



JAYANT AGRO-ORGANICS LTD.

Leadership through Innovation

ANNUAL REPORT 2010-2011



GROWTH CHART ▲





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 Communication To Shareholders



It gives me great pleasure to announce that during the previous year your company has crossed an important milestone of Rs.1000 crores in sales. It reminds me of the humble beginning made in 1993 when your company came out with a maiden public issue of Rs.1.80 crores. The total equity of your company stood at Rs. 3.00 crores and the sales during the first year was Rs. 13.07 crores. Since then your company has grown from strength to strength and has reached sales of 1,175.26 crores. Net worth during the period has gone up from Rs. 3.00 crores to Rs.116.65 crores. What is most satisfying is that your Company has been continuously distributing dividend and has already distributed a cumulative amount of Rs. 103.31 per share (on original share of Rs. 10) to the original investors. The total dividend (including dividend distribution tax) amounts to Rs 42.16 crores. Your company split its shares in 1999-2000 and thereafter rewarded its shareholders with 1:1 bonus preference shares in 2003-04 and 1:1 bonus

Equity shares in the year 2006-07. Throughout this period, your company has also reinvested its profits for future growth, by augmenting its production capacities both for the existing products as well as adding new ones on a continuous basis. This growth has been ably supported by Research & Development division of your company and which is recognized by the Department of Scientific & Industrial Research (DSIR), Government of India.

During the year 2002, the company's umbilical ties with the parent company, were cut. Your company decided to invest in the infrastructure for crushing castor seeds to obtain castor oil. During the initial years, your company had to sacrifice short term profits for ensuring long term supply of good quality Castor Oil at an economical cost. I am happy to say that this vision of your company has paid off now. Your company is now reaping the fruits of those investments.

During the period 2007-08 to 2009-10 your company allotted shares on preferential basis to selected investors including the promoters. The amount raised was invested in putting up Sebacic Acid plant under its subsidiary Ihstedu Speciality Chemicals Pvt. Ltd. Your company has identified green chemicals as an important segment for future growth.

During the current crushing season despite the increase in the castor seeds crop more than 20%, the industry does not expect any material surplus of Castor Seeds due to the growing demands. Substantial and continuous increase in availability of Castor Seeds will be important to feed the growing needs of the industry.

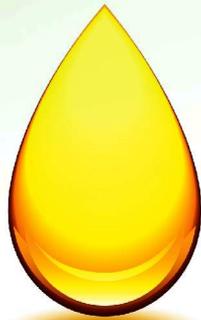
Your company is also investing in backward integration. We believe that these initiatives of forward and backward integration will support the future growth, reflecting the philosophy of your company – as we sow, so we reap.

Best wishes from

Vithaldas G. Udeshi
Chairman

The *Versatile* Castor

Innumerable Specialised Applications



Agriculture

Cosmetics

Food

Paints

Lubricants

Pharmaceuticals

Telecommunication

Textiles

Paper



Perfumes



Plastics





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

Activity	Product where Castor Oil is used
Personal Hygeine	Tooth Brush, Tooth Paste, Deodorant, Shaving Cream, After Shave, Soap, Shampoo
Fashion and Textile	Perfumery, Cosmetics, Textile Dyes, Lipstick
Breakfast, Lunch and Dinner	Breads, Cakes, Chocolates, Ice-creams
Transportation	Auto-parts, Lubricants, Engine Coolants, Fuel Additives, Engineering Plastics, Marine Paints
Work Place	Pencils, Writing Inks, Printing Inks, Paper, Crayons, Mobiles, Laptops, Telecommunication, Furniture

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 eighteen years

(₹ In Lacs)

PARTICULARS	(₹ In Lacs)																		Total	
	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11		
Equity Capital	300	300	300	300	300	300	300	300	300	300	300	300	300	*630	**695	***750	750	750	---	
Preference Capital	-	-	-	-	-	-	-	-	-	-	300	300	300	300	300	---	---	-	---	
Reserves & Surplus	159	507	1163	1629	1764	1724	2197	2912	3264	3396	3075	3527	4043	4571	6386	7623	8757	10915	---	
Borrowings	54	-	762	376	708	359	1343	-	-	2800	3733	6525	6031	11556	12394	9064	23749	24037	---	
Gross Block	301	335	353	906	1624	1763	1791	1794	1826	2158	3400	3597	5144	6680	8747	9644	12559	13664	---	
Net Block	294	315	316	830	1496	1558	1508	1428	1378	1615	2736	2765	4113	5391	7124	7585	10049	10576	---	
Sales																				
Castor Oil & Derivatives	1307	4486	7192	5569	6076	7434	10560	10278	6838	15452	26791	42097	41013	46249	60596	87586	90401	117526	587453	
Trading	-	-	-	-	-	-	-	-	-	-	-	20250	93435	275	74	-	-	-	114034	
Net Profit	255	483	804	631	300	127	756	1211	1051	202	46	648	745	676	951	749	1247	2492	13372	
Dividend (%)	45	45	49	50	50	85	150	150	215	20	-	50	30	25	25	25	30	30	35	
Dividend including dividend Tax	97	135	147	165	165	167	283	496	699	68	24	195	229	209	244	271	291	334	4216	
Dividend per Share of ₹ 5/- each Equity	1.61	2.25	2.45	2.50	2.50	2.50	4.25	7.50	10.75	1.00	-	2.50	1.50	1.25	1.25	1.25	1.50	1.75		
Dividend at 7% per Share of ₹ 5/- each Preference	-	-	-	-	-	-	-	-	-	-	0.35	0.35	0.35	0.35	0.35	-	-	-		
Earning per Share ₹	8.51	16.11	26.78	21.02	9.99	4.22	12.60	20.18	17.51	3.37	0.37	10.39	12.02	5.43	7.30	4.53	8.31	16.61		
Cash Earning per Share	8.72	16.58	27.33	22.31	11.76	6.78	13.95	21.56	18.90	4.93	1.56	13.49	18.11	9.23	10.92	8.47	14.55	20.75		

Note : 1) During the year 1999-2000, Stock-Split from ₹10/- to ₹ 5/- per Share was effected.

2) 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.

3) * 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.

4) From the year 2005-2006 Dividend has been paid on expanded capital.

5)** Increase from ₹ 630.00 lacs to ₹ 694.50 lacs during the year 2007-08 is due to allotment of 1,290,000 Equity Shares of ₹ 5/- each on Preferential basis

6)*** Increase from ₹ 694.50 lacs to ₹ 750.00 lacs during the year 2008-09 is due to allotment of 1,110,000 Equity Shares of ₹ 5/- each on Preferential basis

7) Consolidated figures from the year 2002-2003 onwards.



**BOARD OF DIRECTORS**

Mr. Vithaldas G. Udeshi	- Chairman
Mr. Hemant V. Udeshi	- Managing Director
Mr. Abhay V. Udeshi	- Executive Directors
Dr. Subhash V. Udeshi]
Mr. Jayasinh V. Mariwala]
Mr. Vijay Kumar Bhandari	
Mr. Mukesh C. Khagram	
Mr. Deepak V. Bhimani	

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
ICICI Bank Limited

AUDITORS

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

SOLICITORS

M/s Tyabji Dayabhai & Co.

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.

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of **JAYANT AGRO-ORGANICS LTD.**, will be held on **Thursday, the September 29, 2011** at 9.30 A.M. at Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditor's thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Mukesh C. Khagram, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vithaldas G. Udeshi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. Re-appointment of Mr. Hemant V. Udeshi as a Managing Director :

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII as amended, approval of the Company be and is hereby accorded to the re-appointment of Mr. Hemant V. Udeshi as a Managing Director of the Company for a period of 5 years with effect from July 1, 2011 on the terms and conditions including remuneration as set out in the Explanatory Statement."

"RESOLVED FURTHER that remuneration as set out in the Explanatory Statement including benefits, amenities and perquisites, shall be paid and allowed to Mr. Hemant V. Udeshi as minimum remuneration in any financial year in the event of absence or inadequacy of profit for the said financial year but shall not in any such financial year exceed the ceiling as laid down in this behalf in Schedule XIII to the Act, including amendments made thereto from time to time."

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

7. Revision in the Remuneration of Mr. Varun A. Udeshi :

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

"RESOLVED that pursuant to Section 314(1) and other applicable provisions of the Companies Act, 1956, if any, the Board of Directors of the Company be and are hereby authorized to revise the remuneration payable to Mr. Varun A. Udeshi, Executive Project & Business Development, to ₹100,000/- per month, all inclusive, in the pay scale of ₹50,000/- to ₹250,000/-, with effect from October 1, 2011, and that the Board of Directors of the Company be and are hereby further authorized to pay Mr. Varun V. Udeshi, annual increments as may be decided by the Board, within the pay scale, from time to time."



“**RESOLVED FURTHER** that any one Director of the Company and / or the Company Secretary be and is hereby authorized to do all such acts, deeds, matters and things as may be required in this connection.”

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 Nos.6 & 7 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 24, 2011 to September 29, 2011 (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 October 3, 2011, to those persons or their mandates:
 - (a) Whose names appear as Beneficial Owners as at the end of the business hours on September 23, 2011 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 23, 2011.
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. **Those members who have not yet encashed their dividend warrants for the financial year ended March 31, 2004 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.**
8. 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:-
 - i) Name of the Bank with Branch Name.
 - ii) Complete address of the Bank, with Pin Code Number.



JAYANT AGRO - ORGANICS LTD.

- iii) Account type: whether Savings (SB) or Current Account (CA).
- iv) 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.

- 9 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 share certificate(s).
- 10 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.
- 11 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, 4, and 6 is given in the Annexure to the Notice.
12. 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 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 : July 27, 2011

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 Nos. 6 & 7 of the accompanying Notice dated July 27, 2011

Item No. 6

The Remuneration Committee and the Board of Directors have at their Meetings, both held on July 27, 2011, subject to the approval of the shareholders, approved the re-appointment of Mr. Hemant V. Udeshi as Managing Director, for a period of five years, commencing from July 1, 2011 to June 30, 2016 on the terms and conditions contained in the Resolution and also as contained hereunder. A brief profile of Mr. Hemant V. Udeshi, is separately annexed to the Notice.

PART A

a) Salary:

Name of Managing Director	Period	Salary
Mr. Hemant V. Udeshi	5 years from 1.7.2011 to 30.06.2016	₹125,000/-per month in the pay scale of ₹125,000/- to ₹500,000/- with annual increments as may be recommended by the Remuneration Committee and approved by the Board of Directors.

- b) Special Allowance/Performance Bonus : linked to the achievement of targets, as may be decided by the Board/Chairman of the Board of Directors.
- c) Commission: As may be recommended by the Remuneration Committee and approved by the Board of Directors, but not exceeding 1% of the net profit of the Company.

PART B

Perquisites :-

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

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

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

Medical Reimbursement : Reimbursement of all Medical Expenses actually incurred for self and family.

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

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

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



“Family” means the spouse / dependent children and dependent parents of the Managing Director.

- (i) Contribution to the Provident, Superannuation or Annuity Fund in accordance with the schemes of the Company. Such contributions will not be included in the computation of ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.
- (ii) Gratuity not exceeding half a month’s salary for each completed year of service.
- (iii) Encashment of leave at the end of tenure.
- (iv) Provision of car for the use of the Company’s business and telephone at residence will not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company to the Managing Director.

General Conditions :

1. The Company shall reimburse actual entertainment and travelling expenses incurred by the Managing Director in the course of the Company’s business.
2. He will not receive sitting fees for attending the Meetings of the Board or Committee thereof.
3. The Managing Director will not be liable to retire by rotation during his tenure up to June 30, 2016.
4. He shall not divulge the secrets of the Company.
5. The appointment may be terminated by either party by giving six months notice or by mutual consent.
6. If at any time the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director of the Company. If at any time, the Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be Director of the Company.
7. Subject as aforesaid, the Managing Director shall be governed by such other Rules as to payment or otherwise as are applicable to the Senior Executives of the Company from time to time
8. The Managing Director, is re-appointed by virtue of his employment in the Company and his reappointment is subject to the provisions of Section 283 (1) (1) of the Companies Act, 1956.
9. The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company without the prior approval of the Central Government.

MEMORANDUM OF CONCERN OR INTEREST:

Except Mr. Jayasinh V. Mariwala, Mr. Vijay Kumar Bhandari, Mr. Deepak Bhimani, and Mr. Mukesh C. Khagram all other Directors are concerned or interested in the said Resolution.

The Board considers that, the services of Mr. Hemant V.Udeshi will be beneficial to the Company. The Board, therefore, recommends the said resolution for approval of the members of the Company.

This shall be considered as an abstract of terms and conditions of appointment of the above mentioned Managing Director and Memorandum of interest under Section 302 (2) of the Companies Act, 1956.

Item No. 7

The Shareholders are informed that at the Board Meeting of the Company held on July 27, 2010, Mr. Varun A. Udeshi, was appointed as an Executive Project & Business Development of the Company for a period of 3 years on a consolidated remuneration of ₹20,000/- p.m. inclusive of all perquisites, with effect from July 1, 2010 to



look after New Project & Business Development in the International Market, as per then prevailing provisions of Section 314 of the Companies Act, 1956. The Central Government have now revised the provisions of Section 314 of the Act, by Notification G.S.R. 514 (E) dated July 7, 2011 and enhanced the remuneration payable to a relative of Director.

The Shareholders are further informed that after taking into consideration the performance of Mr. Varun V. Udeshi, the Board of Directors at their Meeting held on July 27, 2011 have increased his consolidated remuneration from ₹20,000/- to ₹50,000/- p.m. inclusive of all perquisites, with effect from August 1, 2011, in conformity with the provisions of Rule 10 C (1) of the Companies (Central Government) General Rules and Forms (Amendment) Rules, 2011.

The Shareholders are further informed that Mr. Varun A. Udeshi, who is of 24 years, has done B.Tech. in Polymer Engineering & Technology from U.I.C.T. Mumbai and Master of Science in Polymer Science & Engineering from University of Massachusetts, Amherst, U.S.A. He does not hold any shares in the Company. He is a Director of Kalyan Impex Pvt. Limited.

The Shareholders are further informed that the performance of Mr. Varun A. Udeshi has been commendable and in view of the recent organizational changes at the Executive level, it would be advisable to enhance Mr. Varun Udeshi's remuneration to ₹100,000/- per month, inclusive of all perquisites, within the pay scale of ₹50,000/- to ₹250,000/- as may be decided by the Board from time to time, with effect from October 1, 2011, till June 30, 2013.

Since it is now proposed to increase the remuneration payable to Mr. Varun Udeshi, as above, the provisions of Sub-section (1) of Section 314 of the Companies Act, 1956 would attract which state that such revision can be effected subject to approval of the Shareholders of the Company, by passing a Special Resolution.

The shareholders are further informed that Mr. Varun Udeshi is the son of Mr. Abhay V. Udeshi and relative of Mr. Vithaldas G. Udeshi, 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 : July 27, 2011

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

Dinesh M. Kapadia
Company Secretary

**ANNEXURE TO NOTICE****Directors / Managing Director appointment**

Details of Directors seeking re-appointment at the ensuing Annual General Meeting are given as under:-

Name of Director	Mr.Mukesh C.Khagram Non -Executive / Independent Director	Mr.Vithaldas G.Udeshi Non-Executive / Non- Independent Director	Mr. Hemant V. Udeshi Executive / Non-Independent Director
Date of Birth	24.11.1959	20.04.1931	20.09.1957
Date of Appointment	27.10.2005	07.07.1992	09.06.1992 as Director 01.07.1993 as Managing Director
Expertise in specific Functional Area	Pioneer in the field of Filtration/ Separation, Pollution Control and Mass Transfer Equipment in India – 2 decades experience.	Experience over five decades in manufacture and export of Castor Oil and Castor Oil Derivatives.	General Management in the field of manufacturing, marketing, sales, personnel management, Central Excise Procedures, Pollution related rules and regulations, since inception of the Company.
Qualifications	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.	B.Sc., from St. Xaviers College, Bombay University	B.Sc. (Chemistry/Physics) from Bombay University, B.S.(Industrial Engg.) MBA from University of Houston.
Directorship in other Public Companies (excluding Foreign Companies and Section 25 Companies)	NIL	Jayant Finvest Limited	NIL
Memberships/ Chairmanships of Committees of other Public Companies (includes only Audit And Shareholders/ Investors Grievance Committee)	NIL	NIL	NIL
Shareholding in the Company	NIL	57,900 Equity Shares of ₹5/- each	41,000 Equity Shares of ₹5/- each



DIRECTORS' REPORT

Your Directors are pleased to present the Nineteenth Annual Report along with the Audited Statement of Accounts and Auditors' Report for the year ended March 31, 2011

FINANCIAL RESULTS:

(₹ in lacs)

	Year ended March 31, 2011	Year ended March 31, 2010
Gross Profit (before interest, depreciation, extraordinary item and tax)	4,787.26	3,000.38
Less : Interest	1,907.92	1,210.93
Depreciation	268.52	238.27
Profit before Tax	2,610.82	1,551.18
Less : Provision for Taxation :		
Current	795.50	458.00
Deferred Tax	41.23	308.22
Wealth Tax Paid	0.23	0.35
(Short/Excess)Tax provision for earlier years	(0.15)	0.20
Profit after Tax	1,774.01	784.41
Add : Surplus brought forward	2,652.32	2,205.47
	4,426.33	2,989.88
Appropriations:		
Proposed Dividend	262.50	225.00
Dividend Distribution Tax	39.03	33.56
Transfer to General Reserves	178.00	79.00
Balance in Profit & Loss Account	3,946.80	2,652.32
	4,426.33	2,989.88

DIVIDEND:

The Board has recommended a Dividend of ₹1.75 per share on 15,000,000 Equity Shares of nominal value of ₹5/- each, amounting to ₹262.50 lacs and the total outgo, including dividend distribution tax, will be ₹301.53 lacs.

TRANSFER TO RESERVE:

The Company proposes to transfer ₹178.00 lacs to the General Reserve Account out of the amount available for appropriations and an amount of ₹3,946.80 lacs is proposed to be retained in the Profit & Loss Account.

BUSINESS PERFORMANCE:

Your Company's sales turnover during the year under report was ₹114,569.32 lacs against the sales of ₹87,895.22 lacs during the previous year, an increase of 30.35 %. Profit after tax has increased by ₹989.60 lacs i.e. by 126.16% as compared to the previous year.



BUSINESS PROSPECTS:

The Company continues to show satisfactory growth during the first quarter of the current year. Your company has been continuously expanding its production capacities and investing in new products. Your Directors are hopeful that your company will continue to show stable growth.

Your Company's subsidiary Ihsedu Speciality Chemicals Pvt. Ltd. has started trial production of Sebacic Acid a complex value added product based on castor oil. Project has met with some delays. Although the commercial production was delayed, we expect that Sebacic Acid will be an important addition to your Company's portfolio for long term growth.

RESEARCH & DEVELOPMENT:

Our In-house R & D, recognized by the Department of Scientific & Industrial Research (DSIR), Government of India, is continuing its work of developing efficient processes, applications and new products based on castor oil. The R & D has been pursuing the principles of Green Chemistry so as to have development without disturbing or in many cases, in fact improving the ecological balance. Such green products can replace petrochemicals in various applications which thus conserve the depleting fossil reserves. The products developed are not only being exported but are also substituting imported products and thus adding to the foreign exchange of our country. The R & D continues its work as the Consortium Partner for the National Agricultural Innovation Project (NAIP) titled, "A Value Chain on Castor & Its Industrial Products".

SAFETY AND ENVIRONMENT:

Your Company has declared the Safety Health and Environment Policy and continues its commitments towards safety and environment. The Committees formed for the purpose of safety and environment have continued to educate and motivate the employees on various aspects on Safety and Environment through training programs and seminars. World Environment day on June 5, 2010, National Safety Week from March 4, 2011 to March 11, 2011, and Safety Day on March 12, 2011 were observed and various programs and competitions were held.

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 SUSTAINABILITY:

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

DIRECTORS:

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

RE-APPOINTMENT OF MANAGING DIRECTOR:

The Board has recommended the re-appointment of Mr. Hemant V. Udeshi, as Managing Directors for further period of 5 years, with effect from July 1, 2011.

SUBSIDIARY COMPANIES:

Your Company had applied to the Central Government under Section 212(8) of the Companies Act seeking an exemption from attaching copies of Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report of its subsidiary companies. With reference to the application, the Ministry of Corporate Affairs has granted a general exemption subject to fulfillment of certain conditions.



In terms of the said exemption granted by the Ministry of Corporate Affairs; copies of the Balance Sheet, Profit and Loss Account, and Report of the Board of Directors and the Report of the Auditors of the Subsidiary Companies have not been attached to the Balance Sheet of the Company. However, the statement required under section 212 of the Companies Act, 1956 is attached. The Company will make these documents / details available upon request by any member of the Company interested in obtaining the same and same would also be made available on its website. The Consolidated Financial Statement prepared by the Company pursuant to Accounting Standard AS-21 as prescribed by the Companies (Accounting Standards) Rules, 2006, includes financial information of its subsidiaries.

PERFORMANCE OF SUBSIDIARY COMPANIES:

Ihsedu Agrochem Pvt. Limited (IHSEDU)

During the year under review, IHSEDU a wholly owned Subsidiary of the Company achieved a turnover of ₹27,947.99 lacs as compared to ₹11,910.97 lacs in the previous year. The profit before tax increased to ₹936.71 lacs against ₹764.84 lacs in the previous year.

During the year ended March 31, 2011, IHSEDU has declared a Dividend of ₹0.50 per equity share of ₹10/- each.

Ihsedu Speciality Chemicals Pvt. Limited (ISCPL)

During the year under review, ISCPL has sold goods manufactured during the trial run worth ₹964.57 lacs. However, the production has neither been fully stabilized nor achieved on a continuous basis on standard norms in terms of Technology Transfer Agreement. The steps are being taken to achieve commercial production and to overcome the problem faced during the trials. Pending commercial production the costs incurred on setting up of the facilities are carried forward (net after deduction of revenues generated out of Trial Runs) in the accounts for capitalization.

Ihsedu Coreagri Services Pvt. Limited (ICAS)

During the year under review, ICAS a Subsidiary of the Company achieved a turnover of ₹6,340.39 lacs as compared to NIL in the previous year. The profit before tax is ₹29.08 lacs against Loss of ₹5.34 lacs in the previous year.

The Company has started its extension services and has produced its first hybrid seeds during the period. The company expects to multiply its hybrid seeds programme to provide for high quality inputs for castor farmers along with knowledge and guidance on castor farming. The Company hopes that these steps will result in increase in yield and revenue for the farmers thereby increasing the size of the crop available to the industry.

Ihsedu Itoh Green Chemicals Marketing Pvt. Limited (IIGCM)

During the year under review your Company has invested a sum of ₹900,000/- by way of subscribing 90,000 equity shares of ₹10/- each in the capital of IIGCM. The said IIGCM has become a subsidiary Company with effect from December 28, 2010.

IIGCM has not yet started its business activities.

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.

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 2010-2011 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, 2011, 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.

“GROUP” FOR INTERSE TRANSFER OF SHARES:

As required under Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, persons constituting “Group” (within the meaning of the MRTP Act, 1969) for the purpose of availing exemption from applicability of the provisions of Regulations 10 to 12 of the aforesaid SEBI Regulations are given in Annexure attached herewith and forms part of this Annual Report.

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNTS TO IEPF:

Pursuant to the provisions of Section 205 A(5) of the Companies Act, 1956, the declared dividend for F.Y. 2002-03 (Equity) amounting to ₹31,261/- which remained unclaimed for the period of seven years has been transferred by the Company on September 9, 2010 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, 2011 is as under:-

Financial Year	Type	Unclaimed Dividend Amount as on 31-3-2011 (₹ in lacs)	Due date for transfer to IEPF
2003-2004	Preference	0.23	28-07-2011
2004-2005	Equity	2.01	28-09-2012
2004-2005	Preference	0.18	28-09-2012
2005-2006	Equity	2.43	25-09-2013
2005-2006	Preference	0.25	25-09-2013
2006-2007	Equity	2.21	24-08-2014
2006-2007	Preference	0.38	24-08-2014
2007-2008	Equity	3.56	20-11-2015
2007-2008	Preference	3.87	14-06-2015
2008-2009	Equity	3.27	02-11-2016
2009-2010	Equity	1.58	24-11-2017

INDUSTRIAL RELATIONS:

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

INSURANCE:

The properties and insurable interest of your Company like Building, 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 whole-hearted support extended by the Central Bank of India, State Bank of India, Kotak Mahindra Bank Ltd, ICICI Bank Limited and Oriental Bank of Commerce, 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 Panchayat. Also we would like to thank our employees for their hard work and shareholders for their continued faith and support.

For and on behalf of the Board of Directors

Place : Mumbai,
Date : July 27, 2011

VITHALDAS G. 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

Energy conservation measures taken in the previous years are continued with full seriousness and support and are enhanced. These measures are:-

- a) Installation of Electric Timers for plant and street lighting to save power consumption.
- b) Measures taken to install and monitor adequate number of capacitors to maintain power factor.
- c) Efficient condensation recovery system has continuously resulted in fuel and water saving.
- d) Using Cooling Water treatment chemicals for better productivity due to improved heat transfer.
- e) Maximum utilisation of machineries by way of better production planning and by higher production of output.
- f) Minimising idle running of equipment like Air Conditioners, Pumps, Lights etc. by creating awareness
- g) Keeping existing machineries in good and working condition by preventive measures.
- h) Thermal insulators checked and replaced wherever necessary to prevent heat losses.
- i) Boiler and thermic fluid heaters are installed based on renewable energy resources, thus conserving fossil fuel.
- j) Wind mills operative supplementing clean power as part of the power used. Capacity of the wind generated power is increased by installation of one more wind mill.
- k) Energy Audit was conducted by Electrical Research and Development Association, Vadodara. Some of their recommendations are implemented and some are in process.
- l) Continuation and increasing scale of measures taken in earlier years.

Thus we are working towards fulfilling our major energy needs through green energy and reduce usage of fossil energy. For steam and heating loads we are using renewable fuel and parts of our power needs are already converted to wind power.

FORM 'A'

a Power & Fuel consumption	2010-2011	2009-2010
1 Electricity		
(i) Purchased Units (KWH/'000)	6609.260	5824.530
Total Amount (₹ in Lacs)	367.20	339.12
Rate /Unit (₹)	5.55	5.82
(ii) Own generation		
Through Diesel Generator :		
Unit (KWH in '000)	16.628	23.298
Unit per Ltr. of Diesel Oil	5.530	7.878
Cost/unit (₹)	13.54	12.48
2 Fuel		
(i) Furnace Oil Quantity (KLS)	464.031	256.847
Total Amount (₹ in Lacs)	126.53	60.61
Rate/Ltr (₹)	27.27	23.60
(ii) De-Oil Cake : Quantity (M.T.)	9366.457	9046.730
Total amount (₹ in Lacs)	336.53	314.85
Rate / MT (₹)	3592.94	3480.34
b Consumption per Unit of Production		
Electricity (KWH/MT)	96.77	94.42
Furnace Oil (LTR/MT)	6.77	4.14
De – Oil cake (Kg/MT)	136.79	146.07



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 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 Products introduced for export and local markets
 - Cost reduction in existing process.
 - Improvements in quality of various products

iv) Expenditure on R & D	₹ in Lacs.
	2010-2011
(a) Capital	81.55
(b) Recurring (Gross)	92.42
(c) Total	173.97
(d) Total R & D Expenditure as percentage of total turnover.	0.15

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 outgo on account of imports, technical know-how, royalty and earnings etc., are shown in notes B-6-ix, 7, 8 and 10 respectively of notes to accounts, Schedule 14. Members are requested to refer to these notes.

For and on behalf of the Board

Place: Mumbai.
Date : July 27, 2011

VITHALDAS G. UDESHI
CHAIRMAN

ANNEXURE "B" TO DIRECTORS' REPORT

Details of Subsidiary Companies

Particulars regarding subsidiary companies, pursuant to General Circular No. 51/12/2007-CL-III dated 8th February, 2011 issued by Government of India, Ministry of Corporate Affairs. (₹ in Lacs)

Sr. No	Name of the Subsidiary	Ihsedu Agrochem Pvt. Ltd.	Ihsedu Speciality Chemicals Pvt. Ltd.	Ihsedu Coreagri Services Pvt. Ltd.	Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.
1	Issued and subscribed share capital	550.00	2,500.00	5.00	10.00
2	Reserves & Surplus	2,105.02	245.88	15.73	-
3	Total Assets	5,661.50	7,220.29	20.73	10.00
4	Total Liabilities	5,661.50	7,220.29	20.73	10.00
5	Investments	0.11	-	-	-
6	Turnover	27,947.99	-	6340.39	-
7	Profit/(Loss) before taxation	936.71	-	29.08	(0.84)
8	Provision for taxation	239.42	-	7.82	-
9	Profit/(Loss) after taxation	697.29	-	21.26	(0.84)
10	Proposed Dividend	27.50	-	-	-

**Constituents of “Group” as defined in MRTP Act, 1969 for the purpose of SEBI (SAST) Regulations, 1997**

Persons constituting group within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, include the following:

Sr.No.	Name of the Person/Entity	Sr.No.	Name of the Person/Entity
1	Abhay V. Udeshi	16	Mulraj G. Udeshi (HUF)
2	Aruna J. Udeshi	17	Pushpa V.Udeshi
3	Bharat M. Udeshi	18	Sudhir V. Udeshi
4	Dharmistha S.Udeshi	19	Sudhir V. Udeshi (HUF)
5	Dhruti S. Udeshi	20	Trupti A. Udeshi
6	Dhruv V. Udeshi	21	Udeshi Trust
7	Dilipsinh G. Udeshi	22	Vikram V. Udeshi
8	Dr. Subhash V. Udeshi	23	Vithaldas G. Udeshi
9	Hemant V. Udeshi	24	Yatin V. Udeshi
10	Hitesh J. Udeshi	25	Jayant Finvest Ltd.
11	Jayraj G. Udeshi	26	Gokuldas K. Udeshi Investments
12	Jayraj G. Udeshi (HUF)	27	Varun Leasing & Finance Pvt.ltd
13	Lajwanti H. Udeshi	28	Innovative Micro Systems Pvt. Ltd.
14	Malti M. Udeshi	29	Enlite Chemical Industries. Ltd.
15	Mulraj Udeshi		



MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Developments

India ranks as the largest source of Castor Seeds in the world, accounting for nearly 75% of the world's crop. About 90% of the world demand for Castor Oil and derivatives is met by India. The estimated total production of castor seeds for the season 2010-11 is around 11.90 lac tons against 9.7 lac tons in the previous year. The production has been increased by 22% compared to previous year. Despite the increase in crop the prices have not only reached a new high but have remained firm thereafter due to the sustained demand and low global inventory. We are hopeful that the increased prices will lead to better availability and stable pricing of castor seeds in the long run supporting the growth of various derivatives.

There is an increasing demand for castor oil based products due to its unique chemical structure. Further, with the growing demand for green products, especially Sebacic acid, the outlook on future demand side remains strong.

(b) Opportunities & Threats

After over 3% growth in the global economy on the back of USD 2 trillion stimulus package by Governments across the world, the focus is going to shift in controlling government debt, expenditure and deficit. Global growth may remain subdued till the Governments, especially of the developed nations, are able to bring down their debt to GDP ratio's.

Environment being a major concern, the search for green products is likely to intensify in the future. Castor Oil being a natural, organic, renewable and bio-degradable 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.

Castor Seeds continue to be a volatile raw material in terms of its price. Being an agricultural product, it depends on the rainfall and weather condition prevailing in the area of castor growing States in the country, though it is a sturdy crop. To mitigate the effect of uncertain weather, the Company has laid down parameters for inventory management. The Company has proper mechanism in place to immediately respond to any unforeseen eventualities.

(c) Segment

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

(d) Outlook

During the year under review your company has crossed the milestone of ₹ 1000 crores in sales. The demand outlook for Company's products remains positive. Emphasis on green eco-friendly products is likely to lead to increase in innovation of new products and uses in the castor oil industry.

Your company continues to invest in Research & Development to tap on new growth opportunities. Your company is also undertaking a backward integration program in order to increase the availability of castor seeds. Barring unforeseen circumstances your Directors expect satisfactory growth.

(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 factors affecting the castor seed prices.

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

With the business of the Company growing at a hectic pace and demand for trained and experienced manpower in excess of the supply, the risk of managing the people is very big. The Company has to retain its existing trained workforce and also attract new talent for its different operations. New businesses are bought and integrated into existing business. To improve the performance of the staff at work; various refresher training courses are organized to update their knowledge with the latest technologies and management ideas.

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



JAYANT AGRO - ORGANICS LTD.

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.

(f) Foreign Exchange

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

(g) Internal Control and its adequacy

The Company's Internal Control Department is headed by an experienced and qualified Executive and the Department regularly reviews business process and controls in consultation with the Statutory Auditors and Internal Auditors, and also interacts with the Audit Committee of the Company. 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	2010-2011	2009-2010
Sales turnover	114,569.32	87,895.22
P B I D T	4,787.26	3,000.38
Interest	1,907.92	1,210.93
Profit after interest	2,879.34	1,789.45
Depreciation	268.52	238.27
Provision for taxation - Current Tax	795.50	458.00
- Deferred Tax	41.23	308.22
Wealth Tax	0.23	0.35
Short/(Excess) Tax Provision for earlier years	(0.15)	0.20
Net Profit	1,774.01	784.41

(i) Human Resources / Industrial Relations

Industrial Relations have continued to be harmonious throughout the year. Measures for safety of employees training, welfare and development continued to receive top priorities.

During the year under review, total stand-alone manpower is 223

(j) Cautionary Statement

Statements in this "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 and supply conditions and finished goods prices, changes in government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation, etc.

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, 2011, 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, 2011.

Place: Mumbai.
Date : July 27, 2011

Hemant V. Udeshi
CEO & 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 satisfies 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 including the Chairman are Non-Executive Directors, and 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, 2011 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 2010-2011		Last AGM Attended (Yes/No.) Companies	No. of Outside Director-ship(s) held in other Public Companies	Member of Committee in other Public
			B.M.	C.M.			
1.	Mr. Vithaldas G. Udeshi - Chairman *	Non-Executive/ Non-Independent	5	5 **	Yes	1	--
2.	Mr. Hemant V. Udeshi -Managing Director *	Executive / Non-Independent	5	--	Yes	--	--
3.	Mr. Abhay V. Udeshi *	Executive / Non-Independent	5 4	-- --	Yes Yes	1 1	-- --
4.	Dr. Subhash V. Udeshi *	Executive / Non-Independent					
5.	Mr. Jayasinh V. Mariwala.	Non-Executive/ Independent	4	4**	Yes	6	--
6.	Mr. Vijay Kumar Bhandari	Non—Executive/ Independent	4	4	No	8	5
7.	Mr. Mukesh C. Khagram	Non—Executive/ Independent	5	5 **	Yes	--	--
8.	Mr. Deepak V. Bhimani	Non—Executive/ Independent	3	3	No	1	--



* Inter-se relationship between Directors

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

** Includes one Remuneration Committee Meeting held on April 27, 2010

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, 5 Board Meetings were held on 27.04.2010, 27.07.2010, 18.09.2010, 22.10.2010, and 21.01.2011

3. AUDIT COMMITTEE:

The Audit Committee Meetings were held on 27.04.2010, 27.07.2010, 22.10.2010, and 21.01.2011. 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.

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 3, 4, 4, 3 and 4 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.

Executive Directors	Remuneration during 2010-2011		
	Remuneration Package	Service contract, and notice period, severance fee.	Stock option details, if any.
1. Mr. Hemant V. Udeshi, Managing Director.	Please see note (a)	Please see note (b)	Please see note (c)
2. Mr. Abhay V. Udeshi	- do -	- do -	- do -
3. Dr. Subhash V. Udeshi	- do -	- do -	- do -

NOTES: (a) Details as per Note B(2) of Schedule 14 to the Accounts.

(b) 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.

(c) 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 ₹2,500/- 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 – ₹25,000/-; Mr. Jayasinh V. Mariwala – ₹20,000/-; Mr. Vijay Kumar Bhandari – ₹20,000/-; Mr. Mukesh C. Khagram – ₹25,000/- and Mr. Deepak V. Bhimani – ₹15,000/-.

The members of Remuneration Committee are:

- Mr. Jayasinh V. Mariwala – (Chairman) – Non-Executive / Independent Director
- Mr. Vithaldas G. Udeshi – Non-Executive Director
- Mr. Mukesh C. Khagram - Non-Executive / Independent Director

During the year under review, one Remuneration Committee Meeting was held on April 27, 2010

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 31-03-2011 (own or held by/ for other persons on beneficial basis)
1.	Mr. Vithaldas G. Udeshi	57,900
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

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

Details of complaints received in 2010-2011 from Shareholders:

- Opening balance : NIL
- Received during the year : 1*
- Resolved during the year : 1
- Closing balance : NIL

*Complaints: non-receipt of Dividend Warrant & Annual Report

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

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

Year	Location	Date / Time	Special Resolutions Passed
2007-2008 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	15.09.2008 11.00 A.M.	1. Approval to issue Foreign Currency Convertible Bond etc. pursuant to Sec. 81(1A) of the Companies Act, 1956 for not exceeding US\$ 20 Million. 2. Approval for Inter Corporate Loans, Investments, Security and Guarantee pursuant to Sec. 372A of the Companies Act,1956 for not exceeding ₹700 crore.
2008-2009 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	27.08.2009 11.00 A.M.	1. Approval for keeping Register and Index of Members, Register and Index of Debenture-holders and other related books and papers etc. at the premises of Registrar and Transfer Agent viz. Sharepro Services (India) Pvt.Ltd.,pursuant to Sec 163(1) of the Companies Act,1956.
2009-2010 AGM	M.C.Ghia Hall, Bhogilal Hargovindas Bldg., 2nd floor,18/20,Kaikhashru Dubash Marg, Mumbai 400 001	18.09.2010 3.00 P.M.	None

(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 Schedule 14, Item (B)(4)(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 July 27, 2011 to approve the Audited Annual Accounts for the year ended March 31, 2011.

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



9. GENERAL SHAREHOLDER INFORMATION:

(1) Annual General Meeting Date, Time and Venue	19th Annual General Meeting On Thursday, the September 29, 2011 at 9.30 a.m. Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020	
(2) Financial year (Tentative) Financial Year : From April 1, 2011 to March 31, 2012	Results for quarter ending 30th June, 30th September and 31st December, 2011	Will be in the last week of July 2011, October, 2011, and January, 2012 respectively
	Results for year ending March 31, 2012	Unaudited : Last week of April, 2012
	Annual General Meeting for the year ended on March 31, 2012	Before Sept. 2012
(3) Book Closure date	24.09.2011 to 29.09.2011 (both days inclusive)	
(4) Dividend payment date	On or after October 3, 2011	
(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 2011-2012 have been paid.	Bombay Stock Exchange 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:

Physical: Share transfer in physical form are presently registered and returned within a period of 30 days from the date of lodgment, in case the documents are complete in all respects. The Share Transfer Committee meets on fortnightly basis.

Demat : Trading in shares has been compulsory in dematerialised form by all Investors with effect from July 24, 2000. As on March 31, 2011, 91.63% of Equity of your Company has been dematerialised.



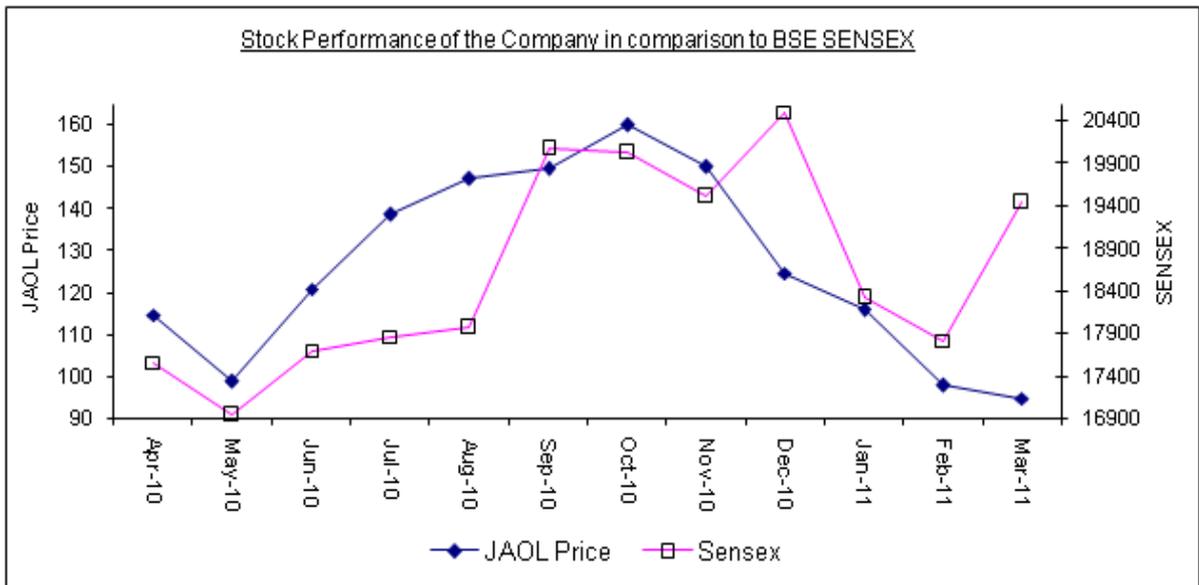
JAYANT AGRO - ORGANICS LTD.

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

	Physical	Demat
No. of Shares for transfer received	3,200	6,055
No. of Shares accepted	NIL	4,400
No. of Shares rejected, due to signature difference	3,200	1,655

(9) Stock Market Data from April 1, 2010 to March 31, 2011

Month	(BSE) (in ₹)		(NSE) (in ₹)		BSE SENSEX
	High	Low	High	Low	
Apr-10	114.80	76.00	114.60	76.00	17,558.71
May-10	98.90	73.50	98.75	73.45	16,944.63
June-10	120.90	78.50	120.80	78.00	17,700.90
July-10	138.90	108.50	138.45	108.40	17,868.29
Aug-10	147.30	122.00	147.00	123.50	17,971.12
Sep-10	149.80	130.00	147.80	130.55	20,069.12
Oct-10	160.00	137.00	157.50	135.30	20,032.34
Nov-10	150.00	113.10	151.00	111.35	19,521.25
Dec-10	124.70	88.00	139.95	86.10	20,509.09
Jan-11	115.95	92.60	115.40	92.25	18,327.76
Feb-11	98.00	80.00	99.80	79.20	17,823.40
March-11	94.90	82.55	100.00	81.95	19,445.22



**(10) Distribution of Shareholdings as on March 31, 2011.**

No. of Equity Shares held	No. of Share-Holders	% of Share-holders	No. of Shares held	% Share-holding
1-1000	5720	89.166	1257276	8.382
1001-2000	323	5.035	499112	3.327
2001-4000	160	2.494	481607	3.211
4001-6000	50	0.779	253725	1.692
6001-8000	22	0.343	158440	1.056
8001-10000	17	0.265	162038	1.080
10001 and above	123	1.917	12187802	81.252
Total	6415	100.00	15000000	100.00

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

13 – AB, Samhita Warehousing Complex,
2nd Floor, Off. Andheri – Kurla Road,
Saki Naka Telephone Exchange,
Sakinaka, Andheri (East),
Mumbai 400 072.

Tel : 67720300/67720400

Fax : 28591568

(12) Categories of Shareholdings as on March 31, 2011

Category	No. of Shares Held	% of Shares held
Promoters/Associates/ Directors	8990205	59.93
Private Corporate Bodies	1083972	7.23
OCB	600000	4.00
N R I	25,032	0.17
Mutual Funds/ Nationalized Banks	7600	0.05
Indian Public	4293191	28.62
Total	15000000	100.00

(13) Details on use of public funds obtained in the last three years : No funds have been raised from public in the last three years.

(14) Outstanding GDRs / ADRs / Warrant etc. : The Company did not issue any GDRs / ADRs / warrants during the year:

(15) Plant location :

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



JAYANT AGRO - ORGANICS LTD.

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

Place: Mumbai.

Date: July 27, 2011

VITHALDAS G. UDESHI
CHAIRMAN

CHIEF EXECUTIVE OFFICER (CEO) 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, 2011, the Company has complied with the requirement of the said sub-clause.

Hemant V. Udeshi
Managing Director & CEO

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai.

Date : July 27, 2011

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, 2011, 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.

T.P.Ostwal & Associates
Chartered Accountants
Registration No. 124444W

Place : Mumbai

Dated : July 27, 2011

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

**AUDITORS' REPORT**

To
The Members of
JAYANT AGRO-ORGANICS LIMITED

1. We have audited the attached Balance Sheet of **JAYANT AGRO-ORGANICS LIMITED** as at 31st March, 2011, Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph (3) above, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by Law have been kept by the Company, so far as it appears from our examination of those books;
 - c. the Balance Sheet, Profit and Loss Account and also Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Profit and Loss Account and also Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of the Section 211 of the Companies Act, 1956;
 - e. on the basis of the written representations received from the Directors of the Company, taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

T.P. Ostwal
(Partner)

Membership No. 30848

Place: Mumbai.
Date : July 27, 2011



ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the financial statements for the year ended 31st March, 2011 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 clause (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(ii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures 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. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, provision of paragraph 4(v) of the Order is not applicable.
- vi. The Company has not accepted any deposits from the public. Therefore, the provisions of Paragraph 4(vi) of the Order are not applicable to the Company.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. According to the information and explanations given to us, maintenance of the cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956. Accordingly, provision of Paragraph 4(viii) of the Order is not applicable to the Company.
- ix. In respect of statutory dues:
 - (a) According to the information and explanation given to us and as per 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 31st March, 2011 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 31st March, 2011 which have not been deposited on account of any dispute are tabulated below:



(Amount in Lacs ₹)

Name of the statute	Nature of dues	Amount	Period to which it relates	Forum where pending
Central Excise Act, 1944	Excise duty	461.90	Various years covering the periods from 1997-2001	Commissioner Central Excise
		6.44	2001-2002	Commissioner Central Excise
		94.82	Various years covering the periods from 2004-2007	Commissioner (Appeal)
Value Added Tax Act	VAT	482.62	2006-2007	Tribunal
		503.18	2007-2008	Deputy Commissioner of Commercial Tax
		395.31	2008-2009	Tribunal
		102.58	2009-2010	Tribunal
Central Sales Tax Act	Central Sales Tax	126.80	2008-2009	Deputy Commissioner of Commercial Tax

- x. The Company does not have accumulated losses. The Company has not 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, the 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 point B1 in Schedule 14. 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 the 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.
- xviii. According to the information and explanation given to us, 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 clause 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.

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

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

Place : Mumbai.
Date : July 27, 2011

**JAYANT AGRO - ORGANICS LTD.****BALANCE SHEET AS AT 31st MARCH, 2011**

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
Shareholders' Fund			
Share Capital	[1]	75,000,000	75,000,000
Reserves and Surplus	[2]	860,881,094	713,633,356
		<u>935,881,094</u>	<u>788,633,356</u>
Loan Funds			
Secured Loan	[3]	1,598,563,823	1,378,536,001
Unsecured Loans	[4]	100,000,000	275,000,000
		<u>1,698,563,823</u>	<u>1,653,536,001</u>
Deferred Tax Liability (Net)		<u>73,750,224</u>	<u>69,627,576</u>
	TOTAL	<u><u>2,708,195,141</u></u>	<u><u>2,511,796,933</u></u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	[5]	566,166,969	525,691,964
Less : Depreciation		196,790,695	171,469,875
Net Block		<u>369,376,274</u>	<u>354,222,089</u>
Capital Work-In-Progress		15,364,132	5,299,116
Advances against capital commitments		8,075,993	11,808,519
		<u>392,816,399</u>	<u>371,329,724</u>
Investments	[6]	258,203,000	257,303,000
Current Assets, Loan & Advances			
Inventories	[7]	939,978,454	927,295,521
Sundry Debtors		731,819,621	429,818,374
Cash and Bank Balances		62,497,352	102,711,691
Loans and Advances		894,902,956	820,520,224
		<u>2,629,198,383</u>	<u>2,280,345,810</u>
Less: Current Liabilities & Provisions	[8]	502,346,858	347,558,867
Current Liabilities		69,675,783	49,622,734
Provisions		<u>572,022,641</u>	<u>397,181,601</u>
Net Current Assets		<u>2,057,175,742</u>	<u>1,883,164,209</u>
	TOTAL	<u><u>2,708,195,141</u></u>	<u><u>2,511,796,933</u></u>
Significant Accounting Policies and Notes to Accounts	[14]		

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
Chartered Accountants
Registration No:124444W

For and on behalf of the Board

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

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
INCOME			
Sales		11,456,932,171	8,789,522,379
Other Income	[9]	23,842,940	5,814,472
Increase/ (Decrease) in Stock	[10]	481,744,396	113,011,993
	TOTAL	11,962,519,507	8,908,348,843
EXPENDITURE			
Consumption of Raw Materials	[11]	7,436,423,885	6,667,861,755
Purchases of Finished Goods		2,983,893,943	961,892,916
Personnel Cost	[12]	73,358,092	60,520,880
Manufacturing and Other Expenses	[13]	990,117,897	918,035,598
Interest - Term Loan		6,308,339	2,063,758
- Others		184,483,406	119,029,484
Depreciation		26,852,454	23,826,596
	TOTAL	11,701,438,016	8,753,230,988
PROFIT BEFORE TAXATION		261,081,491	155,117,856
Provision for Taxation			
- Current Tax		79,550,000	45,800,000
- Deferred Tax		4,122,648	30,821,524
- Wealth Tax		23,000	35,000
- Short/(Excess) Tax Provision of earlier years		(15,245)	20,330
PROFIT AFTER TAX		177,401,088	78,441,002
Add: Balance in Profit and Loss Account brought forward		265,231,848	220,547,358
		442,632,936	298,988,360
APPROPRIATIONS			
Proposed Dividend		26,250,000	22,500,000
Dividend Distribution Tax		3,903,350	3,356,512
Transfer to General Reserve		17,800,000	7,900,000
Balance carried to Balance Sheet		394,679,586	265,231,848
		442,632,936	298,988,360
EARNING PER EQUITY SHARE			
{Face value of ₹5/- per Share - See Schedule 14 (B) (3)}			
Basic Earning Per Share		11.83	5.23
Diluted Earning Per Share		11.83	5.23

Significant Accounting Policies and Notes to Accounts

[14]

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
 Chartered Accountants
 Registration No:124444W

For and on behalf of the Board

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

Vithaldas G. Udeshi
 Chairman

Hemant V. Udeshi
 Managing Director

Abhay V. Udeshi
 Director

Vikram V. Udeshi
 Chief Financial Officer

Place: Mumbai
 Date: July 27, 2011

Dinesh M. Kapadia
 Company Secretary

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
6,000,000 (P.Y. 6,000,000) 7% Redeemable Preference Shares of ₹5/- each	30,000,000	30,000,000
29,000,000 (P.Y. 29,000,000) Equity Shares of ₹5/- each	145,000,000	145,000,000
TOTAL	175,000,000	175,000,000
ISSUED, SUBSCRIBED AND PAID UP		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹5/- each	75,000,000	75,000,000
	75,000,000	75,000,000
Share Warrant Money	–	17,850,000
Less : Transfer to Capital Reserve	–	17,850,000
	–	–
TOTAL	75,000,000	75,000,000
Of the above :		
6,000,000 Equity Shares of ₹5/- each fully paid up have been issued as bonus shares by capitalisation of General Reserves.		
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per last Balance Sheet	30,000,000	30,000,000
	30,000,000	30,000,000
Capital Reserve		
Balance as per last Balance Sheet	17,850,000	–
Transfer on forfeiture of Share Warrants	–	17,850,000
	17,850,000	17,850,000
Share Premium		
Balance as per last Balance Sheet	204,000,000	204,000,000
	204,000,000	204,000,000
General Reserve		
Balance as per last Balance Sheet	196,551,508	188,651,508
Add : Transfer from Profit and Loss Account	17,800,000	7,900,000
	214,351,508	196,551,508
Balance i.e surplus in Profit & Loss Account	394,679,586	265,231,848
TOTAL	860,881,094	713,633,356
SCHEDULE 3 : SECURED LOAN		
Long Term		
From Banks (Note 1)	70,179,926	44,816,204
Short Term		
From Banks (Note 2)	1,525,014,947	1,323,662,968
Interest Accrued and Due	3,368,950	10,056,829
TOTAL	1,598,563,823	1,378,536,001
Note :		
1. Long term loans are secured against hypothecation of Wind Mill, Vehicles and personal guarantee of Directors. Instalments due within a year ₹22,250,227 (P.Y. ₹16,432,422)		
2. Short term loans are secured by joint deed of hypothecation, on pari passu basis of 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, equipments, plant and spares.		
SCHEDULE 4 : UNSECURED LOANS		
From Banks	100,000,000	275,000,000
TOTAL	100,000,000	275,000,000

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 5: FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 01.04.2010	Deductions during the year	For the Year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Own Assets										
Freehold Land	14,567,802	-	-	14,567,802	-	-	-	-	14,567,802	14,567,802
Buildings	47,400,196	7,155,098	-	54,555,294	11,482,463	-	1,118,748	12,601,211	41,954,083	35,917,733
Plant & Machinery	415,496,029	30,387,264	1,367,592	444,515,701	141,083,342	754,970	21,467,834	161,796,206	282,719,495	274,412,687
Computers	12,999,891	366,298	-	13,366,189	9,611,350	-	1,881,588	11,492,938	1,873,251	3,388,541
Furniture and Fixtures	10,123,001	2,768,042	-	12,891,043	3,843,625	-	795,069	4,638,694	8,252,349	6,279,376
Vehicles	14,978,268	2,373,185	1,207,290	16,144,163	4,159,348	776,664	1,484,473	4,867,157	11,277,006	10,818,920
Sub-Total	515,565,187	43,049,887	2,574,882	556,040,192	170,180,128	1,531,634	26,747,712	195,396,206	360,643,986	345,385,059
Leased Assets										
Leasehold Land	10,126,777	-	-	10,126,777	1,289,747	-	104,742	1,394,489	8,732,288	8,837,030
Sub-Total	10,126,777	-	-	10,126,777	1,289,747	-	104,742	1,394,489	8,732,288	8,837,030
TOTAL	525,691,964	43,049,887	2,574,882	566,166,969	171,469,875	1,531,634	26,852,454	196,790,695	369,376,274	354,222,089
Previous Year	466,402,264	61,101,357	1,811,657	525,691,964	148,921,875	1,278,596	23,826,596	171,469,875	354,222,089	-
Capital Work in Progress									15,364,132	5,299,116





SCHEDULES FORMING PART OF THE BALANCE SHEET

			As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS				
Long Term Investment (at cost) (unquoted)	No. of Shares			
	Current Year	Previous Year		
Trade Investments				
Equity Shares of ₹10/- each fully paid				
Enviro Infrastructure Co.Ltd.	75,000	75,000	750,000	750,000
Ahmedabad Commodity Exchange	121,600	121,600	1,153,000	1,153,000
Investment in Subsidiary Companies				
Equity Shares of ₹10/- each fully paid				
Ihsedu Agrochem Pvt. Ltd.	5,500,000	5,500,000	55,000,000	55,000,000
Ihsedu Speciality Chemicals Pvt. Ltd.	18,990,000	18,990,000	189,900,000	189,900,000
Ihsedu Coreagri Services Pvt. Ltd.	50,000	50,000	500,000	500,000
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.	90,000	Nil	900,000	-
Others				
Kotak Pension Balanced Fund (Refer Note B(1)(ii) of Schedule 14)			10,000,000	10,000,000
		TOTAL	258,203,000	257,303,000
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES				
INVENTORIES				
(as taken, valued and certified by the management)				
(Refer Note A(8) of Schedule 14)				
Stores, Spares and Consumables			7,788,472	7,227,099
Raw Materials, Chemicals and Packing Materials			119,509,768	612,249,654
Work-in-Process			15,254,558	7,501,610
Finished Products			797,425,656	300,317,158
			939,978,454	927,295,521
SUNDRY DEBTORS				
(Unsecured and considered good)				
Exceeding Six Months			132,197	724,162
Others			731,687,424	429,094,212
			731,819,621	429,818,374
CASH AND BANK BALANCES				
Cash on Hand			701,432	997,373
Balance with Scheduled Banks				
- In Current Accounts			57,389,134	56,491,588
- Margin Money Account			415,000	2,722,730
- Deposit Account			3,991,786	42,500,000
			62,497,352	102,711,691



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
LOANS AND ADVANCES		
(Unsecured and considered good)		
Excise & Other Taxes Recoverable	282,902,394	200,383,839
Advances to Subsidiaries*	316,112,293	334,072,985
Advances recoverable in cash or kind	273,745,463	262,502,648
Deposits	22,142,805	23,560,752
	894,902,956	820,520,224
TOTAL	2,629,198,383	2,280,345,810
Note:		
* Maximum amount outstanding during the year from Subsidiaries ₹327,386,598 (P.Y. ₹334,072,985)		
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	273,865,661	187,931,523
Advances from Customers	14,819,100	3,933,164
Bill Discounting	142,128,685	135,219,019
Investor Education and Protection Fund	-	-
Unclaimed Dividend *	1,996,496	1,896,395
Bank Account Overdrawn	67,081,656	16,484,385
Other Liabilities	2,455,260	2,094,381
TOTAL (A)	502,346,858	347,558,867
*There are no amounts due and outstanding as on March 31, 2011 to be credited to Investor Education and Protection Fund. These amounts shall be paid to the Fund as and when they become due.		
PROVISIONS		
Income Tax	29,880,010	16,421,552
Wealth Tax	23,000	35,000
Proposed Dividend	26,250,000	22,500,000
Dividend Distribution Tax	3,903,350	3,356,512
Leave Encashment	9,619,423	7,309,670
TOTAL (B)	69,675,783	49,622,734
TOTAL (A+B)	572,022,641	397,181,601

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

	For the Year ended 31.03.2011 ₹	For the Year ended 31.03.2010 ₹
SCHEDULE 9 : OTHER INCOME		
Duty Drawback	5,806,238	2,006,978
Insurance claim	2,117,139	22,419
Miscellaneous receipts	–	99,826
Sundry Balances Written back	–	45,552
Dividend	2,750,000	110,669
Interest (T.D.S ₹1,315,711 (P.Y. ₹680,374))	13,169,563	3,529,028
TOTAL	23,842,940	5,814,472
SCHEDULE 10 : INCREASE/ (DECREASE) IN STOCK		
Opening Stock		
Work in process	7,501,610	4,245,749
Finished goods	323,434,208	213,678,076
TOTAL (A)	330,935,818	217,923,825
Closing Stock		
Work in process	15,254,558	7,501,610
Finished goods	797,425,656	323,434,208
TOTAL (B)	812,680,214	330,935,818
Increase/(Decrease) in Stock	(B - A)	481,744,396
SCHEDULE 11 : CONSUMPTION OF RAW MATERIAL		
Raw Material Consumed		
Opening Stock	544,485,516	166,831,468
Add: Purchases	6,802,183,136	6,910,548,918
	7,346,668,652	7,077,380,386
Less: Sales	306,650	–
Less: Closing Stock	75,103,083	544,485,516
TOTAL (A)	7,271,258,919	6,532,894,870
Chemical Consumed		
Opening Stock	26,354,523	22,116,298
Add: Purchases	160,828,325	139,448,110
	187,182,848	161,564,408
Less: Closing Stock	22,017,882	26,354,523
Sales	–	243,000
TOTAL (B)	165,164,966	134,966,885
TOTAL (A + B)	7,436,423,885	6,667,861,755



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	For the Year ended 31.03.2011 ₹	For the Year ended 31.03.2010 ₹
SCHEDULE 12 : PERSONNEL COST		
Salaries, Wages, Bonus etc.	58,484,964	49,534,092
Contribution to Provident Fund, Gratuity & others	7,111,776	6,419,422
Leave Encashment	3,882,315	1,021,291
Staff Welfare Expenses	3,879,037	3,546,075
TOTAL	73,358,092	60,520,880
SCHEDULE 13 : MANUFACTURING AND OTHER EXPENSES		
Job Work Charges	289,499,794	294,551,474
Consumption of Stores and Spares	11,538,965	14,399,366
Consumption of Packing Material	57,464,232	51,730,787
Power and Fuel	55,619,878	40,613,690
Rent, Rates and Taxes	458,124	1,191,596
<u>Repairs & Maintenance</u>		
- Building	882,153	664,056
- Machinery	5,081,313	3,628,254
- Others	4,444,538	2,838,486
Insurance	17,415,315	11,984,600
Freight, Coolie and Cartage	415,579,761	377,636,307
Storage Charges	16,581,424	13,661,418
Brokerage on Sales	20,362,951	26,680,232
Brokerage on Purchases	1,262,310	4,620,620
Miscellaneous Expenses	86,574,651	67,409,642
Research and Development Expenses	4,509,037	3,377,917
Loss on Sale of Assets	636,899	233,061
Donations	438,555	1,358,146
Auditors Remuneration	1,767,996	1,455,946
TOTAL	990,117,897	918,035,598



SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. Significant Accounting Policies

1. Basis of Accounting

The Financial statements are prepared under historical cost convention, on the accrual basis of accounting and under the going concern assumption, in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified in the Companies (Accounting Standard) Rules 2006,(as amended) issued by the Central Government, in consultation with National Advisory Committee on Accounting Standard ('NACAS') and relevant provisions of Companies Act, 1956 ('the Act'), to the extent applicable.

2. 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.

3. Fixed Assets

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

4. 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.

5. 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.

6. 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.

7. 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.

8. Inventories

- (a) Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable 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, 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.

9. Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/ Value Added Tax and Excise Duty. Dividend income is recognised when right to receive the payment is established by the Balance Sheet Date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Exports are accounted on CIF basis.

10. 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 which are accounted on accrual basis.

11. Foreign Currency

- (a) Transactions denominated in foreign currencies and not covered by foreign exchange forward contracts are recorded at the exchange rate prevailing at the time of the transaction.
- (b) Foreign currency transactions covered by foreign currency contracts are recorded at the contracted rates.
- (c) Monetary items denominated in foreign currency are translated at the rates prevailing at the end of the year and losses and gains, if any, on translation are recognized as expenditure or income of the current year, as the case may be.
- (d) Non monetary items which are carried in terms of historical costs denominated in foreign currency, are reported using the exchange rate on the date of the transaction.

12. Sundry Debtors

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

13. 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 Profit and Loss account 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. The Company does not retain an obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.
- (c) Entitlements to annual leave and sick leave are recognised 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.

14. 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.

15. 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.

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.

16. 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.

17. Impairment of Assets

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

18. Provisions and Contingent Liabilities

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

19. Proposed Dividend

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



B. Notes to Accounts

1. Contingent Liabilities

(Amount in Lacs)

Particulars	For the Year ended March 31, 2011 ₹	For the Year ended March 31, 2010 ₹
Claims against the Company not acknowledged as debts – Excise Duty	586.11	55.87
VAT/CST	1,396.88	949.27
Service Tax	28.04	–
Liability in respect of excise duty where the issue was decided in favour of the Company for which the Department is in further appeal	7.44	7.44
Guarantees given on behalf of its subsidiaries	10,565.00	16,343.68
Guarantee given to bank for discounting of bills	5,000.00	5,000.00
Bank guarantee given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

Notes:

- The Company has deposited Nil (P.Y. ₹3,243,991) and furnished bank guarantee for Nil (P.Y. ₹2,500,000) to the excise authority.
- Other investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. As per the terms of the insurance policy, besides the amount of ₹100,000,000 paid during the year 2007-08. The Company has paid ₹100,000 each during the year 2008-09, 2009-10 as well as current year 2010-11 to keep the policy active. After the expiry of three years of the lock-in-period, the Company will have an option of claiming the amount thus accumulated along with the minimum returns guaranteed by the insurance company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.
- 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 ₹1,996,496 (P.Y. ₹1,896,395) set aside for payment of dividends.
- The Company had entered into memorandum of understanding (MOU) with a party to carry out import and export trade in certain commodities. In respect of such trade, the company has received show cause notices from the authorities for alleged violation of regulation in terms of the export value of goods under Section 14 of the Customs Act, 1962 read with Section 11 of Foreign Trade Development and Regulation Act, 1992 and rule 11 & 14 of Foreign Trade (Regulation) Rule, 1993 and under Section 16 of the Foreign Exchange Management Act, 1999 read with Rule (4) of the Foreign Exchange Management (Adjudication Proceedings and Appeal) Rule, 2000. Neither any quantification has been done by the authorities of any potential penal liabilities nor is it possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has a MOU.



2. Managerial Remuneration

i. Managing & Wholetime Director

Particulars	(Amount in ₹)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Remuneration	5,384,400	4,860,000
Commission to Managing/Wholetime Directors	600,000	600,000
Perquisites	894,268	780,838
Contribution to Provident Fund	410,400	410,400
Total	7,289,068	6,651,238

Note : Remuneration comprises of Salary, Allowances, Company's Contribution to Provident Fund and Leave Encashment and excludes contribution to Gratuity Fund.

ii. Computation of Net Profit under Section 349 and Section 198(1) of the Companies Act, 1956

Particulars	(Amount in ₹)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Profit before taxation	261,081,491	155,117,856
Add: Managerial Remuneration	7,289,068	6,651,238
Depreciation under the Companies Act,1956	26,855,137	23,826,596
Book loss on sale of assets	636,899	233,061
	295,862,595	185,828,751
Less: Depreciation under Section 350 of the Act	26,855,137	23,826,596
Net Profit in accordance with Section 198 of the Act	269,007,458	162,002,155
Commission thereon @1% to Managing/ Wholetime Directors Within the limits of maximum amount payable	2,690,074 600,000	1,620,022 600,000

3. Earning Per Share (EPS)

Particulars	(Amount in ₹)	
	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Weighted average number of shares for Earning Per Share computation		
For Basic Earning Per Share of ₹5/- each.	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.	177,401,088	78,441,002
Earning Per Share (Weighted Average)		
Basic Earnings per Share ₹	11.83	5.23
Diluted Earnings per Share ₹	11.83	5.23



4. 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. Subsidiary Companies:

Ihsedu Agrochem Pvt. Ltd.
Ihsedu Speciality Chemicals Pvt. Ltd.
Ihsedu Coreagri Services Pvt. Ltd.
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.

ii. Enterprises Controlled by directors/relatives:

Jayant Finvest Ltd.
Enlite Chemical Industries Ltd.
Gokuldas K. Udeshi Investments
Innovative Micro Systems Pvt. Ltd.
Varun Leasing & Finance Pvt. Ltd.
Gokulmani Real Estate Development Pvt. Ltd.
Akhandanand Engineering & Trading Company

iii. Associate Company:

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

iv. 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

v. Relative of Key Management Personnel:

Mr. Dilipsinh G. Udeshi
Mr. Mulraj G. Udeshi
Mr. Jayraj G. Udeshi
Mr. Sudhir V. Udeshi
Mr. Hitesh J. Udeshi
Mr. Varun A. Udeshi



b) Details relating to parties referred to in items above: (₹ in lacs)

Particulars	Subsidiary Company Relatives	Controlled by Directors & Personnel	Key Management	Others/Relatives
Purchase of Raw Material	5,846.15	4,260.59	–	–
	–	(1,483.11)	–	–
Purchase of Finished Goods	21,945.15	–	–	–
	(6,120.32)	–	–	–
Receiving of Services	2,890.27	5.24	–	–
	(2,944.02)	(5.16)	–	–
Sale of Goods	1,198.84	–	–	–
	(341.16)	–	–	–
Interest Received	126.07	–	–	–
	(29.88)	–	–	–
Dividend Received	27.50	–	–	–
	–	–	–	–
Investment in Share Capital	9.00	–	–	–
	–	–	–	–
Remuneration to Managing Director	–	–	19.65	–
	–	–	(19.24)	–
Remuneration to Executive Director	–	–	53.24	–
	–	–	(47.27)	–
Balances outstanding at the year end				
i) Deposits	–	161.00	–	–
	–	(161.00)	–	–
ii) Finance	3,161.12	–	–	–
	(3,340.73)	(922.40)	–	–
iii) Equity Contribution	2,463.00	–	–	–
	(2,454.00)	–	–	–

Notes:

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

5. Deferred Taxation

(Amount in ₹)

Particulars	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Opening Deferred Tax	69,627,576	38,806,052
Less:		
Deferred tax assets		
Expenditure covered under Section 43B of Income tax Act	820,785	3,324,926
	68,806,791	3,324,926
Add:		
Deferred tax liability		
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts.	4,943,433	34,146,450
	4,943,433	34,146,450
Deferred Tax Liability (Net)	73,750,224	69,627,576



6. Quantitative Information Pursuant to Para 3, 4c, and 4d of Part II of Schedule VI of the Companies Act, 1956

i. Capacity

Particulars	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Licensed M.T.	Installed M.T.	Licensed M.T.	Installed M.T.
Castor oil & its derivatives including refined Castor oil, Oxidized, Dehydrated, Blown, Polymerized, etc.	50,400	43,000	50,400	43,000
Hydrogenated Castor Oil	15,600	18,720	15,600	18,720
Fatty Acid and its Salt, Easters, Amides, Polyamides, Polyols, and its allied products	38,340	27,000	38,340	27,000

ii. Actual Production

Particulars	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Qty. [M.T.]	Value (₹)	Qty. [M.T.]	Value (₹)
Castor Oil	45,505.509	–	68,877.843	–
Derivatives	46,202.009	–	42,774.187	–
By-Products	99,227.204	–	118,913.730	–
Others	7,252.719	–	6,497.229	–

Note: 1 Production procured from other is shown in actual production.

Note: 2 Production is net of consumption.

iii. Opening Stock

Finished Products

Castor Oil	3,575.048	220,699,741	3,206.436	150,015,961
Derivatives	1,011.146	73,239,893	732.725	44,878,730
By- Products	7,340.017	22,962,436	3,370.670	11,129,190
Others	1,802.064	6,532,138	2,328.599	7,312,560
Other Trading Goods	–	–	–	341,635
		323,434,208		213,678,076

Work In Progress

7,501,610

4,245,749

iv. Closing Stock

Castor Oil	5,858.331	666,573,604	3,575.048	220,699,741
Derivatives	889.766	100,698,254	1,011.146	73,239,893
By- Products	4,123.452	21,542,233	7,340.017	22,962,436
Others	2,427.716	8,611,565	1,802.064	6,532,138
		797,425,656		323,434,208

Work-in-Progress

15,254,558

7,501,610

**v. Purchases****Particulars**

	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	Qty. [M.T.]	Value (₹)	Qty. [M.T.]	Value (₹)
Castor Oil	28,056.810	2,660,159,728	14,585.180	909,942,188
Derivatives	704.765	101,620,128	220.004	17,774,930
By-Products	45,894.817	222,114,087	9,344.015	34,175,798
		<u>2,983,893,943</u>		<u>961,892,916</u>

vi. Sales

Castor Oil	71,082.636	5,836,479,519	82,905.923	5,033,457,310
Derivatives	47,028.085	4,882,582,018	42,715.652	3,193,839,374
By-Products	146,624.720	604,820,088	123,240.340	432,025,871
Others	6,627.022	67,902,090	7,023.764	54,951,313
Miscellaneous		47,230,100		61,876,565
Power Generation		17,918,356		13,371,946
		<u>11,456,932,171</u>		<u>8,789,522,379</u>

vii. Consumption of Raw Materials

Castor Seeds	215,548.557	7,271,258,919	241,208.763	6,532,894,870
Chemicals		165,164,966		134,966,885
		<u>7,436,423,885</u>		<u>6,667,861,755</u>

viii. Break-Up of Consumption**Raw materials and Chemicals****Particulars**

	For the Year ended March 31, 2011		For the Year ended March 31, 2010	
	%	Value (₹)	%	Value (₹)
Indigenous	99.45	7,395,698,214	99.50	6,634,458,647
Imported	0.55	40,725,671	0.50	33,403,108
	<u>100.00</u>	<u>7,436,423,885</u>	<u>100.00</u>	<u>6,667,861,755</u>

Stores and Spares

Indigenous	100.00	11,538,965	100.00	14,399,366
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ix. Value of imports on CIF Basis		
Particulars	For the Year ended March 31, 2011 (₹)	For the Year ended March 31, 2010 (₹)
Chemicals	33,133,522	38,215,800
Capital Goods	17,002,006	1,529,181
Spares for Laboratory Equipment	192,645	—
	50,328,173	39,744,981
7. Expenditure in Foreign Currency		
Travelling Expenditure	1,971,483	2,642,956
Professional Fees	2,456,983	3,588,159
Brokerage & Commission	10,424,204	20,099,910
Membership & Subscription	652,228	506,480
Others	115,465	69,979
	15,620,363	26,907,484
8. Earnings In Foreign Currency	(Amount in ₹)	(Amount in ₹)
F.O.B. value of Exports	8,589,425,919	6,919,253,015

9. 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.


JAYANT AGRO - ORGANICS LTD.

(₹ in lacs)

Particulars	For Year ended March 31, 2011				For Year ended March 31, 2010			
	Castor Oil	Deriva-tives	Power Genera-tion	Total	Castor Oil	Deriva-tives	Power Genera-tion	Total
REVENUE								
Net Sales/Income from Operation								
Local	5,986.33	12,260.48	179.18	18,425.99	8,648.06	8,799.01	133.72	17,580.79
Export	58,898.97	37,244.36	–	96,143.33	46,625.53	23,688.90	–	70,314.43
Total Revenue	64,885.30	49,504.84	179.18	114,569.32	55,273.59	32,487.91	133.72	87,895.22
RESULT								
Segment Result	947.19	3,541.16	168.12	4,656.47	401.93	2,459.98	132.54	2,994.45
Unallocated Corporate Expenses				0.93				29.36
Operating Profit				4,655.54				2,965.09
Interest Expense				1,907.92				1,210.93
Interest Income				131.70				35.29
Income Tax				795.50				458.00
Wealth Tax				0.08				0.55
Deferred Tax				41.23				308.22
Net Profit after tax and before depreciation				2,042.52				1,022.68
OTHER INFORMATION								
Segment Assets	15,834.24	9,002.80	983.48	25,820.52	13,556.65	6,975.33	1,058.94	21,590.92
Unallocated Corporate Assets				6,981.63				8,767.11
Total Assets				32,802.15				30,358.03
Segment Liabilities	14,678.62	6,335.92	264.38	21,278.92	13,377.42	3,325.96	335.28	17,038.66
Unallocated Corporate Liabilities				1,862.89				5,433.04
Total Liabilities				23,141.81				22,471.70
Capital Expenditure		322.44	–	322.44	–	142.67	430.00	572.67
Unallocated Capital Expenditure				108.05				38.34
Total Capital Expenditure				430.49				611.01
Depreciation		171.65	55.58	227.23		166.33	35.21	201.54
Unallocated Depreciation				41.29				36.73
Total Depreciation				268.52				238.27

**10. Remittance in foreign currency of dividend****Equity Shares****Particulars**

(Amount in ₹)

	For the Year ended March 31, 2011	For the Year ended March 31, 2010
Number of non-resident shareholders	35	40
Number of Other Body Corporate	1	1
Number of Ordinary shares held by non-resident shareholders	17,929	30,727
Number of Ordinary shares held by Other non resident Body Corporate	600,000	600,000
Gross amount of dividend	926,894*	788,409

*Amounts credited to Rupee Account in India out of which ₹900,000 (PY ₹750000) amount of equity dividend has been credited to other than Rupee Account in India.

11. Payment To Auditors

Statutory Audit Fees	827,250	827,250
Tax Audit Fees	275,750	275,750
Income Tax Matters	110,300	110,300
Other Services	546,139	183,334
Out of Pocket Expenses	8,557	59,312
Total	<u>1,767,996</u>	<u>1,455,946</u>

12. Estimated amount of contracts remaining to be executed on Capital Accounts amounted to ₹25,000,000/- (P.Y. ₹60,000,000/-).

13. Forward contracts of ₹2,539,421,964 (USD 55.231 Million) are outstanding as on March 31, 2011.

14. Research and Development Expenditure

Capital Other than Building	4,783,385	1,861,321
Building	3,371,757	-
Revenue	9,242,303	7,798,768
	<u>17,397,445</u>	<u>9,660,089</u>

15. Previous year figures have been recast/re-grouped wherever necessary to conform to Current Year's presentation.

16. Figures have been rounded off to the nearest of a Rupee.

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary

**SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011****Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.****Balance Sheet Abstract and Company's General Business Profile : (Part IV)****I Registration Details**

Registration No.	:	1166691
State Code	:	11
Balance Sheet Date	:	31.03.2011

II Capital raised during the year (Amount in ₹)**(₹ in '000)**

Public Issue	:	—
Rights Issue	:	—
Bonus Issue	:	—
Private Issue	:	—

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

Total Liabilities	:	2,708,195
Total Assets	:	2,708,195

IV Sources of Funds :

Paid up Capital	:	75,000
Reserve & Surplus	:	860,881
Secured Loans	:	1,598,564
Unsecured Loans	:	100,000
Deferred Tax Liability	:	73,750
Share Application Money	:	—

V Application of Funds

Net Fixed Assets	:	392,816
Investments	:	258,203
Net Current Assets	:	2,057,176
Misc. Expenditure	:	—
Accumulated Losses	:	—

VI Performance of Company (Amount in ₹)

Turnover / Total Income	:	11,962,520
(Including other income and inventories)		
Total Expenditure	:	11,701,438
Profit/Loss Before Tax	:	261,081
Profit/Loss After Tax	:	177,401
Earning per share in Rs.	:	11.83
Divident Rate %	:	35

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

Item Code No. (ITC Code)	Product Description
15162003	Hydrogenated castor Oil
15153000	Castor Refined Oil
15191100	12 Hydroxy Stearic Acid/Fatty Acid

For and on behalf of the Board**Vithaldas G. Udeshi**
Chairman**Hemant V. Udeshi**
Managing Director**Abhay V. Udeshi**
Director**Vikram V. Udeshi**
Chief Financial OfficerPlace: Mumbai
Date: July 27, 2011**Dinesh M. Kapadia**
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the Year ended 31.03.2011 ₹	For the Year ended 31.03.2010 ₹
A Cash Flow from Operating Activities		
Net Profit before tax	261,081,491	155,117,856
Adjustments for :-		
Depreciation	26,852,454	23,826,596
Dividend	(2,750,000)	(110,669)
Provision for Leave Encashment	2,309,753	(459,572)
Interest Paid	190,791,746	121,093,242
(Profit)/ Loss on sale of Fixed Asset	636,898	233,061
Interest earned	(13,169,563)	(3,529,028)
Wealth Tax Paid	(19,755)	(35,948)
Operating profit before working capital changes	<u>465,733,024</u>	<u>296,135,537</u>
Adjusted for :-		
(Increase)/Decrease in Inventories	(12,682,933)	(495,649,206)
(Increase)/Decrease in Debtors & Other Receivables	(442,475,520)	(633,974,235)
Increase/(Decrease) in Payables & Other Liabilities	154,787,991	69,040,955
	<u>165,362,562</u>	<u>(764,446,949)</u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(49,382,377)	(76,929,716)
Sale of Assets	406,349	300,000
Investment in Subsidiary company	(900,000)	(76,500,000)
Dividend received	2,750,000	110,669
Purchase of Investment	-	(1,153,000)
Redemption of Investment	-	30,027,952
Interest	13,169,563	3,529,028
Net Cash from /(used in) Investing Activities	<u>(33,956,465)</u>	<u>(120,615,067)</u>
C Cash Flow from Financing Activities		
Proceeds from Borrowing	45,027,822	995,505,660
Interest Paid	(190,791,746)	(121,093,242)
Dividend and Dividend Tax Paid	(25,856,512)	(21,936,561)
Net Cash from/(used in) Financing Activities	<u>(171,620,436)</u>	<u>852,475,857</u>
Net Increase/(Decrease) in cash equivalents	<u>(40,214,339)</u>	<u>(32,586,159)</u>
Cash & Cash equivalent		
At the beginning of the year	102,711,691	135,297,850
At the end of the year	62,497,352	102,711,691

Significant Accounting Policies and Notes to Accounts [14]

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
Chartered Accountants
Registration No:124444W

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

Place: Mumbai
Date: July 27, 2011

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Abhay V. Udeshi
Director

Dinesh M. Kapadia
Company Secretary

Hemant V. Udeshi
Managing Director

Vikram V. Udeshi
Chief Financial Officer

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

Sr. No.	Name of the Subsidiary	Ihsedu Agrochem Private Limited	Ihsedu Speciality Chemicals Private Limited	Ihsedu Coreagri Services Private Limited	Ihsedu Itoh Green Chemicals Marketing Private Limited
1	Financial year / for period of the subsidiary	1st April 2010 to 31st March 2011	1st April 2010 to 31st March 2011 *	1st April 2010 to 31st March 2011	25th June 2010 to 31st March 2011
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.	18,990,000 Equity Shares of ₹10/- each fully paid up.	50,000 Equity Shares of ₹10/- each fully paid up.	90,000 Equity Shares of ₹10/- each fully paid up
	(b) Extent of holding	100%	75.96%	100%	90%
3.	Subscribed Share Capital (No. of Shares) of the Subsidiary Company	5,500,000 Equity Shares of ₹10/- each fully paid up.	25,000,000 Equity Shares of ₹10/- each fully paid up.	50,000 Equity Shares of ₹10/- each fully paid up.	100,000 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	Nil
	(b) for the previous financial year since it became a subsidiary.	Nil	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.	₹ 697.29 Lacs	Nil	(₹ 21.26 Lacs)	(₹0.84 Lacs)
	(b) for the previous financial year since it became a subsidiary.	₹ 467.45 Lacs	Nil	(₹5.34 Lacs)	Nil

* Note:- In case of Subsidiary company Ihsedu Speciality Chemicals Pvt Ltd, financials of two financial year i.e. for the period from April 1, 2010 to December 31, 2010 and for the period from January 1, 2011 to March 31, 2011. This is because subsidiary has changed its financial year during the previous year.

For and on behalf of the Board**Vithaldas G. Udeshi**
Chairman**Abhay V. Udeshi**
Director**Dinesh M. Kapadia**
Company Secretary**Hemant V. Udeshi**
Managing Director**Vikram V. Udeshi**
Chief Financial OfficerPlace: Mumbai
Date: July 27, 2011



Auditors' report to the Board of Directors of Jayant Agro-Organics Limited on the Consolidated Financial Statements of Jayant Agro-Organics Limited and its subsidiaries.

1. We have audited the attached Consolidated Balance Sheet of **JAYANT AGRO-ORGANICS LIMITED** and its subsidiaries as at 31st March, 2011, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the Financial Statements of one of the subsidiary **Ihsedu Coreagri Services Pvt. Ltd.** whose Financial Statements reflect total assets of ₹2,072,698 as at 31st March 2011, total revenues of ₹440,005,455 and the net Cash Flows amounting to ₹(507,460) for the year then ended. These Financial Statements have been audited by other auditors whose audit reports have been furnished to us and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. Consolidated Financial Statements prescribed by the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited financial statements of Jayant Agro-Organics Limited and its Subsidiaries included in the financial statements.
5. In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) in the case of the consolidated Profit and Loss Account, of the Profit for the year ended on that date and
 - (iii) in the case of the consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

T.P. Ostwal
(Partner)

Membership No. 30848

Place: Mumbai.
Date : July 27, 2011



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

	Schedule	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	[1]	75,000,000	75,000,000
Reserves and Surplus	[2]	1,091,542,181	875,729,898
Minority Interest		66,118,332	66,018,332
Loan Funds			
Secured Loans	[3]	2,303,651,454	2,099,914,348
Unsecured Loans	[4]	100,000,000	275,000,000
Deferred Tax Liability (Net)		116,750,661	108,805,274
	TOTAL	3,753,062,628	3,500,467,852
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	[5]	1,366,425,831	1,255,877,204
Less : Depreciation		308,857,570	251,016,677
Net Block		1,057,568,261	1,004,860,527
Capital Work-In-Progress		577,285,891	548,586,439
Advances against capital commitments		14,775,993	20,209,307
Pre-operative Expenses		271,680,703	79,288,679
		1,921,310,848	1,652,944,952
Investments	[6]	11,914,000	11,914,000
Current Assets, Loans and Advances			
Inventories	[7]	1,224,501,866	1,260,175,345
Sundry Debtors		764,623,534	441,476,165
Cash and Bank Balances		123,082,291	113,821,602
Loans and Advances		684,064,634	584,248,222
		2,796,272,325	2,399,721,334
Less : Current Liabilities & Provisions	[8]	889,441,768	503,522,612
Current Liabilities		87,146,767	60,747,549
Provisions		976,588,535	564,270,161
Net Current Assets		1,819,683,790	1,835,451,173
MISCELLANEOUS EXPENDITURE			
Preliminary Expenses		153,990	157,727
	TOTAL	3,753,062,628	3,500,467,852
Significant Accounting Policies and Notes to Accounts	[14]		

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
Chartered Accountants
Registration No:124444W

For and on behalf of the Board

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

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the Year ended 31.03.2011 ₹	For the Year ended 31.03.2010 ₹
INCOME			
Sales		11,752,552,297	9,040,092,748
Other Income	[9]	30,329,565	9,191,637
Increase/ (Decrease) in Stock	[10]	612,250,533	127,315,360
	TOTAL	12,395,132,395	9,176,599,745
EXPENDITURE			
Consumption of Raw Materials	[11]	9,888,388,251	7,502,149,177
Purchases of Finished Goods		844,478,489	350,153,877
Personnel Cost	[12]	103,170,920	85,482,446
Manufacturing and Other Expenses	[13]	919,612,167	825,613,608
Interest- Term Loan		17,581,450	13,979,512
- Others		210,262,761	121,132,445
Depreciation		54,061,807	47,020,470
	TOTAL	12,037,555,845	8,945,531,535
PROFIT BEFORE TAXATION		357,576,550	231,068,209
Provision for Taxation			
- Current Tax		100,419,500	59,600,000
- Deferred Tax		7,945,389	46,692,645
- Wealth Tax		63,000	70,000
- Short/(Excess) Tax Provision of earlier years		(23,747)	53,543
PROFIT AFTER TAX		249,172,408	124,652,021
Add: Balance in Profit & Loss Account brought forward		408,672,923	320,994,777
	TOTAL	657,845,331	445,646,798
APPROPRIATIONS			
Proposed Dividend		29,000,000	25,250,000
Dividend Distribution Tax		4,360,125	3,823,875
Transfer to General Reserve		17,800,000	7,900,000
Balance carried to Balance Sheet		606,685,206	408,672,923
	TOTAL	657,845,331	445,646,798
EARNING PER EQUITY SHARE			
{Face value of ₹5/- per Share - See Schedule 14 (II) (D)}			
Basic Earning Per Share		16.61	8.31
Diluted Earning Per Share		16.61	8.31
Significant Accounting Policies and Notes to Accounts			
	[14]		

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
Chartered Accountants
Registration No:124444W

For and on behalf of the Board

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

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
6,000,000 (P.Y. 6,000,000) 7% Redeemable Preference Shares of ₹5/- each	30,000,000	30,000,000
29,000,000 (P.Y. 29,000,000) Equity Shares of ₹5/- each	145,000,000	145,000,000
	175,000,000	175,000,000
Issued, Subscribed and Paid up		
15,000,000 (P.Y. 15,000,000) Equity Shares of ₹5/- each	75,000,000	75,000,000
	75,000,000	75,000,000
Share Warrant Money	–	17,850,000
Less : Transfer to Capital Reserve	–	17,850,000
	–	–
TOTAL	75,000,000	75,000,000
Of the above :		
6,000,000 Equity Shares of ₹5/- each fully paid up have been issued as bonus shares by capitalisation of General Reserves.		
SCHEDULE 2 : RESERVES AND SURPLUS		
Capital Redemption Reserve		
Balance as per last Balance Sheet	30,000,000	30,000,000
	30,000,000	30,000,000
Capital Reserve		
Balance as per last Balance Sheet	17,850,000	–
Transfer on forfeiture of Share Warrants	–	17,850,000
	17,850,000	17,850,000
Share Premium		
Balance as per last Balance Sheet	222,669,670	222,669,670
	222,669,670	222,669,670
General Reserve		
Balance as per last Balance Sheet	196,537,305	188,657,091
Add: Transfer from Profit and Loss account	17,800,000	7,900,000
Less: Loss of Subsidiary of earlier year	–	19,786
	214,337,305	196,537,305
Balance i.e surplus in Profit & Loss Account	606,685,206	408,672,923
TOTAL	1,091,542,181	875,729,898



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 3 : SECURED LOANS		
Long Term		
From Banks	659,651,253	545,586,409
Short Term		
From Banks	1,636,092,844	1,538,808,605
Interest Accrued and Due	7,907,357	15,519,334
TOTAL	2,303,651,454	2,099,914,348

Note

1. Term Loans are secured against hypothecation of Plant & Machinery, Wind Mill, Vehicles and other Fixed Assets and Equitable Mortgage of Land and Building and personal guarantee of Directors [Installments due within a year ₹155,037,613/- (P.Y. ₹54,355,704/-)]
2. Export Credit is secured by joint deed of hypothecation, on pari passu basis of raw material, work- in- process, finished goods, spares and receivables and personal guarantee of the Directors. Further, collaterally secured by equitable mortgage on all present and future immovable properties comprising inter alia machinery, equipments, plant and spares.

SCHEDULE 4 : UNSECURED LOANS

From Banks	100,000,000	275,000,000
TOTAL	100,000,000	275,000,000

SCHEDULES TO CONSOLIDATED BALANCE SHEET

SCHEDULE 5: FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions during the year	Deductions during the year	As at 31.03.2011	As at 01.04.2010	Deductions duing the year	For the Year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Own Assets										
Freehold Land	76,008,271	–	–	76,008,271	–	–	–	–	76,008,271	76,008,271
Buildings	178,500,144	9,493,098	–	187,993,242	17,566,135	–	5,237,808	22,803,943	165,189,299	160,934,009
Plant & Machinery	933,816,636	98,064,878	1,367,592	1,030,513,922	209,868,255	754,970	49,328,584	258,441,869	772,072,053	723,948,381
Computers	14,905,414	562,883	–	15,468,297	10,442,052	–	2,139,440	12,581,492	2,886,805	4,463,362
Furniture and Fixtures	16,014,271	3,037,656	–	19,051,927	4,827,246	–	1,181,099	6,008,345	13,043,582	11,187,025
Vehicles	26,505,691	4,909,189	4,151,485	27,263,395	7,023,242	2,029,199	2,633,389	7,627,432	19,635,963	19,482,449
Sub-Total	1,245,750,427	116,067,704	5,519,077	1,356,299,054	249,726,930	2,784,169	60,520,320	307,463,081	1,048,835,973	996,023,497
Leased Assets										
Leasehold Land	10,126,777	–	–	10,126,777	1,289,747	–	104,742	1,394,489	8,732,288	8,837,030
Sub-Total	10,126,777	–	–	10,126,777	1,289,747	–	104,742	1,394,489	8,732,288	8,837,030
TOTAL	1,255,877,204	116,067,704	5,519,077	1,366,425,831	251,016,677	2,784,169	60,625,062	308,857,570	1,057,568,261	1,004,860,527
Previous Year	964,421,926	294,909,845	3,454,567	1,255,877,204	205,908,091	2,132,092	47,240,678	251,016,677	1,004,860,527	
Capital Work in Progress									577,285,891	548,586,439

Note: Total depreciation for the year includes ₹ 6,563,255 (P.Y. ₹ 220,208) transferred to pre-operative expenditure pending allocation.





SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 6 : INVESTMENTS		
Long Term Investment (at cost)		
Trade Investment (Unquoted)		
Enviro Infrastructure Co.Ltd. 75,000 (P.Y. 75,000) Equity Shares of ₹10/- each fully paid	750,000	750,000
Ahmedabad Commodity Exchange (121,600 Equity Shares of ₹10/- each, of these 65,100 shares were received as bonus during the year)	1,153,000	1,153,000
Government Securities	11,000	11,000
Others		
Kotak Pension Balanced Fund (Refer Note II(A)(ii) of Schedule 14)	10,000,000	10,000,000
TOTAL	11,914,000	11,914,000
SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES		
CURRENT ASSETS		
Inventories - valued and certified by the Management (Refer Note I (I) of Schedule 14)		
Stores, Spares and Consumables	15,408,565	18,680,334
Raw Materials, Chemicals and Packing Materials	191,405,430	895,298,711
Work-in-Process	24,079,598	25,662,632
Finished Products	993,608,273	320,533,668
	1,224,501,866	1,260,175,345
Sundry Debtors (Unsecured and considered good)		
Exceeding Six Months	2,020,166	1,376,959
Others	762,603,368	440,099,206
	764,623,534	441,476,165
Cash and Bank Balances		
Cash on Hand	1,242,659	1,643,329
Balance with Scheduled Banks		
- In Current Accounts	117,268,785	66,805,043
- Margin Money Account	579,060	2,873,230
- Deposit Account	3,991,787	42,500,000
	123,082,291	113,821,602
LOANS AND ADVANCES (Unsecured and considered good)		
Excise & other Taxes Recoverable	348,953,251	269,827,081
Advances recoverable in cash or kind	287,257,788	276,959,396
Deposits	47,853,596	37,461,745
	684,064,634	584,248,222
TOTAL	2,796,272,325	2,399,721,334



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2011 ₹	As at 31.03.2010 ₹
SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS:		
Current Liabilities		
Sundry Creditors	481,870,155	331,483,829
Advances from Debtors	15,152,721	3,934,693
Security Deposits	1,302,965	1,002,965
Retention Money	3,244,125	6,618,288
Bill Discounting	142,128,685	135,219,019
Investor Education and Protection Fund	—	—
Unclaimed Dividend *	1,996,496	1,896,395
Bank Account Overdrawn	238,006,890	20,063,914
Other Liabilities	5,739,732	3,303,510
TOTAL(A)	889,441,768	503,522,613
*There are no amounts due and outstanding as on 31st March, 2011 to be credited to Investor Education and Protection Fund. These amounts shall be paid to the Fund as and when they become due.		
Provisions		
Income Tax (Net of Advance Tax)	40,079,271	21,021,983
Fringe Benefit Tax	5,291	5,291
Wealth Tax	63,000	70,000
Proposed Dividend	29,000,000	25,250,000
Dividend Distribution Tax	4,360,125	3,823,875
Leave Encashment	13,639,080	10,576,400
TOTAL(B)	87,146,767	60,747,549
TOTAL (A+B)	976,588,535	564,270,162
	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
SCHEDULE 9 : OTHER INCOME		
Duty Drawback	5,806,238	2,006,978
Miscellaneous receipts	83,145	203,686
Insurance claim	8,186,750	3,028,256
Dividend	2,750,000	110,669
Interest (TDS ₹1,349,098/- (P.Y. ₹430,822/-))	13,503,432	3,842,048
TOTAL	30,329,565	9,919,637
SCHEDULE 10 : INCREASE/ (DECREASE) IN STOCK		
Opening Stock		
Work in process	7,501,610	4,245,749
Finished goods	343,650,718	219,591,219
TOTAL (A)	351,152,328	223,836,968
Closing Stock		
Work in process	15,254,558	7,501,610
Finished goods	948,148,303	343,650,718
TOTAL (B)	963,402,861	351,152,328
Increase/(decrease) in Stock	(B-A)	612,250,533



SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
SCHEDULE 11 : CONSUMPTION OF RAW MATERIAL		
Raw Material Consumed		
Opening Stock	809,902,453	166,898,341
Add: Purchases	9,813,709,416	7,963,078,743
Less: Sales	834,878,693	279,020
	<u>9,788,733,176</u>	<u>8,129,698,064</u>
Less: Closing Stock	120,018,521	809,902,453
	<u>9,668,714,655</u>	<u>7,319,795,611</u>
TOTAL (A)		
Chemical Consumed		
Opening Stock	28,366,058	23,597,487
Add: Purchases	217,500,969	187,365,137
	<u>245,867,027</u>	<u>210,962,624</u>
Less: Closing Stock	26,193,431	28,366,058
Sales	-	243,000
	<u>219,673,596</u>	<u>182,353,566</u>
TOTAL(B)		
TOTAL (A+B)	<u>9,888,388,251</u>	<u>7,502,149,177</u>
SCHEDULE 12 : PERSONNEL COSTS		
Salaries, Wages, Bonus etc.	83,539,708	70,577,035
Contribution to Provident Fund, Gratuity & others	10,451,452	9,336,634
Leave Encashment	5,095,340	1,855,780
Staff Welfare Expenses	4,084,420	3,712,997
TOTAL	<u>103,170,920</u>	<u>85,482,446</u>
SCHEDULE 13 : MANUFACTURING AND OTHER EXPENSES		
Job Work Charges	473,000	149,368
Consumption of Stores and Spares	26,253,614	29,809,297
Consumption of Packing Material	111,913,978	110,784,257
Power and Fuel	121,440,856	106,074,905
Rent, Rates and Taxes	710,073	1,318,543
<u>Repairs & Maintenance</u>		
- Building	4,108,799	2,471,668
- Machinery	19,866,853	8,573,321
- Others	5,466,119	3,875,304
Insurance	19,118,922	13,131,622
Freight, Coolie and Cartage	454,389,365	411,937,098
Storage Charges	17,896,024	14,678,418
Brokerage on Sales	23,002,398	28,839,895
Brokerage on Purchases	2,116,868	4,977,036
Miscellaneous Expenses	103,113,557	79,419,993
Sundry Balance Written off	422,696	2,084,968
Research and Development Expenses	4,509,037	3,377,917
Loss on sale of Assets	1,168,671	326,475
Donations	1,011,290	1,586,710
Preliminary Expenses Written off	76,917	3,737
Auditors Remuneration	2,553,131	2,193,077
TOTAL	<u>919,612,167</u>	<u>825,613,608</u>



SCHEDULE 14: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

I. Significant Accounting Policies

A. Basis of Accounting

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

B. Use of Estimates

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

C. Principles of Consolidation

The consolidated statements have been prepared on the following basis:

- i. The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- ii. The financial statements of the Company and its subsidiaries are combined on a line - by - line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra- group balances and intra- group transaction resulting in unrealised profits or losses.
- iii. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's financial statements.

The Subsidiary Companies which are included in consolidation and Parent Company's holding therein are as under:

Name of the Company	Percentage of Holding	
	Current year	Previous year
Ihsedu Agrochem Private Limited	100.00%	100.00%
Ihsedu Speciality Chemicals Private Limited	75.96%	75.96%
Ihsedu Coreagri Services Private Limited	100.00%	100.00%
Ihsedu Itho Green Chemicals Marketing Private Limited	90.00%	-

D. Fixed Assets

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

E. 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.

F. Depreciation

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



- ii. Depreciation on additions/deletions of assets during the year is provided on a pro-rata basis.
- iii. Leasehold Land is amortized over the period of lease.

G. 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.

H. 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.

I. Inventories

- i. Inventories are valued at lower of cost or net realisable value except for scrap and by-products which are valued at net realisable value.
- ii. Cost of inventories of finished goods and work-in-process includes material cost, cost of conversion and other costs.
- iii. 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.

J. Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Turnover includes sale of goods, services, scrap, export incentives and are net of sales tax/ Value Added Tax and Excise Duty. Dividend income is recognised when right to receive the payment is established by the Balance Sheet Date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Exports are accounted on CIF basis.

K. Accounting of Claims

- i. 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.
- ii. Claims raised by Government Authorities regarding taxes and duties, which are disputed by the Company, are accounted based on the merits of each claim.
- iii. Central Sales Tax claims and duty drawback claims which are accounted on accrual basis.

L. Foreign Currency

- i. Transactions denominated in foreign currencies and not covered by foreign exchange forward contracts are recorded at the exchange rate prevailing at the time of the transaction.
- ii. Foreign currency transactions covered by foreign currency contracts are recorded at the contracted rates.
- iii. Monetary items denominated in foreign currency are translated at the rates prevailing at the end of the year and losses and gains, if any, on translation are recognized as expenditure or income of the current year, as the case may be.
- iv. Non monetary items which are carried in terms of historical costs denominated in foreign currency are reported using the exchange rate on the date of the transaction.



M. Sundry Debtors

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

N. Employee Benefits

Defined Contribution Plan

- i. Retirement Benefits in the Provident Fund and Family Pension Fund, which are defined contribution schemes, are charged to the Profit and Loss account of the year when contributions accrue.
- ii. 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. The Company does not retain an obligation to pay further amounts if insurer does not pay all future employee benefits so the plan is not treated as defined benefit plan.
- iii. Entitlements to annual leave and sick leave are recognised 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.

O. 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.

P. Earning Per Share (EPS)

Basic earnings 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.

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.

Q. 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.

R. Impairment of Assets

At each Balance Sheet date, the Company reviews the carrying amounts of its fixed assets to determine



whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset.

S. Provisions and Contingent Liabilities

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

T. Proposed Dividend

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

II NOTES TO ACCOUNTS

A Contingent Liabilities

	For Year Ended March 31,2011 ₹	(Amount in Lacs) For Year Ended March 31,2010 ₹
Claims against the Company not acknowledged as debts - Excise Duty	586.11	55.87
Claims against the Company not acknowledged as debts - VAT Tax	1,396.88	2,113.93
Claims against the Company not acknowledged as debts – Service Tax	28.04	–
Liability in respect of excise duty where the issue was decided in favour of the Company for which the Department is in further appeal	7.44	7.44
Guarantees given on behalf of its subsidiaries	10,565.00	16,343.68
Guarantee given to bank for discounting of bills	5,000.00	5,000.00
Bank guarantee given to GSAMB (Gujarat State Agricultural Marketing Board)	30.00	30.00

Notes:

- i. The Company has deposited Nil (P.Y. ₹3,243,991/-) and furnished bank guarantee for Nil (P.Y. ₹2,500,000/-) to the excise authority.
- ii. Other investments include capital oriented Life Insurance Policy taken in the name of one of the employee's of the Company and has been assigned in favour of the Company. As per the terms of the insurance policy, besides the amount of ₹100,000,000/- paid during the year 2007-08. The Company has paid ₹100,000/- each during the year 2008-09, 2009-10 as well as current year 2010-11 to keep the policy active. After the expiry of three years of the lock-in-period, the Company will have an option of claiming the amount thus accumulated along with the minimum returns guaranteed by the insurance company. The aforesaid policy has been offered as a collateral security and duly assigned in favour of Kotak Mahindra Bank Limited against the packing credit facility availed by the Company from it.
- iii. 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 on Service Tax.



iv. Unclaimed Dividend:

The balance with banks in current accounts include ₹1,996,496/- (P.Y. ₹1,896,395/-) set aside for payment of dividends.

v. The Company had entered into Memorandum of understanding with a party to carry out import and export trade in certain commodities. In respect of such trade, the company has received show cause notices from the authorities for alleged violation of regulation in terms of the export value of goods under section 14 of the Customs Act, 1962 read with section 11 of Foreign Trade Development Regulation Act, 1992 and rule 11 & 14 of Foreign Trade (Regulation) Rule, 1993 and under section 16 of the Foreign Exchange Management Act, 1999 read with rule (4) of the Foreign Exchange Management (adjudication Proceedings and Appeal) Rule, 2000. Neither any quantification has been done by the authorities of any potential penal liabilities nor it is possible to ascertain the same. The Company has been indemnified with regards to such potential liabilities by the said party with whom it has a MOU.

vi. In previous year one of our subsidiary has received a notice of demand from Gujarat VAT authorities claiming VAT of ₹1,164.66 lacs including interest of ₹118.52 lacs and penalty of ₹702.23 lacs on self consumption of Castor meal (De-oiled cake) used in boiler as fuel. Company has paid ₹141.97 lacs on appeal to tribunal; it has set aside the said demand and asked VAT authorities to pass the fresh order. Based on the order of tribunal the said demand has not been shown as contingent liability and company is expected to receive the refund of ₹141.97 lacs from the VAT authorities.

B Deferred Taxation

(Amount in ₹)

Particulars	For Year Ended March 31,2011	For Year Ended March 31,2010
Opening Deferred Tax	108,805,274	62,112,629
Less:		
Deferred tax assets		
(i) Expenditure covered under Section 43B of Income tax Act	-	-
(ii) Unabsorbed Business Loss and Depreciation under Income Tax Act, 1961	10,164,402	3,576,193
(iii) MAT Credit	-	-
Total	10,164,402	3,576,193
Add:		
Deferred tax liability		
Difference of net block claimed as per Income Tax Act over net block as per the books of accounts.	18,109,789	50,268,838
Total	18,109,789	50,268,838
Deferred Tax Liability (Net)	116,750,661	108,805,274

C. Managerial Remuneration

i. Managing & Wholtime Director

Remuneration	14,456,400	12,720,000
Commission to Managing/Wholtime Directors	600,000	600,000
Perquisites	1,945,492	1,871,184
Contribution to Provident Fund	1,137,600	1,000,800
Total	18,139,492	16,191,984

Note: Remuneration comprises of Salary, Allowances, Company's Contribution to Provident Fund and Leave Encashment and excludes contribution to Gratuity Fund.



ii **Computation of Net Profit under Section 349 and Section 198(1) of the Companies Act, 1956.**

Particulars	For Year Ended March 31,2011	For Year Ended March 31,2010
	₹	₹
Profit before taxation	357,576,550	231,068,209
Add :		
Managerial Remuneration	18,139,492	16,191,984
Depreciation under the Companies Act,1956	54,061,807	47,020,470
Book loss on sale of assets	1,168,671	326,475
	430,946,520	294,607,138
Less :		
Depreciation under Section 350 of the Act	54,061,807	47,020,470
Net Profit in accordance with Section 198 of the Act	376,884,713	247,586,668
Commission thereon @1% to Managing/Wholetime Directors Within the limits of maximum amount payable	3,768,847 600,000	2,475,867 600,000
D. Earning Per Share (EPS)		
Weighted average number of shares for Earning Per Share computation		
For Basic Earning Per Share of ₹5/- each.	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.	249,172,408	124,652,021
Earning Per Share (Weighted Average)		
Basic Earnings per Share ₹	16.61	8.31
Diluted Earnings per Share ₹	16.61	8.31
E. Payment to Auditors		
Statutory Audit Fees	1,906,325	1,343,795
Tax Audit Fees	486,050	375,750
Income Tax Matters	231,630	220,600
Other Services	546,139	183,334
Out of Pocket Expenses	55,817	69,598
Total	3,225,961	2,193,077
F. Remittance in Foreign Currency for Dividend		
For Final Dividend		
Equity Shares		
Number of non-resident shareholders	35	40
Number of Other Body Corporate	1	1
Number of Ordinary shares held by non-resident shareholders	17,929	30,727
Number of Ordinary shares held by Other Body Corporate	600,000	600,000
Gross amount of dividend ₹	926,894*	788,409*

*Amounts credited to Rupee Account in India out of which ₹900,000(P.Y. ₹7,50,000) amount of equity dividend has been credited to other than Rupee Account in India.



G. 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. Subsidiary Companies:

Ihsedu Agrochem Pvt. Ltd.
Ihsedu Speciality Chemicals Pvt. Ltd.
Ihsedu Coreagri Services Pvt. Ltd.
Ihsedu Itoh Green Chemicals Marketing Pvt. Ltd.

ii. Enterprises Controlled by directors/relatives :

Jayant Finvest Ltd.
Enlite Chemical Industries Ltd.
Gokuldas K Udeshi Investments
Innovative Micro Systems Pvt. Ltd.
Varun Leasing & Finance Pvt. Ltd.
Gokulmani Real Estate Development Pvt. Ltd.
Akhandanand Engineering & Trading Company

iii. Associate Company:

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

iv. Key Management Personnel :

Name	Designation
Mr. Vithaldas G. Udeshi	Chairman
Mr. Hemant V. Udeshi	Managing Director
Mr. Abhay V. Udeshi	Executive Director
Mr. Dilipsinh G. Udeshi	Executive Director
Mr. Mulraj G. Udeshi	Executive Director
Mr. Jayraj G. Udeshi	Executive Director
Mr. Sudhir V. Udeshi	Executive Director
Mr. Bharat M. Udeshi	Executive Director
Dr. Subhash V. Udeshi	Executive Director
Mr. Vikram V. Udeshi	Director

v. Relative of Key Management Personnel :

Mr. Hitesh J. Udeshi
Mr. Varun A. Udeshi



- b) The following transactions were carried out with the related parties in the ordinary course of business :

Details relating to parties referred to in items above:

(₹ in Lacs)

Particulars	Associate Company	Controlled by Directors & Relatives	Key Management Personnel
Sale of Raw Material	—	2,005.33 (0.00)	—
Purchase of Raw Material	—	4,452.39 (1,483.11)	—
Receiving of Services	—	5.24 (5.16)	—
Share Capital received	(240.00)	—	—
Share Premium received	—	—	—
Remuneration to Executive Directors	—	—	181.39 (161.92)
Balances outstanding at the year end			
i) Deposits	—	161.00 (161.00)	—
ii) Finance	—	—	—
iii) Equity Contribution	—	(922.40)	—
	(420.00)	(1.00)	—

Notes:

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

H. Quantitative Information Pursuant to Para 3, 4c, and 4d of Part II of Schedule VI of the Companies Act, 1956

i. Capacity

Particulars	For Year ended March 31, 2011		For Year ended March 31, 2010	
	Licensed M.T.	Installed M.T.	Licensed M.T.	Installed M.T.
Castor oil & its derivatives including refined Castor oil, Oxidized, Dehydrated, Blown, Polymerised etc.	50,400	43,000	50,400	43,000
Hydrogenated Castor Oil	15,600	18,720	15,600	18,720
Fatty Acid and its Salt, Easters, Amides, Polyamides, Polyols, and its allied products	38,340	27,000	38,340	27,000
Seed Crushing	Not Applicable	360,000	Not Applicable	210,000
Cake Crushing	Not Applicable	210,000	Not Applicable	165,000



ii. Actual Production

Particulars	For Year ended March 31, 2011		For Year ended March 31, 2010	
	Qty. [M.T.]	Value [₹]	Qty. [M.T.]	Value [₹]
Castor Oils	69,833.343	–	82,497.152	–
Derivatives	46,288.409	–	42,774.187	–
By-Products*	127,732.798	–	134,463.964	–
Others	7,252.719	–	6,497.229	–

Note: 1. Production procured from other is shown in actual production.

Note: 2. Production is net of consumption.

***Includes consumed internally.**

iii. Opening Stocks

Finished Products

Castor Oils	3,893.143	240,137,563	3,295.246	154,201,009
Derivatives	1,016.571	73,641,072	742.225	45,464,975
By- Products	7,427.762	23,339,945	3,716.685	12,271,040
Others	1,802.064	6,532,138	2,328.599	7,312,560
Other Trading Goods		–		341,635
		343,650,718		219,591,219
Work-in-Progress		7,501,610		4,245,749

iv. Closing Stocks

Castor Oils	7,176.080	814,980,756	3,893.143	240,137,563
Derivatives	903.641	102,467,317	1,016.571	73,641,072
By- Products	4,220.102	22,088,665	7,427.762	23,339,945
Others	2,427.716	8,611,565	1,802.064	6,532,138
		948,148,303		343,650,718
Work-in-Progress		15,254,558		7,501,610

v. Purchases

Castor Oils	7,762.810	604,516,750	5,161.850	317,312,990
Derivatives	618.385	93,124,128	162.584	12,703,070
By-Products	30,844.817	146,837,611	5,708.015	20,137,817
		844,478,489		350,153,877



vi. Sales

Particulars	For Year ended March 31, 2011		For Year ended March 31, 2010	
	Qty. [M.T.]	Value [₹]	Qty. [M.T.]	Value [₹]
Castor Oils	74,116.816	6,110,126,794	86,704.662	5,276,691,872
Derivatives	47,019.635	4,881,881,763	42,669.652	3,190,721,874
By-Products	143,590.371	604,175,405	120,228.310	428,053,936
Others	6,627.022	67,902,090	7,023.764	54,951,313
Miscellaneous	–	62,692,490	–	75,470,116
Power Generation	–	24,809,829	–	13,371,946
Job Work	–	963,926	–	831,691
		<u>11,752,552,297</u>		<u>9,040,092,748</u>

vii. Consumption of Raw Materials

Castor Seeds	268,468.395	9,668,714,656	270,226.066	7,319,795,611
Chemicals	–	219,673,596	–	182,353,566
		<u>9,888,388,252</u>		<u>7,502,149,177</u>

viii. Breakup of Consumption

Raw materials and Chemicals

Indigenous	99.57	9,845,432,002	99.55	7,468,746,069
Imported	0.43	42,956,250	0.45	33,403,108
	<u>100.00</u>	<u>9,888,388,252</u>	<u>100.00</u>	<u>7,502,149,177</u>

ix. Stores and Spares

Particulars	For Year ended March 31, 2011		For Year ended March 31, 2010	
	%	Value [₹]	%	Value [₹]
Indigenous	100.00	26,253,614	100.00	29,809,296

x. Value of Imports on C.I.F. Basis

Chemicals	35,222,262	38,215,800
Capital Goods	18,344,057	1,529,181
Spares	192,645	–
Total	<u>53,758,964</u>	<u>39,744,981</u>



I. Expenditure in foreign currency

(Amount in ₹)

Particulars	For Year ended March 31, 2011	For Year ended March 31, 2010
Travelling Expenditure	2,327,974	2,642,956
Professional Fees	2,456,983	3,588,159
Brokerage & Commission	10,834,091	20,099,910
Membership & Subscription	652,228	506,480
Technical Fees	–	13,662,228
Others	210,200	69,979
Total	16,481,467	40,569,712

J. Earnings in Foreign Currency

(Amount in ₹)

(Amount in ₹)

Exports

8,835,132,460

7,222,967,367

K. Trial Run Cost

One of the subsidiary has commenced Trial Production of the plant erected during the previous year. Steps are being taken to achieve continuous production. However due to non absorption of technology fully, the completion of plant is still pending. All the expenses incurred and income earned during the integrated tests and trial run production as well as related other expenses are treated as a part of expenditure during the construction for ultimate capitalization as per the Accounting Standard AS 10 on "Accounting for Fixed Assets" issued by Institute of Chartered Accountants of India. The plant consists of various sections; some sections follow a batch process and the rest form part of continuous production process. The plant and the product where the intermediate product forms the batch process has been produced, has been capitalized. The continuous plant will be capitalized after the final product from the process starts commercial production. Pre-operative expenses to be allocated among the fixed assets in the year of commencement of commercial production.

- L.** One of the subsidiary has received a penalty notice from Effluent Channel Projects Limited ("ECPL"). Pending the Company's request for reconsideration of matter, the penalty levied by ECPL an authorized agency of the Gujarat Pollution Control Board for monitoring the waste water disposal amounting to ₹12,371,450/- to be payable in installments by October, 2012 has not been provided in the books of the subsidiary.

M. SEGMENT INFORMATION

The business segment has been considered as the primary segment. The Company is organised 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 remainder of the costs is 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.



(₹ in lacs)

Particulars	For Year ended March 31, 2011				For Year ended March 31, 2010			
	Castor Oil	Deriva-tives	Power Genera-tion	Total	Castor Oil	Deriva-tives	Power Genera-tion	Total
REVENUE								
Net Sales/Income from Operation								
Local	6,366.57	12,260.48	248.09	18,875.14	8,900.14	8,799.01	133.72	17,832.87
Export	61,406.02	37,244.36	–	98,650.38	48,933.40	23,688.90	–	72,622.30
Total Revenue	67,772.59	49,504.84	248.09	117,525.52	57,833.54	32,487.91	133.72	90,455.17
RESULT								
Segment Result	2,489.37	3,541.16	228.84	6,259.37	1,530.42	2,459.98	132.54	4,122.94
Unallocated Corporate Expenses				0.93				29.36
Operating Profit				6,258.44				4,093.58
Interest Expense				2,278.44				1,351.12
Interest Income				136.39				38.42
Income Tax				1,004.21				596.00
Wealth Tax				0.39				1.24
Deferred Tax				79.45				466.93
Net Profit before depreciation				3,032.34				1,716.72
OTHER INFORMATION								
Segment Assets	25,158.43	19,395.36	1,393.00	45,946.79	23,394.37	14,708.47	1,058.94	39,161.78
Unallocated Corporate Assets				1,357.51				2,972.38
Total Assets				47,304.30				42,134.16
Segment Liabilities	21,109.57	11,772.87	592.02	33,474.46	18,205.20	8,653.33	335.28	27,193.81
Unallocated Corporate Liabilities				2,164.42				5,433.05
Total Liabilities				35,638.88				32,626.86
Capital Expenditure	706.50	346.12	–	1,052.62	512.66	1,538.10	860.00	2,910.76
Unallocated Capital Expenditure				108.05				38.34
Total Capital Expenditure				1,160.67				2,949.10
Depreciation	251.67	171.65	76.00	499.32	231.87	166.33	35.27	433.47
Unallocated Depreciation				41.29				36.73
Total Depreciation				540.61				470.20



N. Estimated amount of contracts remaining to be executed on Capital Accounts amounted to ₹50,000,000/- (P.Y. ₹90,630,273/-)

O. Pre-Operative Expenditure

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

P. Borrowing Cost

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

Q. Dues to Micro, Small and Medium Enterprises

The Company is in the process of identifying the Micro, Small and Medium Enterprises as defined under the "The Micro, Small and Medium Enterprises Development Act, 2006." However, based on the information so far available with the Company, there are no delays in the payment of dues to such enterprises.

R. The Company has not given any loan to its subsidiaries or associates.

S. Previous year figures have been recast/re-grouped wherever necessary to conform to Current Year's presentation.

T. Figures have been rounded off to the nearest of a Rupee.

For and on behalf of the Board

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place : Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the Year ended 31.03.2011 ₹	For the Year ended 31.03.2010 ₹
A Cash Flow from Operating Activities		
Net Profit before tax	357,576,550	231,068,209
Adjustments for:-		
Depreciation	54,061,807	47,020,470
Dividend	(2,750,000)	(110,669)
Provision for Leave Encashment	3,062,680	23,499
Interest Paid	227,844,211	135,111,957
(Profit)/ Loss on sale of Fixed Asset	1,168,671	326,475
Interest earned	(13,503,432)	(3,842,048)
Preliminary Expenses Written Off	3,737	3,737
Wealth Tax Paid	(46,253)	(69,161)
Operating profit before working capital changes	<u>627,417,971</u>	<u>409,532,471</u>
Adjusted for:-		
(Increase)/Decrease in Inventories	35,673,479	(797,568,156)
(Increase)/Decrease in Debtors & Other Receivables	(504,325,994)	(571,662,620)
Increase/(Decrease) in Payables & Other Liabilities	<u>385,919,156</u>	<u>179,183,091</u>
	<u><u>544,684,611</u></u>	<u><u>(780,515,214)</u></u>
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(139,333,842)	(575,533,521)
Increase in Pre-operative Expenditure	(185,828,769)	(48,123,647)
Sale of Assets	1,566,237	996,000
Dividend received	2,750,000	110,669
Investment in Subsidiary	-	(100,000)
Purchase of Investment	-	(1,153,000)
Redemption of Investment	-	30,027,952
Interest	13,503,432	3,842,048
Net Cash from /(used in) Investing Activities	<u><u>(307,342,942)</u></u>	<u><u>(589,933,500)</u></u>
C Cash Flow from Financing Activities		
Issue of Equity Share Capital	100,000	24,000,000
Cash & cash equivalent from investment in Subsidiary Company	-	61,553
Proceeds from Borrowing	28,737,106	1,468,542,320
Interest Paid	(227,844,211)	(135,111,957)
Dividend and Dividend Tax Paid	(29,073,875)	(21,936,562)
Net Cash from/(used in) Financing Activities	<u><u>(228,080,980)</u></u>	<u><u>1,335,555,354</u></u>
Net Increase/(Decrease) in cash equivalents	<u>9,260,689</u>	<u>(34,893,360)</u>
Cash & Cash equivalents		
At the Beginning of the year	113,821,602	148,714,962
At the End of the year	<u>123,082,291</u>	<u>113,821,602</u>

Significant Accounting Policies and Notes to Accounts

[14]

As per our report of even date attached
For T.P. Ostwal & Associates(Regd.)
Chartered Accountants
Registration No:124444W

For and on behalf of the Board

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

Vithaldas G. Udeshi
Chairman

Hemant V. Udeshi
Managing Director

Abhay V. Udeshi
Director

Vikram V. Udeshi
Chief Financial Officer

Place: Mumbai
Date: July 27, 2011

Dinesh M. Kapadia
Company Secretary

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JAYANT AGRO-ORGANICS LTD.

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

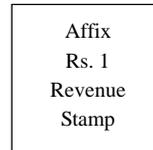
PROXY FORM

I\We.....
of.....being
a Member/Members of Jayant Agro-Organics Limited hereby appoint
.....of.....
or failing himof.....
or failing himof.....
as my/our proxy to attend and vote for me/us and on my/our behalf at the 19th Annual General Meeting of the Company to be held at Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020 on Thursday the September 29, 2011 at 9.30 a.m. or at any adjournment thereof.

Signed this.....day of.....2011.

Member Folio No.

DPIId*.....Client ID*.....



(Signature)

NOTE :

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 19th Annual General Meeting of the Company to be held on Thursday the September 29, 2011 at 9.30 a.m. at Banquet Hall, "B" Wing- 2nd Floor, Garware Club House, Wankhede Stadium, "D" Road, Churchgate, Mumbai- 400 020.

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

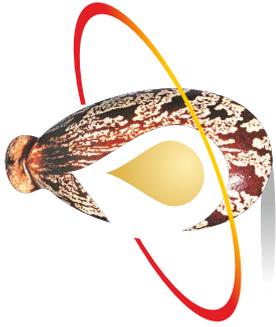
.....
Name of the Proxy (To be filled in if the proxy attends instead of the Shareholder)

Signature of the Shareholder / Proxy Date

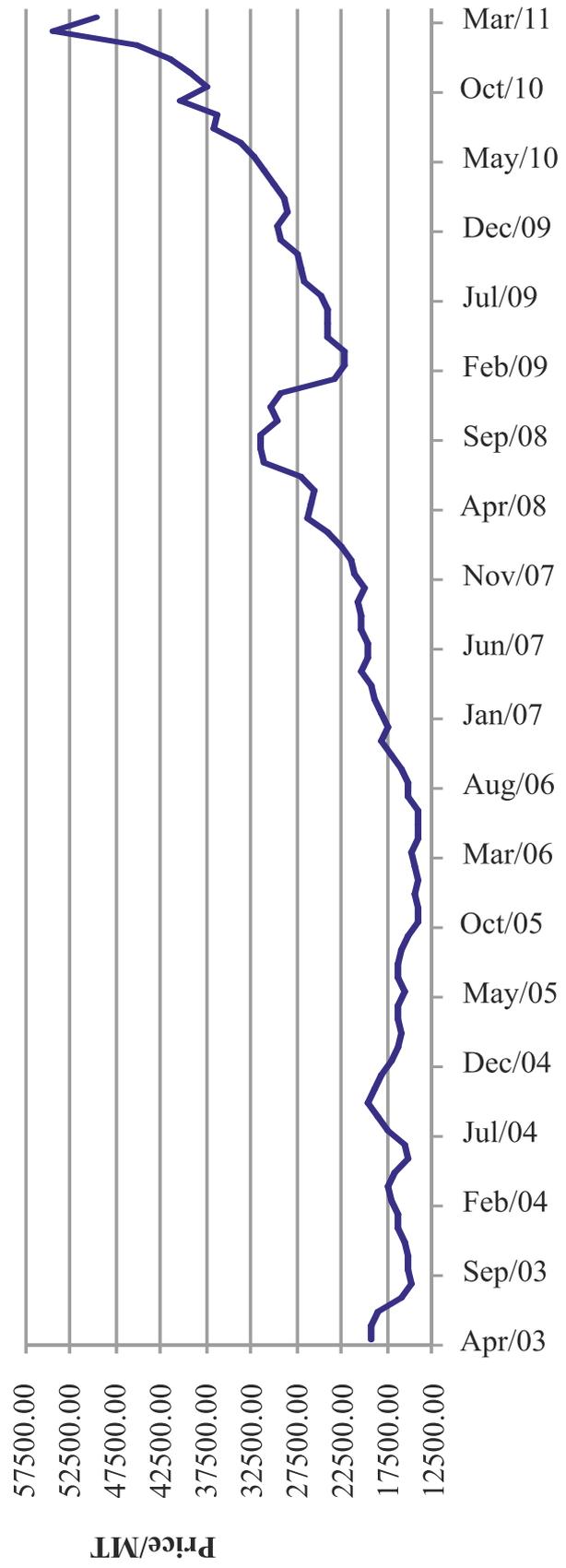
Ledger Folio Number No. of Shares held

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 2011





JAYANT AGRO-ORGANICS LTD.

Leadership through Innovation

www.jayantagro.com

Akhandanand, 38, Marol Co-Op. Industrial Estate, Off M. V. Road,
Sakinaka, Andheri (East), Mumbai - 400059. Maharashtra. (India.)
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