

**Quarterly Compliance Report on Corporate Governance.**

**Annexure – I B**

Name of the Company : **JAYANT AGRO-ORGANICS LIMITED**

Quarter Ending on : 30<sup>th</sup> June,2012

Particulars 1	Clause of Listing Agreement 2	Compliance Status (Yes / No) 3	Remarks 4
<b>I Board of Directors</b>	49 I		
(A) Composition of Board	49 (IA)	Yes	Annexure A
(B) Non-executive Directors' compensation and disclosures.	49 (I B)	Yes	
(C ) Other provisions as to Board and Committees	49 (IC)	Yes	
(D) Code of Conduct	(49 (ID)	Yes	
<b>II. Audit Committee</b>	49 II		Annexure B
(A) Qualified & Independent Audit Committee	49 (IIA)	Yes	
(B) Meeting of Audit Committee		Yes	
(C ) Powers of Audit Committee 49 (IIC)	49 (IIB)	Yes	
(D) Role of Audit Committee	49 II (D)	Yes	
(E) Review of Information by Audit Committee	49 II(E)	Yes	
<b>III. Subsidiary Companies</b>	49 (III)	Yes	
<b>IV. Disclosures</b>	49 (IV)		
(A) Basis of related party transactions	49 (IV A)	Yes	
(B) Disclosures of Accounting treatment	49 (IV B)	Yes	
(C) Board Disclosures-(Risk Management)	49 (IV) C	Yes	
(D ) Proceeds from public issues, rights issues, preferential issues etc.	49 (IV D)	Yes	
(E) Remuneration of Directors	49 (IV E)	Will be Complied With at the AGM in the Next Annual Report	
(F) Management	49 (IV F)		
(G) Shareholders	49 (IV G)		
<b>V. CEO/CFO Certification</b>	49 (V)		
<b>VI. Report on Corporate Governance</b>	49 (VI)		
<b>VII. Compliance</b>	49 (VII)		



(2) **Share Transfers and Investors/Shareholders' Grievance Committee of Jayant Agro-Organics Ltd.**

- |                            |   |             |
|----------------------------|---|-------------|
| 1. Mr. Vithaldas G. Udeshi | - | Chairman    |
| 2. Mr. Hemant V. Udeshi    | - | Member      |
| 3. Mr. Abhay V. Udeshi     | - | Member, and |
| 4. Dr. Subhash V. Udeshi   | - | Member      |

The Company Secretary regularly places quarterly Compliance Report at the Board Meetings.

(D) **Code of Conduct:**

The Board has on 5<sup>th</sup> December, 2005 formulated and adopted a Code of Conduct for all Board Members and Senior Management of the Company and the Code of Conduct is posted on the website of the Company.

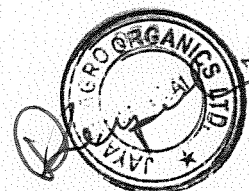
All Board members and Senior Management Personnel affirm compliance with the Code on an annual basis, i.e. in the month of April.

II. **Audit Committee :**

(A) **Qualified and Independent Audit Committee.**

A qualified and independent Audit Committee was constituted on 27-10-2001 and reconstituted on 28-1-2006 giving terms of reference, pursuant to Clause 49 of the Listing Agreement and also Section 292A of the Companies Act, 1956. The present Audit Committee members are:-

Sr.No.	Names of Directors	Qualifications	Category	Remarks
			Independent/ Non-Independent	
1	Mr. Jayasinh V. Mariwala	Chartered Accountant.	Independent	Vide explanation to Sr.No.5 to 8 of 49 (I) (A) Composition of Board - Annexure 'A'
2	Mr. Vithaldas G. Udeshi	B.Sc.	Non-Independent	
3	Mr. Mukesh C. Khagram	Masters in Financial Management (from the Jamnalal Bajaj Institute Management Studies University of Bombay. B.Chem Engg. (from Dept. of Chemical Technology,	Independent	



**(E) Review of Information by Audit Committee :**

The Audit Committee will review the information in respect of items mentioned in sub-clause II(E) of Clause 49, before finalization of Annual Report, for the year ending 31<sup>st</sup> March, 2012

**III. Subsidiary Companies :**

There are four subsidiaries to the Company, viz. 1) Ihstedu Agrochem Pvt. Ltd., 2) Ihstedu Speciality Chemicals Pvt. Ltd., 3) Ihstedu Coreagri Services Pvt. Ltd. and 4) Ihstedu Itoh Green Chemicals Marketing Pvt. Ltd. (4<sup>th</sup> one is incorporated on 25<sup>th</sup> June, 2010 and has become a subsidiary w.e.f. 28<sup>th</sup> December, 2010) which are non-listed Indian Subsidiary Companies, but Ihstedu Coreagri Services Pvt. Ltd. and Ihstedu Itoh Green Chemicals Marketing Pvt. Ltd., are not 'material non-listed Indian subsidiary, because turnover or net worth as on 31<sup>st</sup> March, 2011 of Ihstedu Coreagri Services Pvt. Ltd. and Ihstedu Itoh Green Chemicals Marketing Pvt. Ltd., did not exceed 20% of the consolidated turnover or net worth of the Holding Company,

Ihstedu Agrochem Pvt. L.td., is a material non-listed subsidiary, because its Net worth and /or turnover as on 31.03.2011 did exceeded 20% of the consolidated net worth and/or turnover of the holding Company, and Ihseu Speciality Chemicals Pvt.Ltd., is also a material non-listed subsidiary, because its network as on 31<sup>st</sup> March, 2011 did exceed 20% of the consolidated net worth of the Holding Company.

The working results as at 31-3-2011 are:

**Consolidated turnover or network of holding / subsidiary Company – Jayant Agro-Organics Ltd./ Ihstedu Agrochem Pvt. Ltd. / Ihstedu Speciality Chemicals Pvt. Ltd./ Ihstedu Coreagri Services Pvt. Ltd. and Ihstedu Itoh Green ChemicalsMarketing Pvt. Ltd – as on 31-3-2011.**

**(I) Jayant Agro Organics Limited:**

**(a) Consolidated Net Worth:**

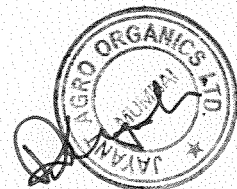
Paid-up Capital	=	Rs. 07.50 Crore
Free Reserves	=	Rs. 107.37 Crore
Total .		<u>Rs 114.87 Crore</u>
20% of Rs.114.87 Crore	=	Rs. 22.97 Crore.

<b>(b) Consolidated turnover</b>	=	<u>Rs. 1,175.25 Crore</u>
20% of Rs. 1,175.25 Crore	=	Rs. 235.05 Crore.

**(II) Ihstedu Agrochem Pvt. Ltd.**

**(i) Net worth :**

Paid-up Capital	=	Rs. 5.50 Crore
Free Reserves	=	<u>Rs. 21.05 Crore</u>
Total		<u>Rs 26.55 Crore</u>



The net worth of the subsidiaries –Ihsedu Speciality Chemicals Pvt. Ltd., and Ihsedu Agrochem Pvt. Ltd as on 31-3-2011 exceeds 20% of the consolidated net worth of holding Company – Jayant Agro-Organics Ltd., therefore, Ihsedu Speciality Chemicals Pvt. Ltd and Ihsedu Agrochem Pvt. Ltd are material non-listed Indian subsidiary companies, and hence, the provisions of Clause III, for subsidiary companies are at present attracted and the Company has appointed Mr. J.V.Mariwala an Independent Director of Jayant Agro Organics Limited Holding Company as an Independent Director on the Board of Ihsedu Speciality Chemicals Pvt. Limited, Subsidiary Company, w.e.f 18<sup>th</sup> September, 2009 and Ihsedu Agrochem Pvt. Ltd is also a 'material non-listed Indian subsidiary company, and hence, the provisions of Clause III, for subsidiary companies are at present attracted and the Company has appointed Mr. Mukesh C.Khagram an Independent Director of Jayant Agro Organics Limited Holding Company as an Independent Director on the Board of Ihsedu Agrochem Pvt. Limited, Subsidiary Company, w.e.f 19<sup>th</sup> September, 2010

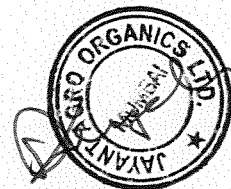
- (i) The Audit Committee of Jayant Agro-Organics Ltd. will review the financial statements, including investments made by the subsidiary companies, at the time of adoption of audited Financial Results for the Year ended 31<sup>st</sup> March, 2012.
- (ii) The minutes of the Board Meetings of Ihsedu Agrochem Pvt. Ltd., Ihsedu Speciality Chemicals Pvt. Ltd., Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd and Ihsedu Coreagri Services Pvt. Ltd. subsidiaries of Jayant Agro-Organics Ltd., were placed at the Board Meeting of the Company held on 8<sup>th</sup> May,2012.
- (iii) A statement of all significant transactions and arrangements, if any, entered into by Ihsedu Agrochem Pvt. Ltd., Ihsedu Speciality Chemicals Pvt. Ltd., Ihsedu Coreagri Services Pvt. Ltd. and Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd., will be placed at the time of adoption of Audited Annual Accounts of Jayant Agro-organics Limited for the year ended 31<sup>st</sup> March, 2012.

#### **IV Disclosures -:**

##### **(A) Basis of Related party transactions -:**

The following transactions taken place during the quarter ended 31<sup>st</sup> March,2012 were placed before the Audit Committee Meeting held on 8<sup>th</sup> May,2012

- (i) Sales by Jayant Agro-Organics Ltd. (Holding Company) to Ihsedu Agrochem Pvt. Ltd. (Subsidiary Company) - NIL
- (ii) Sales by Ihsedu Agrochem Pvt. Ltd., (Subsidiary Company) to Jayant Agro-Organics Ltd., (Holding Company) - Rs. 17432.02 lacs and job work carried out of Rs. 482.62 lacs
- (iii) Sales by Jayant Agro-Organics Ltd. (Holding Company) to Ihsedu Speciality Chemicals Pvt. Ltd. (Subsidiary Company) - NIL
- (iv) Sales by Ihsedu Speciality Chemicals Pvt. Ltd., (Subsidiary Company) to Jayant Agro-Organics Ltd., (Holding Company) - Rs. 239.90 lacs
- (v) Job work by Ihsedu Agrochem Pvt. Ltd., (Subsidiary Company) to Ihsedu Speciality Chemicals Pvt. Ltd - (Subsidiary Company)- Rs. 0.30 Lacs



## 49 I (A) Composition of Board

ANNEXURE A

Sr.No.	Names of Directors	Category		Reasons for Being Independent or Non-Independent Directors
		Executive/ Non-Executive	Independent/ Non-Independent	
1	Mr. Vitthaladas G. Udeshi Chairman	Non-Executive	Non-Independent	Being Promoter Director, he is a non-independent director
2	Mr.Hemant V. Udeshi Managing Director	Executive	Non-Independent	He is an Executive and Promoter and hence he is a non-independent Director.
3	Mr. Abhay V. Udeshi	Executive	Non-Independent	- do -
4	Dr. Subhash V. Udeshi	Executive	Non-Independent	- do -
5	Mr. Jayasinh V. Mariwala	Non-Executive	Independent	<b>Explanation for Sr.Nos. 5 to 8.</b> i) Apart from receiving sitting fees for attending Board Meetings/Committee Meetings, these independent directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or its subsidiary and associates. The Company does not have any holding Company. ii) They are not related to Promoters or persons occupying management positions at the Board Level or at one level below the Board. iii) They have not been executives of the Company in the immediately preceding three financial years ; iv) They are not partners or executives or were not partners or executives during the preceding three financial years, of any of the following:- The statutory audit firm - M/s T.P.Ostwal & Associates or Internal audit firm - M/s K.C.Mehta & Co., and the legal firm - M/s Tyabji Dayabhai & Co. v) They are not material supplier, service provider or customer or lessor or lessee of the Company. vi) They are not shareholders of the Company and they are not less than 21 years of age.. vii) They are not nominee directors appointed by an institution.
6	Mr. Vijay K. Bhandari	Non-Executive	Independent	- do -
7	Mr. Mukesh C. Khagram	Non-Executive	Independent	- do -
8	Mr. Deepak V. Bhimani	Non-Executive	Independent	- do -

Note : Out of 8 Directors of the Board, 4 are non-Independent Directors. The Chairman is a Non-Executive Director.Hence, the Company has complied with the provisions of new Clause 49-(1A) - Composition of Board,

