Rs.]
A Cash Flow from Operating Activities		
Net Profit before tax		
Adjustments for :-		
Interest Accrued but not Due	3,072,579	1,048,796
Operating profit before working capital charges	3,072,579	1,048,796
Adjusted for :-		
(Increase)/Decrease in Inventories	(31,152,428)	-
(Increase)/Decrease in Debtors & Other Receivables	(39,938,555)	(11,948,867)
Increase/(Decrease) in Payables & Other Liabilities	46,032,211	32,273,174
	<u>(21,986,193)</u>	<u>21,373,103</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets/Increase in Pre Operative Expenses	(363,234,776)	(246,509,506)
Redemption of Investments	-	20,170,462
Net Cash from/(used in) Investing Activities	<u>(363,234,776)</u>	<u>(226,339,044)</u>
C Cash Flow from Financing Activities		
Borrowings	288,851,250	119,854,202
Equity Share issued	100,000,000	73,750,000
Share Premium	-	12,276,000
Net Cash from/(used in) Financing Activities	<u>388,851,250</u>	<u>205,880,202</u>
Net Increase/(Decrease) in cash equivalents	3,630,281	914,261
Cash & Cash equivalent		
At the beginning of the year	5,422,206	4,507,945
At the end of the year	9,052,487	5,422,206


As per our report of even date attached
For T. P. Ostwal & Associates
Chartered Accountants

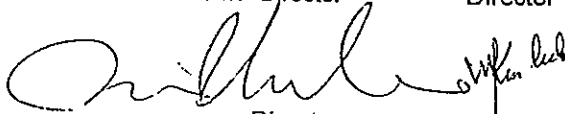

Sharad Jain
Partner
M.No:106958
F.R.No.124444W

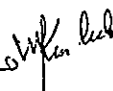


Place: Mumbai
Date: 15 JUL 2010

For and on behalf of the Board of Directors


S.V. UDESHI
Wholetime Director


Director


Director

IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2010 [Rs.]	As at 31.03.2009 [Rs.]
SCHEDULE 1		
SHARE CAPITAL:		
Authorised		
25,000,000 (P.Y.20,000,000) Equity Shares of Rs.10 each	250,000,000	200,000,000
ISSUED, SUBSCRIBED AND PAID UP		
25,000,000 (P.Y. 15,000,000) Equity Shares of Rs.10/- each fully paid up	250,000,000	150,000,000
[Of the above 18,990,000 (P.Y. 11,390,000) Equity Shares are held by Jayant Agro Organics Limited, Holding Company]		
TOTAL	250,000,000	150,000,000
SCHEDULE 2		
RESERVES AND SURPLUS:		
Share Premium		
Balance as per last Balance Sheet	24,588,000	12,312,000
Add : Received during the year	-	12,278,000
TOTAL	24,588,000	24,588,000
SCHEDULE 3		
SECURED LOAN:		
From Banks		
Term Loan	415,000,000	126,148,750
Interest accrued on Term Loan	4,121,375	1,048,750
TOTAL	419,121,375	127,197,500

Note: Loan is secured by hypothecation of stocks, bills documents, etc and pari-passu charge on fixed assets, and personal guarantee of two Directors, and Corporate guarantee of Jayant Agro-Organics Limited (Holding company).



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 1.4.2009 (at cost)	Additions during the year	Deductions during the year	As at 31.3.2010 (at cost)	Upto 1.4.2009	For the year	Deductions during the year	Upto 31.3.2010	As at 31.3.2010	As at 31.3.2009
Freehold Land	38,022,750	-	-	38,022,750	-	-	-	-	38,022,750	38,022,750
Building	944,558	56,904,459	-	57,849,017	17,950	41,432	-	59,382	57,789,635	926,608
Plant & Machinery	64,300	80,740,869	-	80,805,169	716	62,338	-	63,054	80,742,115	63,584
Computer	192,421	577,928	-	770,349	23,021	36,565	-	59,586	710,763	169,400
Furniture & Fixtures	63,118	1,271,862	-	1,334,980	3,713	19,638	-	23,351	1,311,629	59,405
Vehicles	610,816	47,800	-	658,616	63,736	60,236	-	123,972	534,645	547,080
Total	39,897,963	139,542,918	-	179,440,881	109,136	220,208	-	329,344	179,111,537	39,788,827
Previous Year	39,708,083	189,880	-	39,897,963	9,379	99,757	-	109,136	39,788,827	-

(Amount in Rupees)



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2010 [Rs.]	As at 31.03.2009 [Rs.]
SCHEDULE 5		
PRE-OPERATIVE EXPENSES:		
(Pending Capitalisation)		
Balance as per last Balance Sheet	30,944,824	13,030,435
Electricity expenses	8,635,698	493,003
Salaries and Wages	4,869,366	3,535,249
Directors Remuneration	1,795,583	-
Raw Material Consumed during Trial Run	1,116,712	-
Interest:		
Term Loan	34,035,605	5,322,839
Others	2,988,078	-
Legal & Professional Expenses	4,659,990	3,122,601
Membership Fees	2,015,820	3,000
Bank charges	1,776,011	178,870
Stamping & Registration charges	700,610	17,680
Insurance	928,946	23,979
Travelling & other expenses	1,045,370	939,240
Lodging & Boarding Expenses	474,482	74,016
Software Expenses	827,239	1,190,588
Postage Expenses	7,298	7,821
Telephone Expenses	499,518	242,302
Security Expenses	803,947	348,521
Repairs & Maintenance	845,538	37,581
Labour Expenses	637,402	-
Advertisement Expenses	70,417	59,727
Staff welfare	385,404	128,018
Licence & Subscription	21,000	14,000
Pooja and other expenses	203,070	-
Printing & Stationery	62,894	63,891
Rent, Rates and Taxes	903,679	1,719,468
Office Expenses	295,741	138,229
Canteen expenses	44,352	-
Conveyance	128,246	57,540
Motor car Expenses	311,036	36,638
Depreciation	220,208	99,757
Laboratory Expenses	1,625	-
Board Meeting Expenses	-	26,347
Books & Periodicals	6,528	-
Miscellaneous Expenses	93,896	3,160
Seminar & Conference Fees	-	27,529
Analysis & Testing Charges	360	3,202
Fringe Benefit Tax	-	66,000
Audit Fees	441,200	441,200
	102,797,693	31,452,431
Less:		
Sale of goods Manufactured during Trial Run	928,600	-
Dividend on Mutual Fund	21,481	397,607
Interest on Income Tax Refund	3,690	-
Tender Fees	20,000	110,000
Sale of Scrap	534,076	-
	1,507,847	507,607
TOTAL	101,289,846	30,944,824
Less : Capitalised	22,001,167	-
Balance Carried to Balance Sheet	79,288,679	30,944,824



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET	As at 31.03.2010 [Rs.]	As at 31.03.2009 [Rs.]
SCHEDULE 6		
CURRENT ASSETS, LOANS AND ADVANCES:		
INVENTORIES (as taken, valued and certified by the management)		
Raw Materials, Chemicals, and Packing Materials (At Cost)	12,991,406	-
Work in Process - Trial Production (At Cost)	18,161,022	-
TOTAL	31,152,428	-
SUNDRY DEBTORS (Unsecured, considered good) Exceeding Six Months Others		
	-	-
	1,058,803	-
TOTAL	1,058,803	-
CASH AND BANK BALANCES		
Cash on Hand	60,229	60,931
Balance in Current Account with a Scheduled Banks	8,992,258	5,361,275
TOTAL	9,052,487	5,422,206
LOANS AND ADVANCES (Unsecured, considered good)		
Excise & Other Taxes Recoverable	43,254,928	11,482,651
Advances recoverable in cash or in kind	24,000	779
Deposits with Government and Others	7,775,993	661,923
Advance Income Tax (including TDS)	82,544	112,360
TOTAL	51,137,465	12,257,713
TOTAL	60,189,952	17,679,919
SCHEDULE 7		
CURRENT LIABILITIES AND PROVISIONS:		
CURRENT LIABILITIES		
Security Deposits	1,002,965	1,137,385
Sundry Creditors	39,364,955	7,933,770
Retention Money	6,618,288	1,565,354
Advance from Holding Company	32,006,435	22,204,042
Other Liabilities	523,691	643,571
TOTAL	79,516,334	33,484,122
PROVISIONS		
For Fringe Benefit Tax	87,835	87,835
TOTAL	87,835	87,835
TOTAL	79,604,169	33,571,957
SCHEDULE 8		
MISCELLANEOUS EXPENDITURE:		
Preliminary Expenses	127,834	127,834
TOTAL	127,834	127,834



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

SCHEDULE 9: SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF ACCOUNTING

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

B. USE OF ESTIMATES

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

C. FIXED ASSETS

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

D. BORROWING COSTS

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

E. DEPRECIATION

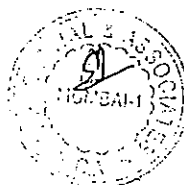
Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

F. INVESTMENTS

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

G. INVENTORIES

- (a) Raw material, Chemicals, Packing Materials and Stores and Spares are valued at cost.
- (b) Work-in-process is valued at cost.
- (c) By-Products are valued at net realizable value.
- (d) Cost is determined on First-in-First Out basis.



H. EMPLOYEE BENEFITS

Defined Contribution Plan

Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Profit and Loss account of the year when contributions accrue.

I. FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Foreign currency monetary assets and liabilities remaining unsettled at the year end are translated at the year end rate and difference in translation is recognized in the Preoperative Expenditure Account.

J. CASH FLOW STATEMENT

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

K. TAXES ON INCOME

Current Tax

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

Deferred Taxation

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

L. IMPAIRMENT OF ASSETS

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



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

M. PROVISIONS AND CONTINGENT LIABILITIES

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

SCHEDULE 10: NOTES ON ACCOUNTS

A. Managerial Remuneration

i. Wholetime Director

(Amount in Rupees)

Particulars	For Year ended March 31,2010	For Year ended March 31,2009
Remuneration	1,500,000	-
Perquisites	295,583	-
Total	1,795,583	-

Note : Remuneration comprises of Salary and Allowances

- ii. Computation of Net Profit under Section 349 and 350 of Companies Act, 1956 is not possible to give in absence of the Profit & Loss Account, as the Company is yet to commence its commercial production.

B. PAYMENTS TO AUDITOR :

(Amount in Rupees)

Particulars	For Year ended March 31,2010	For Year ended March 31,2009
Audit Fees	441,200	441,200
Income Tax Matters	11,030	11,030
Other Services	133,596	449,440
Total	585,826	901,670

- C. Estimated amount of contracts remaining to be executed on Capital Accounts amounted to Rs.28,630,273 /- (P.Y.Rs.194,263,395/-)

D. RELATED PARTY DISCLOSURES : (As identified by the Management)

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



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

a) List of related parties

i. Holding Company :

Jayant Agro-Organics Ltd.

ii. Associate Company:

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

Mitsui & Co. Ltd., Japan.

iii. Fellow Subsidiary:

Ihsedu Agrochem Private Ltd.

Ihsedu Coreagri Services Private Ltd.

iv. Enterprises Controlled by directors/relatives :

Jayant Finvest Limited

Gokuldas K Udeshi Investment

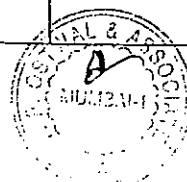
v. Key Management Personnel :

Name	Designation
Mr. Vithaldas G. Udeshi	Chairman
Mr. Sudhir V. Udeshi	Wholetime Director
Mr. Abhay V. Udeshi	Director
Mr. Hemant V. Udeshi	Director
Dr. Subhash V. Udeshi	Director
Mr. Vikram V. Udeshi	Director
Mr. Kimihide Kondo	Director
Mr. Masanori Ikebe	Director
Mr. Jayasinh V. Mariwala	Director

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

(Amount in Rupees)

Particulars	Holding Company	Controlled by Directors & Relatives	Associate Company	Fellow Subsidiary	Key Management Personnel
Interest Paid	2,988,078 (0.00)	-	-	-	-
Receipt of Services	-	-	-	831,696 (0.00)	-
Advance	9,802,393 (21,792,312)	-	-	-	-
Purchases	24,494 (0.00)	-	-	646,246 (0.00)	-
Share Premium Received	-	-	0.00 (12,276,000)	-	-
Subscription to Equity Shares	76,000,000 (55,750,000)	-	24,000,000 (18,000,000)	-	-
Remuneration	-	-	-	-	1,795,383 (0.00)
Closing Balance	32,006,435 (22,204,042)	-	-	-	-



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

Notes:

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

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

(Amount in Rupees)

Particulars	For Year ended March 31,2010	For Year ended March 31,2009
Machinery	-	18,586,308
Total	-	18,586,308

F. EXPENDITURE IN FOREIGN CURRENCY

(Amount in Rupees)

Particulars	For Year ended March 31,2010	For Year ended March 31,2009
Technical Fees	13,662,228	28,573,800
Travelling Expenses	-	281,497
Inspection Fees	-	968,521
Total	13,662,228	29,823,818

- G. The Company is in the process of identifying the Micro, Small and Medium Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006." However, based on the information so far available with the Company, the Company has no dues to micro and small enterprises during the year ended March 31, 2010.

H. TRIAL RUN COST.

During the Last quarter of the financial year, the Company completed the erection of major plant and machinery and has started trial runs. All the expenses incurred and income earned during the integrated tests and trial run production as well as related other expenses are treated as a part of expenditure during the construction for ultimate capitalization as per the Accounting Standard AS 10 on Accounting For Fixed Assets issued by Institute of Chartered Accountant of India. The plant consists of various sections; some sections follow a batch process and the rest form part of continuous production process. The plant and the product where the intermediate product forms the batch process has been produced, has been capitalized. The continuous plant will be capitalized after the final product from the process starts commercial production. Company has capitalized certain section not being the sections which forms part of continuous production process on 27th March, 2010 and accordingly all the expenses allocable to the fixed assets have been allocated and the balance amount is kept in Pre-operative expenses to be allocated among the other fixed assets in the year of commencement of commercial production.

- I. Sales made of the products manufactured during the trial production have been reduced from Pre-Operative expenses.



IHSEDU SPECIALITY CHEMICALS PRIVATE LIMITED

J. PRE-OPERATIVE EXPENDITURE

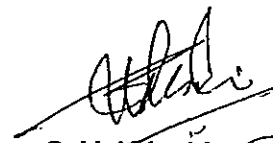
Pre-operative expenditure is incurred till commencement of production on the Machine installed during the year and it has been treated as incidental cost of plant & machinery and factory building and have been allocated to these assets in the ratio of total direct cost arrived at after taking into account direct incidental expenses incurred for erection of the assets. Costs directly attributable have been allocated directly and other indirect costs have been allocated proportionate on basis of the value of direct expense incurred on assets. Remaining preoperative expenses amount has been kept in Pre-operative expenses account for further capitalization among different assets on proportionate basis.

K. BORROWING COST

Borrowing Cost has been allocated to various assets capitalized and to preoperative expenses based on the utilization of borrowed funds for the acquisition of capital assets including payment for transfer of technology.

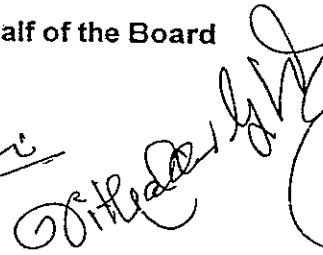
L. Previous year figures are re-grouped and re-arranged to conform to current year's classification.

For and on behalf of the Board



S.V. Deshi

Wholetime Director



Director

Place:

Date:

15 JUL 2010



Director

Director

SCHEDULE FORMING PART OF BALANCE SHEET AS TA 31ST MARCH, 2010
Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.

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

I Registration Details

Registration No. : 11-164412
State Code : 11
Balance Sheet Date : 31.03.2010

II Capital raised during the year (Amount in Rupees)

Public Issue : -
Rights Issue : -
Bonus Issue : -
Private Issue : 100,000

III Position of Mobilisation and deployment of Funds (Amount in Rupees)

Total Liabilities : 693,709
Total Assets : 693,709

IV Sources of Funds :

Paid up Capital : 250,000
Reserve & Surplus : 24,588
Secured Loans : 419,121
Unsecured Loans : -
Share Application Money : -

V Application of Funds

Net Fixed Assets : 601,496
Investments : -
Net Current Assets : 12,797
Deferred Tax Assets : -
Misc. Expenditure : -
Accumulated Losses : -

VI Performance of Company (Amount in Rupees)

Turnover / Total Income : -
(Including other income and inventories)
Total Expenditure : -
Profit/Loss Before Tax : -
Profit/Loss After Tax : -
Earning per share in Rs. : -
Divident Rate % : -

VII Generic Names of Three Principal Products/Services of Company (As per monetary Terms)

Item Code No. (ITC Code) : 29171300
Product Description : Sebacic Acid

For and on Behalf of Board of Directors



(Signature)
Mr. S.V. Udeshi
Wholtime Director

(Signature)
Director

(Signature)
Director

(Signature)
Director