



OCTANT INDUSTRIES LIMITED

**17th Annual Report
2010-2011**



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Corporate Information

BOARD OF DIRECTORS

MANMOHAN SAHU

H R KUMAR

JAGADISH PRASAD (Retd. I.A.S)

JYOTIRAJ PANDA

V S JANARDHANAM

BRAHMANANDA ROUT (Retd. I.A.S)

PRADEEP KUMAR MAHAPATRO (w e f 10.02.11)

INDIRA SAHU (w e f 10.08.11)

CHAIRMAN CUM MANAGING DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

DIRECTOR

ADDITIONAL DIRECTOR

ADDITIONAL DIRECTOR

COMPANY SECRETARY

SATYABRATA PADHI

AUDITORS

M/s N. SIVA PRASAD ASSOCIATES

Chartered Accountants

110, Amrutha Villa, Rajbhavan Road

Somajiguda

HYDERABAD – 500 082.

REGISTERED OFFICE

D.No. A-5, 1ST Floor, Indian Airlines Housing Colony

Opp. Police Line

SECUNDERABAD – 500 003, A.P., India

CORPORATE OFFICE

D.No. A-5, 1ST Floor, Indian Airlines Housing Colony

Opp. Police Line

SECUNDERABAD – 500 003, A.P., India

FACTORY

Plot # 65 & 66, Export Promotion Industrial Park

Pashamylaram (V), Patancheru (M)

REGISTRAR & TRANSFER AGENTS

M/S. BIGSHARE SERVICES PVT. LTD.

E/2, Ansa Industrial Estate

Saki Vihar Road, Saki Naka, Andheri (E)

MUMBAI – 400 072

BANKERS

STATE BANK OF HYDERABAD



Notice to the Shareholders

NOTICE is hereby given that the 17th Annual General Meeting of the Members of the OCTANT INDUSTRIES LIMITED will be held on Friday, 30th day of September, 2011 at 11.00 AM at 1st Floor, Lotus Hall, Country Club, 6-3-1219, Station Road, Begumpet, Hyderabad - 500 016, Andhra Pradesh to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri H.R. Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri Jagadish Prasad, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that M/s N Siva Prasad Associates, Chartered Accountants, Hyderabad, having firm registration number 003885 S be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

“RESOLVED that Sri Pradeep Kumar Mahapatro, who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to retirement by rotation.”

6. To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

“RESOLVED that Smt. Indira Sahu, who has been appointed as an Additional Director of the Company by the Board of Directors under Section 260 of the Companies Act, 1956 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director under Section 257 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to retirement by rotation.”

By Order of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 24, 2011

Notice to the Shareholders

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FIXED FOR THE MEETING. A PROXY FORM IS ENCLOSED.
2. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September, 2011 to 30th September, 2011 (inclusive of both days).
4. Annual Listing Fees for the year, 2011-12 has been paid to all Stock Exchanges where shares of the Company are listed.
5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of Board Resolution authorizing their representatives to attend and vote on their behalf in the meeting.
6. Entry to the Venue will be strictly against entry slip available at the counters at the venue and against exchange of Attendance Slip.
7. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during office hours on all working days between 11 AM to 1 PM up to the date of the Annual General Meeting.
8. Members/proxies should bring the Attendance Slip duly filled up for attending the meeting.
9. Members are requested to bring their copies of Annual Report to the meeting.
10. In terms of the Articles of Association of the Company, Sri H.R. Kumar and Sri Jagadish Prasad, Directors of the Company retire by rotation in the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Information about such Directors as stipulated under Clause 49 of the Listing Agreement is contained in the Statement annexed hereto.
11. As part of "green initiative" in Corporate Governance, Ministry of Corporate Affairs (MCA) vide Circular No.18/2011 dated 29.04.2011, has permitted paperless compliances by recognizing communication through electronic mode to shareholders under the Companies Act, 1956. Accordingly, it has been decided to send all future communication from the Company including notices, annual reports, attendance slip, proxy form, etc, to the shareholders in electronic form to their registered email address. Investors are requested to update their e-mail IDs with depository participants (DP) for shares held in electronic form or with the Registrar and Transfer Agent or to the Company in case the shares are held in physical form.
12. The Registered Office of the Company has been shifted from 187, Dr. Viegas Street, 2nd Floor, Office No. 8, Building Krish Villa, Near Barretto High School, Chira Bazaar, Mumbai – 400 002 Maharashtra to D.No. A-5, 1st Floor, Indian Airlines Housing Colony, Opp. Police Line, Secunderabad-500 003, Andhra Pradesh with effect from 24th August, 2011 pursuant to Order of the Company Law Board, Western Region, Mumbai issued on 24th August, 2011.



Item No. 5

The Board of Directors of the Company on 10th February, 2011, appointed Sri Pradeep Kumar Mahapatro as an additional director of the Company pursuant to section 260 of the Companies Act, 1956. Sri Mahapatro holds office up to the date of ensuing annual general meeting.

A notice has been received from a member under section 257 of the Companies Act, 1956 proposing candidature of Sri Pradeep Kumar Mahapatro to the office of the director.

Sri Pradeep Kumar Mahapatro is a Commerce Graduate having wide experience in production monitoring, administration in the factory, quality checking, and liaison with Government authorities.

None of the Directors of the Company, other than Sri Pradeep Kumar Mahapatro is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the members.

Item No. 6

The Board of Directors of the Company on 10th August, 2011, appointed Smt. Indira Sahu as an additional director of the Company pursuant to section 260 of the Companies Act, 1956. Smt. Sahu holds office up to the date of ensuing annual general meeting.

A notice has been received from a member under section 257 of the Companies Act, 1956 proposing candidature of Smt. Indira Sahu to the office of the director.

Smt. Indira Sahu is a Commerce Graduate having wide experience in general administration, liaison with banks and government statutory authorities.

None of the other Directors of the Company, other than Smt. Indira Sahu is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

By Order of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 24, 2011

Annexure to Notice

Brief Details of Directors seeking reappointment at this Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Sri H R Kumar	Sri Jagadish Prasad	Sri Pradeep Kumar Mahapatro	Smt. Indira Sahu
Date of Appointment	24.11.2009	03.05.2010	10.02.2011	10.08.2011
Date of Birth	25.05.1954	01.05.1950	15.07.1978	18.05.1973
Qualification	B.Com.	M.A.,LL.B, IAS (Retd.)	B.Com.	B.Com.
Expertise in specific functional areas	Capital Market Analyst	Administration in Statutory Matters	Project Implementation	General Administration
List of companies in which Directorship is held as on 31.03.2011	Nil	Nil	Nil	Nil
Chairman/Member of the Committees of other companies on which he is a Member as on 31.03.2011	Nil	Nil	Nil	Nil

- The Committees include the Audit Committee and the Shareholders'/Investors' Grievance Committee.



Directors' Report

To
The Members,
Octant Industries Limited

The Board of Directors of your Company has pleasure in presenting the 17th Annual Report together with the Audited Accounts for the Year ended on 31st March 2011.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	For the Year ended 31 st March	
	2011	2010
Sales and Other Income	5577.26	5776.64
Profit Before Interest and Depreciation	620.47	2.55
Interest & Finance Charges	157.38	—
Depreciation	274.89	1.47
Profit before Tax	188.20	1.08
Less: Provision for Taxation		
Current Tax	18.81	0.20
Deferred Tax	8.55	0.31
Net Profit After Tax	160.84	0.57
Balance b/f from previous year	161.81	161.23
Total	322.65	161.81
Transferred on demerger	(39.38)	—
Balance carried to Balance Sheet	283.27	161.81

OPERATIONS

Your Directors are pleased to inform you that the Company recorded a turnover of ₹5577.26 Lakhs during the year under review as against ₹5776.64 Lakhs in the previous year and thus, registering a marginal fall in turnover due to decrease in software business. The net profit after provision for tax is ₹160.84 Lakhs as against ₹0.57 Lakhs in the previous year on account of higher margins realized in the new business.

DIVIDEND

Your Directors decided to conserve the resources for implementing the power projects and accordingly, they have not proposed any dividend for the year under review. The internal accruals has been ploughed back in the system in order to implement forthcoming power project.

PROSPECTS

Your Directors are confident of reporting much improved performance in the current year as the economy is bouncing back from the sudden slow down experienced during the year under review due to slowdown of economy because of high inflation.

FUTURE PLANS

The Company is in the process of setting up a 10 MW Biomass Power Plant at sambalpur in the State of Orissa at a project cost of ₹57.5 Crores. The Project has been appraised by State Bank of Hyderabad. The balance means of finance has been in the process of tying up.

DIRECTORS

In terms of provisions of Section 255 and 256 of the Companies Act, 1956, Sri H.R. Kumar and Sri Jagadish Prasad, Directors of the Company will retire at the ensuing Annual General Meeting and being eligible, offered themselves for reappointment.

Sri V.S. Rajeev, Whole-Time Director of the Company resigned w.e.f 10.02.2011. The Board places on record its appreciation for the services rendered during his tenure with the Company

Sri Pradeep Kumar Mahapatro and Smt. Indira Sahu, Directors who were appointed as Additional Directors in the meetings of the Board held on 10th February, 2011 and 10th August, 2011 respectively and who hold office as such up to the date of ensuing Annual General Meeting and being eligible offered themselves for re-appointment. The notices in writing with a deposit of Rs.500 each have been received under Section 257 of the Companies Act, 1956 proposing their

candidature for the office of the Director at the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee of the Board was reconstituted with Sri V.S. Janardhanam as Chairman and Sri H.R.Kumar, Sri Jyotiraj Panda and Sri Manmohan Sahu as members in the meeting of the Board held on 3rd May, 2010.

CHANGE OF NAME OF THE COMPANY

The name of the Company has been changed from OCTANT INTERACTIVE TECHNOLOGIES LIMITED to OCTANT INDUSTRIES LIMITED vide fresh Certificate of Incorporation issued by the Registrar of Companies on 23rd February, 2011.

SHIFTING OF REGISTERED OFFICE

The Company has passed a special resolution for shifting of Registered Office from the State of Maharashtra to the State of Andhra Pradesh through Postal ballot held on 3rd May, 2011. A Petition to the Hon'ble Company Law Board, Western Region, Mumbai Bench for confirmation of the special resolution shifting the registered office has been filed and the orders of the Hon'ble CLB is awaited.

SCHEME OF ARRANGEMENT

Under a Composite Scheme of Arrangement, the finance division of the Company has been demerged into Five X Finance & Investment Limited and Swarnajyothi Agro & Exports Limited, Vanishekar Green Energy Private Limited and Indrabathi Energies Private Limited have merged into the Company on and from the Appointed Date on 1st April, 2010. The Hon'ble High Court of Andhra Pradesh, Hyderabad and Hon'ble Bombay High Court have sanctioned the said Scheme on 6th October, 2010 and 26th November, 2010 respectively. The Form 21 in respect thereof have been filed with the Registrar of Companies, Maharashtra at Mumbai and the Registrar of Companies, Andhra Pradesh at Hyderabad on 6th December, 2010 and 8th December, 2011 respectively.

RESTRUCTURING OF PAID UP SHARE CAPITAL

The Paid Up Share Capital of the Company has been restructured from ₹25,69,30,000 to ₹19,78,36,100 pursuant to the said Composite Scheme of Arrangement. The Paid Up Share Capital stood reduced from ₹25,69,30,000 divided into 2,56,93,000 Equity Shares of ₹10 as a consequence of demerger of Finance Division into Five X Finance & Investment Limited, the Demerged Company and simultaneously, the Paid Up Share Capital stood increased to ₹19,78,36,100 by issue and allotment of 1,46,45,010 Equity Shares of ₹10 each to the shareholders of Swarnajyothi Agro & Exports Limited, Vanishekar Green Energy Private Limited and Indrabathi Energies Private Limited, the Transferor Companies as consideration for merger into the Company.

LISTING OF SHARES

The Equity shares of your Company are listed on Pune Stock Exchange and Ahmedabad Stock Exchange. Listing fees for the year 2010–11 have been paid. The shares of Company are being traded on BSE (Indonext).

CORPORATE GOVERNANCE

A Report on Corporate Governance as per the requirements of Clause 49 of the Listing Agreement forms part of the Annual Report. As per the requirements of the said Clause, a Certificate from the Auditors, M/s N Siva Prasad Associates confirming compliance with the conditions of Corporate Governance is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report also contains a separate section on the Management Discussion and Analysis which is a part of the Directors' Report.

PARTICULAR OF EMPLOYEES

No statement giving particulars as required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, annexed



hereto since none of the employees of the Company are in receipt of remuneration in excess of the limits specified therein during the year under review.

PERSONNEL

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. The relationship between the management and staff was very cordial throughout the year under review. Your directors take the opportunity to record their appreciation for the co operation and loyal services rendered by the employees

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as 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 is annexed hereto as Annexure.

AUDITORS

M/s N Siva Prasad Associates, Chartered Accountants, Hyderabad, the retiring Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. They have signified their willingness to accept reappointment and have further confirmed their eligibility under section 224 (1B) of the Companies Act, 1956.

PUBLIC DEPOSITS

During the year under review, the Company has neither invited nor accepted any deposits from public within the meaning of Section 58 (A) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 217 (2AA) of the Companies Act, 1956, your Directors confirm as under:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profit & loss account of the company for that period.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

Your Directors gratefully express their gratitude to the customers, suppliers, banks, stock exchanges, Government Departments and agencies for their assistance and cooperation. Your Directors also wish to place on record their deep sense of appreciation for the efficient and dedicated services rendered by the employees at all levels and acknowledge their contribution in the creditable performance of the Company during the year.

For and on Behalf of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 10, 2011

Annexure to Directors' Report

FORM – A

(See Rule 2)

Form for Disclosure of particulars in the respect to conservation of energy

a. Energy conservation measures taken during the year:

During the year, a host of energy conservation measures were taken.

b. Proposals being implemented for reduction of consumption of energy:

Installation of some equipment is being considered.

c. Impact of measures at 'a' and 'b' above for reduction of energy consumption and consequent impact on cost of production of goods.

Measures undertaken during the year have resulted in marginal reduction of power consumption.

d. Total energy consumption and energy consumption per unit as per Form A.

Power & Fuel Consumption	2010-11	2009-10*
a. Electricity Purchased		
Units	263623	NA
Total amount (₹)	1647643	NA
Unit rate (₹)	6.25	NA
b. Own Generation		
Through Diesel Generator		
Units	142950	NA
Units per litre of diesel	5.5	NA
Oil cost per unit (₹)	7.13	NA
c. Wood (Steam Generation)		
Quantity (MT)	811	NA
Cost (₹)	2027500	NA
Average rate / MT (₹)	2500	NA
Consumption per MT of Production		
Electricity (Units)	100	NA
Castor Oil Derivatives	1MT	NA

*During the Financial Year 2009-10 the Company was running with a software division prior to merger.



FORM – B

Research and Development

Form for disclosure of particulars with respect to technology absorption

Technology absorption adaptation and innovation	No technology - indigenous or foreign is involved
Research and development (R&D)	No research and development was carried out
Specific areas in which R&D was carried out by the Company	NIL
Benefits derived as a result of the above	NIL
Future plan of action	Yet to be decided
Expenditure on R&D	NIL

FORM - C

Particulars of Foreign Exchange Earning and Outgo (On cash basis)

Particulars	(₹ In Lakhs)	
	31.03.2011	31.03.2010
Foreign currency earnings	217.54	Nil
Foreign currency expenditure	Nil	Nil
Foreign currency outgo	Nil	Nil

For and on Behalf of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 10, 2011

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Octant Industries Limited philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all aspects of its operations, and in all its interactions with its Shareholders, Employees, and the Government. Octant believes that all its operations and actions must serve the underlying goal of enhancing overall Shareholder value, over a sustained period of time.

2. Board of Directors

a. Composition:

The Board of Directors has the strength of Eight Directors. The composition of the Board is in conformity with the Listing requirements. The details are as under.

Name	Designation	Category
Manmohan Sahu	Chairman & Managing Director	Executive/Non-Independent Director
V.S.Rajeev (upto 10.02.2011)	Whole-Time Director	Executive /Non-Independent Director
V.S. Janardhanam	Director	Non-Executive/Independent Director
Jagadish Prasad	Director	Non-Executive/Independent Director
Jyotiraj Panda	Director	Non-Executive/Independent Director
Brahmananda Rout	Director	Non-Executive/Independent Director
H.R. Kumar	Director	Non-Executive/Independent Director
Pradeep Kumar Mahapatro (w e f 10.02.2011)	Director	Non-Executive/Independent Director
Indira Sahu (w e f 10.08.2011)	Director	Non-Executive/Non-Independent Director

b. Board Meetings:

Being the apex body, the Board plays a pivotal role in ensuring good corporate governance. The Board members provide valuable advice to the Management. Detailed notes providing information on each items of business to be transacted at the meeting are circulated with agenda papers. The draft minutes of the proceedings of the meetings are circulated to all Directors and confirmed at the subsequent Board meeting.

c. Details of Board Meetings:

The Board meetings were held at least once in every quarter and the time gap between two meetings did not exceed four months. During the year under review, the Board of Directors of the Company met 13 times on 12th April, 2010, 15th April, 2010, 29th April, 2010, 3rd May, 2010, 4th May, 2010, 10th May, 2010, 5th June, 2010, 15th June, 2010, 26th July, 2010, 3rd November, 2010, 1st December, 2010, 10th February, 2011 and 21st March, 2011.

The attendance of each director at the Board Meeting, last Annual General Meeting and Number of other directorship and Chairmanship/membership of Committee held by each of the director in other companies are as under:



Name of the Director	Attendance		No. of other Directorship, Committee Membership/ Chairmanship		
	Board Meetings	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Sri Manmohan Sahu	10	No	NIL	2	1
Sri V.S. Rajeev	6	Yes	NIL	NIL	NIL
Sri H.R. Kumar	13	Yes	NIL	2	1
Sri Jagadish Prasad	5	No	NIL	2	NIL
Sri V.S. Janardhanam	5	No	NIL	1	NIL
Sri Jyotiraj Panda	5	No	NIL	2	1
Sri Brahmananda Rout	5	No	NIL	NIL	NIL
Mr. Pradeep Kumar Mahapatro	2	No	NIL	NIL	NIL

3. Audit Committee

a. Overall Purpose:

The purpose of the Audit Committee is to assist the Board of Directors in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of Internal Auditors and overseeing the Company's accounting and financial reporting process and the audit of the Company's financial statements.

b. Composition & Meetings:

The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

During the year under review, four meetings of Audit Committee were held on 03.05.2010, 26.07.2010, 03.11.2010 & 21.03.2011.

Name	Designation	Category	No. of meetings attended
Sri V.S. Janardhanam	Chairman	Non-Executive/Independent	4
Sri H.R. Kumar	Member	Non-Executive/Independent	3
Sri Jyotiraj Panda	Member	Non-Executive/Independent	4
Sri Manmohan Sahu	Member	Executive/Non-Independent	4

c. Powers and Terms of Reference:

The power and terms of reference of the Audit Committee are as those prescribed under Clause 49 of the Listing Agreement with the Stock Exchanges as amended from time to time as well as under Section 292A of the Companies Act, 1956.

4. Remuneration Committee

a. Brief description of terms of reference:

To formulate the remuneration policy and approve the remuneration or revision in the remuneration payable to Executive Directors/Whole-Time Directors.

b. Composition & Meetings:

During the year, the Remuneration Committee of the Board held one meeting on 1st December 2010. The composition of the Remuneration Committee and attendance thereat is as follows.

Name	Designation	Category	No of Meetings attended
Sri Jyotiraj Panda	Chairman	Non-Executive/Independent	1
Sri Jagadish Prasad	Member	Non-Executive/Independent	1
Sri V.S. Janardhanam	Member	Non-Executive/Independent	1

c. Remuneration Policy:

To recommend/review the remuneration package, periodically, to the Executive Directors. The remuneration payable to them is in accordance with the existing industry practice and also with the provisions of the Companies Act, 1956.

d. Remuneration to Directors:

The Company pays remuneration to the Managing Director as per the contractual obligations. The Non-Executive Directors do not draw any remuneration and sitting fees from the Company for each meetings of the Board, Audit Committee, Remuneration Committee and Shareholders/ Investors Grievance Committee attended by them.

The Details of remuneration paid to Directors for the year ended 31st March, 2011

Name	Salary, Perquisites & Other benefits	Commission	Sitting Fees	Total
Sri Manmohan Sahu	7,50,000	—	Nil	7,50,000
Sri H.R. Kumar	—	—	Nil	—
Sri Jagadish Prasad	—	—	Nil	—
Sri V.S. Janardhanam	—	—	Nil	—
Sri Jyotiraj Panda	—	—	Nil	—
Sri Brahmananda Rout	—	—	Nil	—
Mr. Pradeep Kumar Mahapatro	—	—	Nil	—



e. Details of number of shares held by the Non-Executive/Independent Directors as on 31.03.2011:

Name	Category	No. of shares held
Sri V.S. Janardhanam	Non-Executive/Independent Director	Nil
Sri Jagadish Prasad	Non-Executive/Independent Director	Nil
Sri Jyotiraj Panda	Non-Executive/Independent Director	Nil
Sri Brahmananda Rout	Non-Executive/Independent Director	Nil
Sri H.R. Kumar	Non-Executive/Independent Director	Nil
Mr. Pradeep Kumar Mahapatro	Non-Executive/Independent Director	Nil

Smt. Indira Sahu was appointed as Additional Director with effect from 10th August, 2011

5. Shareholders' / Investors' Grievance Committee

a. Composition

The composition of the Shareholders'/Investors' Grievance Committee as on 31st March, 2011 was as under and The Shareholders'/Investors' Grievance Committee met 4 times during the year under review on 03/05/2010,26/07/2010,03/11/2010 & 21/03/2011.

Name	Designation	Category	No. of Meetings attended
Sri Jyotiraj Panda	Chairman	Non-Executive/Independent	4
Sri Jagadish Prasad	Member	Non-Executive/Independent	4
Sri H.R. Kumar	Member	Non-Executive/Independent	4

The Shareholders'/Investors' Grievance Committee oversees the redressal of complaints of investors such as transfer or credit of shares to demat accounts, non-receipt of dividend/annual reports. It also approves share transfer and issue of share certificates. The status of complaints is also reported to the Board of Directors. During the year under review, no complaints were received and resolved and no complaints were pending as on 31st March, 2011.

Sri H.R. Kumar, Director was the Compliance Officer of the Company under Clause 47C of the Listing Agreement till 2nd May, 2011. Sri Manmohan Sahu had been the Compliance Officer till the Secretary of the Company has been appointed as Compliance Officer in the meeting of the Board held on 10th August, 2011.

Investor grievances and share transfer

We have a Board-level investor grievance committee to examine and redress shareholders' and investors' complaints. The status on complaints and share transfers is reported to the full Board. The details of shares transferred and the nature of complaints are provided in the Additional information to shareholders section of the Annual Report. The share transfer committee of the Company will meet as often as required to approve share transfers. For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., shareholders should communicate with concerned intermediaries appointed for the purpose Shares transacted

in electronic form can be effected in a much simpler and faster manner. After confirmation of sale / purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to the Company to register the share transfer.

Details of non-compliance

There has been no non-compliance of any legal requirements nor have there been any strictures imposed by any stock exchange, SEBI or SEC, on any matters relating to the capital market over the last three financial years.

6. General Body Meetings

The general meetings are the place for shareholders to express their views and concerns and at Octant we respect their right and privilege to a great extent. The general meeting of the company is being conducted in a proper and transparent manner and the same has enhanced the image of the Company among investor community in a larger manner.

a. Location and place of last three Annual General Meetings:

Year	Location	Date	Time
2007-08	E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (W), Mumbai – 400 053	30.09.2008	11 AM
2008-09	E-109, Crystal Plaza, New Link Road, Opp. Infinity Mall, Andheri (W), Mumbai – 400 053	30.09.2009	3 PM
2009-10	187, Viegas Street, II Floor, Office No. 8, Krish Villa, Chira Bazaar, Mumbai – 400 002	30.12.2010	3 PM

b. Special Resolutions:

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting. The following are the special resolutions passed at the previous General meetings held in the last three years.

AGM/EGM Held on	Whether special resolution Passed	Summary of the resolution
2007-08	Yes	Consideration of Further issue of Shares under Section 81(1A) for an Amount not exceeding US\$ 10 Million, Delisting of Equity Shares from Inter Connected Stock Exchanges of India Ltd.
2008-09	Yes	Consideration of Further issue of Shares under Section 81(1A) for an amount not exceeding US\$ 10 Million.
2009-10	Yes	Change in the Name of the company, Alteration of Memorandum of Association, Approval for Shifting of Registered Office from State of Maharashtra to State of Andhra Pradesh & Approval for creation of Mortgage(s)/in Favours of Lenders.



c. Postal ballot:

i. The Company has issued notice for the Postal Ballot on 21/03/2011 to the shareholders pursuant to Section 192A (2) of the Company Act, 1956 read along with Companies (Passing of Resolution by Postal Ballot) Rules 2001, seeking their approval by means of postal ballot for Alteration of object clause of the memorandum of association of the company and shifting of registered office of the company from state of Maharashtra to state of Andhra Pradesh.

Mr Bijoy P Pulipra, Practicing Company Secretary, Mumbai, was appointed as Scrutiniser for conducting the Postal Ballot voting process in a fair and transparent manner. The Chairman after receiving the Scrutiniser's Report announced on 03.05.2011, that the Special Resolution of the Postal Ballot Notice was duly passed as special resolution by the requisite majority.

The results are as follows:

Particulars	No. of Share-holders	No. of Equity Shares	% to the total no. of equity shares for which Postal Ballot forms were received
Total Postal Ballot Forms received	30	15200145	76.832
Total no. of votes Polled in favour of the resolution	24	15199345	76.827
Total no. of votes polled Against the resolution	4	800	0.004
Total no. of votes polled Neutral/invalid to the resolution	Nil	Nil	Nil

d. Procedure for postal ballot - Not applicable

e. Information on Directors re-appointment as required under 49 vi (G) of the Listing Agreement with stock exchanges is given as a note appended to the explanatory statement of the AGM notice.

7. Disclosures

a. Related Party Transactions:

Except with regard to the Payment of Remuneration to the Executive Director, the Company has not entered into any materially significant related party transactions with its promoters, Directors or Management or their relatives etc that may have potential conflict with the interest of the Company at large.

b. Disclosure of Accounting Treatment:

The Company has followed the accounting standards notified under Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.

c. Details of non-compliance, etc.:

To the best of the Company's knowledge, there has been no incidence of non-compliance with requirement of stock exchanges, SEBI or other statutory authority on matters relating to capital markets during last three years. During the last three years, no penalty or stricture has been imposed on the Company by the Stock Exchanges, SEBI or any statutory authority on any matter relating to capital market.

d. **Code of Conduct:**

The Board of Directors has laid down the code of conduct for Directors and senior management personnel including all functional heads, which they are bound to observe in the course of conduct of the business of the Company. This code of conduct has been posted on the website of the Company. Each Director of the Company and senior management personnel including all functional heads to whom the code has been made applicable, have affirmed their compliance with the code. A declaration by Sri Manmohan Sahu, Chairman & Managing Director to this effect forms part of this report.

e. **Whistle Blower Policy:**

The Company has not established formal whistle blower policy mechanism. However, no personnel of the Company have been denied any access to the Audit Committee.

f. **Proceeds from public issues, rights issues, preferential issues, etc:**

During the financial year ended 31st March, 2011, there were no proceeds from public issues, rights issues, preferential issues among others.

g. **Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company is in compliance with all the mandatory requirements of Clause 49 of the Listing Agreement. The status on adoption of non-mandatory requirements is set out in this report.

Non-Mandatory Requirements

- **The Board**

The Chairman of the Company is executive and hence the provision with regard to maintenance of Chairman's office as contained in the non-mandatory requirement is not relevant.

- **Remuneration Committee**

The Company has set up Remuneration Committee comprising of three independent directors, which determines remuneration payable to the executive directors of the Company.

- **Shareholders Rights**

The Quarterly financial results are published in the news papers as mentioned above as well as posted on the Company's website. The significant events, if any, too are posted on the Company's website and in view of this, summary of such events is not separately sent to the shareholders.

- **Training and Evaluation**

The training of Board members and evaluation of performance of non-executive directors as envisaged under Clause 49 of the Listing Agreement will be considered as and when such need arises.

- **Whistle Blower Policy**

The Company at present has not established formal whistle blower policy mechanism. However, no personnel of the Company have been denied any access to the Audit Committee.

- **Audit Qualifications**

During the year under review, there is no audit qualification in Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.



8. Means of Communication

The company has promptly reported all information including declaration of Quarterly Financial Results to the Stock Exchange where the shares of the company are listed. The Company also publishes the Audited/unaudited financial results in Free Press Journal, English Newspaper and in Navshakti Marathi Newspaper.

9. General Shareholder Information

a.	Annual General Meeting	Friday, the 30 th day of September, 2011 At 11.00 AM At 1 st Floor, Lotus Hall, Country Club 6-3-1219, Station Road, Begumpet, Hyderabad - 500 016 Andhra Pradesh, India
b.	Date of Book Closure	27 th September, 2011 to 30 th September, 2011 (both days inclusive)
c.	Financial Year	April to March
d.	Financial Calendar	
	i. Results of First Quarter	Second Week of July, 2011
	ii. Results of Second Quarter	Second Week of October, 2011
	iii. Results of Third Quarter	Second Week of January, 2012
	iv. Results of Fourth Quarter	Second Week of May, 2012
e.	Listing on Stock Exchanges	Pune Stock Exchange (PSE) Ahmedabad Stock Exchange (ASE) The Company has paid annual listing fees for the period from April 1, 2010 to March 31, 2011 The Shares have been permitted to trade on INDONEXT platform of BSE
f.	Stock Code	PSE ASE BSE: 590090
g.	ISIN	INE846A01026
h.	Market Price Data	Annexure-A
i.	Registrar & Transfer Agents	Bigshare Services Private Limited E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E) Mumbai – 400 072
j.	Share Transfer System	The share transfer committee comprising of four Members of the Board meets on fortnightly Basis to consider and approve transfer of shares

k.	Distribution of Shareholding as on 31.03.2011	Annexure-B
l.	Shareholding Pattern	Annexure-C
m.	Dematerialization of shares	Annexure-D
n.	Plant Location	Plot No. 65 & 66, Export Promotion Industrial Park, Pashamylaram, Patancheru, Medak District Andhra Pradesh - 502 319
o.	Address for Correspondence	Mr. Satyabrata Padhi Company Secretary Octant Industries Limited D.No. A-5, 1 st Floor, Indian Airlines Housing Colony, Opp.Police Lines, Secunderabad - 500 003. E-mail : gmf@octantindustries.in
p.	Exclusive e-mail ID for Investor Grievances	Pursuant to Clause (f) of the Listing Agreement, the following dedicated e-mail ID has been designated for communicating investors' grievances: gmf@octantindustries.in

Annexure-A

Stock Market Data

Month	High Price	Low Price	Close Price	No. of Trades
April 2010	15.40	10.07	14.78	19255
May 2010	15.51	11.60	13.15	6892
June 2010	13.79	11.30	12.87	3992
July 2010	13.38	11.12	11.21	4541
August 2010	12.5	10.02	10.35	4978
September 2010	12.09	10.01	11.48	6017
October 2010	11.99	10.20	10.69	3799
November 2010	11.69	8.00	10.64	3322
December 2010	10.99	11.75	9.86	2228
January 2011	—	—	—	—
February 2011	24.15	12.00	21.22	3067
March 2011	28.90	19.00	19.40	7530



Annexure-B

Shareholding Pattern

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares in Dematerialized Form	Total shareholding as % of total no. of shares	
				As a % of A+B	As a % of A+B+C
A. Shareholding of Promoter and Promoter Group					
1. Indian					
Individuals/Hindu Undivided Family	6	12,162,771	8,414,011	61.48	61.48
Sub Total	6	12,162,771	8,414,011	61.48	61.48
2. Foreign					
	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A)	6	12,162,771	8,414,011	61.48	61.48
B. Public Shareholding					
1. Institutions					
2. Non-Institutions					
Bodies Corporate	222	2,958,714	2,958,714	14.96	14.96
Individuals					
Individual shareholders holding nominal share capital up to ₹1 lakh	7,452	1,945,181	1,854,860	9.83	9.83
Individual shareholders holding nominal share capital in excess of ₹1 lakh	46	2,636,695	2,542,299	13.33	13.33
Any Others (Specify)	47	80,249	80,249	0.41	0.41
Clearing Members	6	37,651	37,651	0.19	0.19
Non resident Indians	41	42,598	42,598	0.22	0.22
Total Public shareholding (B)	7,767	7,620,839	7,436,122	38.52	38.52
Total (A)+(B)	7,767	7,620,839	7,436,122	38.52	38.52
C. Shares held by Custodians and against which Depository Receipts have been issued					
	—	—	—	—	—
Total (A)+(B)+(C)	7,773	19,783,610	15,850,133	100.00	100.00

Annexure-C**Distribution of Share Holding as on 31st March, 2011**

Range (In Rs)	Total Holders Holders	% of Total in ₹	Total Holding Capital	% of Total
1 - 5000	6856	88.1687	6822920	3.4488
5001 - 10000	414	5.5341	3273150	1.6545
10001 - 20000	208	2.6749	3208320	1.6217
20001 - 30000	73	0.9388	1901970	0.9614
30001 - 40000	37	0.4758	1339270	0.6770
40001 - 50000	33	0.4244	1573480	0.7953
50001 - 100000	60	0.7716	4316120	2.1817
100001- 999999999	95	1.2217	175400870	88.65
Total :	7776		197836100	100.00

Annexure-D**Dematerialization of Shares**

Category	No of shares shares	% of Shares	No. of Shareholders	% of Shareholders
Electronic Form	15,850,133	80.11	5746	80.12
Physical Form	39,33,477	19.89	2030	19.88
Total	19,783,610	100	7776	100

For and on Behalf of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 10, 2011



Auditors' Certificate

(Pursuant to Clause 49 of the Listing Agreement)

To,
The Members of
Octant Industries Limited

We have examined the compliance of corporate governance of Octant Industries Limited for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of 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 statements of the Company.

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

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, We have to state that no investor grievances were pending for a period of month against the Company as per records maintained by the Shareholders/Investors' Grievance Committee.

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

For N. Siva Prasad Associates
Chartered Accountants

G. Venkatachalam
Partner

Hyderabad
August 10, 2011

Management Discussion and Analysis

The management discussion and analysis have been included in adherence with the code of corporate governance as approved by the Securities and Exchange Board of India (SEBI).

Investors are cautioned that these discussions contain certain forward looking statements that involve risk and uncertainties including those risks which are inherent in the Company's growth and strategy. The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report consequent to new information or developments events or otherwise.

The management of the company is presenting herein the overview, opportunities and threats, initiatives by the company and overall strategy of the company and its outlook for the future. This outlook is based on management's own assessment and it may vary due to future economic and other future developments in the country.

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Octant Industries Limited ('OIL' or 'Octant' or 'Company') was incorporated by amalgamation of Swarnajyothi Agro and Exports Limited, Vanishekar Green Energy Private Limited and Indrabathi Energies Private Limited with Octant Interactive Technologies Limited, which is listed on Stock Exchanges at Pune and Ahmedabad. The Shares of the Company are also traded on Indonext platform of Bombay Stock Exchange. The name of the Company was changed to Octant Industries Limited on 23rd February 2011.

OIL is promoted by Mr. Manmohan Sahu, who is a cost accountant and having healthy industrial experience in castor oil derivatives, implementation, operation and management of Power Projects etc. The Company is currently engaged in manufacturing of castor oil derivatives and having manufacturing facility with a total installed capacity of 7,200 Tons Per Annum ('TPA').

The Management of the Company also has a license to construct and operate power plants based on biomass, hydro-power and solar energy for a total installed capacity of 17.5 MW in the State of Orissa. As Phase 1 of the project, the Management of the Company plans to implement

10 MW Biomass based power plant at Sambalpur in Orissa.

Octant Industries Limited has set a new benchmark for quality and with a product range that has grown to meet the diverse needs of today's international market; the Company has proven expertise and skill that encompasses new ideas and technology. Today the Company has achieved record turnovers and a mission to keep the wheels of progress turning. At Octant Industries we possess the experience and expertise in the field of Castor Oil Derivatives and generation of power, we are confident of rising to the expectations of our clients by adhering to quality and timely schedule.

Factory is Located at Export Promotion Industrial Park Pashamylaram developed by APIIC (A Government Agency) It is on the Hyderabad-Mumbai highway. The location is carefully selected considering the availability of Castor Seeds in abundance, close to Inland Container Depot and overnight journey to Mumbai & Chennai Ports. Shipment of finished products can be done conveniently from either of the above Ports.

Octant Industries limited (formerly octant Interactive Technologies Ltd.) an ISO 9001-2008, KOSHER & REACH Certified Company has identified three operational areas which are as follows:

- **Agro Farming Division**

As a backward integration program and to procure quality castor seeds the main raw material, the Company has initiated contract farming and is providing farmers vital information in procuring quality seeds, preparation of soil to suit castor cultivation and use of fertilizers. The contract farming is presently in the State of Odisha and will be expanded to other States very soon.

- **Castor Oil Derivatives**

Octant Industries an existing state of the art ISO 9001-2008 certified Castor Oil Derivatives plant located in Export Processing Zone of APIIC , Hyderabad - Mumbai Highway with an annual capacity of 7200MT.



• Power Generation -Renewable Energy

The Company is all set to enter the Power Generation in renewable energy segment in the State of Odisha, Biomass 10MW & Hydro Power Plant 7.5 MW. The combined capacity of Power will be 17.5 MW of green power.

Biomass Power

The Company has entered into an Agreement with Odisha Renewable Energy Department Agency (OREDA) for setting-up a 10 MW Biomass Power Project at Sambalpur District of Odisha. The location is carefully selected Considering the availability of Biomass fuel such as Paddy Husk, Paddy Straw, Maize Stalks, Maize Cobs, Groundnut Stalks, Groundnut Shell, Sesames Stalks and abundant availability of coal. Since it is down Stream area of Hirakud Dam and due to sufficient ground level water resources and water canals, the farmers are cultivating two crops per year. The generated power can be supplied continuously to GRIDCO Odisha.

Hydro Power

The Company proposes to set up 7.5 MW of Hydro Power Plant near down stream of Indravathi River Mangalpur barrage in Kalahandi District of Odisha State. Hydro plants of this size may be connected to conventional electrical distribution networks as a source of low-cost renewable energy. Since Hydro projects usually have minimal reservoirs and civil construction work, they are seen as having a relatively low environmental impact.

i. Castor Oil Derivatives

Octant Industries Limited (Formerly Octant Interactive Technologies Limited) is a fully integrated producer of Castor Oil and its high value Derivative products . Operating from Andhra Pradesh the Company adopts global business standards to ensure their expanding range of foreign customers who are satisfied with our quality products.

The Agri Castor Derivatives business involves Contract Farming and manufacture of Castor Oil Derivatives. Under contract farming, the company will be supplying hybrid seeds and threshing of crop by providing technical know-how of farming

castor seeds, which is a backward integration for Castor Derivatives. The seeds obtained from contract farming are processed and the oil is used for various castor oil products and its derivatives. Company's Products have good demand in Europe, Middle-East, Bangladesh, Korea, USA, UK, France, Japan & Australia. The major products obtained from castor oil are as follows: B S S / FSG Castor Oil, B.P. Castor Oil, Hydrogenated Castor Oil, 12-Hydroxy Stearic Acid, Ricinoleic Acid.

Location

The production facility of the Company is located on Hyderabad–Mumbai Highway at Export Promotion Industrial Park, Pashamylaram developed by Andhra Pradesh Industrial Infrastructure Corporation (A Government Agency) exclusively developed for export Oriented units. The location is carefully selected considering the availability of castor seed in abundance, close by to Inland Container Depot and overnight journey to Mumbai and Chennai ports. Shipment of finished products can be done conveniently from Mumbai & Chennai ports. With the given experience & expertise we possess in the field of castor oil derivatives, we are confident of rising to expectations of our buyers by adhering to the quality standards and time schedules.

ii. 10 MW Biomass Power Plant

Power is the most important factor that influences economic development of the nation. There has been a deficit power situation in the country as well as in the State of Orissa. With depleting fossil fuels, the renewable source of energy has gained importance across the world. The government has been encouraging setting up of mini power plants based on the usage of renewal sources. Keeping in view the deficit situation for power and encouragement given by the government for setting up renewable energy projects, Octant Industries is establishing a 10MW Biomass power based project at Sambalpur District of Orissa State.

The Government of India is targeting creation of an additional capacity of 6600 MW to the existing power capacity out of which 10 % is targeted from renewable sources. It is estimated that India has

a potential to generate power to an extent of 16881 MW from agro residues.

Government in India has set up a separate Ministry of Non-conventional Energy Sources for promotion of power generation from renewable energy sources. The ministry has offered incentives to the project developers to set up biomass power projects.

Location

The location for setting up the 10 MW Biomass Power Plant will be at Sambalpur District of Odisha. The major strength to establish the Biomass Power Projects at SambalPur, Odisha have been provided below:

- Availability of raw materials, 150 rice mills are running effectively in the dist and supply of husk is assured.
- Mahanadi Coal Field Ltd is located 2 km away from the proposed site, advantage of low transportation cost, constant supply of coal is assured.
- River Mahanadi flows beside the proposed site .As result water for the project is abundantly available.

B. OPPORTUNITIES AND THREATS

The global economy which was in deep trouble due to worldwide recession in the last year has improved to a great extent. The impact of last year recession had affected the sectors like services, automobiles, infrastructures, housing and paint business since castor oil is used in manufacturing paints, adhesives, lubricants etc. In-house Research and Development Department of the Company enables the Company to improve the quality of existing range of product, cost reduction, development and introduction of new products and exports, improvement in manufacturing process, product cost and export promotion. The current fundamentals are likely to keep prices well supported in the foreseeable future.

The products are being used by Greese and Lubricants Industries, Cosmetics, Perfumeries, Plastics and Rubbers, Lubrication, Textile Chemicals, Paper, Paints, Inks and Adhesives,

Pharmaceuticals, Food and Electrical, Electronics and Telecommunication etc. So, potential for growth is virtually boundless.

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 sturdy crop. Since, majority of the Company's production is exported, foreign exchange fluctuations can impact the margins of the business.

C. SEGMENT

The Company is organized into four business segments – Castor Oil and its Derivatives, based on customers different risks and returns and the internal financial reporting systems; Power Generation and Trading.

D. OUTLOOK

There is a growing demand for the Company's products. Further, increased worldwide focus in green chemicals is expected to further accelerate the demand for castor oil based derivatives.

Your Company is continuously undertaking backward integration and forward integration programs to increase the availability of castor seeds on one side and increase supply of castor oil products on the other hand. Barring unforeseen circumstances your directors expect satisfactory growth in turnover and profits

E. RISK & CONCERNS

The Company's products are used in variety of industries, thereby to a great extent, mitigating the risks associated with demand for its products on a long-term basis. The price behaviour of raw material depends on monsoon, which is expected to be favourable in the current year. The Company is closely watching the development of monsoon as also castor seed sowing. So far the monsoon is favourable and according to Meteorological Department, the monsoon during this year will be normal.

F. FOREIGN EXCHANGE

Volatility of the Rupee could impact the margins of the business. The Company continues to take



steps to cover foreign exchange to mitigate the risks of foreign currency fluctuations.

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 AND OPERATIONAL PERFORMANCE

The Company's Financial Performance and Analysis:

(₹ in Lacs)

Particulars	For the Year ended 31 st March	
	2011	2010
Sales and Other Income	5577.26	5776.64
Profit Before Interest and Depreciation	620.47	2.55
Interest & Finance Charges	157.38	—
Depreciation	274.89	1.47
Profit before Tax	188.20	1.08
Less: Provision for Taxation		
Current Tax	18.81	0.20
Deferred Tax	8.55	0.31
Net Profit After Tax	160.84	0.57
Balance b/f from previous year	161.81	161.23
	322.65	161.81
Transferred on demerger	(39.38)	—
Balance carried to Balance Sheet	283.27	161.81

I. QUALITY

Your Company always believes in best quality, best price and prompt deliveries. Your Company strongly endorses the Concept of "It Takes Years to Develop a Customer, to Lose One Second". The Company is having its credit of Zero percent rejections since inception. The policy of the company is to provide quality product at internationally competitive prices with prompt delivery schedules. It is pride to mention that the company could expand its business to more than 20 countries across the Globe with more than 30 clients within a short span of time. In domestic market the company is regular supplier to Government/ public sector undertakings like Indian Oil Corporation, Balmer & Lawrie, Tide water Oil Co. India Ltd and M/s. Castrol Oil India Ltd etc., besides number of other companies from private sector.

J. RESEARCH AND DEVELOPMENT

Yours Company's Laboratory is well equipped with latest & hi-tech machinery for analysis and reporting. The R&D wing is headed by well experienced scientists. Every endeavor is being made to absorb and upgrade the latest technology in the field of Castor Oil & its derivatives. In this direction the company utilizes the services of IICT (Indian Institute of Chemical Technology) a world renowned and prestigious Government Institute which is available locally.

K. HUMAN RESOURCES/INDUSTRIAL RELATIONS

i. Our Philosophy

Your Company attracts and retains qualified, productive and motivated employees. Our Human resource programs are based on the business philosophy and the operational strategy of the Company.

ii. Commitment to Excellence

Your Company is committed to multi-skills development of its employees to enhance their performance. Your Company's endeavor is to

provide projects which would facilitate the employees to take on a wide range of responsibilities and prepare them with skill sets in broad areas of operations.

iii. Commitment to Innovation

Your Company encourage its employees to be innovative and would foster this spirit in all areas of operation particularly R&D.

iv. Performance Measurement

Rewards and growth of employees will be based on completely on performance for which the goals will be clearly defined and agreed by the employees.

v. Training and Development

The Training & Development program is designed to provide sufficient training and counseling the employees to successfully perform their jobs and the goals set up for them. In addition your Company also arranges and supports its employees pursue further academic studies such as PhD programmes by post graduate employees.

vi. Employee Communication

Employees will receive clear and timely communication on all work related issues.

vii. Employee Relations

Employee relations continued to be quite satisfactory. Management never intends to have any bias towards its employees on the basis of race, sex, age and creed.

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

L. CAUTIONARY STATEMENT

Statements in this “Management 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 ON CODE OF CONDUCT

In accordance with Clause 49 (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance with the aforesaid Code of Conduct as applicable to them for the financial year ended 31st March, 2011.

For and on Behalf of the Board

Manmohan Sahu
Chairman cum Managing Director

Secunderabad
August 10, 2011



CEO / CFO Certification

The CEO, i.e. the Chairman in terms of the Companies Act, 1956 and the CFO any other person heading the finance function discharging that function shall certify to the Board that:

- a. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- c. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. They have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Secunderabad
August 10, 2011

Chairman cum Managing Director

Manager Finance

Auditors' Report

To

The Members of
Octant Industries Limited

1. We have audited the attached Balance Sheet of **Octant Industries Limited (Formerly Octant Interactive Technologies Limited)** as at 31st March 2011 and also the Profit & Loss Account and 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 Section 227 (4A) of the Companies Act, 1956, we enclose in the 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 accounts as required by law have been kept by the company, so far as appears from our examination of such books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion and to the best of our information and according to the explanations given to us, the profit and loss account and balance sheet are prepared in accordance with accounting standards referred in sub section (3c) of section 211 of the companies act, 1956 to the extent applicable *and except as specifically mentioned in the notes on account.*
 - e. On the basis of written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 from being appointed as Director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the companies Act, 1956 in the manner so required and give a true and fair view.
 - a. In the case of Balance sheet, of the state of affairs of the company as at 31st March 2011 and:
 - b. In the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - c. in the case of the *Cash-flow Statement*, of the Cash flows of the Company for the year ended on that date.

For M/s. N. Sivaprasad Associates
Firm Registration No. 003885S
Chartered Accountants

G. Venkatachalam
Partner
Membership No. 200616

Hyderabad
August 10, 2011



Annexure to the Auditors' Report

(Referred to in Paragraph 3 of our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- i. a. According to the information and explanations given to us the Company has maintained Proper records showing full particulars including quantitative details and situation of fixed assets.
- b. According to the information and explanations given to us the company has physically verified during the year its fixed assets. We have been informed that no material discrepancies were noticed on such physical verification.
- c. According to the information and explanations given to us that the Company demerged its Finance Business during the financial year.
- ii. a. The Inventory has been physically verified by the Management during the year at reasonable intervals.
- b. In our opinion the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The Company is maintaining proper record of inventory. In our opinion the discrepancies noticed on physical verification of stocks as compared to book records were not material. However they have been properly dealt with in the books of account.
- iii. a. According to the information and explanations given to us the Company has not granted interest free unsecured loans to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. In our opinion the rate of interest and other terms and conditions of loans so granted to the party are *prima facie* not prejudicial to the interest of the company.
- c. According to the information and explanations given to us the loans given to the parties covered in the register maintained under section 301 of the Companies Act 1956 are repayable on demand.
- d. According to the information and explanations given to us the Company has taken interest free unsecured loans aggregating as at the Balance Sheet date, to Rs.112.16 Lakhs from two parties (Sri Manmohan Sahu and Smt. Indira Sahu) covered in the register maintained under section 301 of the Companies Act, 1956.
- e. In our opinion the rate of interest and terms and conditions on which the loans have been taken by the company from two parties covered in the register maintained under section 301 of the Companies Act, 195 are *prima-facie* not prejudicial to the interest of the company.
- g. According to the information and explanations given to us the loans given to the parties covered in the register maintained under section 301 of the Companies Act 1956 are repayable on demand.
- iv. In our opinion there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. In our opinion according to the information and explanations given to us there is no continuing failure to correct major weaknesses in internal control during the year.

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- v. a. In our opinion and according to the information and explanations given to us the contracts or arrangements that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been properly so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
 - vi. In our opinion and according the information and explanations given to us, during the year under review the company has not accepted any deposits from the public within the purview of Section 58A of the Companies Act, 1956 and Rules made there under.
 - vii. In our opinion and the information furnished to us, the company has no internal audit system carried out by the external auditor and has the inbuilt internal audit system. In our opinion the scope and coverage of the internal audit is commensurate with the size of the company and nature of its business.
 - viii. In our opinion and according to the information and explanations given to us the Central Government has not prescribed the maintenance of cost records by the company as specified in sub section (1) of section 209 of the companies Act, 1956.
 - ix. a. According to the information and explanations given to us and according to the books and records examined by us, except in some cases, the company is regular in deducting and depositing with the appropriate authorities the undisputed statutory dues including provident fund, employee's state Insurance, income tax, sales tax, excise duty, service tax, cess and other material statutory dues applicable to it.
 - b. According to the information furnished to us and as per records of the company examined by us there were no dues, as at the Balance Sheet date, of sales tax/ income tax/custom tax/excise duty/ service tax/cess/that have not been deposited on account of any dispute.
 - x. In our opinion and according to the information and explanations given to us and according to the books of account examined by us the there are no accumulated losses at the end of the financial year.
 - xi. Based on our audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institutions, banks.
 - xii. According to the information and explanations given to us by the management and according to the records of the company examined by us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 - xiii. In our opinion and according to the information and explanations furnished to us the company is not a chit, nidhi or mutual benefit fund/society
 - xiv. According to the information and explanations furnished to us the company is not dealing in shares, securities debentures and other investments.
 - xv. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks or financial institutions.
 - xvi. In our opinion and according to the information and explanations furnished to us the term loans have been applied for the purpose for which they were raised.



- xvii. On the basis of an overall examination of the Balance sheet of the company, and according to the information and explanations given to us, we are of the opinion that there are no funds raised on short term basis, which have been used for long term investments.
- xviii. According to the information and explanations furnished to us, in line with the scheme of Merger, the company has made allotment of Equity shares of 14645010 Shares of Rs.10/- each other than cash to shareholders of merged companies and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year under review.
- xix. According to the information and explanations given to us the company has not issued any debentures during the year and hence commenting under this clause does not arise.
- xx. The company has not raised any money by public issues during the year and hence commenting under this clause does not arise.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the year.

For M/s. N. Sivaprasad Associates
Firm Registration No. 003885S
Chartered Accountants

G. Venkatachalam
Partner
Membership No. 200616

Hyderabad
August 10, 2011

Balance Sheet as at 31.03.2011

Particulars	Schedule No.	Amount in ₹	
		As at 31.03.2011	As at 31.03.2010
I. SOURCES OF FUNDS			
1. Shareholders' Funds	1		
Capital		19,78,36,100	25,69,30,000
Reserves and Surplus		44,47,13,738	26,86,64,100
2. Loan Funds	2		
Secured Loans		11,27,75,237	—
Unsecured Loans		1,40,94,407	—
3. Deferred Tax Liability (Net)	3	1,33,83,403	—
TOTAL		78,28,02,885	52,55,94,100
II. APPLICATION OF FUNDS			
1. Fixed Assets	4		
Gross Block		43,83,97,629	29,61,74,920
Less: Accumulated Depreciation		3,42,60,913	15,20,033
Net Block		40,41,36,716	29,46,54,887
Capital Work-in-Progress (including capital advances)		2,62,32,415	—
		43,03,69,130	29,46,54,887
2. Current Assets, Loans & Advances	5		
Inventories		9,43,26,360	21,20,15,024
Sundry Debtors		8,87,06,669	1,46,20,181
Cash and Bank Balances		52,95,284	5,05,725
Loans and Advances		76,81,384	1,58,70,043
Other Current Assets		5,97,866	—
		19,66,07,563	24,30,10,973
Less: Current Liabilities and Provisions	6	1,92,41,582	1,52,94,240
Net Current Assets		17,73,65,981	22,77,16,733
3. Deferred Tax Asset		—	32,22,480
4. Miscellaneous Expenditure (To the extent Not Written off or Adjusted)			
Development Expenditure		17,28,65,917	—
Amalgamation Expenditure		22,01,857	—
TOTAL		78,28,02,885	52,55,94,100
Notes to Accounts	12		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date
For N. SIVA PRASAD ASSOCIATES
Firm Registration No.003885 S
Chartered Accountants

G. Venkatachalam
Partner
Membership.No.200616

Secunderabad
August 10, 2011

For and on behalf of the board of Directors of

OCTANT INDUSTRIES LIMITED

Manmohan Sahu
Chairman cum Managing Director

V.S. Janardhanam
Director

Satyabrata Padhi
Company Secretary



Profit & Loss Account for the year ended 31.03.2011

Amount in ₹

Particulars	Schedule No.	Year Ended 31.03.2011	Year Ended 31.03.2010
INCOME	7		
Sales		55,55,86,227	57,76,64,281
Other Income		21,40,198	—
Increase/Decrease in Stock		3,40,89,800	13,59,375
Total		59,18,16,225	57,90,23,656
EXPENDITURE			
Manufacturing and Other Expenses	8	52,13,07,701	57,59,40,398
Administrative Expenses	9	46,48,864	28,28,596
Selling & Administrative Expenses	10	32,62,229	—
Financial Expenses	11	1,57,37,899	—
Depreciation	4	2,74,89,022	1,46,900
Amalgamation Expenses Written Off		5,50,464	—
Total		57,29,96,180	57,89,15,894
Profit before Prior Period Items & Taxation		1,88,20,045	1,07,762
Less: Prior Period Items		—	—
Net Profit before Extra-ordinary Item & Tax		1,88,20,045	1,07,762
Less: Extra Ordinary Item		—	—
Net Profit/Loss before Tax		1,88,20,045	1,07,762
Provision for Taxation			
- Current Tax		18,80,501	20,000
- Deferred Tax		8,54,900	30,674
Net Profit after Tax		1,60,84,644	57,088
Add: Balance b/f from Previous Year		1,61,80,598	1,61,23,510
Balance Available for Appropriations		3,22,65,242	1,61,80,598
Less: Transfer to Special Reserve			
- Proposed Dividend		—	—
- Dividend Distribution Tax		—	—
Profit Carried Forward to Balance Sheet		3,22,65,242	1,61,80,598
Basic & Diluted Earning Per Share		0.664	0.002
Notes to Accounts	12		

The schedules referred to above and notes to accounts form an integral part of the Profit & Loss Account

This is the Profit & Loss A/c referred to in our report of even date

For N. SIVA PRASAD ASSOCIATES

Firm Registration No.003885 S

Chartered Accountants

G. Venkatachalam

Partner

Membership.No.200616

Secunderabad

August 10, 2011

For and on behalf of the board of Directors of

OCTANT INDUSTRIES LIMITED

Manmohan Sahu

Chairman cum Managing Director

V.S. Janardhanam

Director

Satyabrata Padhi
Company Secretary

Schedules forming part of the Balance Sheet

Particulars	Amount in ₹	
	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 1		
SHAREHOLDERS' FUNDS		
CAPITAL		
Authorised Capital		
26000000 Equity Shares of Rs.10/- each	26,00,00,000	26,00,00,000
Issued, Subscribed and Paid-up Capital		
19783610 Equity Shares of Rs.10/- each fully paid (In above 1,46,45,010 shares are issued on amalgamation other than cash for consideration)	19,78,36,100	25,69,30,000
TOTAL	19,78,36,100	25,69,30,000
RESERVES & SURPLUS		
Securities Premium		
Opening Balance	24,66,15,250	24,66,15,250
Add: Securities Premium Adjusted on Demerger & Merger	16,62,50,138	—
	41,28,65,388	24,66,15,250
Special Reserve		
Opening Balance	58,68,252	58,68,252
Less: Special Reserve Adjusted on Demerger	(23,47,301)	—
	35,20,951	58,68,252
PROFIT & LOSS ACCOUNT		
Opening Balance	1,61,80,598	1,61,23,510
Less: Profit & Loss Account Balance Adjusted on Demerger	(39,37,843)	—
Add: Current Year Profit	1,60,84,644	57,088
TOTAL	2,83,27,399	1,61,80,598
	44,47,13,738	26,86,64,100
SCHEDULE - 2		
LOAN FUNDS		
Secured Loans		
From Banks:		
Cash Credit Loan	8,40,33,863	—
Packing Credit	2,01,86,441	—
Trade Credit - Foreign Bill Discounting	20,53,577	—
Term Loan	65,01,356	—
TOTAL	11,27,75,237	—
Unsecured Loans		
From Directors	43,51,726	—
From Others	97,42,681	—
TOTAL	1,40,94,407	—
SCHEDULE - 3		
DEFERRED TAX LIABILITY		
Opening Balance	—	—
Add: Trasferred from Merged Companies	1,25,28,503	—
Add: Current year Provision	8,54,900	—
TOTAL	1,33,83,403	—



Schedules forming part of the Balance Sheet

SCHEDULE - 4

FIXED ASSETS

Description	Amount in ₹										
	Gross Block			Depreciation Block			Net Block				
	31.03.2010	Additions	Deletions on De-merger	31.03.2011	31.03.2010	Additions	Deletions on De-merger	Current	Period	31.03.2011	31.03.2010
Tangible Assets											
Freehold Land	—	3,00,00,000	—	3,00,00,000	—	—	—	—	—	3,00,00,000	—
Factory Building	—	1,00,00,000	—	1,00,00,000	—	4,80,073	—	3,34,000	—	91,85,927	—
Plant & Machinery	18,67,304	5,00,00,000	26,20,382	4,92,46,922	11,87,384	52,68,613	7,12,430	36,54,122	93,97,689	3,98,49,233	6,79,920
Electrical Equipment	—	15,00,000	—	15,15,200	—	1,43,072	—	1,06,408	2,49,480	12,65,720	—
Lab Equipment	—	10,00,000	—	10,00,000	—	63,807	—	70,700	1,34,507	8,65,493	—
Furniture & Fixtures	19,86,952	6,15,000	—	27,44,162	—	51,639	—	1,67,469	2,19,108	25,25,054	19,86,952
Computer	3,32,47,067	8,40,000	2,13,300	3,39,02,217	3,29,942	91,674	1,97,965	54,90,938	57,14,589	2,81,87,628	3,29,17,125
Office Equipment	1,16,348	5,00,000	7,270	7,31,879	2,707	27,727	1,624	48,330	77,140	6,54,739	1,13,641
Vehicles	—	3,00,000	—	3,00,000	—	37,272	—	28,500	65,772	2,34,228	—
Intangible Assets											
Goodwill	—	5,00,00,000	—	5,00,00,000	—	—	—	—	—	5,00,00,000	—
Software and IPRS	25,89,57,249	—	—	25,89,57,249	—	—	—	1,75,88,556	1,75,88,556	24,13,68,693	25,89,57,249
TOTAL	29,61,74,920	14,47,55,000	28,40,952	43,83,97,629	15,20,033	61,63,877	9,12,019	2,74,89,022	3,42,60,913	40,41,36,716	29,46,54,887
Previous year	22,34,920	29,39,40,000	—	29,61,74,920	13,73,134	—	—	1,46,900	15,20,033	29,46,54,887	8,61,786
Capital Work in Progress	—	48,16,628	—	2,62,32,415	—	—	—	—	—	2,62,32,415	—

Schedules forming part of the Balance Sheet

Particulars	Amount in ₹	
	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 5		
CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
(As certified by the management)		
Raw Materials	3,53,37,205	—
Consumables Stores & Spares	22,12,615	—
Packing Material	3,31,740	—
Work in Progress	44,84,800	—
Finished Products/Stock	5,19,60,000	21,20,15,024
TOTAL	9,43,26,360	21,20,15,024
SUNDRY DEBTORS		
(UNSECURED CONSIDERED GOOD)		
Debts Outstanding for a period exceeding six months	—	—
Export Debtors	20,47,158	—
Other Debts	8,66,59,511	1,46,20,181
TOTAL	8,87,06,669	1,46,20,181
CASH AND BANK BALANCES		
Cash on Hand	1,85,259	50,260
Bank Balances - In Deposit A/c	50,58,000	4,55,465
Bank Balances - In Current A/c	52,025	—
TOTAL	52,95,284	5,05,725
LOANS & ADVANCES		
Loan & Advances Recoverable in Cash or in Kind or for Value to be Received	25,11,784	1,58,70,043
Deposits	51,69,600	—
TOTAL	76,81,384	1,58,70,043
OTHER CURRENT ASSETS		
DEPB Receivable	5,20,950	—
Interest Receivable on Fixed Deposits	76,916	—
TOTAL	5,97,866	—



Schedules forming part of the Balance Sheet

Amount in ₹

Particulars	As at 31.03.2011	As at 31.03.2010
SCHEDULE - 6		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors - SSI	—	—
- Other	1,34,36,973	1,12,87,430
Advance Received from Customers	3,70,000	—
Provisions	54,34,609	40,06,810
TOTAL	1,92,41,582	1,52,94,240
SCHEDULE - 7		
SALES		
CASTOR DIVISION		
Export Sales (Including Merchant Export Sales)	2,17,53,908	—
Domestic Sales	35,15,44,500	—
AGRICULTURAL DIVISION		
	12,85,22,319	—
SOFT WARE & IT DIVISION		
	5,37,65,500	36,13,66,484
OTHER DIVISION		
	—	21,62,97,797
TOTAL	55,55,86,227	57,76,64,281
OTHER INCOME		
DEPB Licence	17,83,666	—
Foreign Exchange Gain	89,140	—
Interest on Fixed Deposits	89,192	—
Other Misc. Income	1,78,200	—
TOTAL	21,40,198	—
INCREASE/(DECREASE) IN STOCK		
WORK IN PROGRESS		
Closing WIP	44,84,800	—
Less: Opening WIP	41,80,000	—
INCREASE/(DECREASE) IN WIP	3,04,800	—
CLOSING STOCK OF FINISHED GOODS/STOCK		
Closing Stock of Finished Goods	5,19,60,000	21,20,15,024
Less: Opening Stock of Finished Goods/Stock	1,81,75,000	21,06,55,649
INCREASE/(DECREASE) IN FINISHED GOODS	3,37,85,000	13,59,375
TOTAL	3,40,89,800	13,59,375

Schedules forming part of the Profit & Loss Account

Particulars	Amount in ₹	
	Year ending 31.03.2011	Year ending 31.03.2010
SCHEDULE - 8		
MANUFACTURING AND OTHER EXPENSES		
Manufacturing Expenses		
Raw Materials Consumed	33,41,18,323	—
Consumables, Stores and Spares	33,44,138	—
Packing Materials Consumed	19,24,285	—
Brokerage Commission	87,467	—
Salaries & Wages	44,16,647	—
Transport & Freight	12,86,463	—
Power & Fuel	46,93,763	—
Repairs & Maintenance	3,76,287	—
Boiler Maintenance	4,83,050	—
Other Expenses		
Software Division Expenses	5,34,06,700	35,75,87,637
Agricultural Division Expenses	11,71,70,578	—
Other Division Expenses	—	21,83,52,761
TOTAL	52,13,07,701	57,59,40,398
SCHEDULE - 9		
ADMINISTRATIVE AND OTHER EXPENSES		
Advertisement Expenses	50,392	23,820
Auditor's Remuneration	1,65,450	99,832
Conveyance Expense	2,11,085	88,080
Consultancy Charges	25,060	—
Depository Charges	1,00,000	1,460
Director's Remuneration	10,20,000	—
Insurance	1,37,639	—
Listing Fees	75,000	75,400
Miscellaneous Expenses	9,19,019	7,359
Office Expenses	1,03,224	22,375
Postage & Telegraphs	28,409	21,965
Printing & Stationery	85,479	70,151
Professional Fees	2,55,135	75,000
Rent, Rates & Taxes	3,11,284	1,20,000
Payment to Employees	4,91,400	21,16,950
Service Tax	1,53,993	9,641
Share Transfer Charges	—	78,037
Staff Welfare	99,106	—
Telephone Exp.	1,77,220	18,526
Travelling Expenses	2,01,767	—
Vehicle Maintenance	38,202	—
TOTAL	46,48,864	28,28,596



Schedules forming part of the Profit & Loss Account

Amount in ₹

Particulars	Year ending 31.03.2011	Year ending 31.03.2010
SCHEDULE - 10		
SELLING & DISTRIBUTION EXPENSES		
Carriage Outwards	17,58,755	—
Export Expenses	14,42,316	—
Business Promotion Expenses	61,158	—
TOTAL	32,62,229	—
SCHEDULE - 11		
FINANCIAL EXPENSES		
Interest on Loans	1,31,79,648	—
Bank Charges	25,58,251	—
TOTAL	1,57,37,899	—

Notes on Accounts for the Year Ended 31st March, 2011

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting and Accounting Conventions:

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the Indian Generally Accepted Principles Accepted Accounting Principles (IGAAP) comprising the Accounting standards Notified under Companies Accounting Standards Rules 2006 by the Central Government of India under section 211(3C) of the Companies Act 1956, Various pronouncements of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 and guidelines issued by the Securities Exchange Board of India (SEBI).

2. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and results of the operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

3. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured.

Revenue from sale of goods is recognized on dispatch which coincides with transfer of significant risks and rewards to customer and is exclusive of excise duty and net of trade discounts, sales returns and sales tax, where applicable.

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

Dividend is recognized as and when the company's right to receive payment is established.

4. Fixed Assets:

Fixed assets are stated at cost less accumulated depreciation, impairment losses and specific grants/subsidies, if any. Cost includes purchase price, freight, non refundable taxes and duties and any identifiable expenditure to bring the assets to its present location and working condition for intended use. Finance cost relating to acquisition of fixed assets which takes substantial period of time to get ready for use are included to the extent they relate to the period till such assets are ready for its indented use.

Expenditure directly relating to construction activities capitalized. Indirect is capitalized to the extent those relate to the construction activity or is incidental there to. Income earned during the construction period is deducted from the total expenditure relating to construction activity.

Assets retired from active use and held for disposal are stated at their estimated net releasable values or net book values, whichever is lower.

5. Depreciation:

Depreciation on Fixed Assets has been provided on Straight Line Method, based on the useful life of the assets as estimated by the management which generally coincides with rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition/deletion of assets during the year is provided on a pro-rata basis.



6. Intangible Assets:

Cost relating to licenses and other intangible assets, which are acquired, are capitalized and amortized on the useful life of the assets as estimated by the management.

7. Impairment:

The carrying amount of the assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use, the estimates of the time value of money and risks specific to the asset.

After impairments are carried at costs, however, diminution in value is provided to recognize a decline, other than temporary, in the value of the investments.

8. Government grants and subsidies:

Grants and subsidies are recognized when there is a reasonable assurance that the grant or subsidy will be received and that all underline conditions there to will be complied with. When grant or subsidy relates an asset, its value is deducted in arriving in carrying amount of the related asset.

9. Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investment. All other Investments are classified as long term investments current investments are carried at lower of cost and fair value determined on individual investment basis.

Long term investments carried at cost. However, diminishing in value is provided to recognize a decline, other than temporary, in the value of investments.

10. Inventories:

Raw-materials, packing materials, stores & spares and consumables valued at lower of cost, calculated on "First In First Out" basis, and net realizable value. Items held for use in the production of inventories and not written down below cost. If the finished product in which they will be incorporated are expected to be sold at or above cost.

Finished goods and work-in-progress are valued at lower of cost and net realizable value. Cost includes material, labour and a proportion of appropriate over heads. Cost of finished goods includes excise duty wherever applicable. Cost is determined on weighted basis.

Trading goods are valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, reduced by the estimated cost of computation costs to affect the sale.

11. Employee Benefits:

Employee benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to profit and loss account of the year when the contribution to the respective funds is due. There are no other obligations other than the contributions payable to the respective authorities.

12. Income taxes:

Tax expenses companies of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred

income taxes reflected the impact of current year timing difference between taxable income and accounting income for the year and reverser of timing differences of earlier years.

Deferred Tax is measured based on tax rates and the tax loss enacted or subsequently enacted at the Balance Sheet Date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. In situations where the company unobserved depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty support by convincing evidence that they can be realized against future taxable profits.

Un-recognised deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain or virtually certain, as the case may be that future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of the deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will available.

13.Foreign Currency Transactions:

Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and foreign currency at the date of the transaction.

Conversion: Foreign currency monetary items are reported at yearend rates. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences: Exchange differences are arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes: In case of forward exchange contracts, difference between the forward rate and exchange rate on the date of transaction is recognized as expense or income over the life the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

14.Export Benefits, incentives and licenses:

Export benefits on account of entitlement to import of goods free of duty under the 'Duty Entitlement Pass Book under Duty Exemption Scheme' and benefits on account of export promotion scheme included in revenues are accrued and accounted in the year export.

15.Borrowing Cost:

Borrowing costs that are directly relatable to acquisition, construction or production of qualifying assets is capitalized as part of the cost of such asset. All other borrowing costs are charged to revenue.



16. Earnings per share:

Basic earnings per share is calculated by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

17. Provisions and Contingent Liabilities:

A provision is recognized when the company has a present obligation as result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate require to settle the obligation at the balance sheet date. These are reviewed at each balance sheet and adjusted to reflect the current best estimates. Financial effect of contingent liabilities is disclosed based on information available upto the date on which financial statements is approved. However where a reasonable estimate of financial effect be made, suitable disclosures are made with regard to this fact and the existence and nature of the contingent liability.

B. NOTES TO ACCOUNTS:

1. Contingent Liabilities:

Particulars	2010-11 (₹)	2009-10 (₹)
a. Letter of Credits availed from banks towards purchase of Raw materials	1,21,59,911	Nil
b. Bank Guarantee given by banks	2,00,000	Nil
c. Provision for Gratuity and Leave encashment to the employees estimated amount has not been provided as the same is proposed to be accounted when it is paid	5,52,850	Nil

2. Demerger and Amalgamation Details:

Subsequent to the approval by the High Courts of Mumbai and Andhra Pradesh, the Company has de-merged its Finance Business on appointed date 01.04.2010 with Five X Finance and Investment Ltd and Further M/s. Swarnajyothi Agro and Exports Limited, M/s. Vanishekar Green Energy Pvt Ltd and M/s. Indrabathi Energies Pvt Ltd have merged with Company with effect from appointed date 01.04.2010.

Accordingly, in line with the Scheme of Arrangement and Restructuring, all the assets and liabilities related to de-merged company (i.e. Finance Division's) has been transferred to Five X Finance and Investment Ltd (Resultant Company).

Similarly, the assets and liabilities of M/s. Swarnajyothi Agro and Exports Limited, M/s. Vanishekar Green Energy Pvt Ltd and M/s. Indrabathi Energies Pvt Ltd have been merged with the Company and as a consideration, equity shares of the Company have been allotted to the shareholders of the transferor companies. The entire business of the transferor companies as going concern along with the liabilities and assets have been transferred to the company after re-valuing the same in line with value of shares allotted towards purchase consideration.

Disclosure:

A. Name and General Nature of Business of Amalgamating Companies:	
Name of the Amalgamating Company	General Nature of business
Swarnajyothi Agro & Exports Limited	Manufacturing of Castor Oil Derivatives
Vanishekar Green Energy Private Limited	Generation of power
Indrabathi Energies Private Limited	Generation of power
B. Other Details of Amalgamation	
Particulars	Details
Effective date of amalgamation	1 st April, 2010
Method of accounting	Purchase Method
Scheme Sanctioned under Statute	Composite Scheme of Arrangement and Restructuring sanctioned by the High Courts of Mumbai and Andhra Pradesh
Consideration for the amalgamation and description of the consideration paid or payable	By way of allotment of 1,46,45,010 equity shares at ₹24/- to shareholders of amalgamating companies
Amount of difference between the consideration and the value of net identifiable assets acquired	₹22,28,65,917/- towards Development Expenditure and Goodwill

3. **Re-Structuring of Balance Sheet:** The Current year Balance Sheet has been re-structured/ re-arranged on appointed date i.e.,01.04.2010 in line with the Composite Scheme of Arrangement and Restructuring,
4. The Name of the Company i.e., M/s. Octant Interactive Technologies Limited has been changed as M/s. Octant Industries Limited as approved in the EGM and as per approval of Registrar of Companies vide approval dated 23.02.2011.
5. **Details of Security Given for Secured Loans:**

A. Term Loan from SBH

First charge on fixed assets both present and future i.e. Plant and Machinery and other movable and immovable assets of Castor Oil Derivatives Division, situated at Plot.No.65 & 66, Export Promotional Industrial Park, Pashamylaram Village, Patancheru, Medak.

B. Working capital Loans from SBH

First charge by way of hypothecation on the entire current assets including all the stocks and book debts/receivables present and future of Castor Oil Derivatives Division, situated at Plot.No.65 & 66, Export Promotional Industrial Park, Pashamylaram Village, Patancheru, Medak.

C. Collateral Security for Term Loan and Working Capital from SBH (i.e A & B above)

1. Equitable mortgage of the following properties:

- i. Factory land and building of Castor Oil Derivatives Division, situated at Plot.No.65 & 66, Export Promotional Industrial Park, Pashamylaram Village, Patancheru, Medak.
- ii. Flat No. G-1, Ground Floor, "Sai Ram Plaza", House Flat No. 130/B (MIG), MCH No.7-1-395/14, Sanjeeva Reddy Nagar, Hyderabad - 500 038. Admeasuring 1400 sq yards and undivided share of land 44.9 sq yds. Standing in the name of Mrs. Indira Sahu.



iii. Opening dry land in Sy. No. 227, Pasumamla (V& GP), Hayathnagar(M) R.R. Dist, A.P. Admeasuring AC.2.00 gts. Standing in the name of Sri Marella Srinivasa Reddy.

2. Personal Guarantees of Mr. Manmohan Sahu, Indira Sahu and Mr. Srinivas Reddy.

6. The Company has not provided for Gratuity and Leave Encashment to Employees on accrual basis. However, in the opinion of management the amount involved is negligible and has no impact on Profit & Loss Account. It is further stated that the same will be accounted when it is paid.
7. **Employee Stock Option Plan:** During the current year, the Company has not announced any Employee Stock Option plan (Previous Year: Nil).
8. The balances of Sundry Debtors, Sundry Creditors and Loans & Advances are subject to confirmation from the parties.
9. Disclosure as per the provisions of the Micro, Small and Medium Enterprises Development Act, 2006:

Particulars	2010-2011	2009-2010
i. Principal amount and separately the interest due thereon remaining unpaid to any supplier at the end of the financial year.	Nil	Nil
ii. The amount of interest paid u/s 16 of this Act, along with the amounts of payments made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
iii. The amount of interest due and payable for the period of delay in making payment which have been paid but, beyond the appointed day during the year.	Nil	Nil
iv. The amount accrued and remaining unpaid at the end of each accounting period; i.e., principal is paid but interest has remained unpaid.	Nil	Nil
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprise, this is required for the purpose of disallowance as a deductible expenditure	Nil	Nil

10. In respect of the amounts mentioned under section 205C of the Companies Act, 1956 there are no dues that are to be credited to the Investor Education and Protection Fund as at March 31, 2011 (March 31, 2010: Nil)

11. Claims against the company not acknowledge as debt: Nil.

12. Earning Per Share (EPS)

S. No.	Particulars	2010-11	2009-10
1.	Net Profit After Tax	1,60,84,644	57,088
2.	Weighted Average Number of Shares	2,42,15,653	2,56,93,000
3.	Basic and Diluted Earnings Per Share	0.664	0.002

13. Related Party Disclosure

a. Names of the Related Parties:

- i. Manmohan Sahu - Managing Director
- ii. Indira Sahu - Relative of Director

b. Disclosures of Transactions between the Company and the related parties:

(₹ in Lakhs)

Sl. No.	Particulars	By Associates	Key Management Personnel	Related Parties
1.	Extended Unsecured Loans	—	43.52	68.65
2.	Sales to Associates	—	—	—
3.	Purchases from Associates	—	—	—
4.	Expenses Reimbursed	—	—	—
5.	Remuneration Paid	—	7.50	2.70
6.	Sitting Fee	—	—	—

c. Disclosure pursuant to clause 32 of Listing Agreement:

Loans and Advances in the nature of Loans to subsidiaries: Current Year: Nil (Previous Year: Nil)

14. Segment Reporting

a. Primary segment Information

Business Segment	Castor Oil Derivatives Division		Agro Division		Software & Other Division		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue								
External Sales	37,32,98,408	—	12,85,22,319	—	5,37,65,500	57,76,64,281	55,55,86,227	57,76,64,281
Segment Results								
Profit / (Loss) before Interest & Tax							3,45,57,945	1,07,762
Less: Other un-allocable Expenditure							—	—
Profit/(Loss) before EOI							3,47,68,553	1,07,762
Profit/(Loss) before Tax							1,88,20,045	1,07,762
Provision For Tax							18,80,501	20,000
Deferred Tax							8,54,900	30,674
Profit/(Loss) after Tax							1,60,84,644	57,088

* In the management opinion it is not feasible to classify company's assets and liabilities among different segment.



b. Secondary Segment Information

The Company operates only in the Indian Market so there are no reportable geographical segments.

15. Deferred Tax

The deferred tax liability (asset) has been provided to comply with Accounting Standard 22 on Accounting for Taxes on Income, issued by the Institute of Chartered Accountants of India.

Breakup of Deferred Tax:

Particulars	Deferred Tax	
	2010-11	2009-10
Deferred Tax Liability on account of Depreciation	1,33,83,403	1,92,392
Deferred Tax Asset on account of Unabsorbed Depreciation and Business Losses	—	(34,14,872)
Total Deferred Tax (NET)	1,33,83,403	(32,22,480)

16. Additional Information pursuant to paragraphs 3 and 4 of part II of Schedule VI of the Companies Act, 1956 – As certified by the management.

A. Quantitative Details

Installed Capacities and Production:

Class of Goods	2010-2011 Capacity (In terms of production)		2009-2010 Capacity (In terms of production)	
	Licensed	Installed	Licensed	Installed
Castor Oil Derivatives (Mts.)	7,200	7,200	Not Applicable	
Actual Production (Mts.)	4054.62			
Turnover				
Name of the Product	2010-2011		2009-2010	
	Quantity (MTs)	Value (₹ Lakhs)	Quantity (MTs)	Value (₹ Lakhs)
Hydrogenated Castor Oil	3722.55	3559.24	NA	NA
12 - H S A	130.17	147.22	NA	NA
First Special Grade	—	—	NA	NA
Crude Castor Oil	—	—	NA	NA
BSS/BP	32.31	26.52	NA	NA
Castor Seeds	2858	1285.22	NA	NA
Software & IT	—	537.66	—	3613.66
Other Division	—	—	—	2162.98
TOTAL	6743.03	5555.86	—	5776.64

***Opening Stock of Finished Goods:**

Name of the Product	2010-2011		2009-2010	
	Quantity (MTs)	Value (₹ Lakhs)	Quantity (MTs)	Value (₹ Lakhs)
Hydrogenated Castor Oil	263.41	181.75	NA	NA
12-Hydroxy Stearic Acid	—	—	NA	NA

*The opening stocks relating to Castor Oil Derivatives are considered on merger.

Closing Stock of Finished Goods:

Name of the Product	2010-2011		2009-2010	
	Quantity (MTs)	Value (₹ Lakhs)	Quantity (MTs)	Value (₹ Lakhs)
Hydrogenated Castor Oil	433	519.60	NA	NA
12-Hydroxy Stearic Acid	0.00	0.00	NA	NA

Raw Material Consumed:

Name of the Product	2010-2011		2009-2010	
	Quantity (MTs)	Value (₹ Lakhs)	Quantity (MTs)	Value (₹ Lakhs)
Raw Material Consumed	4137.52	3341.18	NA	NA

Value of Stores, Chemicals & Packing Material Consumed:

Name of the Product	2010-2011		2009-2010	
	Value (₹ Lakhs)	% (Percentage)	Value (₹ Lakhs)	% (Percentage)
Indigenous	52.68	100%	NA	NA



B. Foreign Exchange Transactions:

i. Earnings in Foreign Exchange:

Name of the Product	2010-2011		2009-2010	
	Quantity (MTs)	Value (₹ Lakhs)	Quantity (MTs)	Value (₹ Lakhs)
Direct Exports	167.58	189.09	—	—
Merchant Exports	32.00	28.45	—	—
TOTAL	199.57	217.54	—	—

ii. Expenses in Foreign Currency : Nil

C. Directors' Remuneration

Particulars	2010-11	2009-10
Sri Manmohan Sahu	7,50,000*	NIL
Smt. Indira Sahu	2,70,000*	NIL
Total	10,20,000	NIL

*i. Remuneration to Sri. Manmohan Sahu of ₹4,50,000 relating to M/s. Swarnajyothi Agro & Exports Ltd (i.e. Merged Company) for the period 1.4.2010 to 31.12.2010. He was a Managing director in the merged Company.

ii. Remuneration to Smt. Indira Sahu of ₹2,70,000 relating to M/s. Swarnajyothi Agro & Exports Ltd (i.e. Merged Company) for the period 1-4-2010 to 31.12.2010. She was a Whole time Director in the merged Company.

D. Auditor's Remuneration

Auditor's Remuneration	2010-11	2009-10
Audit Fees	75,000	40,000
Tax Audit Fees	35,000	15,000
Taxation and Other Matters	55,450	44,832
Total	1,65,450	99,832

17. The figures have been rounded off to the nearest rupee and previous year figures are regrouped/rearranged wherever necessary to conform to those of the current year classification.

Signatures to Schedules 1 to 12
In our report of even date
For N. SIVA PRASAD ASSOCIATES
Firm Registration No.003885 S
Chartered Accountants

For and on behalf of the board of Directors of
OCTANT INDUSTRIES LIMITED

G. Venkatachalam
Partner
Membership.No.200616

Manmohan Sahu
Chairman cum Managing Director

V.S. Janardhanam
Director

Secunderabad
August 10, 2011

Satyabrata Padhi
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

Information Pursuant to part IV of Schedule VI of the Companies Act, 1956

1. Registration Details

Registration No.	76011
Corporate Identification Number	L65920MH1994PLC076011
State Code	11
Balance Sheet Date	31.03.2011

2. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue (calls in arrears)	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

3. Positions of Mobilisation and Deployment of Funds (Amount in ₹)

Total Liabilities	78,28,02,885
Total Assets	78,28,02,885

Sources of Funds

Paid-up Capital	19,78,36,100
Reserves & Surplus	44,47,13,738
Secured Loans	11,27,75,237
Unsecured Loans	1,40,94,407
Deferred Tax Liabilities	1,33,83,403

Application of Funds

Net Fixed Assets	43,03,69,130
Investments	NIL
Net Current Assets	17,73,65,981
Miscellaneous Expenditure	NIL
Accumulated Losses	NIL

4. Performance of the Company

(Amount in ₹)

Turnover	55,55,86,227
Total Expenditure	53,67,66,182
Profit Before Tax	1,88,20,045
Profit After Tax	1,60,84,644
Basic Earning per share in ₹	0.664
Dividend Rate %	NIL

5. Generic Names of Three Principal Products/Services of Company - (As per monetary terms)

Item - Code No.	Product Description
1504.00	Hydrogenated Castor Oil
3823.00	12 Hydroxy Stearic Acid
N.A	Software & I.T
N.A	Agro Division

For and on behalf of the board of Directors of
OCTANT INDUSTRIES LIMITED

Manmohan Sahu
Chairman cum Managing Director

V.S. Janardhanam
Director

Secunderabad
August 10, 2011

Satyabrata Padhi
Company Secretary



Cash Flow Statement for the year ended 31st March, 2011

Amount in ₹

Particulars	for the year ended 31st March 2011	for the year ended 31st March 2010
A. Cash flow from operating activities		
Net profit/(loss) before taxation	1,88,20,045	1,07,762
Adjustments for		
Depreciation	2,74,89,022	1,46,900
Amalgamation Expenditure Amortisation	5,50,464	—
Interest & finance charges	1,57,37,899	—
Operating income before working capital changes	6,25,97,431	2,54,662
Changes in Working Capital		
(Increase)/Decrease in Inventories	(5,63,08,360)	(13,59,375)
(Increase)/Decrease in Sundry Debtors	2,16,97,489	(24,36,697)
(Increase)/Decrease in Current assets loans & advances	(6,19,275)	13,36,723
Increase/(Decrease) in Current Liabilities & Provisions	(37,23,436)	22,74,688
	(3,89,53,582)	(1,84,661)
Cash generated from operations	2,36,43,849	70,001
Less: Tax Expenses	(18,80,501)	(20,000)
Net cash generated from operating activities	2,17,63,348	50,001
B. Cash flow from investment activities		
Acquisition of Fixed assets (including Capital WIP)	(2,17,24,448)	—
Subsidy Received from State Govt	15,00,000	—
Sale/Disposal of Fixed Assets	—	—
Net cash generated/ (used) in Investment activities	(2,02,24,448)	—
C. Cash flow from finance activities		
Increase in share capital	—	—
Repayments/(proceeds) of long term borrowings	(10,77,725)	—
Increase/(Decrease) in Bank Borrowings	2,02,19,816	—
Increase/(Decrease) in Share application money	—	—
Interest paid on term loans and other finance charges	(1,57,37,899)	—
Increase/ (Decrease) in Unsecured loans	22,13,745	—
Amalgamation Expenditure	(27,52,321)	—
Net cash generated/ (used) in financing activities	28,65,616	—
D. Net increase/(decrease) in cash and cash equivalents	44,04,516	50,001
Cash and cash equivalents as at the commencement of the year	5,05,725	4,55,724
Add/(Less): On Amalgamation & (Demerger)	3,85,042	—
Cash and cash equivalents as at the end of the year	52,95,284	5,05,725

This is the Cash Flow Statement referred to in our report of even date

For N. SIVA PRASAD ASSOCIATES

Firm Registration No.003885 S

Chartered Accountants

G. Venkatachalam

Partner

Membership.No.200616

Secunderabad

August 10, 2011

For and on behalf of the board of Directors of

OCTANT INDUSTRIES LIMITED

Manmohan Sahu

Chairman cum Managing Director

V.S. Janardhanam

Director

Satyabrata Padhi
Company Secretary



OCTANT INDUSTRIES LIMITED

Regd. Office: D.No. A-5, 1st Floor, Indian Airlines Colony, Opp. Police Lines, Secunderabad - 500 003, AP, India

ATTENDANCE SLIP

Members or their proxies are requested to present this for admission, duly signed in accordance with their specimen signatures registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary.

NAME & ADDRESS OF THE SHAREHOLDER _____

DP ID/CLIENT ID LEDGER FOLIO _____

NO. OF SHARES HELD _____

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held on Friday, the 30th day of September, 2011 at 11.00 AM at 1st Floor, Lotus Hall, Country Club, 6-3-1219, Station Road, Begumpet, Hyderabad - 500 016, Andhra Pradesh

Signature of the Shareholder or Proxy

OCTANT INDUSTRIES LIMITED

Regd. Office: D.No. A-5, 1st Floor, Indian Airlines Colony, Opp. Police Lines, Secunderabad - 500 003, AP, India

PROXY FORM

DP ID/ CLIENT ID L.F. No. _____

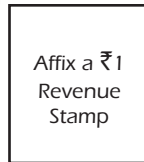
I/We _____

of _____ being a member / members of OCTANT INDUSTRIES LIMITED

hereby appoint _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at held on Friday, the 30th day of September, 2011 at 11.00 AM at 1st Floor, Lotus Hall, Country Club, 6-3-1219, Station Road, Begumpet, Hyderabad - 500 016, Andhra Pradesh

As witness my/our hand(s) this _____ day of _____ 2011,



Signature of the Shareholder(s)

NOTE: The Proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.



OCTANT INDUSTRIES LIMITED

Regd. Office: D.No. A-5, 1st Floor
Indian Airlines Housing Colony
Opp. Police Line, SECUNDERABAD - 500 003
AP, India.