

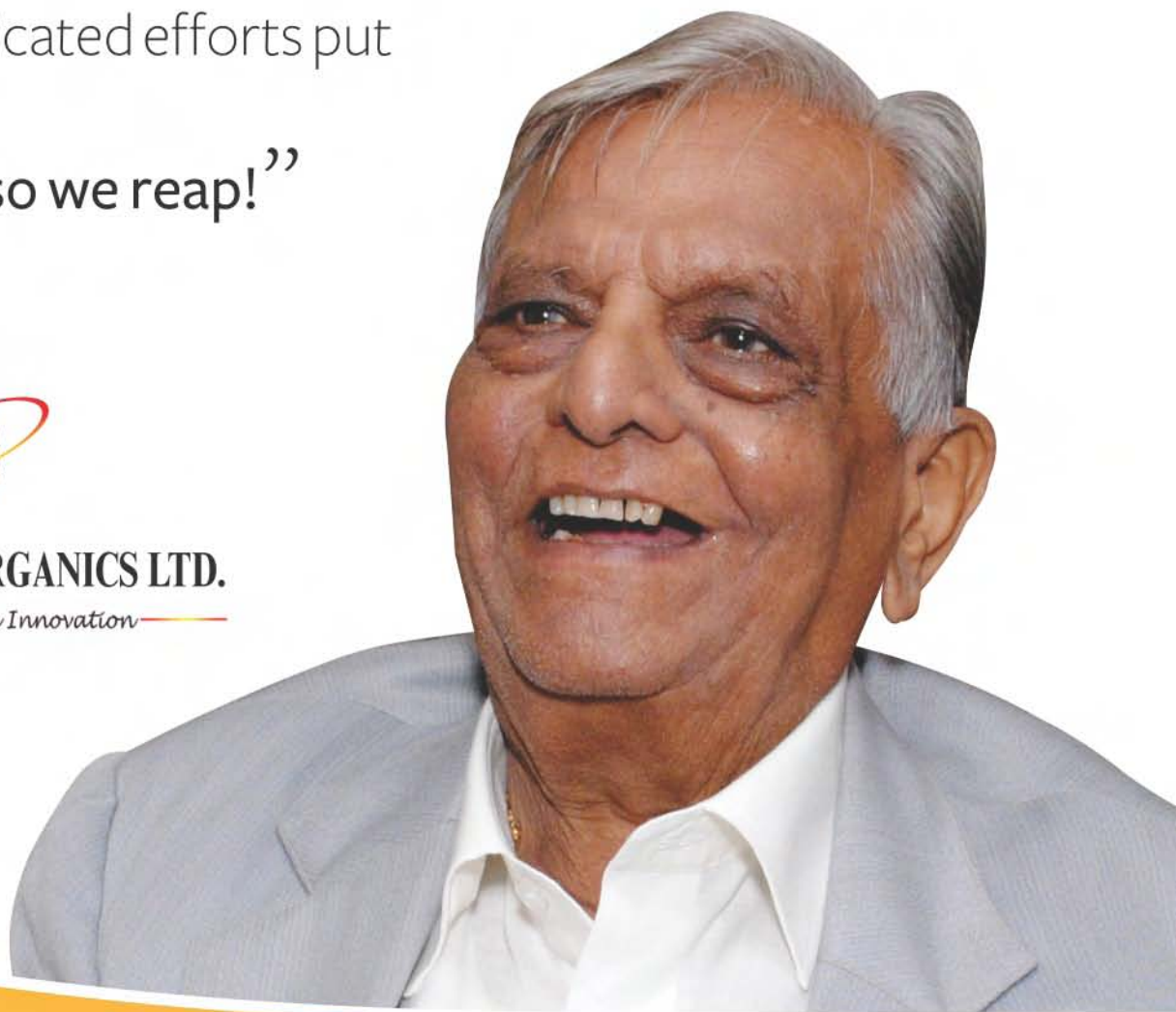
“ Lasting and enduring value are not created overnight. Everything worthwhile today is the result of yesteryear’s work and vision and every successful tomorrow comes through dedicated efforts put in today.

**As we sow, so we reap!”**



**JAYANT AGRO-ORGANICS LTD.**

*Leadership through Innovation*



**Vithaldas G. Udeshi**

Visionary | Leader | Mentor

1931 - 2013

**ANNUAL REPORT**  
**2012-2013**



# VISION, VALUES & PHILOSOPHY

## VISION

To win a niche for ourselves in the areas in which we operate, by providing products and services of superior quality and value which best satisfy the needs of our customers; and in doing so, to bring about prosperity to our organisation, its people, its shareholders, its investors and the country at large.

## VALUES

To create an organisation incorporating the values of integrity and dedication; one which progressively evolves with time to meet the challenges of the future.

## PHILOSOPHY

It is our earnest belief that nothing of lasting and enduring value is created overnight. Everything worthwhile today is the result of yesteryears' work and vision and every successful tomorrow requires conceptualisation in the form of ideas and thoughts and crystallisation thereof through efforts to be put in today. As we sow, so we reap.





# CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my privilege to address you all as the Chairman of Jayant Agro-Organics Ltd. (JAOL) for the first time; albeit with a heavy heart. Our Founder Chairman, Mr. Vithaldas G. Udeshi passed away on April 14, 2013.

Some say pioneers are born, some say they are created while others believe that they create themselves. The undebatable fact remains that they create and give birth to a branch of knowledge, institutes or even an industry and leave behind a legacy which survives and flourishes to serve the society for decades or even centuries. Mr. Vithaldas G. Udeshi was a true visionary, whose association with castor spanned over 6 decades. Ever since he set up his first plant in 1952, he continued working tirelessly to bring JAOL to its leading position in the castor world.

Our Chairman was the pioneer of the castor oil industry in India. When he joined the industry, castor seeds were exported. Machinery to crush castor seed was not available. He modified the then existing machinery used to crush other seeds to manufacture castor oil and thus the castor oil industry in India took off. The castor crop grew from a mere 100,000 mtons to 1.6 million mtons, over his career.

When he started exporting castor oil, exports of castor oil from India was dominated by a handful of multinationals as Indian exporters were not considered reliable. He established a reputation for Indian exporters by ensuring that his company supplied goods of internationally acceptable quality adhering to the shipment schedules irrespective of the price fluctuations and volatility in castor oil prices. He further enhanced the reputation of the Country and the organization by pioneering castor oil based derivatives industry in India and supplying them to the Indian and International markets. In his career he operated in a wide spectrum of economic environment from the regulated to the free economy, from recession to boom and from nationalization to globalization.

In the license-raj regime, castor seeds were exported freely and exports of castor oil required export license. He approached the Government to modify the policy to allow manufacturers to export castor oil without licenses. The canalization of castor oil exports through the STC, the Government controlling body which impacted the growth of the industry for 13 years was a big challenge which he addressed pragmatically and worked on de-canalization and free market economy which has worked in India's favour.

Due to his wide experience in the castor oil industry over the years, he represented various important bodies both in India and abroad. He was the Chairman of the Castor Oil Panel at Chemexcil, Vice-Chairman of the Chemexcil Council, Director – Bombay Oil Seeds & Exchange and also the first Indian President of International Castor Oil Association (ICOA). His pioneering work and the efforts in shaping the castor oil industry earned him the Life-time Achievement Award from Chemexcil, set-up by the Ministry of Commerce and Industry and also by the Globoil – Solvent Extractions Association of India.

I believe that it was an almost obsessive faith in his vision, which kept his spirit unperturbed, and of course hard work and dedication through which he patiently resolved and overcame all difficulties and challenges. His enthusiasm was contagious as he led others to dedicate themselves to the common goal. His vision grew with time, and he ensured that all of us associated with him at JAOL became a part of it. He believed that the scope of castor oil based chemicals is virtually boundless. It will be my endeavor to lead your Company closer to the fulfillment of his vision based on the values, principles and path laid down by my father and our beloved Chairman.

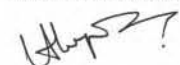
As you sow, so you reap.

Your Company made a modest beginning in 1992-93 with capital of ₹3 crores and a portfolio of 2 products. During the period of 20 years from then, the Company has a product portfolio of over 60 products and a turnover of over ₹1800 crores. The shareholders of the Company were rewarded with a stock split plus 1 bonus share for every bonus share held. In addition, the total dividend declared till date is ₹46.93 crores or nearly ₹150 per share on the original investment of ₹10. Your Company started the castor oil business in 2002-03 and within a period of 3 years became the highest exporter and processor of castor seeds and De-oiled cake. The precious legacy of values, integrity, performance and castor focus need to be sustained. In addition, elevating our social impact will enhance our company's image globally.

I take over as Chairman at a difficult time when India is in an election mode and both the Indian and Global economies are facing one of their toughest challenges. However, with the teachings of our Founder Chairman, I believe that our Company with its vision, values and philosophy would continue performing, as we have in the past.

I would like to take this opportunity to thank the Board of Directors for placing their faith in me to lead the company to the next level. On behalf of my colleagues at JAOL, I assure you that we will put in our best efforts to continue growing and developing the industry.

With Best Wishes,



Abhay V. Udeshi  
CHAIRMAN

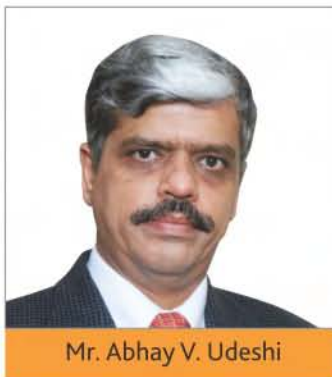


## BOARD OF DIRECTORS



Mr. Hemant V. Udeshi

Managing Director



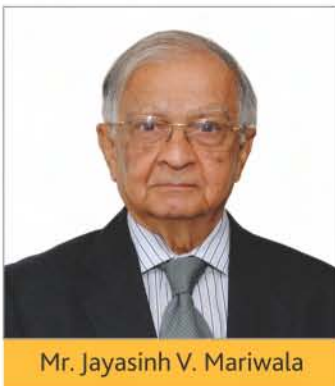
Mr. Abhay V. Udeshi

Chairman & Executive Director



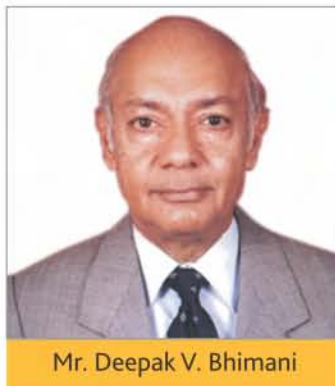
Dr. Subhash V. Udeshi

Executive Director



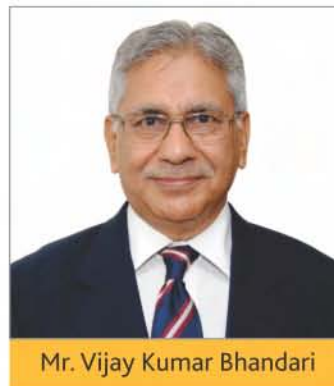
Mr. Jayasinh V. Mariwala

Independent Director



Mr. Deepak V. Bhimani

Independent Director



Mr. Vijay Kumar Bhandari

Independent Director



Mr. Mukesh C. Khagram

Independent Director







## There is a bit of Castor Oil in our day to day lives...



COSMETICS



PHARMACEUTICALS



AGRICULTURE



TELECOMMUNICATION



PAINTS



TEXTILE



PERFUMES



PLASTICS



TRANSPORT



LUBRICANTS



PAPER

Besides the above Castor Oil and Castor Oil based products find applications in various specialized industries like Aviation, Engineering Plastics, Oil Drilling, Paints, Pharmaceuticals etc.

# Consolidated Performance for the last ten years

(₹ In Lacs)

PARTICULARS	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Since Inception 1993-94
Equity Capital	300	300	300	*630	**694	***750	750	750	750	750	--
Preference Capital	300	300	300	300	300	--	--	--	--	--	--
Reserves & Surplus	3074	3527	4043	4570	6385	7623	8757	10915	13889	16615	--
Borrowings	3733	6525	6031	11556	12394	9063	23749	24036	25862	30759	--
Gross Block	3399	3596	5144	6679	8746	9644	12558	13664	24020	27302	--
Net Block	2735	2765	4112	5390	7123	7585	10048	10575	20118	22126	--
Sales											
Castor Oil & Derivatives	26790	42097	41013	46248	60596	87586	90455	117525	183221	162100	932823
Trading - (Other than castor Oil)	--	20249	93434	274	74	--	--	--	--	--	114031
Net Profit	45	647	744	676	951	749	1246	2491	3135	3622	20122
Dividend (%)	--	50	30 (Ex. Bonus)	25	25	25	30	35	40	45	--
Dividend including dividend Tax	23	194	229	208	243	270	259	302	326	338	4808
Dividend per Share of ₹ 5/- each Equity	--	2.50	1.50 (Ex. Bonus)	1.25	1.25	1.25	1.50	1.75	2.0	2.25	--
Dividend at 7% per share of ₹ 5/- each Preference	0.35	0.35	0.35	0.35	0.35	--	--	--	--	--	--
Earning per Share (₹)	0.37	10.39	12.02	5.43	7.30	4.53	8.31	16.61	20.90	24.16	--
Cash Earning Per Share (₹)	1.56	13.49	18.11	9.23	10.92	8.47	14.55	20.75	31.67	36.42	--

Notes:

- 1) During the year 2003-2004, the Company has allotted 6,000,000 7% Cumulative Redeemable Preference Shares of ₹5/- each as Bonus Shares and redeemed on 8th April, 2008.
- 2) Increase from ₹ 300.00 lacs to ₹ 630.00 lacs during the year 2006-07 is due to allotment of Bonus Shares in the ratio of 1:1 and allotment of 600,000 Equity Shares of ₹ 5/- each on Preferential basis.
- 3) From the year 2005-2006 Dividend has been paid on expanded capital
- 4)\*\*\* Increase from ₹630.00 lacs to ₹ 694.50 lacs during the year 2007-2008 is due to allotment of 1,290,000 Equity shares of ₹ 5/- each on Preferential basis.
- 5)\*\*\*\* Increase from ₹694.50 lacs to ₹ 750.00 lacs during the year 2008-2009 is due to allotment of 1,110,000 Equity Shares of ₹ 5/- each on Preferential basis.



## BOARD OF DIRECTORS

Mr. Vithaldas G. Udeshi  
Mr. Abhay V. Udeshi  
Mr. Hemant V. Udeshi  
Dr. Subhash V. Udeshi  
Mr. Jayasinh V. Mariwala  
Mr. Vijay Kumar Bhandari  
Mr. Mukesh C. Khagram  
Mr. Deepak V. Bhimani

- Chairman (upto April 14, 2013)
- Chairman & Executive Director (w.e.f. May 13, 2013)
- Managing Director
- Executive Director

## CHIEF FINANCIAL OFFICER

Mr. Vikram V. Udeshi

## COMPANY SECRETARY

Mr. Dinesh M. Kapadia

## BANKERS

Central Bank of India  
State Bank of India  
Oriental Bank of Commerce  
Kotak Mahindra Bank Limited  
DBS Bank Ltd.  
ICICI Bank Ltd.

## AUDITORS

T.P.Ostwal & Associates (Regd.)  
Chartered Accountants

## ADVOCATES & SOLICITORS

M/s Tyabji Dayabhai & Co.  
M/s PDS Legal

## SHARE TRANSFER AGENTS

Sharepro Services (I). Pvt. Ltd.  
13-AB, Samhita Warehousing Complex,  
2nd Floor, Off Andheri-Kurla Road,  
Sakinaka Telephone Exchange Lane,  
Sakinaka, Andheri (East),  
Mumbai- 400 072

## REGISTERED OFFICE

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

## WORKS

Plot Nos. 601,602,624-627 & 603  
Behind G.A.C.L.  
Post Petrochemicals  
Dist. Vadodara 391 346.  
Gujarat.

ISCPL Division,  
Plot No. 296-300,  
Near GIPCL & Hettich,  
Dhanora, PO: Petrochemicals - 391 346  
Dist: Vadodara, Gujarat.

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## **NOTICE**

Notice is hereby given that the Twenty-first Annual General Meeting of **JAYANT AGRO-ORGANICS LTD.**, will be held on **Friday, the September 13, 2013** at 12.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th floor, 18/20, K. Dubash Marg, Mumbai 400 001, to transact the following business :-

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Vijay Kumar Bhandari, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Mukesh C. Khagram, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### **SPECIAL BUSINESS:**

6. **Reappointment of Mr. Varun A. Udeshi, to an Office or Place of Profit.**

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 Section 314 and other applicable provisions of the Companies Act, 1956, and subject to such regulatory approvals, if any, as may be required, consent of the Members be and is hereby accorded to Mr. Varun A. Udeshi, a relative of Mr. Abhay V. Udeshi, Chairman of the Board of Directors, to hold and continue to hold an Office or Place of Profit as “Vice President- Operations & Business Development” or any other suitable position in the Company as may be decided by the Board of Directors of the Company for a period of three years w.e.f. July 1, 2013 on the terms and conditions, including remuneration, as set out in the Explanatory Statement annexed to this Notice.”

### **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. PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE, NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. An explanatory statement under Section 173 of the Companies Act, 1956 in respect of item No.6 to be transacted at the Meeting is appended hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 7, 2013 to September 13, 2013 (both days inclusive) for the purpose of payment of dividend.
4. The dividend, if declared, at the Annual General Meeting, will be paid on or after September 17, 2013 to those persons or their mandates:
  - (a) Whose names appear as Beneficial Owners as at the end of the business hours on September 6, 2013 in the list of Beneficial Owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and





- (b) Whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Registrar and Share Transfer Agents on or before September 6, 2013.
- 5 The Members who hold shares in dematerialised form are requested to bring with them their depository account number (Client ID No.) for easier identification of attendance at the Annual General Meeting.
- 6 The Members are requested to notify the change in address, if any, immediately to the Share Transfer Agents, or the Depository Participants (in case of Shares which have been dematerialised) by quoting their registered Folio Number.
- 7 **The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records.**
- 8 Pursuant to the provisions of Investors Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts [as referred to in section 205C(2)] lying with the Company as on September 26, 2012 (date of the last Annual General Meeting of the Company) on the website of the Company viz., **www.jayantagro.com** under "investors" as well as on the website of the Ministry of Corporate Affairs viz. **www.iepf.gov.in**. The concerned Members are required to verify the details of their unclaimed amounts, if any, from the said websites and lodge their claim with the Company's Registrar and Share Transfer Agent before the same is due for transfer to the Investors Education and Protection Fund.
- 9 Those members who have not yet encashed their dividend warrants for the financial year ended March 31, 2006 and subsequent years, may claim or approach the Company for payment of unclaimed dividend amount, because the dividend amount remaining unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund, in terms of Section 205C of the Companies Act, 1956, and no claims shall lie in respect of such amount.
- 10 To avoid the incidence of fraudulent encashment of Warrants, the shareholders are requested to inform the Company's Share Transfer Agents, under the signature of the Sole / First joint holder, the following details, so that the Bank Account Number and Name and address of the Bank can be printed on the Dividend Warrants. **THIS IS VERY IMPORTANT.**
- (a) Name of Sole / First joint holder and Folio No.
- (b) Details of Bank Account, viz:-
- Name of the Bank with Branch Name.
  - Complete address of the Bank, with Pin Code Number.
  - Account type: whether Savings (SB) or Current Account (CA).
  - Bank Account Number allotted by the Bank.

The shareholders who hold shares in dematerialised form, and want to change / correct the Bank Account details should send the same immediately to the concerned Depository Participant.



- 11 The members holding shares in physical form should get their shares dematerialised because the Company's shares are required to be compulsorily dematted, and also to avoid theft/ loss of shares certificates.
- 12 The members holding shares in physical form can avail of the nomination facility by filing form 2B with the Company. Forms will be provided by the Share Transfer Agents of the Company, on request. The members holding Shares in electronic mode can approach their respective Depository Participants for availing the nomination facility.
- 13 Pursuant to the requirements of Clause 49 of the Listing Agreements with Stock Exchanges, the information about the persons seeking re-appointment as Directors under item nos. 3 and 4 is given in the Annexure to the Notice.
- 14 The Company has implemented the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered email address for serving notices/documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial statements, Directors' Report, Auditors' Report, etc. will also be displayed on the website **www.jayantagro.com** of the company and the other requirements of the aforesaid MCA circular will be duly complied with. Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in the Annual Report quoting their folio numbers.

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

Place : Mumbai.  
Date : May 30, 2013

By Order of the Board  
For JAYANT AGRO-ORGANICS LTD.,

**Dinesh M. Kapadia**  
Company Secretary



**EXPLANATORY STATEMENT**

**Pursuant to Section 173(2) of the Companies Act, 1956.**

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated May 30, 2013

**ITEM NO.6**

The Members had at their Nineteenth Annual General Meeting held on September 29, 2011 approved the appointment of Mr. Varun A. Udeshi, a relative of Mr. Abhay V. Udeshi, Chairman of the Board of Directors, as an “Executive Project & Business Development” in the Company with effect from July 1, 2010 for a period of three years i.e. upto June 30, 2013.

It is proposed to re-designate Mr. Varun A. Udeshi, as “Vice President- Operations & Business Development” and extend his term for three years on a monthly remuneration of ₹160,000/- inclusive of all perquisites, within the pay scale of ₹100,000/- to ₹250,000/- as may be decided by the Board of Directors from time to time w.e.f. July 1, 2013 till June 30, 2016.

Since Mr. Varun A. Udeshi is relative of Mr. Abhay V. Udeshi, Chairman of the Board of Directors, the appointment amounts to holding an Office or Place of Profit and requires approval of the Members of the Company in terms of Section 314 of the Companies Act, 1956.

The shareholders are further informed that Mr. Varun A. Udeshi is the son of Mr. Abhay V. Udeshi and relative of Mr. Hemant V. Udeshi, and Dr. Subhash V. Udeshi, Directors of the Company and except these Directors, no other Director of the Company is anyway concerned or interested in this resolution

The Board of Directors recommends this resolution for the Shareholders approval.

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

Place : Mumbai.  
Date : May 30, 2013

By Order of the Board  
For JAYANT AGRO-ORGANICS LTD.,

**Dinesh M. Kapadia**  
Company Secretary





**ANNEXURE TO NOTICE**

**Details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting.**  
(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Vijay Kumar Bhandari Non-Executive /Independent Director	Mr.Mukesh C. Khagram Non-Executive / Independent Director
Date of Birth	14.10.1943	24.11.1959
Date of Appointment	27.10.2005	27.10.2005
Expertise in specific Functional Area	Vast experience in banking Industry in various capacities including as Regional Manager/ AGM/DGM/Zonal Manager at various offices of Central Bank of India in the Country for the last 35 years. Last position held as General Manager incharge of Credit, International Banking Treasury, Merchant Banking Division, Retired as General Manager on October 31, 2003.	Pioneer in the field of Filtration/Seperation, Pollution Control and Mass Transfer Equipment in India- 2 decades experience.
Qualifications	B.Com. (Hons.) C.A.(F.C.A.)	B.Chem Engg. From Dept. of Chemical Technology,(University of Bombay) M.S.Chem. Engg. (from State University of New York at Buffalo) Masters in Financial Management (from the Jamnalal Bajaj Institute of Management Studies, University of Bombay.
Directorship in other Public Companies (excluding Foreign Companies and Section 25 Companies)	1. HSIL Ltd 2. GuruNanak Auto Ent. Ltd. 3. Capital Local Area Bank Ltd. 4. Super Smelters Ltd. 5. Golden Tobacco Ltd. 6. Kopran Ltd.	NIL
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit And Shareholders/ Investors Grievance Committee)	1. Super Smelters Ltd 2. HSIL Ltd	NIL
Shareholding in the Company	NIL	NIL
Relationship between Directors interse	NIL	NIL



## DIRECTORS' REPORT

Your Directors are pleased to present the Twenty first Annual Report along with the Audited Statement of Accounts and Auditors' Report for the year ended March 31, 2013.

### FINANCIAL RESULTS:

(₹ in lacs)

Particulars	2012-2013	2011-2012
Revenue from operations and other income	122,821.24	166,834.18
Profit before Depreciation & Amortisation Expenses, Finance Costs and Tax	7,438.26	6,861.73
Less: Depreciation and Amortisation Expenses	910.04	448.03
Profit before Finance Costs and Tax	6,528.22	6,413.70
Less: Finance Costs	2,720.52	3,104.16
Profit before Tax	3,807.70	3,309.54
Less: Provision for Tax	1,034.48	1,112.02
Profit After Tax	2,773.22	2,197.52
Add: Profit brought forward from the previous year	5,597.95	3,946.80
Profit available for appropriation, which is appropriated as follows:	8,371.17	6,144.32
<b>Appropriations:</b>		
Proposed Dividend	337.50	300.00
Corporate Dividend Tax on Proposed Dividend	--	26.37
Transferred to General Reserve	300.00	220.00
Balance carried to Balance Sheet	7,733.67	5,597.95
Total	8,371.17	6,144.32
Earnings per share(EPS) (Face Value of shares ₹5/-)	18.49	14.65

### DIVIDEND:

The Board has recommended a Dividend of ₹2.25 per share on 15,000,000 Equity Shares of nominal value of ₹5/- each, amounting to ₹337.50 lacs .

### TRANSFER TO RESERVE:

The Company proposes to transfer ₹300.00 lacs to the General Reserve Account out of the amount available to appropriations and an amount of ₹7,733.67 lacs is proposed to be retained in the Profit & Loss Account.

### BUSINESS PERFORMANCE:

Your Company's Sales turnover during the year under report was ₹122,379.71 lacs against ₹166,242.14 lacs during the previous year, decrease of 26.38%. Profit after tax has increased by ₹575.70 lacs i.e. by 26.20% as compared to the previous year. The drop in turnover was due to the drop in the prices of raw material and the consequent change in pricing of the finished goods and the conscious approach by your Company to focus on value added derivatives while the commodity business of castor oil is undertaken by the subsidiary. Your Directors believe that this strategy will help in improving the performance and value of the Company as a specialty oleo-chemicals company.

**BUSINESS PROSPECTS:**

Although your Company's products have usage in a wide range of industries, the immediate growth prospects could be affected in case of a global slowdown. In the long run, the products being bio-degradable & from a renewable resource will have an edge over many of the competing petroleum products. Subject to unforeseen circumstances, the current year's outlook for business appears stable for your Company.

**JOINT VENTURE:**

The Company has entered into a joint venture agreement with Arkema, a global chemical company to form a strategic joint venture through the Company's wholly owned subsidiary, IhseduAgrochem Private Limited (IHSEDU). The joint venture, which is valued at over ₹22,000 lacs will be focused on manufacturing various industrial and specialty grades of castor oil. Arkema will acquire around 25% equity stake in IHSEDU.

Through this joint venture with Arkema, which is the largest consumer of castor oil, the Company and its subsidiary IHSEDU will further consolidate their position in the castor oil market as a leading, consistent and reliable supplier to the world market. As part of the joint venture arrangement, IHSEDU will exclusively focus on manufacturing and sales of all grades of castor oil and the Company will exclusively focus on manufacturing and sales of value added castor oil products.

**RESEARCH & DEVELOPMENT:**

The Company's R & D is focused on the development of castor-based, value added products. The R & D Centre is continuously developing innovative products & processes aimed at meeting the green chemistry principles. Many of the newly developed products are being exported to many countries of the world besides being consumed in the domestic market where these products serve as import substitutes. Some of the product applications are in high-performance coatings, polymer modifiers, solubilizers, emulsifiers etc. The R & D Centre is also working on improving the existing production processes so as to improve the product yields, quality, process, energy efficiency, safety, etc.

**SAFETY AND ENVIRONMENT:**

Your Company has declared the Safety, Health and Environment Policy and continued their commitment towards safety and environment. The Committees formed for this purpose have continued to educate and motivate the employees on various aspects on Safety and Environment through training programme and seminars such as,

- i) Annual Fire and Mock Drill held on April 14, 2012
- ii) Tree Plantation on World Environment day on June 5, 2012
- iii) Training Programme on First Aid held from August 28, 2012 to August 29, 2012
- iv) Training Programme on use of Fire Extinguishers and First Aid Treatment, in the event of an accident, held on December 15, 2012
- v) Safe Operating Procedure held on February 2, 2013

The Company is a member of Effluent Channel Projects, for disposal of Effluent Water and also of Nandesari Environment Control Ltd., for disposal of solid waste. The Company is continuously monitoring its waste to ensure adherence to pollution control norms.

**CORPORATE SOCIAL RESPONSIBILITY:**

Your Company has always been aware of its responsibilities in health, safety and environment management, and is in the process of further strengthening its current resources.

**DIRECTORS:**

The Board wishes to inform with profound grief, the sad demise of Mr. Vithaldas G. Udeshi, a Promoter, Director





and the Chairman of the Company on April 14, 2013. Mr. Vithaldas G. Udeshi was associated with the Company since its inception. The Board places on record its sincere appreciation of the invaluable and active contribution made by Mr. Vithaldas G. Udeshi in progress of the Company.

Mr. Abhay V. Udeshi, Whole-time Director of the Company, was elevated as the Chairman of the Board, and designated as Chairman and Whole-time Director of the Company, w.e.f. May 13, 2013.

In accordance with the provisions of the Article 156 of the Articles of Association of the Company, Mr. Vijay Kumar Bhandari, and Mr. Mukesh C. Khagram, Directors, are retiring by rotation and being eligible, offer themselves for re-appointment.

#### **SUBSIDIARY COMPANIES:**

The Ministry of Corporate Affairs (MCA), vide its Circular No. 2/2011 dated February 8, 2011, has granted general exemption under Section 212(8) of the Companies Act, 1956, subject to certain conditions being fulfilled by the Company. As required under the circular, the board of Directors has, at its meeting held on May 30, 2013, passed a resolution giving the consent for not attaching the Balance Sheet of the subsidiary companies. We have also given the required information on subsidiary companies in this Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them. These documents will be uploaded on the Company's Website viz. [www.jayantagro.com](http://www.jayantagro.com) and will also be available for inspection by any shareholder at the Registered Office of the Company, on any working day during business hours.

#### **PERFORMANCE OF SUBSIDIARY COMPANIES:**

##### **Ihsedu Agrochem Pvt. Limited (IHSEDU)**

During the year under review, the IHSEDU a wholly owned Subsidiary of the Company achieved a turnover of ₹88,371.96 lacs as compared to ₹91,927.52 lacs in the previous year. The profit after tax is ₹852.58 lacs against ₹920.06 lacs in the previous year.

During the year ended March 31, 2013, IHSEDU has declared and paid an interim Dividend of ₹2.90 per equity shares and recommended a final Dividend of ₹6.14 per equity share of ₹10/- each.

##### **Ihsedu Coreagri Service Pvt. Limited (ICAS).**

During the year under review, the ICAS a Subsidiary of the Company achieved a turnover of ₹71.10 lacs as compared to ₹4,907.43 lacs in the previous year. The loss for the year is ₹7.25 lacs against Profit before tax of ₹27.72 lacs in the previous year.

##### **Ihsedu Itoh Green Chemicals Marketing Pvt. Limited (IIGCM)**

IIGCM has started its business activities and achieved a revenue of ₹16.32 lacs and the Profit after tax is ₹5.72 lacs.

#### **CONSOLIDATED FINANCIAL STATEMENTS:**

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with the Accounting Standard 21 prescribed by the Institute of Chartered Accountants of India, in this regard.

#### **RE-APPOINTMENT OF AUDITORS:**

The Members are requested to re-appoint M/s. T.P. Ostwal & Associates, Chartered Accountants, (Registration No. 124444W) the retiring auditors of the Company and to authorize the Board of Directors/Audit Committee to fix their remuneration. The retiring Auditors have furnished a certificate of their eligibility for re-appointment pursuant to Section 224 (1B) of the Companies Act, 1956.



**COST AUDITOR:**

As per the requirements of the Central Government and pursuant to the provisions of Section 233B of the Companies Act, 1956, the audit of the Cost Accounts relating to Castor oil and Castor oil Derivatives is being carried out. The Company has appointed M/s. Kishore Bhatia & Associates, Cost Accountants, for the year 2012-13, from April 1, 2012 to March 31, 2013 for which necessary approval from the Central Government has been received.

The Cost Audit Report in respect of financial year 2012-13 will be filed on or before the due date i.e. September 27, 2013

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

The particulars required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are annexed to this Report as Annexure "A".

**CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT:**

As per Clause 49 of the Listing Agreements with the Stock Exchanges, a separate section on Corporate Governance followed by the Company together with a certificate from the Auditors confirming compliance is set out in the Annexure forming part of this Report, and also a Management Discussion and Analysis statement.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

It is hereby confirmed, pursuant to Section 217 (2AA) of the Companies Act 1956:-

- i) that in the preparation of the annual accounts, for the year 2012-2013 the applicable Accounting Standards have been followed and there are no material departures;
- ii) that 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 March 31, 2013, and of the profit of the Company for the said financial year;
- iii) that 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) that the Directors have prepared the annual accounts on a going concern basis.

**FIXED DEPOSITS:**

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

**TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNTS TO IEPF:**

Pursuant to the provisions of Section 205 A(5) of the Companies Act, 1956, the Preference dividend for F.Y. 2004-05 amounting to ₹17,792.00 and Equity Dividend for F.Y. 2004-05 amounting to ₹201,160.00 which remained unclaimed for the period of seven years has been transferred by the Company on October 31, 2012 to the Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to Section 205 C of the said Act.

**UNCLAIMED DIVIDEND:**

In terms of Sections 205A and 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account



to the Investor Education and Protection Fund (IEPF). The shareholders are required to claim the dividend from the Company before transfer to IEPF. The unclaimed dividend amount, as on March 31, 2013 is as under:-

Financial Year	Type	Unclaimed Dividend Amount as on 31-3-2013 (₹ in lacs)	Due date for transfer to IEPF
2005-2006	Equity	2.42	25-09-2013
2005-2006	Preference	0.25	25-09-2013
2006-2007	Equity	2.20	24-08-2014
2006-2007	Preference	0.38	24-08-2014
2007-2008	Equity	3.50	20-11-2015
2007-2008	Preference	3.84	14-06-2015
2008-2009	Equity	3.26	02-11-2016
2009-2010	Equity	1.56	24-11-2017
2010-2011	Equity	1.89	05-12-2018
2011-2012	Equity	2.05	30-11-2019

#### INDUSTRIAL RELATIONS:

The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

#### INSURANCE:

The assets of your Company like Buildings, Plant and Machinery, Stocks, etc are properly insured.

#### PERSONNEL:

No employee 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.

#### ACKNOWLEDGEMENTS:

Your Directors wish to place on record their sincere appreciation for the wholehearted support extended by the Central Bank of India, State Bank of India, Kotak Mahindra Bank Ltd, Oriental Bank of Commerce, DBS Bank Limited and ICICI Bank Ltd.; Authorities of Government such as Ministry of Commerce and State Government of Gujarat, Gujarat State Electricity Board, Gujarat Pollution Control Board, Gujarat Industrial Development Corporation, Gujarat Alkalies & Chemicals Ltd., and Ranoli and Dhanora Panchayats. We would like to thank our employees for their hardwork and our shareholders for their continued faith and support.

For and on behalf of the Board of Directors

Place : Mumbai,  
Date : May 30, 2013

**ABHAY V. UDESHI**  
Chairman



**ANNEXURE "A" TO DIRECTORS' REPORT**

**Statement of particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988.**

**A CONSERVATION OF ENERGY****(A) Conservation of Energy**

Energy conservation measures are continued and are as under

- (a) Measures taken to install and monitor adequate number of capacitors to maintain power factor.
- (b) Installation of Automatic Power Factor Control Panel to maintain power factor to 0.99. Its benefit is approx. ₹5.76 lacs/ annum in saving.
- (c) Minimizing idle running of equipment's like Air conditioners, pumps, lights etc., by creating awareness.
- (d) Keeping existing machineries in good and working condition by preventive measures.
- (e) Wind mills are operative to generate clean power as part of power used.
- (f) Castor De-oiled Cake is used as fuel in Steam Boiler and Thermic Fluid Heaters thus saving fossil fuel.
- (g) Saving in fuel and water obtained by implementing efficient steam recovery.
- (h) To prevent heat loss, efficient thermal insulation provided wherever necessary.
- (i) To conserve electrical energy, VFD's have been installed on rotary equipment's.
- (j) Maximum utilization of equipment's & machinery by better planning has yielded higher production output..
- (k) Better quality of feed water has improved steam generation per kg of fuel consumed and also reduced the environmental effluent load.
- (l) By replacing conventional aluminum alloy fan to FRP fan for the cooling tower, reduction in energy consumption has been observed.

**FORM 'A'**

<b>a</b>	<b>Power &amp; Fuel consumption</b>	<b>2012-2013</b>	<b>2011-2012</b>
<b>1</b>	<b>Electricity</b>		
	(i) Purchased Units (KWH/'000)	<b>17288.172</b>	8589.060
	Total Amount (₹ in Lacs)	<b>1094.99</b>	536.70
	Rate /Unit (₹)	<b>6.33</b>	6.25
	(ii) <b>Own generation</b>		
	Through Diesel Generator :		
	Unit (KWH in '000)	<b>29.428</b>	23.160
	Unit per Ltr. of Diesel Oil	<b>2.95</b>	3.01
	Cost/unit (₹)	<b>16.20</b>	14.71
<b>2</b>	<b>Fuel</b>		
	(i) Furnace Oil Quantity (KLS)	<b>589.821</b>	583.438
	Total Amount (₹ in Lacs)	<b>239.33</b>	217.73
	Rate/Ltr (₹)	<b>40.58</b>	37.32
	(ii) De-Oil Cake : Quantity (M.T.)	<b>30065.240</b>	13824.832
	Total amount (₹ in Lacs)	<b>1479.63</b>	683.82
	Rate / MT (₹)	<b>4921.40</b>	4946.32
<b>b</b>	<b>Consumption per Unit of Production</b>		
	Electricity (KWH/MT)	<b>222.66</b>	114.43
	Furnace Oil (LTR/MT)	<b>7.58</b>	7.75
	De – Oil cake (Kg/MT)	<b>386.57</b>	183.70



## B TECHNOLOGY ABSORPTION

Details of efforts made in technology absorption are given out as per Form B

### FORM 'B'

#### a. Research & Development (R & D) :

- i) The Company has its own Research and Development Department which facilitates New improvement in efficiency and upgradation of the quality.
- ii) To maintain leadership position in Castor industry.
- iii) Benefits derived as a result of the above efforts:-
  - New Product introduced for export and local markets
  - Cost reduction in existing process.
  - Improvements in quality of various products
- iv) Expenditure on R & D

	₹ in Lacs.
	<b>2012-2013</b>
(a) Capital	0.81
(b) Recurring (Gross)	95.67
(c) Total	96.48
(d) Total R & D Expenditure as percentage of total turnover.	0.08

#### b Technology Absorption, Adoption and Innovation

Details of Technology imported during the past five years: NIL

## C FOREIGN EXCHANGE EARNING AND OUTGO :

Details of Foreign Exchange used and earned are provided in Note 27,28& 29 of Notes on Financial Statements.

For and on behalf of the Board of Directors

Place: Mumbai.

Date : May 30, 2013

**ABHAY V. UDESHI**  
Chairman

## ANNEXURE "B" TO DIRECTORS REPORT

### Details of Subsidiary Companies

Particulars regarding subsidiary companies, pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Government of India, Ministry of Corporate Affairs.

(₹ in Lacs)

Sr. No.	Name of the Subsidiary	Ihsedu Agrochem Private Limited	Ihsedu Coreagri Services Private Limited	Ihsedu Itoh Green Chemicals Marketing Private Limited
1	Issued and subscribed share capital	550.00	5.00	125.00
2	Reserves & Surplus	3,020.02	26.60	4.30
3	Total Assets	18,882.65	132.45	130.81
4	Total Liabilities	18,882.65	132.45	130.81
5	Investments	0.11	-	-
6	Turnover	88,371.96	71.10	5.97
7	Profit/(Loss) before taxation	1,218.69	(7.25)	8.48
8	Provision for taxation	366.11	0.09	2.76
9	Profit/(Loss) after taxation	852.58	(7.34)	5.72
10	Interim Dividend	159.50	-	-
11	Proposed Dividend	337.50	-	-



## MANAGEMENT DISCUSSION AND ANALYSIS

### (a) Industry Structure and Developments.

India continues to be the largest source of castor seed in the world.

The estimated total production of castor seeds for the season is around 1.1 million metric tons, against about 1.6 million metric tons for the previous year. This downward correction in the crop size was a reaction to the highest ever record crop of 1.6 million metric tons in the previous year, which resulted in the softening of prices and a huge carryover of the crop. After several years, a healthy surplus of castor seeds was carried forward. This surplus in the current year has led to the much needed price stability thus encouraging the user industry to invest more in R & D and new projects.

### (b) Opportunities & Threats.

The global economic climate remains uncertain and the mood remains cautious leading to a slowdown in new green field projects. Though the world economic growth is estimated to have grown by only 3.2% in 2012 significantly lower than the 4% growth recorded in 2011, the silver lining is that the largest economy in the world, USA, has shown signs of positive growth. However, this optimism is in a benign liquidity environment where the US treasury continues to print large sums of money. With the US Fed announcing plans to slow down on printing new money, the strengths of the global economy will be retested. The mood therefore remains extremely cautious.

The Indian economy has been experiencing high inflation, low growth and twin deficits, both internal and external. These problems are further compounded by policy paralysis. In spite of the uncertain global economic environment, the outlook for your Company remains stable. However, the major global economic uncertainties may have a negative impact in the immediate future.

Environment being a major concern, the search for long term and sustainable products is likely to intensify in the future. Castor Oil being a natural, organic, renewable and biodegradable product is gaining importance as a green product. Besides, due to its unique chemical structure, it finds myriad applications in virtually every industry be it Agriculture, Lubricants, Paints, Inks, Surface Coatings, Pharmaceuticals, Food, Engineering Plastics, Cosmetics, Perfumeries, Electricals, Rubber and so on. Your Company continues to endeavor to tap these opportunities by focusing on Research & Development and investing in new capacities, new technologies, new applications, and new products.

We entered this year with a surplus castor seed crop ranging from 400,000 to 500,000 metric tons. The current year's crop was lower and surplus carried forward from the previous year played an important role in maintaining stability in the price of raw materials. In view of the existing surplus after accounting for a lower crop of the previous year and the price correction resulting in decrease of castor seeds price from a peak of over ₹60,000 PMT to ₹35,000 PMT. The impact of softening of prices will be seen on the new seeds sown this season.

### (c) Segment.

The Company is organised into three business segments – Castor Oil, Derivatives and Power Generation.

### (d) Outlook.

Your Company continues to focus on value added products. The products of your Company, being non-edible, bio-degradable and eco-friendly, will have an edge over competing products. Subject to the global uncertainties in the short term, the long term demand for your Company's products remains buoyant.

Your Company, through its subsidiaries, has been supplying hybrid castor seeds to the farmers as a part of the Backward Integration project undertaken by the Group.

**(e) Risks and Concerns.**

The Company's products are used across geographies in a variety of industries, thereby to a great extent, mitigating the risks associated with demand for its products on a long term basis. The price behavior of raw material depends on monsoon, global demand and inventory, and prices of other oils including Crude Oil and therefore, can be volatile as well as unpredictable. The Company is closely watching the development of various factors which affect the castor seed prices.

The Company restricts its risks to the price fluctuation of raw materials by limiting its unhedged exposure.

With the business of the Company growing at a good pace, the recruitment of trained, reliable and experienced manpower is a challenge. The Company has to retain its existing trained workforce and also attract new talent for its different operations. To improve the performance and skills of the staff, various refresher training courses are organized to update their knowledge with the latest technologies and management ideas.

The erratic demand from the overseas markets and threat of competition continue to be of concern.

The Company has focused its efforts on marketing and introducing new products thereby mitigating to a certain extent, the effect of recession/slowdown in the industry.

Unrestricted speculation and high volatility due to trading in commodity exchange could have a negative effect on the growth of the industry.

**(f) Foreign Exchange.**

Volatile currency movements can affect the profits of the Company. Your management continues to take steps cover foreign exchange to mitigate the risks of appreciation of Rupee against the US Dollar.

**(g) Internal Control and its adequacy.**

The Company has adequate internal control procedures in accordance with its size and nature of business.

The Company has appointed Internal Auditors who audit the adequacy and effectiveness of internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports and adequacy of internal controls and risk management.

The internal control system, adopted by the Company, effectively ensures that all assets are safeguarded and protected against any loss from unauthorised use.

**(h) Financial / Operational Performance.**

The Company's Financial Performance & Analysis: ( ₹ In lacs)

Particulars	2012-2013	2011-2012
Sales turnover	122,821.24	166,834.18
P B I D T	7,438.26	6,861.73
Finance cost	2,720.52	3104.16
Profit after Finance cost	4,717.74	3,757.57
Depreciation	910.04	448.03
Provision for taxation - Current Tax	728.50	695.00
- Deferred Tax	442.26	665.51
MAT Credit entitlement	(59.59)	(247.58)
Short / (Excess) Provision of earlier years	(76.69)	(0.91)
Net Profit	2,773.22	2,197.52





**(i) Human Resources / Industrial Relations.**

The Company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

During the year under review, total stand-alone manpower is 354.

**(j) Cautionary Statement.**

Certain statements in the Management's Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward- looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include global and Indian demand, supply conditions, finished goods prices, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other factors such as litigation etc.

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**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.**

This is to confirm that the Company has adopted a Code of Conduct for its Board members and Senior Management Personnel. The Code is available on the Company's web site.

I confirm that the Company has in respect of the financial year ended March 31, 2013, received from the Members of the Board and the Senior Management team of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Personnel means, all senior members of the Management Team, one level below the Executive Directors such as Divisional/Departmental Heads, other functional heads and Secretary of the Company, as on March 31, 2013.

Place: Mumbai.  
Date : May 30, 2013

**Hemant V. Udeshi**  
Managing Director



## CORPORATE GOVERNANCE

### I. MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY:

The Company's philosophy of Corporate Governance is to provide products and services of international standards, which best satisfy the needs of our customers and in doing so, to bring about prosperity to our organisation, its Investors and the Country at large. The Company's obligation to the investors is amply reflected in unbroken record of continuous payment of dividend from the commencement of commercial production since 1993-94.

#### 2. BOARD OF DIRECTORS:

- i) The majority of the Directors on the Board are Non-executive Directors, and more than fifty percent of the Board comprises of Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.
- ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as at March 31, 2013 have been made by the Directors.
- iii) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below.

Sr. No.	Name of Directors	Executive/ Non-Executive/ Independent	No. of Board Meetings /Committee Meetings attended during the year 2012-2013		Last AGM Attended (Yes/No.)	No. of Outside Directorship(s) held in other Public Companies	Member of Committee in other Public Companies
			B.M.	C.M.			
1.	Mr. Vithaldas G. Udeshi - Chairman *	Non-Executive/ Non-Independent	3	3	Yes	1	--
2.	Mr. Abhay V. Udeshi ** #	Executive / Non-Independent	5	--	Yes	1	--
3.	Mr. Hemant V. Udeshi -Managing Director #	Executive / Non-Independent	4	--	Yes	--	--
4.	Dr. Subhash V. Udeshi #	Executive / Non-Independent	4	--	Yes	1	--
5.	Mr. Jayasinh V. Mariwala.	Non-Executive/ Independent	4	4	Yes	5	--
6.	Mr. Vijay Kumar Bhandari	Non—Executive/ Independent	5	5	No	6	2
7.	Mr. Mukesh C. Khagram	Non—Executive/ Independent	4	4	Yes	--	--
8.	Mr. Deepak V. Bhimani	Non—Executive/ Independent	2	2	Yes	1	--



\* Ceased to be Director w.e.f. 15/04/2013 on death

\*\* Appointed as Executive Chairman w.e.f. 13/05/2013.

# Inter-se relationship between Directors

Mr. Vithaldas G. Udeshi, was father of Mr. Hemant V. Udeshi, Mr. Abhay V. Udeshi, and Dr. Subhash V. Udeshi

None of the Independent Directors has any material pecuniary relationship or transactions with the Company.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been from time to time placed before the Board for their consideration.

During the year under report, five Board Meetings were held on 08.05.2012, 04.08.2012, 13.08.2012, 07.11.2012, and 02.02.2013

### **3. AUDIT COMMITTEE:**

The Audit Committee Meetings were held on 08.05.2012, 04.08.2012, 13.08.2012, 07.11.2012, and 02.02.2013

The Audit Committee comprises of:

- (a) Mr. Jayasinh V. Mariwala – C.A. – Chairman – Non-Executive – Independent Director.
- (b) Mr. Vithaldas G. Udeshi – Member – Non-Executive, Director\*
- (c) Mr. Mukesh C. Khagram – Member – Non-Executive – Independent Director.
- (d) Mr. Deepak V. Bhimani – Member – Non-Executive – Independent Director.
- (e) Mr. Vijay Kumar Bhandari – Member – Non-Executive – Independent Director.
- (f) Mr. Abhay V. Udeshi – Member – Executive Director\*\*

\* Ceased to be Member w.e.f. 15/04/2013 on death

\*\* Appointed as a Member w.e.f. 30/05/2013

The number of meetings attended by Mr. Jayasinh V. Mariwala, Mr. Vithaldas G. Udeshi, Mr. Mukesh C. Khagram, Mr. Deepak V. Bhimani and Mr. Vijay Kumar Bhandari were 4, 3, 4, 2 and 5 respectively.

The C.F.O. and Statutory Auditor including Internal Auditor are regular invitees to the meetings of the Audit Committee. The Company Secretary acts as Secretary to the Committee.

The Board of Directors note the minutes of the Audit Committee meetings at the Board Meetings.

The terms of reference of the Audit Committee cover the matters as specified under Clause 49 of the Listing Agreement and also as required under Section 292A of the Companies Act, 1956.

### **4. REMUNERATION COMMITTEE:**

Details of remuneration to Directors.

- (A) Executive Directors' remuneration is fixed on the recommendation of the Remuneration Committee, duly approved by the Board and the Shareholders, pursuant to the provisions of the Companies Act, 1956. The remuneration policy of the Company is to remain competitive in the Industry to attract and retain talent and appropriately reward Executives on their contribution and within the limit as prescribed under the Companies Act, 1956.

Details of Remuneration to Executive Directors.

Executive Directors	Remuneration during 2012-2013		
	Salary and Perquisites	Service contract, and notice period, severance fee.	Stock option details, if any.
1. Mr. Hemant V. Udeshi, Managing Director.	₹26.57 Lacs	Please see note (a)	Please see note (b)
2. Mr. Abhay V. Udeshi	₹30.32 Lacs	- do -	- do -
3. Dr. Subhash V. Udeshi	₹28.60 Lacs	- do -	- do -



NOTES: (a) The appointment is subject to termination by 6 months notice, in writing, on either side or as agreed mutually. Period is 5 years from the date of appointment. No severance fee payable to any Executive Director, including Managing Director.

(b) The Company does not have any Scheme for grant of Stock Options to its Directors or Employees, at present.

No sitting fees are paid to the Managing / Executive Directors, except the remuneration as approved by the shareholders.

(B) Non-Executive Directors were paid Sitting fees of ₹. 7,500/- per sitting of Board / Committee as approved by the Board which was within the limit as prescribed under the Companies Act 1956, the details of which are: -

Mr. Vithaldas G. Udeshi – ₹45,000/-; Mr. Jayasinh V. Mariwala – ₹ 60,000/-; Mr. Vijay Kumar Bhandari – ₹75,000/-; Mr. Mukesh C. Khagram – ₹60,000/- and Mr. Deepak V. Bhimani – ₹30,000/-.

The members of Remuneration Committee are:

(a) Mr. Jayasinh V. Mariwala – Chairman – Non-Executive – Independent Director

(b) Mr. Vithaldas G. Udeshi – Non-Executive Director\*

(c) Mr. Mukesh C. Khagram – Non-Executive – Independent Director

(d) Mr. Deepak V. Bhimani – Non- executive – Independent Director\*\*

\* Ceased to be Member w.e.f. 15/04/2013 on death

\*\* Appointed as a Member w.e.f. 30/05/2013

The terms of reference include the matters specified under Clause 49 of the Listing Agreement.

(C) Disclosure of shareholding of Non-Executive Directors as required under Clause 49(IV)(E)(iv) :-

	Names	Shares held on 31.03.2013 (own or held by/ for other persons on beneficial basis)
1.	Mr. Vithaldas G. Udeshi	57900
2.	Mr. Jayasinh V. Mariwala	Nil
3.	Mr. Vijay Kumar Bhandari	Nil
4.	Mr. Mukesh C. Khagram	Nil
5.	Mr. Deepak V. Bhimani	Nil

## 5. SHARE TRANSFER AND INVESTORS / SHAREHOLDERS GRIEVANCE COMMITTEE:

**The name of Non-Executive Director heading the Committee :-**

Mr. Vithaldas G. Udeshi : Chairman\*

Mr. Vijay Kumar Bhandari : Chairman\*\*

\* Ceased to be Member & Chairman w.e.f. 15/04/2013 on death

\*\* Appointed as a Member and Chairman w.e.f. 30/05/2013

Name and designation of Compliance Officer : Mr. Dinesh Kapadia  
Company Secretary

Details of complaints received in 2012-2013 from Shareholders:

- |                              |       |
|------------------------------|-------|
| (1) Opening balance          | : NIL |
| (2) Received during the year | : 1   |
| (3) Resolved during the year | : 1   |
| (4) Closing balance          | : NIL |

**6. DETAILS OF GENERAL BODY MEETINGS FOR THE LAST THREE YEARS:**

(i) Location and time, where last General Meetings held :

<b>Year</b>	<b>Location</b>	<b>Date / Time</b>	<b>Special Resolutions Passed</b>
2009-2010 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor, 18/20, K. Dubash Marg, Mumbai 400 001	18.09.2010 3.00 P.M.	None
2010-2011 AGM	Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020	29.09.2011 9.30 A.M.	Revision in the Remuneration of Mr. Varun A. Udeshi, Executive Project & Business Development.
2011-2012 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4th floor, 18/20, K. Dubash Marg, Mumbai 400 001	26.09.2012 11.00 A.M.	Alteration of Articles of Association of the Company for insertion of provision to enable conducting of General Meeting, Board Meeting and/or Committee meeting of the Board by Video conference facility or any other permissible electronic mode of communication

(ii) No Special Resolution was passed last year through Postal ballot.

**7. DISCLOSURES:**

(A) Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, Directors or Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large.

Necessary disclosures are made in Note 37 (b) to the Accounts.

(B) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital market, during the last three years : Nil.

(C) CEO /CFO Certification :

A certification from the CEO and CFO in terms of Clause 49 (v) of the Listing Agreement was placed before the Board at the Board Meeting held on May 30, 2013 to approve the Audited Annual Accounts for the year ended March 31, 2013.

**8. MEANS OF COMMUNICATION:**

Quarterly / Half Yearly results being put on the Company's Website, and also released in the News Papers, viz: Business Standard, all editions and Sakal (Marathi).

THE COMPANY'S WEBSITE : [www.jayantagro.com](http://www.jayantagro.com)



**9. GENERAL SHAREHOLDER INFORMATION:**

(1) Annual General Meeting Date, Time and Venue	21st Annual General Meeting On Friday, the September 13, 2013 at 12.30 p.m.at M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 4 <sup>th</sup> floor,18/20, K. Dubash Marg, Mumbai 400 001	
(2) Financial year (Tentative) Financial Year : From April 1, 2013 to March 31, 2014	Results for quarter ending June 30, September 30, and December 31, 2013	Will be in the last week of July 2013, October 2013, and January 2014 respectively
	Results for year ending March 31, 2014	Audited : Last week of May, 2014
	Annual General Meeting for the year ended on March 31, 2014	Before Sept. 2014
(3) Book Closure date	07.09.2013 to 13.09.2013 (both days inclusive)	
(4) Dividend payment date	on or after September 17, 2013	
(5) Registered Office and address for correspondence.	Akhandanand 38, Marol Co-op. Indl.Estate, Off. M. V. Road, Sakinaka, Andheri (East) Mumbai – 400 059.	
(6) Listing on Stock Exchanges Note : Listing fees and custody charges for the year 2012-2013 have been paid.	BSE Ltd. – Equity Code No.524330. National Stock Exchange of India Ltd., Mumbai. Equity Code JAYAGROGN EQ,	
(7) Demat ISIN Number in NSDL and CDSL	ISIN No. INE785A01026	

**(8) Share Transfer System.**

All the share related work is being undertaken by our R&T Agent, Sharepro Services (India) Pvt. Ltd., Mumbai. A Share Transfer Committee of four Directors approves the share transfer, transmission, split and consolidation, among others, of shares. The share transfers are registered and returned within 15 days from the date of receipt if relevant document are complete in all respects. The Shareholders'/minvestors' grievances are also taken up by our R&T Agent.

**Demat :** Trading in shares has been compulsory in dematerialised form by all Investors with effect from July 24, 2000. As on March 31, 2013, 92.89% of Equity Shares of your Company has been dematerialised.

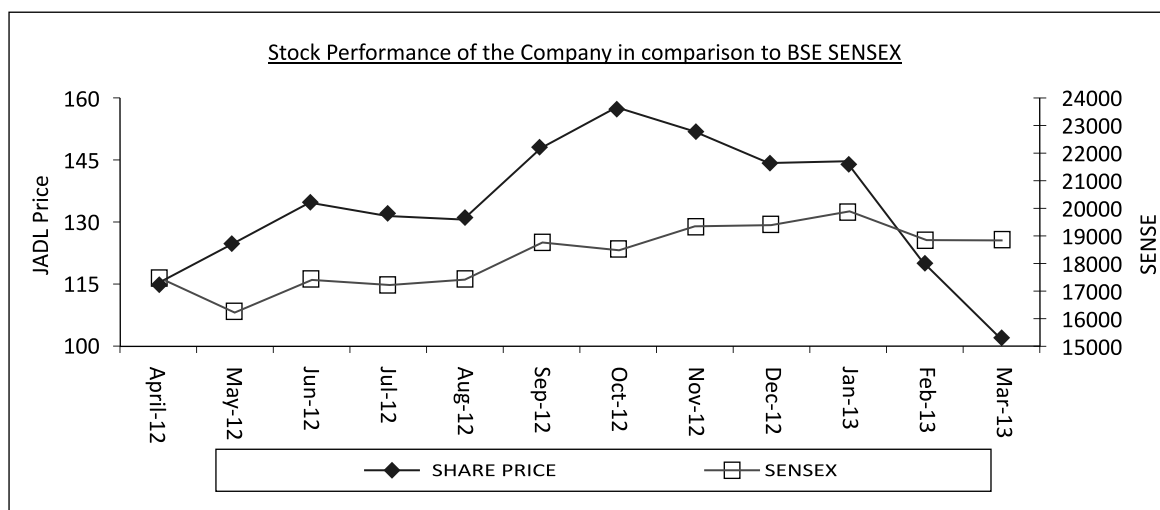


The details of shares transferred during the year, physical and demat mode are as under:

	Physical	Demat
No. of Shares for transfer received	4,500	9,200
No. of Shares accepted	1,200	7,000
No. of Shares rejected, due to signature difference	3,300	2,200

**(9) Stock Market Data from April 1, 2012 to March 31, 2013**

Month	(BSE) (in ₹)		(NSE) (in ₹)		BSE SENSEX
	High	Low	High	Low	
Apr-12	113.80	98.50	113.60	97.55	17318.81
May-12	123.75	107.40	124.20	107.00	16218.53
June-12	133.75	116.05	132.40	110.00	17429.98
July-12	131.95	119.00	134.40	120.00	17236.18
Aug-12	130.00	116.00	126.00	115.00	17429.56
Sep-12	147.10	119.70	147.90	119.10	18762.74
Oct-12	156.95	139.75	155.00	137.05	18505.38
Nov-12	151.25	127.00	152.70	132.00	19339.90
Dec-12	143.50	132.00	144.00	131.65	19426.71
Jan-13	144.00	108.00	144.95	111.00	19894.98
Feb-13	119.80	92.00	115.05	92.25	18861.54
March-13	101.10	86.40	99.90	87.00	18835.77



**(10) Distribution of Shareholdings as on March 31, 2013 :**

No. of Equity Shares held	No. of Share-Holders	% of Share-holders	No. of Shares held	% Share-holding
1-1000	4582	87.14	1063664	7.09
1001-2000	312	5.93	477149	3.18
2001-4000	166	3.16	499513	3.33
4001-6000	57	1.08	289249	1.93
6001-8000	19	0.36	134688	0.90
8001-10000	18	0.34	170812	1.14
10001 and above	104	1.99	12364925	82.43
<b>Total</b>	<b>5258</b>	<b>100.00</b>	<b>15000000</b>	<b>100.00</b>

**(11) Registrar & Share Transfer Agents : M/s Sharepro Services (I) Pvt. Ltd.**

13 – AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Off. Andheri – Kurla Road,  
Saki Naka Telephone Exchange,  
Sakinaka, Andheri (East), Mumbai 400 072.  
Tel : 67720300/67720400 Fax : 28591568

**(12) Unclaimed Shares :**

As required under clause 5A of the listing agreement, the Company has already sent three reminders to the shareholders whose shares were lying unclaimed/undelivered with the Company. The Company has received a substantial number of requests to claim these share certificates which are released after a through due diligence. The Company has opened the “Unclaimed Suspense Account” with Edelweiss Broking Limited and has started the process of transferring the unclaimed shares to the said account after verification.

**(13) Categories of Shareholdings as on March 31, 2013 :**

Category	No. of Shares held	% of Shares held
Promoters/Associates/ Directors	9718076	64.79
Private Corporate Bodies	828499	5.52
OCB	600000	4.00
N R I	27164	0.18
Mutual Funds/ Nationalized Banks	7600	0.05
Indian Public	3818641	25.46
<b>Total</b>	<b>15000000</b>	<b>100.00</b>

**(14) Details on use of public funds obtained in the last three years :** No funds have been raised from public in the last three years.**(15) Outstanding GDRs / ADRs / Warrant etc. :** The Company did not issue any GDRs / ADRs / warrants during the year:

**(16) Plant location :** Plot Nos. 601, 602, 624-627 & 603 ISCPL Division,  
Behind G.A.C.L. Plot No. 296-300,  
Post Petrochemicals Near GIPCL & Hettich,  
Dist. Vadodara 391 346. Dhanora, PO: Petrochemicals - 391 346  
Gujarat. Dist: Vadodara, Gujarat

**(17) Address for Correspondence:**

Registered office  
Jayant Agro-Organics Limited  
Akhandanand 38, Marol Co-op Ind. Estate,  
Off. M.V.Road, Sakinaka, Andheri (East)  
Mumbai 400 059  
Tel.: 022 40271300 Fax: 022 40271399  
Website: www.jayantagro.com  
Email: dinesh.kapadia@jayantagro.com



## **II NON-MANDATORY REQUIREMENTS:**

The following non-mandatory requirements recommended under Clause 49 of the Listing Agreement, have been implemented.

(1) **Remuneration Committee:**

A Remuneration Committee, comprising three non-executive Directors, has been functioning for review and taking decision on remuneration of Executive Directors of the Company. The Chairman of the Committee is an independent Director of the Company.

(2) **Unaudited Financial Results of the Company as published in the newspapers are made available to the members on request.**

On behalf of the Board of Directors

Place: Mumbai.  
Date: May 30, 2013

**ABHAY V. UDESHI**  
Chairman

### **Compliance Certificate**

The Members,  
Jayant Agro-Organics Ltd.,  
Akandanand, 38, Marol Co-Op Indl. Estate,  
Off M.V. Road, Saki Naka, Andheri (East),  
Mumbai 400 059.

We have examined the compliance of conditions of Corporate Governance by Jayant Agro-Organics Limited for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of  
**T. P. Ostwal & Associates (Regd.)**

Chartered Accountants  
(Registration No. 124444W)

**Sharad Jain**  
(Partner)

Place : Mumbai  
Dated : May 30, 2013

M.NO.106958

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### **MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

As required by sub-clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended March 31, 2013, the Company has complied with the requirement of the said sub-clause.

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer

Place: Mumbai.  
Date: May 30, 2013



## INDEPENDENT AUDITORS' REPORT

To The Members of **JAYANT AGRO-ORGANICS LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **JAYANT AGRO-ORGANICS LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date:

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**T. P. Ostwal & Associates (Regd.)**

Chartered Accountants  
(Registration No. 124444W)

**Sharad Jain**

(Partner)

M.NO.106958

Place : Mumbai  
Dated : May 30, 2013



**ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph (3) of our report of even date on the financial statements for the year ended March 31, 2013 of Jayant Agro-Organics Limited and on the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are physically verified periodically. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the company is not affected.
- ii. (a) As explained to us, inventories have been physically verified during the year by the Company's management. In our opinion the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) 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 during 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) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of sub clauses (a), (b), (c) and (d) of the Paragraph 4(iii) of the Order are not applicable to the Company.
- (b) The Company has not taken any unsecured loans from companies, firms or other parties, covered in the register required to be maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (e), (f) and (g) of Paragraph 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems
- v. (a) In our opinion and according to the information and explanations given to us, contracts or arrangements, the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been properly recorded.
- (b) Transactions made in pursuance of such contracts or arrangements have been made at reasonable prices having regard to prevailing market prices at relevant time.
- vi. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public. Accordingly the provisions of Paragraph 4(vi) of the Order are not applicable to the Company.
- vii. In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. According to the information and explanations given to us, Central Government vide Companies Cost Records Rules prescribed, maintenance of the cost records under Section 209(1) (d) of the Companies Act, 1956. The company has maintained the cost records and accounts as required by Companies Cost Records Rules.
- ix. 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. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2013 for a period of more than six months from the date on which it becomes payable.
  - (b) According to the information and explanation given to us and based on the records of the Company examined by us, the dues of value added tax, excise duty, central sales tax as at March 31, 2013 which have not been deposited on account of any dispute are tabulated below:



(₹ in Lacs)

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where pending
The Central Excise Act, 1944	Excise duty/ Service Tax	122.60	Various years covering the periods from 2006-2013	Commissioner of Central Excise
		27.59	Various Years covering the periods from 2006-2013	Commissioner of Central Excise & Commissioner (Appeal)
Income Tax Act, 1961	Income Tax	39.45	A.Y. 2009-2010	ITAT
		142.37	A.Y. 2010-2011	(CIT (Appeal))
The Customs Act, 1962	Customs duty	200.00	A.Y 2004-2005 A.Y 2005-2006	Commissioner of Customs

- x. The company neither has accumulated losses nor incurred cash losses during the financial year covered by our report and immediately preceding financial year.
- xi. According to the information and explanation given to us, and based on the verification of records of the Company, the Company has not defaulted in repayment of dues to financial institutions and banks.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debenture or any other securities. Accordingly the provision of Paragraph 4(xii) of the order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a Nidhi/ mutual benefit fund/society. Accordingly, the provision of Paragraph 4(xiii) of the said Order is not applicable to the Company.
- xiv. As per records of the Company as examined by us and the information and explanations given to us, Company is not dealing or trading in shares, securities and debentures and other investments. Accordingly the provision of Paragraph 4(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us, and the representations made by the management, the Company has given guarantee for loans taken from banks or financial institutions by its subsidiary as well as group companies details of which are provided in notes to accounts Note No. 33. In our opinion the terms and conditions of these guarantees are not prejudicial to the interest of the Company.
- xvi. In our opinion and according to the information and explanations given to us term loan taken by the Company has been applied for the purpose for which they were raised during the year under audit.
- xvii. In our opinion and according to the information and explanations given to us, and on an overall examination of the books of accounts of the Company, we report that no funds raised on a short-term basis, have been used for long-term investment and vice-versa.
- xviii. According to the information and explanation given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the year covered by our report. Accordingly, the provisions of Paragraph 4(xix) of the Order are not applicable to the Company.
- xx. During the year, the Company has not raised any money by way of public issues of shares.
- 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 year under audit.

**T. P. Ostwal & Associates (Regd.)**  
Chartered Accountants  
(Registration No. 124444W)

**Sharad Jain**  
(Partner)  
M.NO.106958

Place : Mumbai  
Dated : May 30, 2013

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**

(Amount in ₹)

Particulars	Note No.	2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	75,000,000	75,000,000
Reserves and Surplus	3	1,356,560,690	1,098,899,043
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	339,027,415	291,637,165
Deferred Tax Liabilities (Net)	5	184,526,744	140,300,894
Other Long-Term Liabilities	6	-	146,193
<b>Current Liabilities</b>			
Short Term Borrowings	7	1,821,829,397	1,657,101,828
Trade Payables		248,868,656	628,435,017
Other Current Liabilities	8	224,616,172	395,080,228
Short-Term Provisions	9	78,551,021	56,391,933
<b>TOTAL</b>		<b>4,328,980,095</b>	<b>4,342,992,301</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	10		
Tangible Assets		1,553,495,150	1,353,706,539
Intangible Assets		36,952,366	50,507,757
Capital Work-in-Progress		153,760,156	96,230,130
Non Current Investments	11	64,903,000	64,903,000
Long-Term Loans and Advances	12	78,016,232	69,402,545
Other Non-Current Assets	13	1,853,895	720,600
<b>Current Assets</b>			
Current Investment	14	-	10,000,000
Inventories	15	745,117,627	831,667,577
Trade Receivables	16	574,438,884	1,079,929,552
Cash and Bank Balances	17	80,577,059	144,904,550
Short-Term Loans and Advances	18	808,555,600	386,090,959
Other Current Assets	19	231,310,126	254,929,092
<b>TOTAL</b>		<b>4,328,980,095</b>	<b>4,342,992,301</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our Report of even date

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

**Sharad Jain**  
(Partner)  
Membership No.106958

Place: Mumbai  
Date : May 30, 2013

For and on behalf of the Board of Directors

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

(Amount in ₹)

Particulars	Note No.	2013	2012
<b>INCOME:</b>			
Revenue from Operations	20	12,237,971,437	16,624,214,025
Other Income	21	44,152,661	59,203,479
<b>Total Revenue</b>		<b>12,282,124,098</b>	<b>16,683,417,504</b>
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	5,040,316,136	6,787,145,821
Purchases of Stock-in-Trade		5,024,317,384	7,751,918,375
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	23	128,090,133	250,426,815
Employee Benefits Expense	24	131,568,109	100,329,804
Finance Costs	25	272,051,868	310,415,673
Depreciation and Amortization Expense	10	91,003,928	44,803,112
Other Expenses	26	1,214,006,186	1,107,423,655
<b>Total Expenses</b>		<b>11,901,353,743</b>	<b>16,352,463,257</b>
<b>Profit Before Tax</b>		<b>380,770,356</b>	<b>330,954,247</b>
<b>Less: Tax Expense:</b>			
Current Tax		72,850,000	69,500,000
Deferred Tax		44,225,850	66,550,670
MAT Credit Entitlement		-	(24,757,814)
Mat Credit Entitlement of Earlier Years		(5,959,191)	-
Short / (Excess) Provision of earlier years		(7,668,583)	(91,064)
<b>Profit for the Year</b>		<b>277,322,280</b>	<b>219,752,455</b>
<b>Earnings per Equity Share of Face Value of ₹ 5/- each</b>			
Basic and Diluted EPS (in ₹)	40	18.49	14.65
Significant Accounting Policies			
Notes on Financial Statements	1 to 42		

As per our Report of even date

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

**Sharad Jain**  
(Partner)  
Membership No.106958

Place: Mumbai  
Date : May 30, 2013

For and on behalf of the Board of Directors

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

(Amount in ₹)

Particulars	2013	2012
<b>A Cash Flow from Operating Activities</b>		
Net Profit Before Tax	380,770,356	330,954,247
Adjustments for :-		
Depreciation & Amortisation Expense	91,003,928	44,803,112
Provision for Leave Encashment	3,270,221	5,199,612
Forward Contract Loss/(Gain)	(23,762,280)	3,954,704
Loss/(Profit) on Sale of Assets	141,615	193,475
Interest Received	(13,425,577)	(1,161,141)
Loss on Sale of Investment	727,149	-
Dividend Received	(29,812,500)	(2,862,500)
Preliminary Expenses Written Off	-	127,834
Wealth Tax Provision	15,000	44,800
Interest Paid	258,691,029	297,849,045
Operating Profit before Working Capital Changes	667,618,940	679,103,188
Adjusted for :-		
(Increase)/Decrease in Inventories	86,549,951	108,310,876
(Increase)/Decrease in Trade Receivables	505,490,668	(295,576,211)
(Increase)/Decrease in Long Term Loans & Advances	(2,934,880)	(16,389,491)
(Increase)/Decrease in Short Term Loans & Advances	(422,464,641)	154,046,884
(Increase)/Decrease in Other Current Assets	38,755,311	19,654,954
(Increase)/Decrease in Other Non Current Assets	(1,133,295)	10,465,996
Increase/(Decrease) in Trade Payables	(379,566,361)	351,315,113
Increase/(Decrease) in Short Term Provisions	1,220,090	1,392,343
Increase/(Decrease) in Other Long Term Liabilities	(146,193)	(1,387,479)
Increase/(Decrease) in Other Current Liabilities	(147,748,754)	116,818,329
	(321,978,106)	448,651,314
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(337,199,900)	(1,161,103,807)
Sale of Fixed Assets	2,291,111	155,000
Net Investment in Subsidiary Companies	-	183,300,000
Dividend Received	29,812,500	2,862,500
Cash and Cash Equivalents Acquired on Merger	-	69,663,000
Sale of Investment	9,272,851	-
Interest Received	13,425,577	1,161,141
Net Cash from /(used in) Investing Activities	(282,397,861)	(903,962,166)
<b>C Cash Flow from Financing Activities</b>		
Borrowings	212,117,820	285,119,235
Taxes Paid	(50,913,491)	(95,035,243)
Wealth Tax Paid	(35,097)	(32,800)
Dividend Paid	(30,000,000)	(26,250,000)
Tax on Distributed Profits	(48,667)	(3,812,286)
Interest Paid	(258,691,029)	(297,849,045)
Net Cash from/(used in) Financing Activities	(127,570,464)	(137,860,140)
Net Increase/(Decrease) in Cash Equivalents	(64,327,491)	85,932,198
<b>Cash &amp; Cash equivalent</b>		
At the beginning of the year	144,904,550	58,972,352
At the end of the year	80,577,059	144,904,550

As per our Report of even date

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

**Sharad Jain**  
(Partner)  
Membership No.106958

Place: Mumbai  
Date : May 30, 2013

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

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 1: Significant Accounting Policies

#### A. Basis of Accounting

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

#### 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

- (a) **Tangible Assets :** Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.
- (b) **Intangible Assets :** Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

#### 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

- (a) Depreciation on assets is provided on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- (b) Depreciation on additions/ deletions of assets during the year is provided on a pro-rata basis.
- (c) Leasehold Land is amortized over the period of lease.
- (d) Intangible Asset is amortized over the useful life of asset.
- (e) Assets of ₹5,000/- or less is expensed out during the year of purchase.

Rate of depreciation on intangible asset is 25% on straight line basis.

#### F. Research and Development

Revenue expenditure on research and development is recognized as an expense in the year in which it is incurred and the expenditure on capital assets is depreciated on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

#### G. 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

**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

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.

**H. Inventories**

- (a) Inventories are valued at lower of cost or net realizable value except for scrap and by-products which are valued at net realizable value.
- (b) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.
- (c) Cost of inventories of raw material and material cost of finished goods and work-in-process is determined on First In First Out (FIFO) basis except Chemicals, Packing Materials, stores and spare parts which are valued at weighted average cost.

**I. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized when goods are supplied. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/Value Added Tax and Excise Duty.

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

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

Exports are accounted on CIF basis.

**J. Accounting of Claims**

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

**K. Foreign Currency Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss as per AS 11. In case transactions for which forward contracts are taken are also revalued as per Accounting Standard 11 - Effect of Changes in Foreign Exchange Rates (AS -11).

**Hedge Reserve :** In order to recognize the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transactions, in appropriate accounting periods, the Company applies the principles of recognition set out in the Accounting Standard 30- Financial Instruments - Recognition and Measurement (AS-30) as suggested by the Institute of Chartered Accountants of India. Accordingly, the unrealized gain/(loss) (net) consequent to foreign currency fluctuations, in respect of effective hedging instruments, represented by simple forward covers, to hedge future exports, are carried as a Hedging Reserve and ultimately set off in the Statement of Profit and Loss when the underlying transaction arises.



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### L. Sundry Debtors

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

### M. Employee Benefits

#### Defined Contribution Plan

- (a) Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when contributions accrue.
- (b) Annual contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the Accounts.
- (c) Entitlements to annual leave and sick leave are recognized when they accrue to the employees. Sick leave can only be availed when annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. Provision for Leave Encashment is based on year end leave balance.

### N. 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.

#### Minimum Alternative Tax (MAT)

Minimum Alternative Tax paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

### O. Earnings Per Share (EPS)

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



## **Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **P. 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.

### **Q. Impairment of Assets**

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

### **R. Provisions and Contingent Liabilities**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **S. Proposed Dividend**

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



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 2: Share Capital

#### (a) Authorised/Issued/Subscribed & Paid Up

Particulars	2013		2012	
	Number	₹	Number	₹
<b>Authorised</b>				
Preference Shares of ₹ 5/- each	6,000,000	30,000,000	6,000,000	30,000,000
Equity Shares of ₹ 5/- each #	79,000,000	395,000,000	29,000,000	145,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 5/- each fully paid up	15,000,000	75,000,000	15,000,000	75,000,000
	15,000,000	75,000,000	15,000,000	75,000,000
<b>(b) Reconciliation of outstanding number of shares</b>				
Shares outstanding at the beginning of the year	15,000,000	75,000,000	15,000,000	75,000,000
Shares outstanding at the end of the year	15,000,000	75,000,000	15,000,000	75,000,000

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

Name of Shareholders	2013		2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayant Finvest Limited	7,551,390	50.34%	7,551,390	50.34%

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

The company has one class of equity shares having a face value of ₹ 5/- each per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (e) Equity Shares held by holding company :

##### Holding Company:

7,551,390 (P.Y. 7,551,390) equity shares held by Jayant Finvest Limited.

#### (f) Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years - NIL

# The Authorised Equity Share Capital of the Company has been increased pursuant to the Scheme of Amalgamation of Ihstedu Speciality Chemicals Private Limited (ISCPL) with the Company, as sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated July 6, 2012.



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 3: Reserves and Surplus**

(Amount in ₹)

Particulars	2013	2012
<b>Capital Reserves</b>		
Opening Balance	62,925,000	17,850,000
Add: During the year on Amalgamation	-	45,075,000
Closing Balance (a)	62,925,000	62,925,000
<b>Capital Redemption Reserve</b>		
Opening Balance	30,000,000	30,000,000
Changes during the year	-	-
Closing Balance (b)	30,000,000	30,000,000
<b>Securities Premium Account</b>		
Opening Balance	228,588,000	204,000,000
Add: During the year on Amalgamation	-	24,588,000
Closing Balance (c)	228,588,000	228,588,000
<b>General Reserve</b>		
Opening Balance	217,590,909	214,351,508
Changes during the year	30,000,000	22,000,000
Add/(Less): Forward Contract Reserve	14,089,367	(18,760,599)
Closing Balance (d)	261,680,276	217,590,909
<b>Surplus</b>		
Opening Balance	559,795,134	394,679,585
Add: Net Profit/(Loss) For the current year	277,322,280	219,752,455
Less: Proposed Dividend	33,750,000	30,000,000
Dividend Distribution Tax	-	2,636,906
Transfer to General Reserve	30,000,000	22,000,000
Closing Balance (e)	773,367,414	559,795,134
<b>Total (a+b+c+d+e)</b>	<b>1,356,560,690</b>	<b>1,098,899,043</b>





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 4: Long Term Borrowings

(Amount in ₹)

Particulars	2013	2012
<b>Secured Term Loans</b>		
From Banks #	337,659,393	289,650,866
From Bank (Secured against hypothecation of vehicle)	361,475	459,893
From Companies (Secured against hypothecation of vehicles)	1,006,547	1,526,406
	<b>339,027,415</b>	<b>291,637,165</b>

#(4.1) Loans are secured against hypothecation of equipments and mortgage of office premises acquired out of sanctioned loan amount and also secured by way of charge on pari passu basis on block of asset (present and future) of the Company excluding the assets which are under first charge of term lenders. Also secured against mortgage of factory premises on pari passu basis in consortium.

#(4.2) Some of the term loans are personally guaranteed by promoter directors and some of the term loans by Chief Financial Officer ("CFO") of the company along with one of the promoter director as well as individually by CFO.

#(4.3) Term loan maturity profile:

Financial Year	Amount in ₹
2014-15	133,799,300
2015-16	114,101,555
2016-17	56,827,850
2017-18	34,298,711

### Note 5: Deferred Tax Liability

<b>Opening Deferred Tax Liability</b>		<b>140,300,894</b>	73,750,224
<b>Add: Deferred Tax Liability</b>			
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts		<b>45,550,815</b>	68,562,475
	(a)	<b>185,851,709</b>	142,312,699
<b>Less: Deferred Tax Assets</b>			
Expenses allowable on actual payment basis		<b>1,324,965</b>	2,011,805
	(b)	<b>1,324,965</b>	2,011,805
<b>Deferred Tax Liability (Net)</b>	<b>Total (a-b)</b>	<b>184,526,744</b>	<b>140,300,894</b>

### Note 6: Other Long Term Liabilities

Trade Payables	-	123,139
Advance from Customers	-	23,054
	-	146,193



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 7: Short Term Borrowings**

(Amount in ₹)

Particulars	2013	2012
<b>Secured</b>		
From Banks*	1,724,109,141	1,637,101,828
<b>Unsecured</b>		
From Banks**	97,720,256	-
Loan from Related Parties (refer Note No. 36)	-	20,000,000
	<b>1,821,829,397</b>	<b>1,657,101,828</b>

\* Short term loans are secured in consortium by joint deed of hypothecation, pari passu basis on raw material, work in process, finished goods, spares and receivables and personal guarantee of the directors. Further, collaterally secured by equitable mortgage of all present and future immovable properties comprising inter alia machinery, equipment, plant and spares.

\*\* Unsecured loan from bank is against pledge of agri commodity of an enterprise controlled by directors and personal guarantee of Chief Financial Officer of the company.

**Note 8: Other Current Liabilities**

Interest Accrued but not due on Borrowings	2,236,625	7,472,179
Current Maturities on Long-Term Debt	157,780,808	108,712,637
Advances from Customers	1,331,594	3,807,052
Creditors for Capital Goods	12,724,833	18,437,632
Forward Contract Payable	-	22,715,303
Others Payable	176,306	2,815,651
Statutory Dues	3,246,338	4,142,609
Bank Account Overdrawn	44,282,863	7,460,833
Security Deposit	701,333	583,851
Bill Discounting	-	216,777,754
Unclaimed Dividend	2,135,472	2,154,727
	<b>224,616,172</b>	<b>395,080,228</b>

**Note 9: Short Term Provisions**

**Provision for Employee Benefits:**

Bonus	4,972,791	4,159,285
Leave Encashment	18,089,256	14,819,035
Contribution to Provident Fund	730,393	323,809
<b>Other Provisions:</b>		
Proposed Dividend	33,750,000	30,000,000
Dividend Distribution Tax	-	2,636,906
Income Tax	20,993,581	4,417,898
Wealth Tax	15,000	35,000
	<b>78,551,021</b>	<b>56,391,933</b>

Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

## Note 10: Fixed Asset

(Amount in ₹)

Particulars	Gross Block					Depreciation					Net Block	
	As at 01.04.2012	Additions during the year	Addition on account of Merger	Deductions during the year	As at 31.03.2013	As at 01.04.2012	Addition on account of Merger	For the year	Deductions during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>												
Freehold Land	52,590,552	-	-	-	52,590,552	-	-	-	-	-	52,590,552	52,590,552
Building	208,082,346	256,727,057	-	-	464,809,403	18,489,289	-	6,465,089	-	24,954,378	439,855,025	189,593,057
Plant and Machinery	1,279,220,220	16,655,684	-	2,100,000	1,293,775,904	203,271,686	-	67,027,993	86,014	270,213,665	1,023,562,239	1,075,948,534
Office Equipments	5,584,368	46,480	-	-	5,630,848	1,126,584	-	267,005	-	1,393,589	4,237,259	4,457,784
Computers	15,014,446	674,506	-	-	15,688,952	12,881,594	-	854,572	-	13,736,166	1,952,786	2,132,852
Furnitures and Fixtures	15,034,115	3,605,844	-	-	18,639,959	5,699,306	-	1,114,987	-	6,814,293	11,825,666	9,334,809
Vehicles	16,716,705	1,960,303	-	1,220,107	17,456,901	5,695,301	-	1,614,149	801,367	6,508,083	10,948,818	11,021,404
<b>Sub Total</b>	<b>1,592,242,752</b>	<b>279,669,874</b>	<b>-</b>	<b>3,320,107</b>	<b>1,868,592,519</b>	<b>247,163,759</b>	<b>-</b>	<b>77,343,795</b>	<b>887,381</b>	<b>323,620,173</b>	<b>1,544,972,346</b>	<b>1,345,078,993</b>
<b>Leased Assets</b>												
Leasehold Land	10,126,777	-	-	-	10,126,777	1,499,231	-	104,742	-	1,603,973	8,522,804	8,627,546
<b>Sub Total</b>	<b>10,126,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,126,777</b>	<b>1,499,231</b>	<b>-</b>	<b>104,742</b>	<b>-</b>	<b>1,603,973</b>	<b>8,522,804</b>	<b>8,627,546</b>
<b>Total</b>	<b>1,602,369,529</b>	<b>279,669,874</b>	<b>-</b>	<b>3,320,107</b>	<b>1,878,719,296</b>	<b>248,662,990</b>	<b>-</b>	<b>77,448,537</b>	<b>887,381</b>	<b>325,224,146</b>	<b>1,553,495,150</b>	<b>1,353,706,539</b>
Previous year figures	566,166,969	855,382,048	182,087,661	1,267,149	1,602,369,529	196,790,695	6,892,599	45,898,370	918,674	248,662,990	1,353,706,539	
<b>Intangible Assets</b>												
Technology	54,221,563	-	-	-	54,221,563	3,713,806	-	13,555,391	-	17,269,197	36,952,366	50,507,757
<b>Total</b>	<b>54,221,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,221,563</b>	<b>3,713,806</b>	<b>-</b>	<b>13,555,391</b>	<b>-</b>	<b>17,269,197</b>	<b>36,952,366</b>	<b>50,507,757</b>
Previous year figures	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	
<b>Capital Work in Progress</b>											<b>153,760,156</b>	<b>96,230,130</b>





**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 11: Non Current Investments**

(Amount in ₹)

Particulars	Current year		Previous Year		2013	2012
	No. of shares	% of Holding	No. of shares	% of Holding		
<b>A) Trade Investments (Valued at cost)</b>						
<b>I) Equity Shares (unquoted fully paid up)</b>						
<b>In Subsidiary:</b>						
Ihsedu Agrochem Pvt. Ltd. (Face Value of ₹10/-)	5,500,000	100	5,500,000	100	<b>55,000,000</b>	55,000,000
Ihsedu Coreagri Services Pvt. Ltd. (Face Value of ₹10/-)	50,000	100	50,000	100	<b>500,000</b>	500,000
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd. (Face Value of ₹10/-)	750,000	60	750,000	60	<b>7,500,000</b>	7,500,000
<b>In Other Companies:</b>						
Enviro Infrastructure Co.Ltd. (Face Value of ₹10/-)	75,000	-	75,000	-	<b>750,000</b>	750,000
Ahmedabad Commodity Exchange Ltd.	121,600	-	121,600	-	<b>1,153,000</b>	1,153,000
					<b>64,903,000</b>	64,903,000



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 12: Long Term Loans and Advances

(Amount in ₹)

Particulars	2013	2012
<b>Unsecured, Considered Good</b>		
Capital Advances	4,885,239	4,444,281
Security Deposits	37,840,289	35,701,194
(a)	42,725,528	40,145,475
<b>Other Loans and Advances</b>		
Advance to Creditors	-	73,300
Loan to Employees	4,660,587	4,232,460
MAT Credit Entitlement	30,630,117	24,757,814
Advance Fringe Benefit Tax	-	193,496
(b)	35,290,704	29,257,070
<b>Total (a+b)</b>	<b>78,016,232</b>	<b>69,402,545</b>
<b>Note 13: Other Non Current Assets</b>		
Margin Money with Bank	720,600	720,600
Bank Deposit with maturity more than 12 months	1,133,295	-
	1,853,895	720,600
<b>Note 14: Current Investment</b>		
<b>Other Investment:</b>		
Kotak Mahindra Life Insurance	-	10,000,000
	-	10,000,000
<b>Note 15: Inventories</b>		
Raw Materials, Chemicals and Packing Materials	233,708,735	198,396,514
Finished Goods	394,512,777	589,615,045
Traded Goods	63,954,885	-
Stores and Spares	18,027,512	11,799,550
Work in Process	34,913,718	31,856,468
(For mode and method of valuation refer point H of Note 1)	745,117,627	831,667,577
<b>Productwise Description of Finished and Traded Goods:</b>		
Castor Oil	237,292,340	410,615,782
Derivatives	166,597,368	113,689,048
By Product	54,577,954	65,310,215
	458,467,662	589,615,045
<b>Note 16: Trade Receivables</b>		
<b>Unsecured, Considered Good</b>		
Over Six months	7,105,551	5,622,287
Others	567,333,333	1,074,307,265
	574,438,884	1,079,929,552



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 17: Cash and Bank Balances**

(Amount in ₹)

<b>Particulars</b>	<b>2013</b>	<b>2012</b>
<b>Cash and Cash Equivalents:</b>		
Cash on hand	605,862	916,183
Balance with Banks		
- in Current Accounts	74,779,206	132,921,477
- Unclaimed Dividend	2,135,472	2,154,727
<b>Other Bank Balance:</b>		
Margin Money with Bank	2,409,150	3,934,202
Fixed Deposit with Bank	647,369	4,977,961
	<b>80,577,059</b>	<b>144,904,550</b>
<b>Note 18 : Short Term Loan &amp; Advances</b>		
<b>Unsecured, Considered Good</b>		
Loans and Advances to Related Parties (refer Note No. 36)	350,989,458	-
<b>Others - Unsecured, Considered Good</b>		
Excise and Other Taxes Recoverable	456,167,215	382,927,250
Prepaid Expenses	76,746	1,706,812
Loans to Employees	1,322,181	1,456,897
	<b>808,555,600</b>	<b>386,090,959</b>
<b>Note 19 : Other Current Assets</b>		
Advance to Others	3,760,387	417,550
Advance to Suppliers	108,497,970	10,641,827
Accrued Interest	280,207	674,077
Forward Contract Receivable	15,136,345	-
Export Incentive Receivable	103,635,217	239,988,687
Claims Receivable	-	3,206,951
	<b>231,310,126</b>	<b>254,929,092</b>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 20: Revenue from Operations

(Amount in ₹)

Particulars	2013	2012
<b>Sale of Products</b>		
Finished Goods	12,291,505,128	16,526,616,917
Less: Excise Duty	31,791,819	25,256,573
	<b>12,259,713,309</b>	<b>16,501,360,344</b>
Power Generation Income	23,521,507	21,612,219
<b>Other Operating Revenue</b>		
Foreign Exchange Gain/(Loss)	(45,263,379)	101,241,462
	<b>12,237,971,437</b>	<b>16,624,214,025</b>
<b>(20.1) Details of Product Sold</b>		
Castor Oil	6,035,502,459	8,915,917,428
Derivatives	5,486,722,657	6,569,087,774
By Product	573,782,182	875,505,922
Others	163,706,010	140,849,220
	<b>12,259,713,309</b>	<b>16,501,360,344</b>
<b>(20.2) Details of Traded and Manufactured Goods</b>		
Traded Goods	5,045,091,194	7,897,513,306
Manufactured Goods	7,214,622,115	8,603,847,038
Net Gain on Foreign Exchange Fluctuation	-	48,604,016
Dividend Income	29,812,500	2,862,500
Interest Income	13,425,577	1,161,141
Insurance Claim	-	4,777,389
Miscellaneous Receipts	9,400	185,132
Refund of Duties and Claims	905,184	1,613,301
	<b>44,152,661</b>	<b>59,203,479</b>
<b>Note 22: Cost of Raw Materials Consumed</b>		
Raw Material	4,638,080,068	6,525,907,023
Chemicals	402,236,068	261,238,798
	<b>5,040,316,136</b>	<b>6,787,145,821</b>
<b>(22.1) Principal Raw Material</b>		
Castor Oil	174,245,635	75,358,319
Castor Seed	4,463,834,433	6,450,548,704
	<b>4,638,080,068</b>	<b>6,525,907,023</b>



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 23: Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade**

(Amount in ₹)

<b>Paticulars</b>	<b>2013</b>	<b>2012</b>
<b>Increase/(Decrease) in Stock</b>		
<b>Opening Stock</b>		
Work in Process	31,856,468	34,385,581
Traded Goods	-	-
Finished Goods	589,615,045	837,512,747
	<u>621,471,513</u>	<u>871,898,328</u>
<b>Closing Stock</b>		
Work in Process	34,913,718	31,856,468
Traded Goods	63,954,885	-
Finished Goods	394,512,777	589,615,045
	<u>493,381,380</u>	<u>621,471,513</u>
<b>Increase/(Decrease) in Stock</b>	<u>(128,090,133)</u>	<u>(250,426,815)</u>
<b>(23.1) Major component of Finished and Traded Goods:</b>		
<b>Opening Stock</b>		
- Castor Oil	410,615,782	666,573,604
- Derivatives	113,689,048	138,181,320
- By Product	65,310,215	32,757,823
	<u>589,615,045</u>	<u>837,512,747</u>
<b>Closing Stock</b>		
- Castor Oil	237,292,340	410,615,782
- Derivatives	166,597,368	113,689,048
- By Product	54,577,954	65,310,215
	<u>458,467,662</u>	<u>589,615,045</u>
<b>Note 24: Employee Benefits Expense</b>		
Salaries and Incentives	115,374,290	86,677,477
Contributions to Provident fund and other Funds	10,399,904	7,764,255
Staff Welfare Expenses	5,793,915	5,888,072
	<u>131,568,109</u>	<u>100,329,804</u>
<b>Note 25: Finance Costs</b>		
<b>Interest Expense</b>		
Banks	257,584,085	293,939,774
Companies	1,106,944	3,909,271
<b>Other Borrowing Cost</b>		
Processing Fees	13,360,839	12,566,628
	<u>272,051,868</u>	<u>310,415,673</u>





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 26: Other Expenses

(Amount in ₹)

Particulars	2013	2012
Consumption of Stores and Spares	37,528,165	21,492,580
Consumption of Packing Materials	77,605,049	81,053,891
Power and Fuel	182,363,145	100,044,260
Rent, Rates and Taxes	5,937,192	4,676,979
Job Work Charges	204,075,454	201,476,369
<b>Repairs &amp; Maintenance</b>		
- Building	3,270,419	787,635
- Machinery	25,729,756	8,250,814
- Others	5,886,018	5,790,626
Insurance	18,931,868	19,536,053
Freight, Coolie and Cartage	485,181,346	508,017,904
Storage Charges	20,097,244	17,107,901
Brokerage on Sales	17,197,052	23,267,543
Brokerage on Purchases	7,962,134	6,648,921
Research and Development expenses	2,371,392	4,819,402
Loss on Foreign Exchange Fluctuation	7,730,248	-
Preliminary Expenses written off	-	127,834
Pre-Operative Expenses	-	8,849,106
Other operating expenses	105,246,576	88,390,286
Auditors Remuneration (Refer Note 32)	6,893,128	7,085,551
	<b>1,214,006,186</b>	<b>1,107,423,655</b>

### Note 27: Exceptional in Foreign Currency

Travelling Expenses	1,968,350	4,865,960
Professional Fees	3,340,113	2,325,725
Brokerage and Commission	7,821,834	12,922,458
Membership and Subscription	506,618	693,327
Others	161,534	353,499
	<b>13,798,449</b>	<b>21,160,969</b>

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

Chemicals	66,211,022	59,902,383
Purchases	119,353	26,300,327
Capital Goods	847,940	20,732,871
	<b>67,178,315</b>	<b>106,935,581</b>

### Note 29: Earning in Foreign Currency

FOB Value of Export	9,909,781,089	14,057,548,807
	<b>9,909,781,089</b>	<b>14,057,548,807</b>



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 30: Break up of Consumption**

(Amount in ₹)

Particulars	2013		2012	
	%	Value	%	Value
<b>Raw Material and Chemicals</b>				
Indigenous	98.81	4,980,519,267	99.14	6,728,628,850
Import	1.19	59,796,869	0.86	58,516,971
	<u>100.00</u>	<u>5,040,316,136</u>	<u>100.00</u>	<u>6,787,145,821</u>
<b>Stores and Spares</b>				
Indigenous	100.00	37,528,165	100.00	21,492,580

**Note 31: Payment to Auditors**

(Amount in ₹)

Particulars	2013	2012
Statutory Audit Fees	1,685,400	1,685,400
Tax Audit Fees	561,800	533,710
Income Tax Matters	3,923,050	1,306,196
Certification	367,979	397,725
Other matters	354,899	405,020
Retainership Fees	-	2,757,500
	<u>6,893,128</u>	<u>7,085,551</u>
<b>Note 32: Research and Development Expenditure</b>		
Capital other than Building	81,142	427,275
Revenue	9,566,672	11,483,916
	<u>9,647,814</u>	<u>11,911,191</u>



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 33: Contingent Liabilities :

(Amount in lacs ₹)

Particulars	2013	2012
<b>Claims against company not acknowledged as debts -</b>		
Excise/Service Tax	150.20	202.80
Income Tax	181.82	39.45
Custom	200.00	-
Guarantees Given on behalf of its Subsidiaries	12,320.00	9,320.00
<b>Guarantees Given to Banks on behalf of Enterprises Controlled by Directors -</b>		
for Discounting of Bills	2,000.00	2,000.00
for Collateral Management Arrangement Financing Facilities	4,500.00	-
Liability on account of co-borrowing	810.00	-
Bank Guarantee Given to Peninsula Land Ltd.	72.06	-
Bank Guarantee Given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

#### Notes:

- i. Advances recoverable includes an amount of ₹1,877,566 (P.Y. ₹1,877,566) paid to the excise authorities under protest on account of disputed availment of Cenvat Credit of Service Tax.

ii. **Unclaimed Dividend:**

The balance with banks in current accounts include ₹2,135,472 (P.Y. ₹2,154,727) set aside for payment of dividends.

### Note 34: Capital Commitment

Estimated amount of contracts remaining to be executed on Capital accounts amounted to ₹40,000,000 (P.Y. ₹24,000,000)

### Note 35: Outstanding Forward Contracts

Forward Contracts of ₹763,437,813 (USD 13.61 Million) (PY ₹2,793,130,311 (USD 54.93 Million)) are outstanding as on March 31, 2013.

### Note 36: Micro, Small and Medium Enterprises Dues:

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, 2013.



## **Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

### **Note 37: Related Party disclosures:**

(As identified by the Management)

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

#### **a) Related Parties and their relationship :**

##### **i. Holding Company :**

Jayant Finvest Ltd.

##### **ii. Subsidiary companies :**

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd. (upto September 30, 2011)

Ihsedu Coreagri Services Pvt. Ltd.

Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.

##### **iii. Enterprises Controlled by directors/relatives:**

Enlite Chemical Industries Ltd.

Gokuldas K. Udeshi Investments.

Innovative Micro Systems Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Kalyan Impex Pvt. Ltd.

Gokulmani Agricom Ltd.

Akhandanand Engineering & Trading Company.

##### **iv. Associate Company :**

Itoh Oil Chemicals Co. Ltd., Japan. (from January 19, 2012)

##### **v. Key Management Personnel:**

Mr. Vithaldas G. Udeshi	- Chairman
Mr. Hemant V. Udeshi	- Managing Director
Mr. Abhay V. Udeshi	- Executive Director
Dr. Subhash V. Udeshi	- Executive Director
Mr. Vikram V. Udeshi	- Chief Financial Officer

##### **vi. Relative of Key Management Personnel:**

Mr. Dilipsinh G. Udeshi

Mr. Mulraj G. Udeshi

Mr. Jayraj G. Udeshi

Mr. Hitesh J. Udeshi

Mr. Varun A. Udeshi

Mrs. Trupti A. Udeshi



## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 37: Related Party disclosures (Continued...)

#### b) Details of Transactions with Related Parties referred to in items above :

(₹ in lacs)

Particulars	Holding Company	Subsidiary Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
<b>Purchase of Raw Materials:</b>					
Ihsedu Coreagri Services Pvt. Ltd.	-	-	-	-	-
	(-)	(4,900.20)	(-)	(-)	(-)
Jayant Finvest Ltd.	-	-	-	-	-
	(1,248.80)	(-)	(-)	(-)	(-)
Enlite Chemical Industries Ltd.	-	-	7,810.18	-	-
	(-)	(-)	(4,423.66)	(-)	(-)
Gokulmani Agricom Ltd.	-	-	2,072.44	-	-
	(-)	(-)	(-)	(-)	(-)
Ihsedu Agrochem Pvt. Ltd.	-	3,495.05	-	-	-
	(-)	(1,325.92)	(-)	(-)	(-)
<b>Purchase of Finished Goods:</b>					
Ihsedu Agrochem Pvt. Ltd.	-	41,013.94	-	-	-
	(-)	(67,663.48)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(1,052.94)	(-)	(-)	(-)
<b>Services Received :</b>					
Ihsedu Agrochem Pvt. Ltd.	-	2,307.57	-	-	-
	(-)	(1,994.17)	(-)	(-)	(-)
Gokulmani Agricom Ltd.	-	-	2.28	-	-
	(-)	(-)	(4.32)	(-)	(-)
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	-	5.97	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Sale of Goods :</b>					
Ihsedu Agrochem Pvt. Ltd.	-	2,175.98	-	-	-
	(-)	(46.76)	(-)	(-)	(-)
Ihsedu Speciality Chemicals Pvt. Ltd.	-	-	-	-	-
	(-)	(12.84)	(-)	(-)	(-)
<b>Relative of Key Management Personnel:</b>					
- Rent paid	-	-	-	-	8.40
	(-)	(-)	(-)	(-)	(6.30)
- Remuneration	-	-	-	-	20.92
	(-)	(-)	(-)	(-)	(13.86)
<b>Loan Given :</b>					
Ihsedu Agrochem Pvt. Ltd.	-	3,400.00	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Dividend Received:</b>					
Ihsedu Agrochem Pvt. Ltd.	-	297.00	-	-	-
	(-)	(27.50)	(-)	(-)	(-)
<b>Interest Received:</b>					
Ihsedu Agrochem Pvt. Ltd.	-	10.99	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Investment in Share Capital:</b>					
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	-	-	-	-	-
	(-)	(66)	(-)	(-)	(-)
<b>Remuneration to Managing Director:</b>	-	-	-	26.57	-
	(-)	(-)	(-)	(22.99)	(-)
<b>Remuneration to Executive Director:</b>	-	-	-	58.92	-
	(-)	(-)	(-)	(73.20)	(-)



**Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 37: Related Party disclosures (Continued...)**

(₹ in lacs)

Particulars	Holding Company	Subsidiary Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
<b>Balance Outstanding at the Year End:</b>					
<b>i) Loans and Advances</b>					
Gokulmani Agricom Ltd.	- (-)	- (-)	- (180.00)	- (-)	- (-)
Jayant Finvest Ltd.	- (20.00)	- (-)	- (-)	- (-)	- (-)
Ihsedu Agrochem Pvt. Ltd.	- (-)	3,409.89 (-)	- (-)	- (-)	- (-)
Ihsedu Coreagri Services Pvt. Ltd.	- (-)	100.00 (-)	- (-)	- (-)	- (-)
<b>ii) Trade Payable:</b>					
Gokulmani Agricom Ltd.	- (-)	- (-)	1,201.68 (4.24)	- (-)	- (-)
Ihsedu Agrochem Pvt. Ltd.	- (-)	- (3,908.96)	- (-)	- (-)	- (-)
<b>iii) Advance to Supplier:</b>					
Enlite Chemical Industries Ltd.	- (-)	- (-)	977.20 (-)	- (-)	- (-)
Ihsedu Agrochem Pvt. Ltd.	- (-)	66.56 (-)	- (-)	- (-)	- (-)
<b>iv) Deposits:</b>					
Akhandanand Engineering & Trading Company	- (-)	- (-)	161.00 (161.00)	- (-)	- (-)
<b>v) Equity Contribution:</b>					
Ihsedu Agrochem Pvt. Ltd.	- (-)	550.00 (550.00)	- (-)	- (-)	- (-)
Ihsedu Coreagri Services Pvt. Ltd.	- (-)	5.00 (5.00)	- (-)	- (-)	- (-)
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	- (-)	75.00 (75.00)	- (-)	- (-)	- (-)

**Notes:**

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

**Note 38:** Debtors amounting to ₹28.51 lacs in respect of which legal suit has been filed on account of non recovery. Company is hopeful to recover the said amount. Accordingly, no provision for doubtful debts has been made in the accounts inspite debtor being outstanding for more than 6 months.

## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 39: Segment Information

The business segment has been considered as the primary segment. The Company is organized into three business segments namely Castor Oil, Derivatives and Power Generation. These business segments have been identified considering the customers, the differing Risks and Returns and the Internal Financial Reporting System. Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and the amounts allocated on a reasonable basis. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the significant accounting policies. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of the costs are categorized in relation to the associated turnover of the segment.

Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income. Fixed assets used in the Company's business or liabilities contracted have been identified to the reportable segments.

(Amount in lacs ₹)

Particulars	2013					2012				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
<b>REVENUE</b>										
<b>Net Sales/Income from Operation</b>										
Local	5,185.62	11,344.17	235.21	-	16,765.00	4,430.36	13,834.08	216.12	328.98	18,809.54
Export	59,529.27	46,085.44	-	-	105,614.71	93,642.78	53,789.82	-	-	147,432.60
<b>Total Revenue</b>	<b>64,714.89</b>	<b>57,429.61</b>	<b>235.21</b>	<b>-</b>	<b>122,379.71</b>	<b>98,073.14</b>	<b>67,623.90</b>	<b>216.12</b>	<b>328.98</b>	<b>166,242.14</b>
<b>RESULT</b>										
<b>Segment Result</b>	826.91	5,991.41	187.70	298.13	7,304.15	1,681.64	4,885.66	204.81	78.36	6,850.47
Unallocated Corporate Expenses					-					-
Operating Profit					7,304.15					6,850.47
Finance Cost					2,720.52					3,104.16
Interest Income					134.26					11.61
Income Tax					592.22					446.51
Wealth Tax					0.15					0.35
Deferred Tax					443.13					665.51
Net Profit after tax and before depreciation					3,682.39					2,645.55





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 39: Segment Information (Continued...)

(Amount in lacs ₹)

Particulars	2013					2012				
	Castor Oil	Derivatives	Power Generation	Unallocable	Total	Castor Oil	Derivatives	Power Generation	Unallocable	Total
<b>REVENUE</b>										
<b>OTHER INFORMATION</b>										
Segment Assets	8,583.09	28,614.66	879.38	-	38,077.13	15,571.56	23,877.61	918.08	-	40,367.25
Unallocated Corporate Assets					5,212.67					3,018.49
<b>Total Assets</b>					<b>43,289.80</b>					<b>43,385.74</b>
Segment Liabilities	3,573.99	20,400.00	147.91	-	24,121.90	15,369.22	13,752.85	224.01	-	29,346.08
Unallocated Corporate Liabilities					4,852.29					2,300.67
<b>Total Liabilities</b>					<b>28,974.19</b>					<b>31,646.75</b>
Capital Expenditure	-	192.03	-	-	192.03	-	9,054.72	-	-	9,054.72
Unallocated Capital Expenditure					2,604.67					44.10
<b>Total Capital Expenditure</b>					<b>2,796.70</b>					<b>9,098.82</b>
Depreciation	-	805.77	55.58	-	861.35	-	360.80	55.58	-	416.38
Unallocated Depreciation					48.69					31.65
<b>Total Depreciation</b>					<b>910.04</b>					<b>448.03</b>





## Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2012

### Note 40: Remittance in Foreign Currency of Dividend on Equity Shares

Particulars	2013	2012
Number of Non - Resident Shareholders	58	65
Number of Other Body Corporate	1	1
Number of Ordinary Shares held by Non Resident Shareholders	27,168	26,405
Number of Ordinary Shares held by Other Non Resident Body Corporate	600,000	600,000
Gross Amount of Dividend (in ₹)	1,254,336*	1,096,209*

\* Amount credited to Rupee account in India out of which ₹1,200,000 (P.Y. ₹1,050,000) amount of equity dividend has been credited to other than Rupee account in India

### Note 41 : Earning Per Share

#### Weighted Average Number of Shares for Earning Per Share computation

For Basic Earnings Per Share	15,000,000	15,000,000
For Diluted Earning Per Share	15,000,000	15,000,000
Net Profit Available for Equity Shareholders ₹	277,322,280	219,752,455
<b>Earning Per Share (Weighted Average)</b>		
Basic Earnings Per Share ₹	18.49	14.65
Diluted Earnings Per Share ₹	18.49	14.65
Face value Per Share ₹	5.00	5.00

### Note 42: Previous Year Figures

Pursuant to the amalgamation of Ihstedu Speciality Chemicals Private Limited with the company in financial year 2011-12, the current year figures are not comparable with those of the previous year. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification.

**Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary.**

<b>Sr. No.</b>	<b>Name of the Subsidiary</b>	<b>Ihsedu Agrochem Private Limited</b>	<b>Ihsedu Coreagri Services Private Limited</b>	<b>Ihsedu Itoh Green Chemicals Marketing Private Limited</b>
1	Financial years / for period of the subsidiary	1st April 2012 to 31st March 2013	1st April 2012 to 31st March 2013	1st April 2012 to 31st March 2013
2	Shares of the subsidiary held by the Company on the above date:			
	(a) Number and face value	5,500,000 Equity Shares of ₹10/- each fully paid up.	50,000 Equity Shares of ₹ 10/- each fully paid up.	750,000 Equity Shares of ₹ 10/- each fully paid up
	(b) Extent of holding	100%	100%	60%
3.	Subscribed Share Capital (No. of Shares) of the Subsidiary Company	5,500,000 Equity Shares of ₹ 10/-each fully paid up.	50,000 Equity Shares of ₹ 10/- each fully paid up.	1,250,000 Equity Shares of ₹ 10/- each fully paid up
4	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary not dealt with in the company's accounts. (a) for the financial year of the subsidiary –profit.	Nil	Nil	Nil
	(b) for the previous financial year since it became a subsidiary.	Nil	Nil	Nil
5	Net aggregate amount of profits/losses of the subsidiary for the above financial year of the subsidiary dealt with in the company's accounts.			
	(a) For the financial year of the subsidiary.	₹ 852.58 Lacs	₹ (7.34) Lacs	₹ 5.72 Lacs
	(b) for the previous financial year since it became a subsidiary.	₹ 920.06 Lacs	₹ 18.21 Lacs	₹ (0.58) Lacs

**For and on behalf of the Board****Abhay V. Udeshi**  
Chairman**Hemant V. Udeshi**  
Managing Director**Dr. Subhash V. Udeshi**  
Director**Vikram V. Udeshi**  
Chief Financial OfficerPlace : Mumbai  
Date : May 30, 2013**Dinesh M. Kapadia**  
Company Secretary



## INDEPENDENT AUDITORS' REPORT

To the Members of **Jayant Agro-Organics Limited**

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **JAYANT AGRO-ORGANICS LIMITED**, which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on the financial statements of the subsidiary as noted below, the consolidated 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:

- in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets (net) of ₹13,245,276 as at March 31, 2013, total revenue (net) of ₹19,262,094 and net cash flow amounting to ₹(1,075,094) for the year in which the share of loss of the Group is ₹(734,002). These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of other matters.

For **T. P. Ostwal & Associates (Regd.)**  
Chartered Accountants  
(Registration No. 124444W)

**Sharad Jain**  
(Partner)

Membership No. 106958

Place: Mumbai.  
Date : May 30, 2013



**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2013**

(Amount in ₹)

Particulars	Note No.	2013	2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	75,000,000	75,000,000
Reserves and Surplus	3	1,661,479,806	1,388,945,390
Minority Interest		5,171,926	5,000,000
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	484,008,179	506,022,809
Deferred Tax Liabilities (Net)	5	271,133,683	216,062,661
Other Long-Term Liabilities	6	306,152	452,345
<b>Current Liabilities</b>			
Short Term Borrowings	7	2,367,619,894	1,899,413,308
Trade Payables		346,327,647	619,899,037
Other Current Liabilities	8	471,782,771	591,473,691
Short-Term Provisions	9	128,427,902	91,660,791
<b>TOTAL</b>		<b>5,811,257,961</b>	<b>5,393,930,032</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>	10		
Tangible Assets		2,175,618,973	1,961,339,711
Intangible Assets		36,952,366	50,507,757
Capital Work-in-Progress		155,000,872	124,637,052
Non Current Investments	11	1,914,000	1,914,000
Long-Term Loans and Advances	12	109,124,866	101,999,629
Other Non-Current Assets	13	2,004,395	871,100
<b>Current Assets</b>			
Current Investment	14	-	10,000,000
Inventories	15	1,251,546,513	1,131,963,517
Trade Receivables	16	1,199,956,689	1,159,932,285
Cash and Bank Balances	17	92,132,774	156,028,563
Short-Term Loans and Advances	18	514,965,480	424,091,597
Other Current Assets	19	272,041,033	270,644,820
<b>TOTAL</b>		<b>5,811,257,961</b>	<b>5,393,930,032</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 44		

As per our Report of even date

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

**Sharad Jain**  
(Partner)  
Membership No.106958

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

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer

Place: Mumbai  
Date : May 30, 2013



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

(Amount in ₹)

Particulars	Note No.	2013	2012
<b>INCOME:</b>			
Revenue from Operations	20	16,210,023,812	18,322,112,488
Other Income	21	49,797,680	60,960,459
<b>Total Revenue</b>		<b>16,259,821,492</b>	<b>18,383,072,947</b>
<b>EXPENDITURE:</b>			
Cost of Materials Consumed	22	11,070,829,816	13,428,869,239
Purchases of Stock-in-Trade		2,766,461,172	2,482,585,357
Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade	23	(148,022,015)	257,027,797
Employee Benefits Expense	24	172,241,834	137,169,442
Finance Costs	25	358,225,089	380,538,273
Depreciation and Amortization Expense	10	128,832,869	77,727,953
Other Expenses	26	1,408,491,014	1,138,355,943
<b>Total Expenses</b>		<b>15,757,059,778</b>	<b>17,902,274,004</b>
<b>Profit Before Tax</b>		<b>502,761,715</b>	<b>480,798,943</b>
Less: Tax Expense:			
Current Tax		100,825,500	104,428,150
Deferred Tax		55,071,022	83,808,243
MAT Credit Entitlement		-	(20,942,068)
Mat Credit Entitlement of Earlier Years		(7,893,493)	-
Short / (Excess) Provision of earlier years		(7,659,560)	(16,440)
<b>Profit After Tax</b>		<b>362,418,246</b>	<b>313,521,058</b>
Add/(Less): Minority Interest in (income)/losses		(171,926)	-
		<b>362,246,320</b>	<b>313,521,058</b>
<b>Earnings per Equity Share of Face Value of ₹ 5/- each</b>			
Basic and Diluted EPS (in ₹)	40	<b>24.16</b>	20.90
Significant Accounting Policies			
Notes on Financial Statements	1 to 44		

As per our Report of even date

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

**Sharad Jain**  
(Partner)  
Membership No.106958

Place: Mumbai  
Date : May 30, 2013

For and on behalf of the Board of Directors

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

(Amount in ₹)

Particulars	2013	2012
<b>A Cash Flow from Operating Activities</b>		
Net Profit Before Tax	502,761,715	480,798,943
Adjustments for :-		
Depreciation & Amortisation Expense	128,832,869	77,727,953
Provision for Leave Encashment	5,406,888	7,716,644
Forward Contract Loss/(Gain)	(29,160,250)	4,190,158
Loss/(Profit) on Sale of Assets	13,223,063	(99,182)
Interest Received	(13,832,538)	(1,608,723)
Loss on Sale of Investment	727,149	-
Excess Provision Written Back	(13,450)	(3,645)
Dividend Received	(29,812,500)	(2,862,500)
Preliminary Expenses Written Off	-	153,990
Wealth Tax Provision	65,000	75,000
Interest Paid	340,129,878	363,538,632
Operating Profit before Working Capital Changes	918,327,823	929,627,270
Adjusted for :-		
(Increase)/Decrease in Inventories	(119,582,996)	92,538,349
(Increase)/Decrease in Trade Receivables	(40,024,404)	(342,775,031)
(Increase)/Decrease in Long Term Loans & Advances	(2,996,338)	(48,627)
(Increase)/Decrease in Short Term Loans & Advances	(90,873,883)	(71,794,616)
(Increase)/Decrease in Other Current Assets	13,740,132	11,748,535
(Increase)/Decrease in Other Non Current Assets	(1,133,295)	2,804,400
Increase/(Decrease) in Trade Payables	(273,571,390)	133,799,314
Increase/(Decrease) in Short Term Provisions	1,248,669	1,789,963
Increase/(Decrease) in Other Long Term Liabilities	(146,193)	(2,155,160)
Increase/(Decrease) in Other Current Liabilities	(103,605,516)	(52,369,558)
	(616,945,214)	(226,462,431)
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(376,369,210)	(580,744,223)
Sale of Fixed Assets	3,225,588	1,228,833
Decrease/(Increase) in Pre-operative Expenses	-	271,680,703
Payment for purchase of shares	-	(15,025,000)
Dividend Received	29,812,500	2,862,500
Sale of Investment	9,272,851	-
Interest Received	13,832,538	1,608,723
Net Cash from /(used in) Investing Activities	(320,225,733)	(318,388,464)
<b>C Cash Flow from Financing Activities</b>		
Share Capital	-	5,000,000
Borrowings	446,191,956	174,054,521
Taxes Paid	(86,486,246)	(130,342,076)
Wealth Tax Paid	(61,747)	(70,010)
Dividend Paid	(59,700,000)	(29,000,000)
Tax on Distributed Profits	(4,866,750)	(4,258,406)
Interest Paid	(340,129,878)	(363,538,632)
Net Cash from/(used in) Financing Activities	(45,052,665)	(348,154,603)
Net Increase/(Decrease) in Cash Equivalents	(63,895,789)	36,621,773
<b>Cash &amp; Cash equivalent</b>		
At the beginning of the year	156,028,563	119,406,790
At the end of the year	92,132,774	156,028,563

As per our Report of even date

**For T. P. Ostwal & Associates (Regd.)**

Chartered Accountants  
(Registration No:124444W)

**Sharad Jain**  
(Partner)  
Membership No.106958

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

**Abhay V. Udeshi**  
Chairman

**Dr. Subhash V. Udeshi**  
Director

**Dinesh M. Kapadia**  
Company Secretary

**Hemant V. Udeshi**  
Managing Director

**Vikram V. Udeshi**  
Chief Financial Officer

Place: Mumbai  
Date : May 30, 2013

**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013****Note 1: Significant Accounting Policies****A. Basis of Accounting**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

**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**

(a) Tangible Assets : Tangible assets are stated at cost less accumulated depreciation and net of impairment, if any. Pre-operation expenses including trial run expenses (net of revenue) are capitalized. Borrowing costs during the period of construction is added to the cost of eligible tangible assets.

(b) Intangible Assets : Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible assets having finite useful lives are amortized on a straight-line basis over their estimated useful lives.

**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**

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

(b) Depreciation on additions/ deletions of assets during the year is provided on a pro-rata basis.

(c) Leasehold Land is amortized over the period of lease.

(d) Intangible Asset is amortized over the useful life of asset.

(e) Assets of ₹5,000/- or less is expensed out during the year of purchase.

Rate of depreciation on intangible asset is 25% on straight line basis.

**F. Research and Development**

Revenue expenditure on research and development is recognized as an expense in the year in which it is incurred and the expenditure on capital assets is depreciated on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013****G. 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.

**H. Inventories**

- (a) Inventories are valued at lower of cost or net realizable value except for scrap and by-products which are valued at net realizable value.
- (b) Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.
- (c) Cost of inventories of raw material and material cost of finished goods and work-in-process is determined on First In First Out (FIFO) basis except Chemicals, Packing Materials, stores and spare parts which are valued at weighted average cost.

**I. Revenue Recognition**

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Sales are recognized when goods are supplied. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/Value Added Tax and Excise Duty.

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

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

Exports are accounted on CIF basis.

**J. Accounting of Claims**

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

**K. Foreign Currency Transactions**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss as per AS 11. In case transactions for which forward contracts are taken are also revalued as per Accounting Standard 11 - Effect of Changes in Foreign Exchange Rates (AS -11).

Hedge Reserve : In order to recognize the impact of fluctuation in foreign currency rates arising out of instruments acquired to hedge highly probable forecast transactions, in appropriate accounting periods, the Company applies the principles of recognition set out in the Accounting Standard 30- Financial Instruments - Recognition and Measurement (AS-30) as suggested by the Institute of Chartered Accountants of India.





## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

Accordingly, the unrealized gain/(loss) (net) consequent to foreign currency fluctuations, in respect of effective hedging instruments, represented by simple forward covers, to hedge future exports, are carried as a Hedging Reserve and ultimately set off in the Statement of Profit and Loss when the underlying transaction arises.

### L. Sundry Debtors

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

### M. Employee Benefits

#### Defined Contribution Plan

- (a) Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Statement of Profit and Loss of the year when contributions accrue.
- (b) Annual contribution towards Gratuity Liability is funded with the Life Insurance Corporation of India in accordance with their Gratuity scheme and is absorbed in the Accounts.
- (c) Entitlements to annual leave and sick leave are recognized when they accrue to the employees. Sick leave can only be availed when annual leave can either be availed or encashed subject to a restriction on the maximum number of accumulation of leave. Provision for Leave Encashment is based on year end leave balance.

### N. 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.

#### Minimum Alternative Tax (MAT)

Minimum Alternative Tax paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustments of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

### O. Earnings Per Share (EPS)

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



## **Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues, including for changes effected prior to the approval of the financial statements by the Board of Directors.

### **P. 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.

### **Q. Impairment of Assets**

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

### **R. Provisions and Contingent Liabilities**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **S. Proposed Dividend**

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



## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 2: Share Capital

#### (a) Authorised/Issued/Subscribed & Paid Up

Particulars	2013		2012	
	Number	₹	Number	₹
<b>Authorised</b>				
Preference Shares of ₹5/- each	6,000,000	30,000,000	6,000,000	30,000,000
Equity Shares of ₹5/- each #	79,000,000	395,000,000	29,000,000	145,000,000
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of ₹5/- each fully paid up	15,000,000	75,000,000	15,000,000	75,000,000
	15,000,000	75,000,000	15,000,000	75,000,000
<b>(b) Reconciliation of outstanding number of shares</b>				
Shares outstanding at the beginning of the year	15,000,000	75,000,000	15,000,000	75,000,000
Shares outstanding at the end of the year	15,000,000	75,000,000	15,000,000	75,000,000

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

Name of Shareholders	2013		2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Jayant Finvest Limited	7,551,390	50.34%	7,551,390	50.34%

- (d) **Rights, preferences and restrictions attached to equity shares:** The company has one class of equity shares having a face value of ₹5/- each per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

#### (e) Equity Shares held by holding company :

##### Holding Company:

7,551,390 (P.Y. 7,551,390) equity shares held by Jayant Finvest Limited.

#### (f) Details of shares issued otherwise than for cash/bonus shares/shares bought back during the immediately preceding 5 years - NIL

# The Authorised Equity Share Capital of the Company has been increased pursuant to the Scheme of Amalgamation of Ihstedu Speciality Chemicals Private Limited (ISCPL) with the Company, as sanctioned by the Hon'ble High Court of Judicature at Bombay vide its Order dated July 6, 2012.



**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 3: Reserves and Surplus**

(Amount in ₹)

Particulars	2013	2012
<b>Capital Reserves</b>		
Opening Balance	62,925,000	17,850,000
Add: During the year on Amalgamation	-	45,075,000
Closing Balance (a)	62,925,000	62,925,000
<b>Capital Redemption Reserve</b>		
Opening Balance	30,000,000	30,000,000
Changes during the year	-	-
Closing Balance (b)	30,000,000	30,000,000
<b>Securities Premium Account</b>		
Opening Balance	228,588,000	222,669,670
Add: During the year on Amalgamation	-	5,918,330
Closing Balance (c)	228,588,000	228,588,000
<b>General Reserve</b>		
Opening Balance	227,363,412	214,357,091
Changes during the year	8,600,000	31,500,000
Add/(Less): Forward Contract Reserve	2,061,399	(18,493,679)
Closing Balance (d)	238,024,811	227,363,412
<b>Surplus</b>		
Opening Balance	840,068,978	606,665,420
Add: Net Profit/(Loss) For the current year	362,246,320	313,521,058
Less: Proposed Dividend	67,500,000	43,750,000
Interim Dividend	15,950,000	-
Dividend Distribution Tax	8,323,302	4,867,500
Transfer to General Reserve	8,600,000	31,500,000
Closing Balance (e)	1,101,941,995	840,068,978
<b>Total (a+b+c+d+e)</b>	<b>1,661,479,806</b>	<b>1,388,945,390</b>



## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 4: Long Term Borrowings

(Amount in ₹)

Particulars	2013	2012
<b>Term Loans (Secured)</b>		
From Banks#	482,640,157	504,036,510
From Bank (Secured against hypothecation of vehicle)	361,475	459,893
From Companies (Secured against hypothecation of vehicles)	1,006,547	1,526,406
	<b>484,008,179</b>	<b>506,022,809</b>

#(4.1) Loans are secured against hypothecation of equipments and mortgage of office premises acquired out of sanctioned loan amount and also secured by way of charge on pari passu basis on block of asset (present and future) of the Company excluding the assets which are under first charge of term lenders. Also secured against mortgage of factory premises on pari passu basis in consortium.

#(4.2) Loan is also secured against Equitable mortgage of land and building, factory premises, warehouse of the Company. Hypothecation of Fixed Assets (Present and Future), Capital Work-in-Progress (Present and Future) and Advance against capital expenses and all current assets of the Company. Corporate Guarantee has been provided by the Holding Company and Personal Guarantee given by 4 directors.

#(4.3) All the term loans are personally guaranteed by promoter directors, some of the term loans by Chief Financial Officer ("CFO") of the Company along with promoter director as well as individually by CFO.

#(4.4) Term loan maturity profile from:

Financial Year	Amount in ₹
2014-15	188,141,349
2015-16	159,740,270
2016-17	86,827,850
2017-18	49,298,711

### Note 5: Deferred Tax Liability

#### Opening Deferred Tax Liability

216,062,661	132,254,417
-------------	-------------

#### Add: Deferred Tax Liability

Difference of net block claimed as per Income Tax Act over net block as per the books of accounts

57,098,501	86,681,971
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(a)	273,161,162	218,936,388
-----	-------------	-------------

#### Less: Deferred Tax Assets

Expenses allowable on actual payment basis

2,027,479	2,873,727
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(b)	2,027,479	2,873,727
-----	-----------	-----------

#### Deferred Tax Liability (Net)

Total (a-b)	271,133,683	216,062,661
-------------	-------------	-------------

### Note 6: Other Long Term Liabilities

Trade Payables

306,152	429,291
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Advance from Customers

-	23,054
---	--------

306,152	452,345
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**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 7: Short Term Borrowings**

(Amount in ₹)

Particulars	2013	2012
<b>Secured</b>		
From Banks *	2,269,899,638	1,879,413,308
<b>Unsecured</b>		
From Bank **	97,720,256	-
Loan from Related Parties (refer Note No. 36)	-	20,000,000
	<b>2,367,619,894</b>	<b>1,899,413,308</b>

\* 7.1) Short term loans are secured in consortium by joint deed of hypothecation, pari passu basis on raw material, work in process, finished goods, spares and receivables and personal guarantee of the directors. Further, collaterally secured by equitable mortgage of all present and future immovable properties comprising inter alia machinery, equipment, plant and spares.

\* 7.2) Working capital loan from banks is secured by pari passu charge on current assets, hypothecation of stock and second charge by way of mortgage on land and buildings. Corporate guarantee given by Holding Company and personal guarantee by 4 directors of the Company.

\*\*7.3) Unsecured loan from bank is against pledge of agri commodity of an enterprise controlled by directors and personal guarantee of Chief Financial Officer of the Company.

**Note 8: Other Current Liabilities**

Interest Accrued but not due on Borrowings	4,948,324	9,520,747
Current Maturities on Long-Term Debt	219,300,808	171,232,637
Advances from Customers	2,055,875	3,916,138
Creditors for Capital Goods	18,453,172	31,789,538
Forward Contract Payable	6,598,533	22,683,837
Others Payable	176,305	3,114,967
Statutory Dues	5,684,258	5,368,598
Bank Account Overdrawn	211,728,691	124,330,897
Security Deposit	701,333	583,851
Bill Discounting	-	216,777,754
Unclaim Dividend	2,135,472	2,154,727
	<b>471,782,771</b>	<b>591,473,691</b>

**Note 9: Short Term Provisions**

**Provision for Employee Benefits:**

Bonus	6,686,949	5,844,864
Leave Encashment	26,762,612	21,355,724
Contribution to Provident Fund	730,393	323,809

**Other Provisions:**

Proposed Dividend	67,500,000	43,750,000
Dividend Distribution Tax	5,735,813	4,867,500
Income Tax	20,947,135	15,443,894
Wealth Tax	65,000	75,000
	<b>128,427,902</b>	<b>91,660,791</b>

**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013****Note 10: Fixed Asset**

(Amount in ₹)

	Gross Block					Depreciation					Net Block	
Particulars	As at 01.04.2012	Additions during the year	Addition on account of Merger	Deductions during the year	As at 31.03.2013	As at 01.04.2012	Addition on account of Merger	For the year	Deductions during the year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
<b>Tangible Assets</b>												
Freehold Land	76,008,271	5,541,086	-	-	81,549,357	-	-	-	-	-	81,549,357	76,008,271
Building	285,045,195	259,325,318	-	-	544,370,513	27,967,457	-	8,574,417	-	36,541,874	507,828,639	257,077,738
Plant and Machinery	1,902,661,439	56,098,240	-	2,963,366	1,955,796,313	323,759,897	-	100,573,283	325,277	424,007,903	1,531,788,410	1,578,901,542
Office Equipments	8,749,150	343,298	-	-	9,092,448	1,739,079	-	432,774	-	2,171,853	6,920,595	7,010,071
Computers	16,301,055	771,496	-	-	17,072,551	13,870,712	-	967,395	-	14,838,107	2,234,444	2,430,343
Furnitures and Fixtures	19,630,115	4,001,700	-	-	23,631,815	7,240,382	-	1,420,252	-	8,660,634	14,971,181	12,389,733
Vehicles	27,683,989	6,688,966	-	1,661,221	32,711,734	9,310,926	-	2,883,981	1,085,945	11,108,962	21,602,772	18,373,063
<b>Sub Total</b>	<b>2,336,079,214</b>	<b>332,770,104</b>	<b>-</b>	<b>4,624,587</b>	<b>2,664,224,731</b>	<b>383,888,452</b>	<b>-</b>	<b>114,852,102</b>	<b>1,411,222</b>	<b>497,329,332</b>	<b>2,166,895,399</b>	1,952,190,762
<b>Leased Assets</b>												
Leasehold Land	10,126,777	-	-	-	10,126,777	1,499,231	-	104,742	-	1,603,973	8,522,804	8,627,546
Leasehold Building	1,603,170	-	-	-	1,603,170	1,081,766	-	320,634	-	1,402,400	200,770	521,404
<b>Sub Total</b>	<b>11,729,947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,729,947</b>	<b>2,580,997</b>	<b>-</b>	<b>425,376</b>	<b>-</b>	<b>3,006,373</b>	<b>8,723,574</b>	9,148,950
<b>Total</b>	<b>2,347,809,161</b>	<b>332,770,104</b>	<b>-</b>	<b>4,624,587</b>	<b>2,675,954,678</b>	<b>386,469,449</b>	<b>-</b>	<b>115,277,478</b>	<b>1,411,222</b>	<b>500,335,705</b>	<b>2,175,618,973</b>	1,961,339,712
Previous year figures	1,184,616,841	983,445,641	182,087,661	2,340,982	2,347,809,161	301,964,970	6,892,599	78,823,211	1,211,331	386,469,449	1,961,339,712	
<b>Intangible Assets</b>												
Technology	54,221,563	-	-	-	54,221,563	3,713,806	-	13,555,391	-	17,269,197	36,952,366	50,507,757
<b>Total</b>	<b>54,221,563</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54,221,563</b>	<b>3,713,806</b>	<b>-</b>	<b>13,555,391</b>	<b>-</b>	<b>17,269,197</b>	<b>36,952,366</b>	50,507,757
Previous year figures	-	54,221,563	-	-	54,221,563	-	-	3,713,806	-	3,713,806	50,507,757	
<b>Capital Work in Progress</b>											<b>155,000,872</b>	124,637,052





**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 11: Non Current Investments**

(Amount in ₹)

Particulars	Current year		Previous Year		2013	2012
	No. of shares	% of Holding	No. of shares	% of Holding		
<b>A) Trade Investments (Valued at cost)</b>						
<b>Equity Shares (unquoted fully paid up)</b>						
<b>In Companies</b>						
Enviro Infrastructure Co.Ltd. (Face Value of ₹.10/-)	75,000	-	75,000	-	750,000	750,000
Ahemdabad Commodity Exchange Ltd. (Face Value of ₹.10/-)	121,600	-	121,600	-	1,153,000	1,153,000
<b>B) Other Investments (Valued at cost)</b>						
National Savings Certificate					11,000	11,000
					<b>1,914,000</b>	<b>1,914,000</b>

**Note 12: Long Term Loans and Advances**

(Amount in ₹)

Particulars	2013	2012
<b>Unsecured, Considered Good</b>		
Capital Advances	13,768,689	13,104,916
Security Deposits	49,370,314	46,772,492
(a)	<b>63,139,003</b>	<b>59,877,408</b>
<b>Other Loans and Advances</b>		
Advance to Creditors	-	73,301
Loans to Employees	5,217,644	5,409,600
MAT Credit Entitlement	40,768,219	36,445,824
Advance Fringe Benefit Tax	-	193,496
(b)	<b>45,985,863</b>	<b>42,122,221</b>
<b>Total (a+b)</b>	<b>109,124,866</b>	<b>101,999,629</b>
<b>Note 13: Other Non-Current Assets</b>		
Margin Money with Bank	871,100	871,100
Bank Deposit with maturity more than 12 months	1,133,295	-
	<b>2,004,395</b>	<b>871,100</b>





## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 14: Current Investment

(Amount in ₹)

Particulars	2013	2012
<b>Other Investment:</b>		
Kotak Mahindra Life Insurance	-	10,000,000
	-	10,000,000

### Note 15: Inventories

Raw Materials, Chemicals and Packing Materials	305,949,623	346,561,463
Finished Goods	814,725,325	722,188,354
Traded Goods	63,976,150	47,744
Stores and Spares	31,981,697	19,808,876
Work in Process	34,913,718	43,357,080
(For mode and method of valuation refer point H of Note 1)		
	1,251,546,513	1,131,963,517

### Productwise Description of Finished and Traded Goods:

Castor Oil	567,944,562	539,049,999
Castor Seed	12,675,234	523,050
Derivatives	166,597,368	113,689,048
By Product	131,484,311	68,974,001
	878,701,475	722,236,098

### Note 16: Trade Receivables

#### Unsecured, Considered Good

Over Six months	11,673,475	6,054,947
Others	1,188,283,214	1,153,877,338
	1,199,956,689	1,159,932,285

### Note 17: Cash and Bank Balances

#### Cash and Cash Equivalents:

Cash on hand	885,498	2,186,786
Balance with Banks		
- in Current Accounts	86,055,285	142,774,888
- Unclaimed Dividend	2,135,472	2,154,727

#### Other Bank Balance:

Margin Money with Bank	2,409,150	3,934,201
Fixed Deposit with Bank	647,369	4,977,961
	92,132,774	156,028,563



**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 18: Short Term Loans and Advances**

(Amount in ₹)

Particulars	2013	2012
<b>Others-Unsecured, Considered Good</b>		
Excise and Other Taxes Recoverable	510,882,303	420,662,148
Prepaid Expenses	2,469,498	1,706,812
Loans to Employees	1,613,679	1,722,637
	<b>514,965,480</b>	<b>424,091,597</b>
<b>Note 19 : Other Current Assets</b>		
Advance to Others	4,035,754	556,599
Advance to Suppliers	103,544,323	11,576,008
Accrued Interest	280,207	674,077
Forward Contract Receivable	15,136,345	-
Export Incentive Receivable	149,044,404	254,631,185
Claims Receivable	-	3,206,951
	<b>272,041,033</b>	<b>270,644,820</b>
<b>Note 20: Revenue from Operations</b>		
<b>Sale of Products</b>		
Finished Goods	16,251,038,778	18,213,009,834
Less: Excise Duty	35,952,460	28,519,144
	<b>16,215,086,318</b>	<b>18,184,490,690</b>
Power Generation Income	34,414,250	29,879,686
<b>Other Operating Revenue</b>		
Foreign Exchange Gain/(Loss)	(39,476,756)	107,742,111
	<b>16,210,023,812</b>	<b>18,322,112,488</b>
<b>20.1) Details of Product Sold</b>		
Castor Oil	8,847,077,215	9,774,991,935
Derivatives	5,486,722,657	6,567,162,014
By Product	688,011,276	967,052,252
Castor Seed	1,029,569,159	734,435,269
Others	163,706,010	140,849,220
	<b>16,215,086,318</b>	<b>18,184,490,690</b>
<b>20.2) Details of Traded and Manufactured Goods</b>		
Traded Goods	2,367,426,411	1,836,325,302
Manufactured Goods	13,847,659,907	16,348,165,388
	<b>16,215,086,318</b>	<b>18,184,490,690</b>



## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 21: Other Income

(Amount in ₹)

Particulars	2013	2012
Net Gain on Foreign Exchange Fluctuation	-	49,762,672
Storage Charges	2,303,750	-
Dividend Income	29,812,500	2,862,500
Interest Income	13,832,538	1,608,723
Insurance Claim	1,636,158	4,777,389
Miscellaneous Receipts	1,307,550	335,874
Refund of Duties and Claims	905,184	1,613,301
	<b>49,797,680</b>	<b>60,960,459</b>

### Note 22: Cost of Raw Materials Consumed

Raw Material	10,586,216,876	13,098,093,497
Chemicals	484,612,940	330,775,742
	<b>11,070,829,816</b>	<b>13,428,869,239</b>

### Note 23: Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade

#### Increase/(Decrease) in Stock

##### Opening Stock

Work in Process	43,357,080	34,385,581
Traded Goods	47,744	-
Finished Goods	722,188,354	988,235,394
	<b>765,593,178</b>	<b>1,022,620,975</b>

##### Closing Stock

Work in Process	34,913,718	43,357,080
Traded Goods	63,976,150	47,744
Finished Goods	814,725,325	722,188,354
	<b>913,615,193</b>	<b>765,593,178</b>

#### Increase/(Decrease) in Stock

	<b>148,022,015</b>	<b>(257,027,797)</b>
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### 23.1) Major component of Finished and Traded Goods:

#### Opening Stock

- Work in Process	43,357,080	34,385,581
- Castor Seed	523,050	-
- Castor Oil	539,049,999	816,749,819
- Derivatives	113,689,048	138,181,320
- By Product	68,974,001	33,304,255
	<b>765,593,178</b>	<b>1,022,620,975</b>

#### Closing Stock

- Work in Process	34,913,718	43,357,080
- Castor Seed	12,675,234	523,050
- Castor Oil	567,944,562	539,049,999
- Derivatives	166,597,368	113,689,048
- By Product	131,484,311	68,974,001
	<b>913,615,193</b>	<b>765,593,178</b>



**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 24: Employee Benefits Expense**

(Amount in ₹)

<b>Particulars</b>	<b>2013</b>	<b>2012</b>
Salaries and Incentives	<b>149,808,206</b>	120,727,053
Contributions to Provident fund and other Funds	<b>14,099,080</b>	10,341,557
Staff Welfare Expenses	<b>8,334,548</b>	6,100,832
	<b>172,241,834</b>	137,169,442

**Note 25: Finance Costs**

**Interest Expense**

Banks	<b>339,017,434</b>	359,621,416
Companies	<b>1,112,444</b>	3,917,216

**Other Borrowing Cost**

Processing Fees	<b>18,095,211</b>	16,999,641
	<b>358,225,089</b>	380,538,273

**Note 26: Other Expenses**

Consumption of Stores and Spares	<b>65,294,733</b>	38,252,356
Consumption of Packing Materials	<b>146,934,214</b>	128,567,890
Power and Fuel	<b>240,246,342</b>	165,558,470
Rent, Rates and Taxes	<b>8,271,612</b>	4,918,463
Job Work Charges	<b>318,229</b>	2,059,732
Repairs & Maintenance		
- Building	<b>4,978,607</b>	1,418,635
- Machinery	<b>35,079,229</b>	14,073,311
- Others	<b>7,537,139</b>	6,475,951
Insurance	<b>24,645,970</b>	22,942,086
Freight, Coolie and Cartage	<b>656,220,337</b>	564,812,834
Storage Charges	<b>26,203,786</b>	18,296,761
Brokerage on Sales	<b>21,615,022</b>	27,599,917
Brokerage on Purchases	<b>16,900,371</b>	12,031,796
Loss on Discarded Asset	<b>13,235,286</b>	-
Research and Development expenses (Refer Note 32)	<b>2,371,392</b>	4,819,402
Loss on Foreign Exchange Fluctuation	<b>907,793</b>	-
Preliminary Expenses written off	-	153,990
Pre-Operative Expenses	-	8,849,106
Other operating expenses	<b>127,942,804</b>	108,122,798
Auditors Remuneration (Refer Note 31)	<b>9,788,148</b>	9,402,445
	<b>1,408,491,014</b>	1,138,355,943



## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 27: Expenditure in Foreign Currency

(Amount in ₹)

Particulars	2013	2012
Travelling Expenses	1,968,350	4,865,960
Professional Fees	3,340,113	2,325,725
Brokerage and Commission	10,735,711	14,623,566
Membership and Subscription	506,618	805,626
Others	161,534	353,499
	<b>16,712,326</b>	<b>22,974,376</b>

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

Chemicals	68,586,606	63,481,583
Purchases	119,353	26,300,327
Capital Goods	847,940	20,732,871
	<b>69,553,899</b>	<b>110,514,781</b>

### Note 29: Earning in Foreign Currency

FOB Value of Export	12,884,418,108	14,690,215,918
	<b>12,884,418,108</b>	<b>14,690,215,918</b>

### Note 30: Break up of Consumption

(Amount in ₹)

Particulars	2013		2012	
	%	Value	%	Value
<b>Raw Material and Chemicals</b>				
Indigenous	99.38	11,002,587,433	99.54	13,366,773,068
Import	0.62	68,242,383	0.46	62,096,171
	<b>100.00</b>	<b>11,070,829,816</b>	<b>100.00</b>	<b>13,428,869,239</b>
<b>Stores and Spares</b>				
Indigenous	100.00	65,294,733	100.00	38,252,326



**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 31: Payment to Auditors**

(Amount in ₹)

Particulars	2013	2012
Statutory Audit Fees	2,500,010	2,387,444
Transfer Pricing Audit Fees	29,776	-
Tax Audit Fees	707,868	674,160
Income Tax Matters	5,675,866	1,306,196
Certification	367,979	397,725
Other matters	506,649	1,879,420
Retainership Fees	-	2,757,500
	<b>9,788,148</b>	<b>9,402,445</b>

**Note 32: Research and Development Expenditure**

Capital other than Building	81,142	427,275
Revenue	9,566,672	11,483,916
	<b>9,647,814</b>	<b>11,911,191</b>

Amount of ₹7,276,422 (P.Y. ₹7,091,789) is considered in Employee Benefits Expenses in Note No. 24.

**Note 33: Contingent Liabilities :**

**Claims against company not acknowledged as debts -**

Excise/Service Tax	150.20	202.80
Income Tax	181.82	39.45
Custom	200.00	-

**Guarantees Given to Banks on behalf of Enterprises**

**Controlled by Directors -**

for Discounting of Bills	2,000.00	2,000.00
for Collateral Management Arrangement Financing Facilities	4,500.00	-
Liability on account of co-borrowing	810.00	-
Bank Guarantee Given to Peninsula Land Ltd.	72.06	-
Bank Guarantee Given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

**Notes:**

- Advances recoverable includes an amount of ₹1,877,566 (P.Y. ₹1,877,566) paid to the excise authorities under protest on account of disputed availment of Cenvat Credit of Service Tax.
- Unclaimed Dividend:  
The balance with banks in current accounts include ₹2,135,472 (P.Y. ₹2,154,727) set aside for payment of dividends.



## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 34: Capital Commitment

Estimated amount of contracts remaining to be executed on Capital accounts amounted to ₹45,700,000 (P.Y. ₹36,000,000)

### Note 35: Outstanding Forward Contracts

Forward Contracts of ₹2,812,184,947 (USD 36.97 Million) (PY ₹2,835,106,780 (USD 55.76 Million)) are outstanding as on March 31, 2013.

### Note 36: Related Party disclosures:

(As identified by the Management)

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

#### a) Related Parties and their relationship :

##### i. Holding Company :

Jayant Finvest Ltd.

##### ii. Subsidiary companies :

Ihsedu Agrochem Pvt. Ltd.

Ihsedu Speciality Chemicals Pvt. Ltd. (upto September 30, 2011)

Ihsedu Coreagri Services Pvt. Ltd.

Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.

##### iii. Enterprises Controlled by directors/relatives:

Enlite Chemical Industries Ltd.

Gokuldas K. Udeshi Investments.

Innovative Micro Systems Pvt. Ltd.

Varun Leasing & Finance Pvt. Ltd.

Kalyan Impex Pvt. Ltd.

Gokulmani Agricom Ltd.

Akhandanand Engineering & Trading Company.

##### iv. Associate Company :

Itoh Oil Chemicals Co. Ltd., Japan.



**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 36: Related Party disclosures: (continued..)**

**v. Key Management Personnel:**

Mr. Vithaldas G. Udeshi	-	Chairman
Mr. Hemant V. Udeshi	-	Managing Director
Mr. Abhay V. Udeshi	-	Executive Director
Dr. Subhash V. Udeshi	-	Executive Director
Mr. Dilipsinh G. Udeshi	-	Wholetime Director
Mr. Mulraj G. Udeshi	-	Wholetime Director
Mr. Jayraj G. Udeshi	-	Wholetime Director
Mr. Bharat M. Udeshi	-	Wholetime Director
Mr. Vikram V. Udeshi	-	Chief Financial Officer
Mr. Sudhir V. Udeshi	-	Director
Mr. Takaaki Ando	-	Director
Mr. Masatsugu Akita	-	Director

**vi. Relative of Key Management Personnel:**

Mr. Hitesh J. Udeshi  
Mr. Varun A. Udeshi  
Mrs. Trupti A. Udeshi





## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 36: Related Party disclosures (Continued...)

#### b) Details of Transactions with related parties referred to in items above :

(₹ in lacs)

Particulars	Holding Company	Associate Company	Controlled by Directors & Personnel	Key Management	Others/ Relatives
<b>Purchase of Raw Materials:</b>					
Jayant Finvest Ltd.	-	-	-	-	-
	(1,248.80)	(-)	(-)	(-)	(-)
Enlite Chemical Industries Ltd.	-	-	7,810.18	-	-
	(-)	(-)	(4,423.66)	(-)	(-)
Gokulmani Agricom Ltd.	-	-	2,522.63	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Services Received</b>					
Gokulmani Agricom Ltd.	-	-	2.28	-	-
	(-)	(-)	(4.32)	(-)	(-)
Jayant Finvest Ltd.	9.63	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Enlite Chemical Industries Ltd.	-	-	13.41	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Sale of Goods :</b>					
Jayant Finvest Ltd.	1386.86	-	-	-	-
	(2512.58)	(-)	(-)	(-)	(-)
Enlite Chemical Industries Ltd.	-	-	8,837.74	-	-
	(-)	(-)	(4,824.64)	(-)	(-)
<b>Relative of Key Management Personnel:</b>					
- Rent paid	-	-	-	-	8.40
	(-)	(-)	(-)	(4.20)	(4.20)
- Remuneration	-	-	-	-	20.92
	(-)	(-)	(-)	(-)	(13.86)
<b>Subscription to Share Capital:</b>					
Itoh Oil Chemicals Co. Ltd.	-	-	-	-	-
	(-)	(50)	(-)	(-)	(-)
<b>Remuneration to Managing Director:</b>	-	-	-	26.57	-
	(-)	(-)	(-)	(22.99)	(-)
<b>Remuneration to Executive Director:</b>	-	-	-	183.25	-
	(-)	(-)	(-)	(192.09)	(-)
<b>Balance Outstanding at the Year End:</b>					
<b>i) Loans and Advances</b>					
Gokulmani Agricom Ltd.	-	-	-	-	-
	(-)	(-)	(180.00)	(-)	(-)
Jayant Finvest Ltd.	-	-	-	-	-
	(20.00)	(-)	(-)	(-)	(-)
<b>ii) Trade Receivable:</b>					
Enlite Chemical Industries Ltd.	-	-	601.14	-	-
	(-)	(-)	(210.62)	(-)	(-)
Jayant Finvest Ltd.	539.86	-	-	-	-
	(429.02)	(-)	(-)	(-)	(-)
<b>ii) Trade Payable:</b>					
Gokulmani Agricom Ltd.	-	-	1,251.87	-	-
	(-)	(-)	(4.24)	(-)	(-)
<b>iii) Advance to Supplier:</b>					
Enlite Chemical Industries Ltd.	-	-	977.20	-	-
	(-)	(-)	(-)	(-)	(-)
<b>iv) Deposits:</b>					
Akhandanand Engineering & Trading Company	-	-	161.00	-	-
	(-)	(-)	(161.00)	(-)	(-)

**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013****Note 36: Related Party disclosures (Continued...)****Notes:**

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

**Note 37:** Debtors amounting to ₹28.51 lacs in respect of which legal suit has been filed on account of non recovery. Company is hopeful to recover the said amount. Accordingly, no provision for doubtful debts has been made in the accounts inspite debtor being outstanding for more than 6 months.

**Note 38: Export Incentive on Incremental Export Turnover**

As per the vide notification No 'Public Notice No. 13/2009-2014 (RE-2013) issued by Directorate General of Foreign Trade ('DGFT') on May 17, 2013 the company is entitled for export incentive on its incremental export turnover achieved during the period January, 2013 to March, 2013 as compared to its exports during preceding previous year period January, 2012 to March, 2012 not recognised in the books of accounts pending the notification regarding procedure for lodging the claim with Authority.

**Note 39:** Company has capitalised Boiler in the financial year 2011-12. The steam generated from boiler is to be used for generation of electricity as well as for use in manufacturing activity. Company intends to claim in future, tax benefit under section 80IA of Income Tax Act, 1961 for the period of 10 years out of block of 15 years.

**Note 40: Remittance in Foreign Currency of Dividend on Equity Shares**

Particulars	2013	2012
Number of Non - Resident Shareholders	58	65
Number of Other Body Corporate	1	1
Number of Ordinary Shares held by Non Resident Shareholders	27,168	26,405
Number of Ordinary Shares held by Other Non Resident Body Corporate	600,000	600,000
Gross Amount of Dividend (in ₹)	1,254,336*	1,096,209*

\* Amount credited to Rupee account in India out of which ₹1,200,000 (P.Y. ₹1,050,000) amount of equity dividend has been credited to other than Rupee account in India

**Note 41: Earning Per Share****Weighted Average Number of Shares for Earning Per Share computation**

For Basic Earnings Per Share	15,000,000	15,000,000
For Diluted Earning Per Share of ₹5/- each	15,000,000	15,000,000
Net Profit Available for Equity Shareholders	362,418,246	313,521,058

**Earning Per Share (Weighted Average)**

Basic Earnings Per Share	24.16	20.90
Diluted Earnings Per Share ₹	24.16	20.90

## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

### Note 42: Segment Information

The business segment has been considered as the primary segment. The Company is organized into three business segments namely Castor Oil, Derivatives and Power Generation. These business segments have been identified considering the customers, the differing Risks and Returns and the Internal Financial Reporting System. Segment revenue, results, assets and liabilities have been accounted for on the basis of their relationship to the operating activities of the segment and the amounts allocated on a reasonable basis. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the significant accounting policies. Income and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while the remainders of the costs are categorized in relation to the associated turnover of the segment.

Certain expenses such as depreciation, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The Company believes that it is not practical to provide segment disclosures relating to those costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income. Fixed assets used in the Company's business or liabilities contracted have been identified to the reportable segments.

(Amount in lacs ₹)

Particulars	2013					2012				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
<b>REVENUE</b>										
<b>Net Sales/Income from Operation</b>										
Local	14,470.43	11,344.17	344.14		26,158.74	15,112.12	13,834.08	298.79	328.98	29,573.97
Export	89,856.06	46,085.44			135,941.50	99,862.40	53,789.81	-	-	153,652.21
<b>Total Revenue</b>	<b>104,326.49</b>	<b>57,429.61</b>	<b>344.14</b>	<b>-</b>	<b>162,100.24</b>	<b>114,974.52</b>	<b>67,623.89</b>	<b>298.79</b>	<b>328.98</b>	<b>183,226.18</b>
<b>RESULT</b>										
<b>Segment Result</b>	<b>3,192.30</b>	<b>5,989.53</b>	<b>280.58</b>	<b>298.11</b>	<b>9,760.52</b>	<b>4,132.01</b>	<b>4,884.34</b>	<b>279.11</b>	<b>80.01</b>	<b>9,375.47</b>
Unallocated Corporate Expenses					-					-
Operating Profit					9,760.52					9,375.47
Finance Cost					3,582.25					3,805.38
Interest Income					138.33					16.09
Income Tax					852.73					834.86
Wealth Tax					0.65					0.75
Deferred Tax					550.71					838.08
Net Profit after tax and before depreciation					4,912.51					3,912.49





## Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013

Note 42: Segment Information (Continued...)

(Amount in lacs ₹)

Particulars	2013					2012				
	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total	Castor Oil	Deriva-tives	Power Generation	Unallo-cable	Total
<b>OTHER INFORMATION</b>										
Segment Assets	23,854.19	28,630.47	1,046.92	-	53,531.58	26,312.72	23,887.41	1,307.16	-	51,507.29
Unallocated Corporate Assets					4,582.67					2,388.49
<b>Total Assets</b>					58,114.25					53,895.78
Segment Liabilities	15,296.01	20,401.52	147.91	-	35,845.44	22,699.12	13,754.07	452.47	-	36,905.66
Unallocated Corporate Liabilities					4,904.01					2,350.67
<b>Total Liabilities</b>					40,749.45					39,256.33
Capital Expenditure	531.00	192.03	-	-	723.03	1,280.64	9,054.72	-	-	10,335.36
Unallocated Capital Expenditure					2,604.67					44.10
<b>Total Capital Expenditure</b>					3,327.70					10,379.46
Depreciation	357.87	822.62	75.99	-	1,256.48	308.82	360.80	76.01	-	745.63
Unallocated Depreciation					31.85					31.65
<b>Total Depreciation</b>					1,288.33					777.28



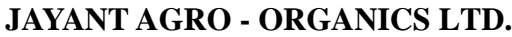
**Consolidated Notes on Financial Statements for the year ended 31<sup>st</sup> March, 2013**

**Note 43: Micro, Small and Medium Enterprises Dues:**

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, 2013.

**Note 44: Previous Year Figures**

Pursuant to the amalgamation of Ihstedu Speciality Chemicals Private Limited with the company, the current year figures are not comparable with those of the previous year. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification.



## NOTES

[illegible]



## JAYANT AGRO-ORGANICS LTD.

'Akhandanand' 38, Marol Co-operative Industrial Estate,  
Off. M. V. Road, Sakinaka, Andheri (East), Mumbai 400 059.

### PROXY FORM

I\We.....  
of.....being  
a Member/Members of Jayant Agro-Organics Limited hereby appoint .....  
.....of.....  
or failing him .....of.....  
or failing him .....of.....  
as my/our proxy to attend and vote for me/us and on my/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company to be held at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubhash Marg, Mumbai- 400 001 on Friday, the September 13, 2013 at 12.30 p.m. and at any adjournment thereof.

Signed this.....day of.....2013.

Member Folio No. ....

DPID.....Client ID.....

Affix  
Rs. 1  
Revenue  
Stamp

#### NOTE :

(Signature)

The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.



## JAYANT AGRO-ORGANICS LTD.

'Akhandanand' 38, Marol Co-operative Industrial Estate,  
Off. M. V. Road, Sakinaka, Andheri (East), Mumbai 400 059.

### ATTENDANCE SLIP

I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of the Company to be held on Friday, the September 13, 2013 at 12.30 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Bldg., 4th Floor, 18/20, K. Dubhash Marg, Mumbai- 400 001

.....  
Name of the Attending Shareholder (in Block Letter)

.....  
Name of the Proxy (To be filled in if the proxy attends instead of the Shareholder)

Signature of the Shareholder / Proxy ..... Date .....

Ledger Folio Number ..... No. of Shares held .....

DP ID No..... Client ID No. ....

**NOTE :** Shareholders/Proxy holders are requested to bring the Attendance Slip with them duly completed when they come to the meeting and hand over the same at the gate after affixing their signatures thereon.

# Average Castor Seed - Market Yard

## Price - April 2003 to March 2013







**JAYANT AGRO-ORGANICS LTD.**

*Leadership through Innovation*

**[www.jayantagro.com](http://www.jayantagro.com)**

Akhandanand, 38, Marol Co-Op. Industrial Estate, Off M.V.Road,  
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