

**JAYSHREE CHEMICALS LIMITED**  
ANNUAL REPORT 2008-09

## Forward-Looking Statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investments decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe that we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should carefully bear this into their mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

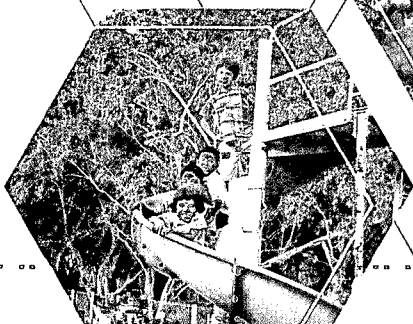
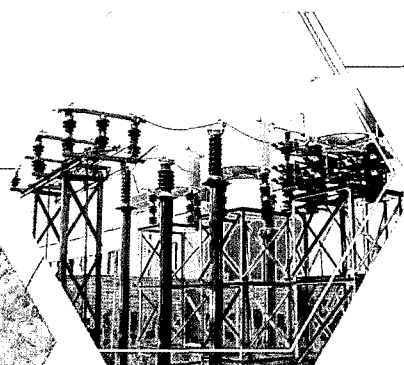
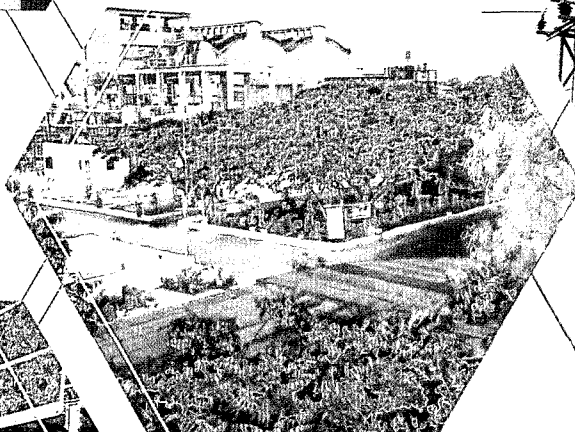
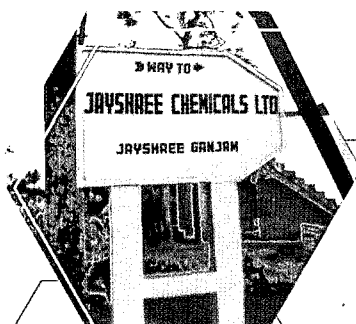
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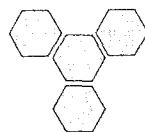
# Creating blocks of growth

We at Jayshree Chemicals Limited always remember and reinforce the basics of executing efficiently. As a growing organisation in the Eastern India in the manufacture of Caustic Soda, Liquid Chlorine and Hydrochloric Acid, we always realise the importance of correct block building through our initiatives in efficient technology, vibrant team work and healthy environment practices thus translating them into a healthy economic growth of the Company.

This is the picture of an evolving company focused on such healthy corporate practices to give them a final picture of overall economic development thereby creating a healthy stakeholders value.



# our business card



## Legacy

Established in 1962, Jayshree Chemicals Limited is one of the oldest companies of S K Bangur Group.

## Presence

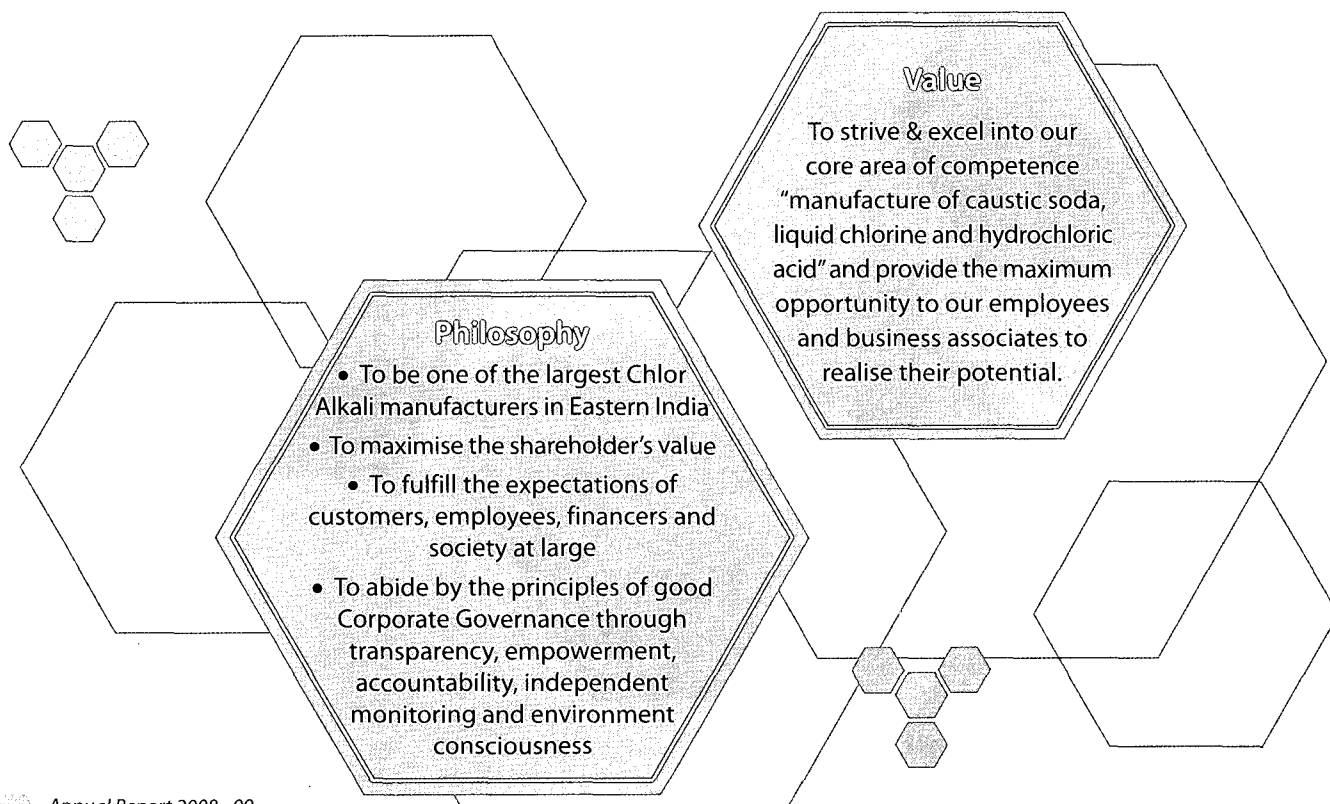
- Headquartered in Kolkata
- Manufacturing facility at Ganjam District, Orissa
- Shares listed on the Bombay Stock Exchange Limited (BSE)
- Caustic Soda with an installed capacity of 22,500 MT p.a. based on Mercury Cell Technology.
- Liquid Chlorine with an installed capacity of 15,500 MT p.a.
- Hydrochloric Acid with an installed capacity of 20,000 MT p.a.

## Major Customers

- HINDALCO
- BALCO
- NALCO
- Vedanta Aluminium
- J K Paper Mills Limited
- Aurobindo Pharma

## Management

- A professionally qualified and experienced team of executives having experience of over 15 years.
- Company headed and promoted by Mr. S K Bangur, a well known industrialist with strategic investments in paper and optic fibre cable industry.



# Performance at glance

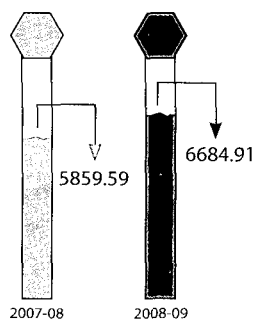


- The gross revenue of the Company increased by 14.08% y-o-y from Rs. 5859.59 Lacs in 2008 to Rs. 6684.91 Lacs in 2009.
- Total Profit before Tax increased by 57.03% y-o-y from Rs. 488.56 Lacs in 2008 to Rs. 767.17 Lacs in 2009.
- Total Profit after Tax increased by 35.96% y-o-y from Rs. 359.36 Lacs in 2008 to Rs. 488.59 Lacs in 2009.
- EPS of the Company increased from 35.91% y-o-y from Rs. 6.74 in 2008 to Rs. 9.16 in 2009.

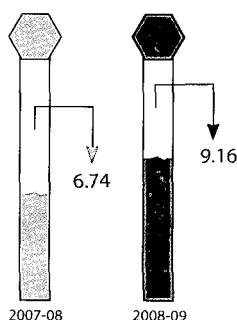
(Rs. in Lacs)

Particulars	2008-09	2007-08
Gross Turnover	6684.91	5859.59
Interest & Finance Charges (Net)	29.56	20.02
Depreciation	126.32	140.20
Profit/(Loss) before Tax	767.17	488.56
Profit/(Loss) after Tax	488.59	359.36
Net Worth	1203.97	794.88
Earnings Per Share (Rs.)	9.16	6.74

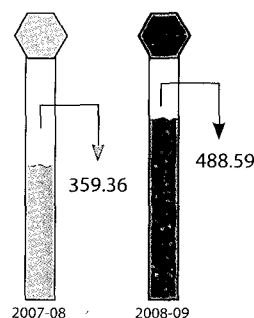
Turnover (Rs. in Lacs)

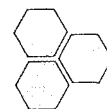


EPS (Rs.)



PAT (Rs. in Lacs)





# Chairman's Letter

## *Dear Shareholders*

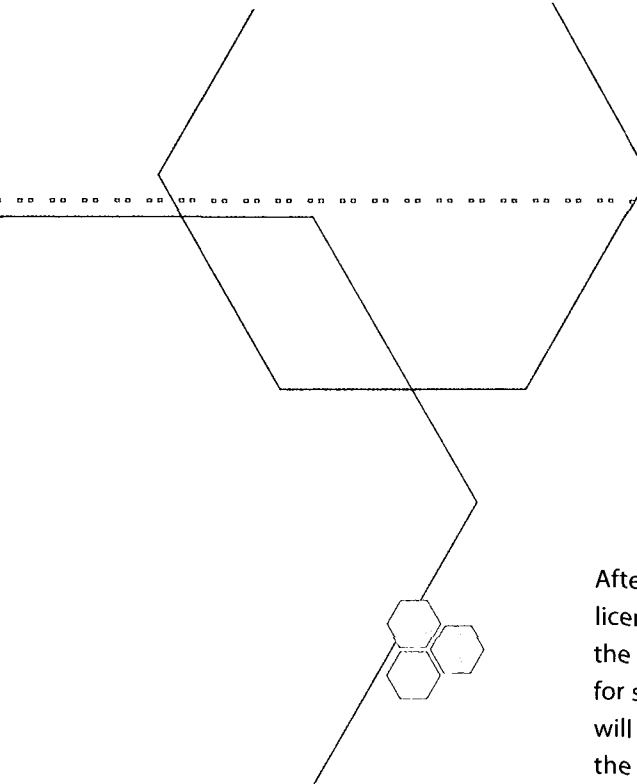
My warm and heartiest greetings to all of you. I am very much pleased to present you, one more saga of the good performance of your Company, which would surely be appreciated by you, as it came during global economic crisis.

The slowdown which started from US after the subprime losses and quickly spread to other developed economic powerhouses like Europe and Japan reminded us of the Great Depression. On the back of stimulus packages by many nations across the globe and spending on infrastructure and social sectors by our own Government, some signs of recovery have started pouring in. I would thus urge our Government to ensure better liquidity across all sectors. Going forward, our Country needs to address the growing demand from all sectors and hence requires a better physical and social infrastructure for all upcoming projects.

I am very proud to speak that we had a good business during the financial year 2008-09 with increased Revenue, Profit after Tax (PAT) and EPS. Production rose to the new height of 24,413 metric tonnes, which could have been still higher, had the quality of power supplied been better. The constant focus of the Company on economies of cost and better plant maintenance has lead to optimum utilization and increased efficiency. The Company has taken effective measures to protect environment.

In anticipation of increasing demand for caustic soda due to addition of capacity in alumina, especially in the State of Orissa, the Company has signed contract with Uhde India Pvt. Ltd., a wholly owned subsidiary of Uhde GmbH, Germany, a Thyssen Krupp Group Company for modernization-cum-expansion plan with latest state-of-the-art Membrane Cell Technology at the existing facility. This technology is environment friendly and cost effective in comparison to existing Mercury Cell Technology. Our existing infrastructure in terms of land, manpower and other utilities is capable enough to efficiently handle the expansion plan. The Membrane Cell Technology is highly energy efficient and its expected power consumption would be 30% lower than the existing Mercury Cell Technology.





After acquiring stake in East Coast Powers Limited, which is having a license to set-up Hydro Electric Power Plant in Orissa, the Company is in the process of seeking necessary approvals from the state government for setting up Hydel Power Project. Power generated by this Company will be consumed by your Company. This will benefit your Company in the long run by further reduction in power cost and ultimately more profit to your Company.

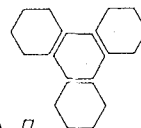
Your Company is also helping its customers to set up ancilliary units near the Plant, where the Company would directly be able to send the Chlorine Gas into their units by pipeline. It is expected that these ancilliary units will consume substantial Chlorine production, thereby saving in logistic cost.

I would like to conclude that the Company had always been focused on competitive, sustainable and profitable growth. I would thank you for your committed support and goodwill for Jayshree Chemicals Limited and expect the same to continue in the years to come.

**S. K. Bangur**  
*Chairman*

Creating blocks of growth

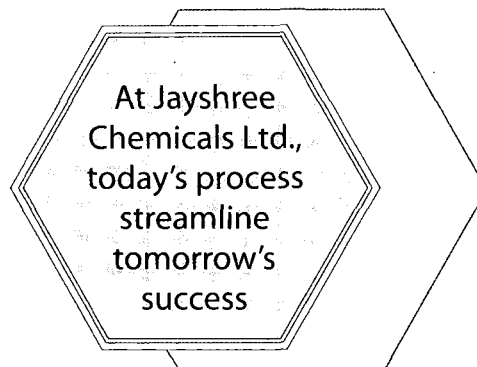
## Process to lead tomorrow



Jayshree Chemicals Limited has three products in its product portfolio viz. Caustic Soda, Chlorine and Hydrochloric Acid.

### Caustic Soda

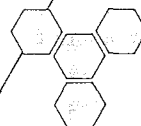
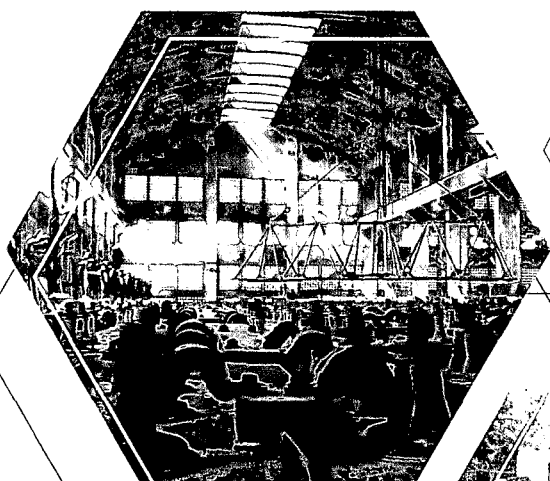
Caustic Soda or Sodium Hydroxide, a caustic metallic base, forms a strong alkaline solution when dissolved in a solvent like water, however, only the hydroxide ion is basic. The Company manufactures Caustic Soda by using Mercury Cell Technology. The mercury cell operation utilizes Mercury as the Cathode and activated Titanium as Anode for the electrolytic reaction. Mercury with Sodium from Salt, combines to form Sodium Amalgam and is reacted with de-ionized water to produce Caustic Soda solution or Lye. The Company has a total installed capacity of 22,500 MT p.a. based on Mercury Cell Technology. Total production of Caustic Soda was 24,413 MT for the year 2008-09. Total revenue generated from Caustic soda stood at Rs. 59.20 Crores.



At Jayshree  
Chemicals Ltd.,  
today's process  
streamline  
tomorrow's  
success

### Chlorine

Chlorine is a powerful oxidant and is used in bleaching and disinfectants. This is a pale yellow-green gas that has its distinctive strong smell, the smell of bleach. As the chloride ion, which is part of common salt and other compounds, it is abundant in nature and necessary to most forms of life, including humans. The chlorine gas generated in the primary cell is about 80°C, which is passed through the cooler to make its temperature reduced to 16-17°C and passed through Absorption Drying tower to make it dry. Drying media is Sulphuric acid and is then compressed in Chlorine compressors and passed through Chlorine Liquefier to convert Chlorine to liquid form. The Company has a total installed capacity of 15,500 MT p.a. of liquid chlorine. Total production of Chlorine was 13,888 MT for the year 2008-09. Total revenue generated from Chlorine stood at Rs. 4.25 Crores.





## Hydrochloric Acid

Hydrochloric Acid is the solution of Hydrogen Chloride (HCL) in water. It is a highly corrosive, strong mineral acid and has major industrial uses. It is found naturally in gastric acid. Historically called muriatic acid or spirits of salt, hydrochloric acid was produced from vitriol and common salt. With major production starting in the Industrial Revolution, hydrochloric acid is used in the chemical industry as a chemical reagent in the large-scale production of vinyl chloride for PVC plastic, and MDI/TDI for polyurethane. It has numerous smaller-scale applications, including household cleaning, production of gelatin and other food additives, descaling, and leather processing. About 75% of Chlorine Gas is sent to the refrigeration section to convert Chlorine Gas to liquid form and rest 25% of Chlorine and sniff Chlorine Gas is burnt in presence of Hydrogen Gas in Hydrochloric Synthesis unit. Hydrochloric Acid Gas is produced which is absorbed with water to make 32% Hydrochloric Acid. The Company has installed capacity of 20,000 MT p.a. for Hydrochloric Acid. Total production of Hydrochloric Acid was 23,920 MT for the year 2008-09. Total revenue generated from Hydrochloric Acid stood at Rs. 3.40 Crores.

## Modernisation of Plant

Jayshree Chemicals Limited plans to modernise its plant from Mercury Cell Technology to Membrane Cell Technology. This will help the Company to not only reduce the cost of production but also increase its per

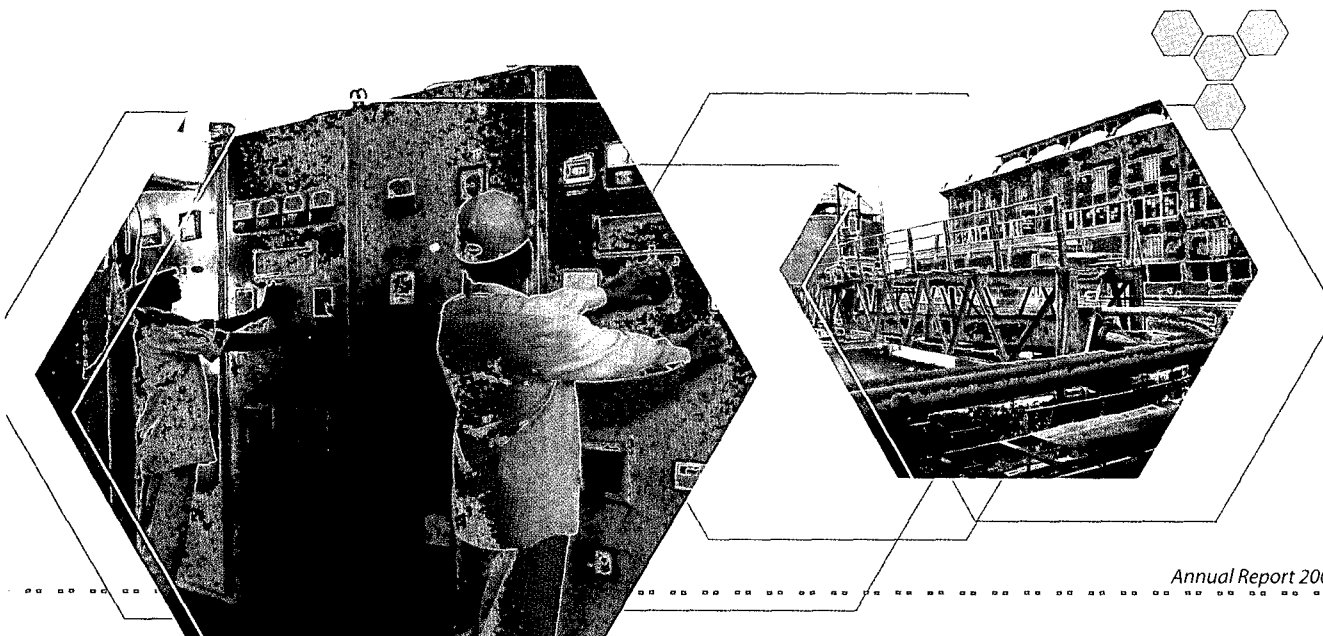
annum production of Chlor Alkali products. The Company has recently signed an MOU with Uhde India Private Limited, a wholly owned subsidiary of Uhde GmbH, Germany, and a Thyssen Krupp Group Company. Membrane Cell Technology does not require mercury, which makes the technology more environment friendly. This technology is highly energy efficient. With this new technology the production capacity of the plant will increase from 22,500 TPY of Caustic Soda to 53,200 TPY of Caustic Soda.

## Power

Chlor Alkali industry is widely dependent upon power. With every increase in the production of Caustic Soda, demand for power also increases. Currently, Jayshree Chemicals Limited draws power from SOUTHCO grid and then through its rectiformers, converts Alternate Current (A.C.) to Direct Current (D.C.) and is then fed to cells connected in the cell house.

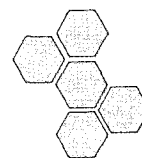
After the modernisation of plant and conversion of Mercury Cell Technology to Membrane Cell Technology there will be economy in power to the extent of 30%.

Through its subsidiary East Coast Powers Limited, the Company plans to generate Hydel Power for its captive usage. East Coast Powers Limited has got the license from the Orissa State Government, for setting up Hydel Power Plant, which is 100% environment friendly. With the passage of time, cost of power generation would decrease as years go by and it would stabilize at a nominal cost.



Creating blocks of growth

# Diverse people single vision



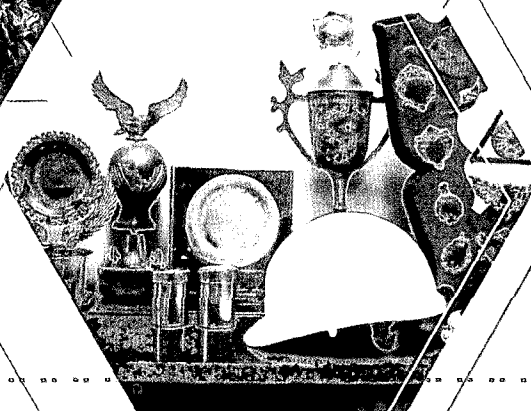
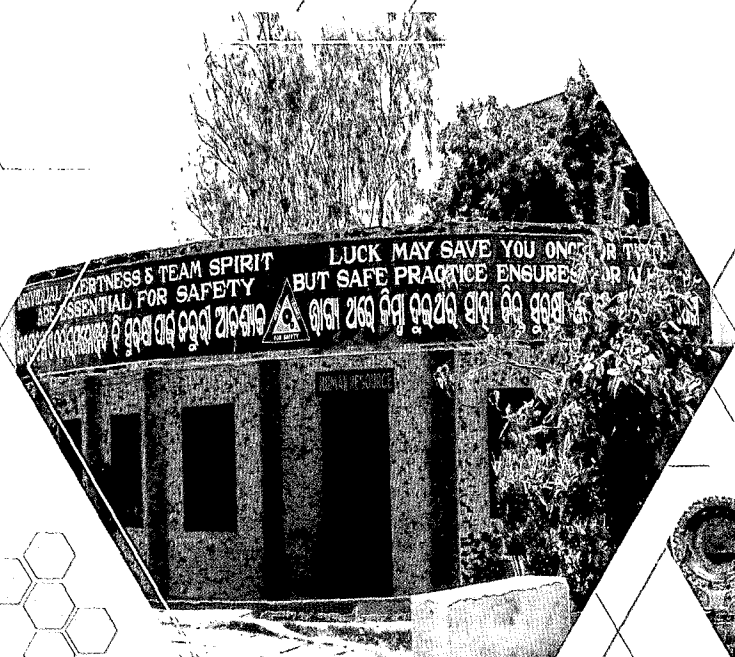
India scores over many companies in talent abundance and cost-effectiveness. The intellectual resource is any day very important for any company. At Jayshree Chemicals Limited, we aligned our policies and practices to nurture this vital resource.

We at Jayshree Chemicals Limited, truly believe in empowering its people so that it could help them release their potential and achieve capabilities for further growth.

## The goal of our HRD comprises of

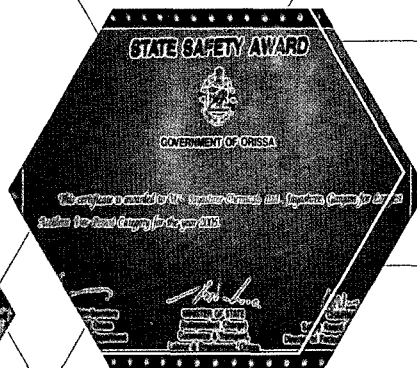
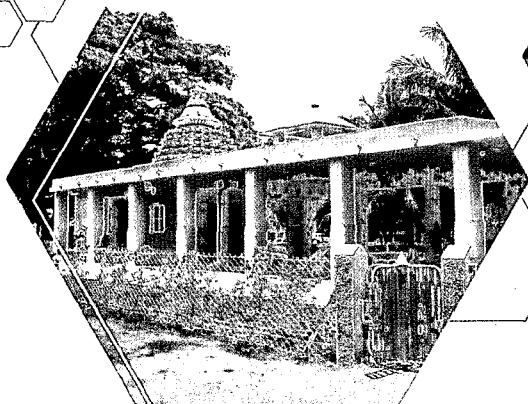
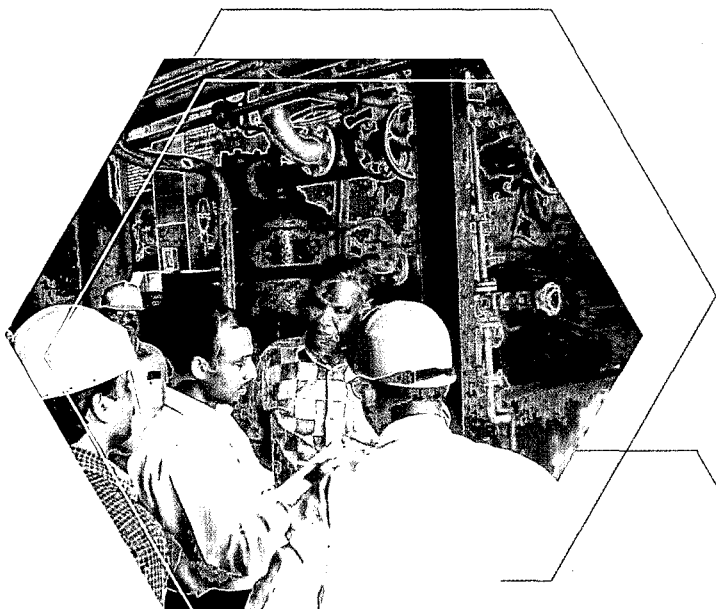
- Recruiting and retaining high caliber employees.
- Encouraging and recognising outstanding merit and contribution.
- Creating opportunities for professional growth and satisfaction.
- Developing leadership capabilities at all levels.
- Fostering employee involvement and developing work ethics that create dignity and pride.

At Jayshree Chemicals Ltd., our human resources reflect an unflagging quest to excel



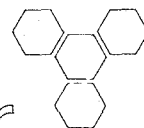
### The initiative taken by Jayshree Chemicals Limited to achieve its goals

- *Employee engagement* : Celebrating various festivals and various get together functions to interact with employees and their families.
- *Employee recreation* : Staff quarters and other recreational facilities have been set up by the Company near its Plant.
- *Enlighting the soul* : Renovation of the Balaji Temple inside the factory premises.
- *Safety measures* : The Government of Orissa has granted State Safety Award Certificate to the Company for Longest Accident Free Period category for the year 2005.
- *Employee Feedback* : The institutionalisation of an employee opinion survey to measure on various tools viz. Business unit communication process to meet particular needs, formulate specific strategies and take initiatives in each business unit to achieve the HR goals.



Creating blocks of growth

Holding hands for brighter  
and greener tomorrow



#### **Vision**

To be a socially and environmentally responsive organisation committed to improve quality of life within and outside.

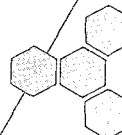
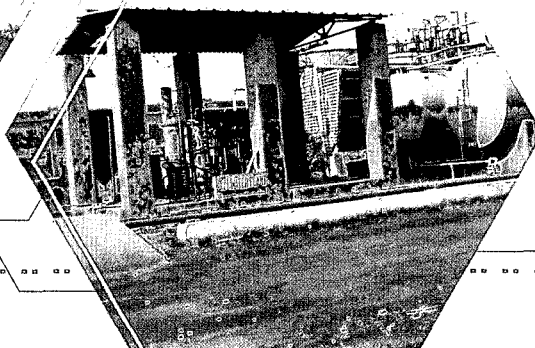
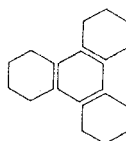
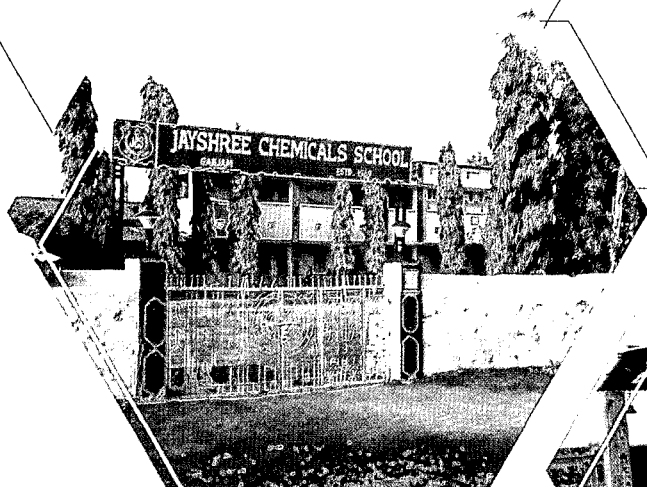
#### **Education**

The Company has set up a school named Jayshree Chemicals School in Ganjam district of Orissa affiliated to the Council for the Indian School Certificate Examination, New Delhi. The Company is supporting infrastructure needs of the school and providing assistance to needy meritorious students.

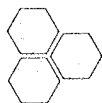
#### **Environment**

At Jayshree Chemicals Limited, we believe in sustainable development. For us, this translates into meeting today's needs without jeopardising the needs of future generations. For us this means understanding that the earth's resources are finite and that, as far as possible, using these resources sparingly and in a responsible manner makes greater business sense.

At Jayshree  
Chemicals Ltd.,  
corporate social  
responsibility  
comes from the  
heart



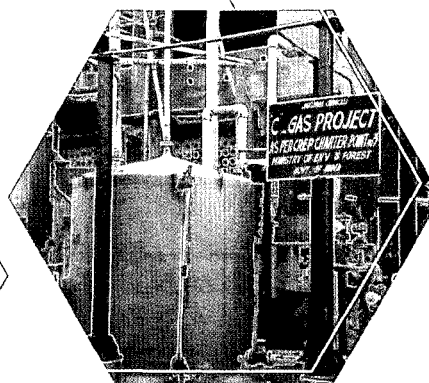
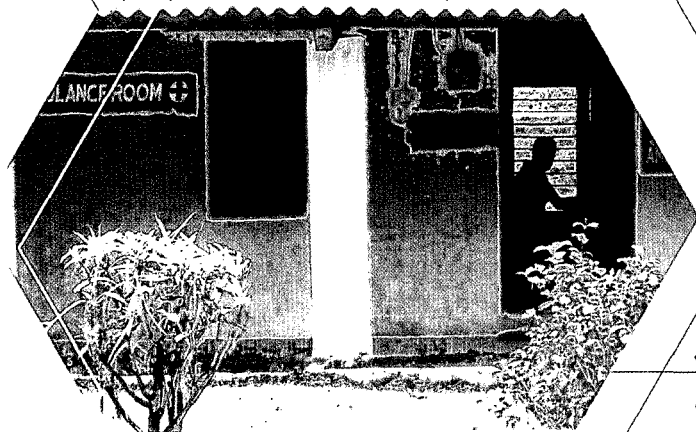
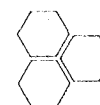
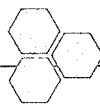
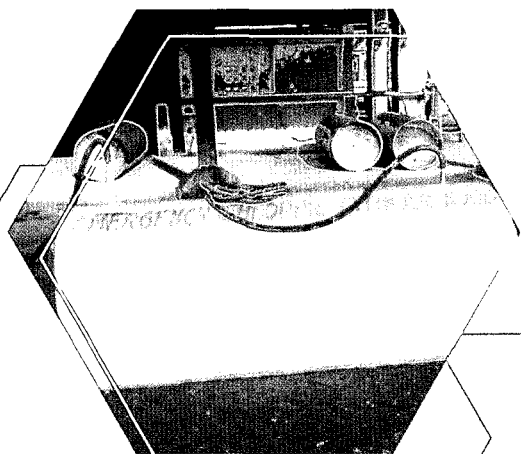
**The guiding principles and measures of the Company for environment measures are :**



- The Company's environment policies comprise air pollution prevention, proper waste management within the Plant, landscaping and beautification among others.
- Efficient conservation of water.
- Successful implementations of C-GAS project to dissolve the mercury vapours.
- Disposal of sludge by developing secured land fills.
- Availability of emergency chlorine cylinder hood and hyposection to dissolve chlorine gas.

**Health and Safety**

- Through constant awareness, training and review of safety processes, safety audit - both internal and external, the Company strives to improve and maintain the highest safety standards.
- A dispensary has been set up inside the factory premises to provide quick medical aid.
- Yearly health check-up for employees and their family by the doctors of Behrampur Medical College is organised.





## Directors' Report

### To the Members,

The Directors have pleasure in presenting herewith their Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2009.

#### FINANCIAL RESULTS

(Amount in Rs.)

Particulars	31-3-2009	31-3-2008
Profit for the year	7,67,16,720	4,88,56,314
Less : Provision for Taxation		
- Current Tax	2,57,00,000	80,00,000
- Fringe Benefit Tax	7,50,000	8,77,993
- Deferred Tax (Net)	14,08,000	40,42,000
	<u>4,88,58,720</u>	<u>3,59,36,321</u>
Add/Less : Credit/(Debit) Balance brought forward	27,94,279	(2,69,03,771)
Making/Leaving a surplus of	<u>5,16,52,999</u>	<u>90,32,550</u>
Which is appropriated as under :		
- Transfer to General Reserve	24,42,936	—
- Proposed dividend on Equity Shares	79,98,125	53,32,083
- Tax on Dividend	13,59,281	9,06,188
- Balance carried forward to next year	<u>3,98,52,657</u>	<u>27,94,279</u>
	<u>5,16,52,999</u>	<u>90,32,550</u>

#### DIVIDEND

The Board of Directors recommend a dividend at the rate of Rs. 1.50 per Share on 53,32,083 Equity Shares of Rs. 10/- each for the year ended 31st March, 2009.

#### OPERATING RESULTS

During the year under review, the Company achieved the lifetime highest production of 24,413 M.T. of Caustic Soda due to better maintenance and improved work culture. The production would have been still higher had the quality of power supplied been better.

#### CURRENT OUTLOOK

The State of Orissa has embarked upon Industrial Development

in a big way and considerable progress has been made in Aluminium and Steel Sectors. Big players like NALCO, Vedanta Aluminium and HINDALCO are adding substantial capacities as well as setting up green field projects.

Some of the renowned big players in the Steel Industry are also setting up steel plants in the State of Orissa.

Hence the future of Caustic Soda Industry is bright in the State of Orissa.

As regards Chlorine and Hydrochloric Acid, the Company is positive on markets for the same. The Company is giving thrust on development of ancilliary units around the factory area for utilisation of Chlorine.

# Directors' Report (Contd.)

## EXPANSION

Your Directors are pleased to inform that the Company has signed Contract with Uhde India Pvt. Ltd., a wholly owned subsidiary of Uhde GmbH, Germany, a ThyssenKrupp Group Company for setting up of 152 TPD Caustic Soda Plant based on the State of Art Membrane based Technology at the existing facility. The Project is estimated to cost Rs. 150 Crores and to be implemented by the end of next calendar year.

Requisite Term Loans for financing a part of the Project cost have already been sanctioned by State Bank of India, Indian Overseas Bank and State Bank of Bikaner and Jaipur.

## INDUSTRIAL RELATIONS

Relations of the Company with the staff and workers remained cordial throughout the year.

The Company has entered into a Memorandum of Settlement dated 6th November, 2008 with its workmen through the Union and the same will remain operative upto 31st December, 2011.

## GENERAL

The welfare activities and other community development programmes around the Factory including aid to educational institutions were continued. The results of the students of Jayshree Chemicals School at Ganjam, who appeared in the ICSE and ISC examinations during the year continues to be very good.

The Company's Shares are listed on the Mumbai Stock Exchange and the Listing Fees for the year ended 31st March, 2009 has been paid.

The Company's Shares are available for dematerialisation both on National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. is INE 693E01016.

The Company places on record its appreciation for the dedicated services of all the Workmen, Staff and Executives. The Company also expresses its gratitude to the State Government, Electricity Authorities, State Bank of Bikaner And Jaipur and the Local Authorities for their continued co-operation and support.

## SAFETY

The Company has adequate system for Industrial Safety. The year under review continued to be NIL accident year.

## ENVIRONMENT

As reported earlier, your Company has implemented 'CHARTER ON CORPORATE RESPONSIBILITY FOR ENVIRONMENTAL PROTECTION' (CREP).

## SUBSIDIARY COMPANY

East Coast Powers Ltd., subsidiary of the Company is in process of taking necessary approvals from the Government for setting up Hydel Power Project in the State of Orissa. Since we require huge power for production of Caustic Soda, the Company will take power from its subsidiary on implementation of its project. This will be beneficial for the Company in future.

As required under Section 212 of the Companies Act, 1956, the audited statement of Accounts alongwith the Reports of the Directors and the Auditors of East Coast Powers Limited, the subsidiary of the Company, for the year ended 31st March, 2009 are annexed.

## CONSOLIDATED FINANCIAL STATEMENTS

As required under Accounting Standard - 21, Consolidated Financial Statements of the Company together with its subsidiary, East Coast Powers Ltd., are annexed.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Particulars prescribed 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, to the extent applicable, forming part of this Report, are as per annexure.

## PARTICULARS OF EMPLOYEES

The Company had no employee drawing Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month during the year under review. Accordingly, the Particulars required under Section 217(2A) of the Companies Act, 1956, have not been given.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors state :-

- (i) that in the preparation of the annual Accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any;



## Directors' Report (Contd.)

- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- (iv) that the Directors had prepared the annual Accounts on a going concern basis.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed report on Management Discussion and Analysis is annexed and forms part of this Report.

### CORPORATE GOVERNANCE

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance.

Report on Corporate Governance is annexed. Necessary declaration duly signed by the Executive Director of the Company to the effect that all the Board Members and Senior Management personnel have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreement with the Bombay Stock Exchange is annexed and forms part of this Report.

### DIRECTORS

Shri D. K. Maheshwari was re-appointed as the Executive Director of the Company for a further period of two years from 1st April, 2009 to 31st March, 2011. Necessary approval of the Members of the Company in this behalf will be obtained at the ensuing Annual General Meeting.

Shri Satish Kapur, Shri P. Bandyopadhyay and Shri Prabir Chakravarti retire by rotation and being eligible offer themselves for re-appointment.

### AUDITORS

M/s. K.N. Gutgutia & Co., Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment.

Kolkata, 20th May, 2009

On behalf of the Board

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

*Directors*

**D. K. Maheshwari** | *Executive Director*



# Annexure to the Directors' Report

Information as per Section 217 (1) (e) read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report

## A) CONSERVATION OF ENERGY

### a) Energy conservation measures taken :

1. 4 nos. of old motors were replaced by energy efficient motors.
2. Conventional street lights and bulbs were replaced by 12 nos. CFL lamp fittings.
3. 125 Watt MV lamp fittings were replaced by 19 nos. 70 Watt Metal halide energy efficient fittings.

### b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. Replacement of rest of old bigger size motors (160

KW) with energy efficient motors of smaller size.

2. Installation of 150 KVA Voltage Regulating Transformer.

3. Further replacement of ordinary lights with compact fluorescent lamps.

### c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Inspite of taking energy conservation measures under (a) above, the overall power consumption per ton of Caustic Soda was marginally higher due to more production of Caustic Soda Lye with higher load. However, with the measures being implemented under (b) above the Company expects a reduction in power consumption.

## FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2008-09	2007-08
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1. Electricity</b>		
a) Purchased :		
- Unit (In Million Units)	80.475	80.101
- Total Amount (Rs. in Lacs)	2215.94	2248.31
- Average Rate (Rs./Unit)	2.75	2.81
b) Own Generation :		
i) Through Diesel Generator :		
- Units	—	—
- Units per Ltr. of Diesel Oil	—	—
- Cost/Unit	—	—
ii) Through Steam Turbine/Generator :		
- Units	—	—
- Units per Ltr. of Fuel Oil/Gas	—	—
- Cost/Unit	—	—
<b>2. Coal (Specify quality and where used)</b>		
- Quantity (M.T.)	—	—
- Total Cost	—	—
- Average Rate	—	—
<b>3. Furnace Oil</b>		
- Quantity (K. Ltrs.)	—	—
- Total Amount (Rs. in Lacs)	—	—
- Average Rate (Rs./K. Ltrs.)	—	—

## Annexure to the Directors' Report (Contd.)

### Particulars

2008-09

2007-08

#### 4. Others/Internal Generation

- Quantity
- Total Cost
- Rate/Unit

— — —

#### B. CONSUMPTION PER UNIT OF PRODUCTION

Caustic Soda

- Electricity (Kwh/M.T.)
- Furnace Oil (Ltrs/M.T.)
- Coal (Specify Quality)
- Others (Specify)

3296 3287 — — —

#### FORM "B"

Disclosure of particulars with respect to absorption

#### C. TECHNOLOGY ABSORPTION

Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company
2. Benefits derived as a result of the above R & D
3. Future Plan of Action
4. Expenditure on R & D

— — —

Technology Absorption, Adaptation and Innovation

The Company has not availed any new technology during last 5 years.

#### D. FOREIGN EXCHANGE EARNINGS & OUTGO

1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.

Export potential of the Company's Products has reduced owing to permanent shut-down of its Flaker Unit. Other Products can not be exported because of Logistic Constraints.

2. Total Foreign Exchange used and earned

OUTGO

Value of imports calculated on CIF Basis :

Components, Stores & Spares (Rs. in Lacs)

— 0.78

Earnings on account of Export (Rs. in Lacs)

— —

On behalf of the Board

S. K. Bangur  
D. D. Kothari  
Virendra Bangur  
Prabir Chakravarti  
Satish Kapur  
P. Bandyopadhyay  
P. D. Agarwal

Directors

D. K. Maheshwari | Executive Director

Kolkata, 20th May, 2009

# Management Discussion and Analysis Report

## INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company is manufacturing Caustic Soda Lye, Chlorine Gas and Hydrochloric Acid in its plant at Ganjam (Orissa). Caustic Soda is mainly used for Bauxite refining and by the Paper Industry. Chlorine is a mother chemical and is used in production of many other chemicals. The main customers of the Company are aluminium, paper, cosmetics and other chemical industries.

## OPPORTUNITIES AND THREATS

The selling price is governed by demand and supply due to very high installed capacity in the Country. In spite of additional capacities installed and commissioned last year, the Company has no problem in marketing its production.

## SEGMENTWISE OR PRODUCTWISE PERFORMANCE

All the products of the Company are inter-related and can not be treated as separate segment. However, in the highly competitive market, the marketing of the Company's products require great thrust and aggression.

## OUTLOOK

The Company has achieved the lifetime highest production during the year. There is significant activity in Aluminium Industry in Orissa. Since your Company is the only manufacturer of Caustic Soda in Orissa, its products have good market in Orissa itself. The Company expects improved working results during the current year.

## RISKS & CONCERNS

The Company's fate is linked to the fate of its user industries. The Company, however, puts greater emphasis on the safety of its workmen and the Plant. The Company also gives priority to the maintenance of the Plant. However, production of salt all over India has declined this year due to adverse weather conditions.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls. All transactions are authorised, recorded and reported correctly. Internal audits and checks are carried out regularly by Internal Auditors, an independent firm of Chartered Accountants. An Audit Committee headed by an Independent and Non-Executive Director, is in place to review the systems continuously.

## FINANCIAL & OPERATING PERFORMANCE

This has already been discussed in the Directors' Report.

## HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONTS

The Company has cordial relations with its employees as well as Unions and all problems are solved across the table in a very congenial atmosphere. Workshops are being organized on a regular basis to impart training to the Company's personnel and also to make them aware of the developments in the Industry. Total number of manhours spent on such training during the year were 480. There were 359 employees as on 31st March, 2009 against 389 employees as on 31st March, 2008.

On behalf of the Board

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

*Directors*

**D. K. Maheshwari**

*Executive Director*

Kolkata, 20th May, 2009

# Report on Corporate Governance for the year ended 31st March, 2009

The Company's Report on Corporate Governance for the year ended 31st March, 2009 is given hereunder :-

## 1. BRIEF STATEMENT ON THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy is to strive for optimum performance at all levels. The basic Corporate Governance practices which the Company follows for achieving the same are as under :-

- Fair and transparent business practices;
- Effective management control by the Board;
- Monitoring of Executive performance;
- Compliance of Laws;
- Independent manner of operation of the Board;

- Accountability for performance;
- Monitoring of Business Risk.

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company, as on 31st March, 2009, comprised of nine Directors, consisting of one Executive Director and eight Non-Executive Directors including Nominee and Representative Directors.

During the year 2008-09 five Board Meetings of the Company were held on 25th April, 2008; 31st July, 2008; 27th October, 2008; 28th January, 2009 and 18th March, 2009. The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other Directorships and Committee Memberships are given hereunder :-

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of other directorships as Director/ Chairman	No. of Committee Memberships as Director/ Chairman*
1	Shri S. K. Bangur	Chairman & Non-Executive Director Promoter Group	2	No	12	-
2	Shri D. D. Kothari	Non-Executive Director	4	No	7	2
3	Shri P. Bandyopadhyay	Representative of LIC Independent Non-Executive Director	5	No	-	1
4	Shri P. D. Agarwal	Nominee of SBBJ Independent Non-Executive Director	3	No	-	-
5	Shri B. Padhy	Nominee of IDCOL Independent Non-Executive Director	-	No	6	-
6	Shri Prabir Chakravarti	Independent Non-Executive Director	5	Yes	11	6
7	Shri Virendra Bangur	Non-Executive Director Promoter Group	5	No	8	2
8	Shri Satish Kapur	Independent Non-Executive Director	4	No	10	2
9	Shri D. K. Maheshwari	Executive Director	5	Yes	4	4

(\*) Includes Membership of Audit Committee, Investors' Grievance Committee and UFR Committee only.

## Report on Corporate Governance (Contd.)

### 3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. As on 31st March, 2009 it comprised of Shri D. D. Kothari, a Director and Shri Prabir Chakravarti, Shri P. Bandyopadhyay and Shri Satish Kapur, three Independent Non-Executive Directors of the Company, with Shri Prabir Chakravarti as its Chairman. The terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd.

During the year, four Meetings of the Audit Committee of the Board of Directors of the Company were held on 25th April, 2008; 31st July, 2008; 27th October, 2008; and 28th January, 2009. The details of the attendance at the said Meetings are given hereunder :-

Names of Directors	No. of Meetings held during the tenure of Membership	No. of Meetings attended
Shri D. D. Kothari	4	3
Shri P. Bandyopadhyay	4	4
Shri Prabir Chakravarti	4	4
Shri Satish Kapur	4	4

### 4. REMUNERATION COMMITTEE (NON-MANDATORY)

The Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') was constituted on 26th July, 2004. As on 31st March, 2009, it comprised of Shri S. K. Bangur, Chairman and Shri P. Bandyopadhyay, Shri Prabir Chakravarti and Shri Satish Kapur, three Independent Non-Executive Directors. The Committee has power to regulate its Meetings and proceedings.

During the year, one Meeting of the Remuneration Committee was held on 28th January, 2009 and the same was attended by all the Members thereof. The details of remuneration of the Executive and Non-Executive Directors during the year ended 31st March, 2009 are as under :-

#### i) Executive Director

Name	Shri D. K. Maheshwari
Description	Executive Director
Salary	Rs. 9,60,000/-
<b>Benefits</b>	
Allowances & Perquisites :	Rs. 3,90,999/-
Bonus	—
Pension	—

#### Fixed Component

Contributions to Provident & Superannuation Funds	Rs. 2,59,200/-
Performance linked Incentive	—
Service Contract	1st April, 2008 to 31st March, 2009
Notice Period	3 Months
Severance Fee	Nil
Stock Options (Rs.)	—
<b>TOTAL</b>	<b>Rs. 16,10,199/-</b>

Subject to approval of the Members of the Company for re-appointment of and the payment of remuneration to Shri D. K. Maheshwari pursuant to Sections 269 and 309 read with Schedule XIII to the Companies Act, 1956, he has been re-appointed as Wholetime Director designated as Executive Director for a further period from 1st April, 2009 to 31st March, 2011. Such approval will be obtained at the ensuing Annual General Meeting.

#### ii) Non-Executive Directors

Non-Executive Directors are not entitled for any remuneration other than the sitting fees for attending Meetings of the Board of Directors of the Company or a Committee thereof.

The details of sitting fees paid are as under :-

Name of Director	Sitting Fees (Rs.)
Shri S. K. Bangur	6,000/-
Shri D. D. Kothari	14,000/-
Shri P. Bandyopadhyay	20,000/-
Shri P. D. Agarwal	6,000/-
Shri B. Padhy	—
Shri Prabir Chakravarti	22,000/-
Shri Virendra Bangur	12,000/-
Shri Satish Kapur	20,000/-
<b>TOTAL</b>	<b>1,00,000/-</b>

## Report on Corporate Governance (Contd.)

### 5. INVESTORS GRIEVANCE COMMITTEE

A Share Transfer Committee of the Board was constituted in the year 1981. This Committee was renamed as Investors Grievance Committee on 29th July, 2002 and its scope was enlarged to include the matters specified in Clause 49 of the Listing Agreements with the Stock Exchanges. The Committee presently consists of Shri Virendra Bangur and Shri D. D. Kothari, two Non-Executive Directors and Shri D. K. Maheshwari, Executive Director of the Company as its Members and its Meetings are presided by Shri Virendra Bangur, a Non Executive Director of the Company. The Committee met seven times during the year. The details of Meetings held and attendance of the Members thereat are given hereunder :-

Date of Meeting	Names of Members and whether Attended		
	Shri Virendra Bangur	Shri D. D. Kothari	Shri D. K. Maheshwari
04-04-2008	Yes	Yes	Yes
20-06-2008	Yes	Yes	Yes
18-08-2008	Yes	Yes	Yes
05-11-2008	Yes	Yes	Yes
01-12-2008	Yes	Yes	Yes
12-02-2009	Yes	Yes	Yes
31-03-2009	Yes	Yes	Yes

Shri R. C. Kalani, Vice President (Legal & Corporate affairs) is the Compliance Officer of the Company. There were five complaints from Shareholders during the year under review and the same were duly resolved.

### 6. UFR COMMITTEE

In order to comply with the revised Clause 41 of the Listing Agreement with the Bombay Stock Exchange Ltd., a Committee of the Board of Directors of the Company known as 'UFR Committee' was constituted on 31st October, 2007 with Shri Virendra Bangur, a Non-Executive Director of the Promoter Group as its Chairman and Shri Prabir Chakravarti and Shri P. Bandyopadhyay, two Independent Non-Executive Directors and Shri D. K. Maheshwari, Executive Director as its members. There was no change in the constitution of the above Committee as on 31st March, 2009.

The Committee met only once during the year and the details of attendance of the Members thereat are given hereunder :-

Date of Meeting	Names of Members and whether attended			
	Shri Virendra Bangur	Shri Prabir Chakravarti	Shri P. Bandyopadhyay	Shri D. K. Maheshwari
18-8-2008	Yes	Yes	Yes	Yes

### 7. ANNUAL GENERAL MEETINGS

The last three Annual General Meetings of the Company were held as under :-

Financial Year ended	Date	Time	Venue
31-3-2008	30-6-2008	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)
31-3-2007	29-9-2007	11.30 A.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)
31-3-2006	30-6-2006	11.30 A.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)

There was no Special Resolution for consideration of the Members of the Company at any of the above three Annual General Meetings requiring postal ballot exercise.

## Report on Corporate Governance (Contd.)

No Special Resolution on matters requiring postal ballot exercise as specified under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd. is placed for approval of the Shareholders at this Meeting.

### 8. DISCLOSURES

#### a) Related Party Transactions

The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have any potential conflict with the interest of the Company.

#### b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities relating to the above.

### 9. MEANS OF COMMUNICATION

The quarterly/half yearly financial results during the year under review were published in English in the 'Business Standard' and in Oriya in the 'Orissa Bhaskar' all circulated in Ganjam where the Registered Office of the Company is situated. Besides, the results for all the four quarters were also published in English in 'Business Standard' all editions and in the first third and fourth quarters only in 'Economic Times', Mumbai and Ahmedabad Editions. The results are not displayed on any Website and are not sent individually to the Shareholders. No separate presentations were made to institutional investors or the analysts.

### 10. GENERAL SHAREHOLDER INFORMATION

#### i) Annual General Meeting

Date : 28th August, 2009  
Time : 3 P. M.  
Venue : P. O. Jayshree - 761 025, District Ganjam (Orissa)

#### ii) (a) Financial year

: 2008 - 09

#### (b) Financial Calendar

: The Financial Calendar for the year 2009-10 (Provisional) is as under :-

- a) Results for the first quarter ending 30th June, 2009 : By end of July, 2009
- b) Results for the second quarter ending 30th September, 2009 : By end of October, 2009
- c) Results for the third quarter ending 31st December, 2009 : By end of January, 2010
- d) Results (Audited) for the Financial year ending 31st March, 2010 : By end of June, 2010
- e) Annual General Meeting for the year ending 31st March, 2010 : By end of August, 2010

#### iii) Date of Book Closure

: The Register of Members and the Share Transfer Books of the Company will remain closed from 18th August, 2009 to 28th August, 2009, both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 28th August, 2009.

#### iv) Dividend Payment Date

: Within thirty days from the date of declaration.

#### v) Listing on Stock Exchanges

: **Bombay Stock Exchange Ltd.**  
Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  
Annual Listing Fees to the Bombay Stock Exchange Ltd. for the year ended 31st March, 2009 has been paid.

## Report on Corporate Governance (Contd.)

### vi) Stock Code

### vii) Market Price Data

Name of Stock Exchange	Physical	Demat	ISIN No.
Bombay Stock Exchange Ltd.	506520		INE693E01016

The Company's Shares were traded only on the Bombay Stock Exchange Ltd. (BSE). The High and Low prices in each month in the BSE are given hereunder :-

Month	Price per Share	
	High (Rs.)	Low (Rs.)
April, 2008	31.00	17.20
May, 2008	32.05	25.00
June, 2008	26.65	19.00
July, 2008	24.00	18.30
August, 2008	25.00	21.10
September, 2008	22.95	18.00
October, 2008	17.25	11.25
November, 2008	17.90	13.50
December, 2008	15.40	13.01
January, 2009	15.00	11.60
February, 2009	15.75	13.90
March, 2009	15.60	12.68

### viii) Share price performance in comparison to broad-based Indices

#### Indices (BSE Sensex)

: The Company's Share prices at the Bombay Stock Exchange Ltd. (BSE) are given hereunder :-

On 1st April, 2008	: Rs.17.85 P. per Share
On 31st March, 2009	: Rs.14.34 P. per Share
Change	: (-) 19.66%
On 1st April, 2008 (Opening)	: 15,771.72
On 31st March, 2009 (Closing)	: 9,708.50
Change	: (-) 38.44%

### ix) Registrars and Share Transfer Agents

: Niche Technologies Private Ltd. are acting as the Registrars of the Company for both physical and dematerialised form of Shares. The address of the above Registrars is given hereunder :

#### Niche Technologies Private Ltd.

D-511, Bagree Market  
71, B. R. B. Basu Road, Kolkata - 700 001  
Telephones : (033) 2235 7270/2235 7271  
Fax No. : (033) 2215 6823  
Email : nichetech@vsnl.net



## Report on Corporate Governance (Contd.)

### x) Share Transfer System

: Niche Technologies Private Limited, the Registrars and Share Transfer Agents of the Company, processes transfer, sub-division, consolidation, splitting etc, of Shares in physical form in close co-ordination with the Company and the same are approved by the Investors Grievance Committee of the Company. Share Transfers etc. are registered and returned within a period of 30 days and the Dematerialisation Requests are confirmed within 21 days from the dates of lodgment thereof.

### xi) Distribution of Shareholding

#### a) Shareholding Pattern as on 31st March, 2009 is as under :-

Category	No. of Shares held	Percentage of Shareholding
Promoters	28,81,703	54.045
Mutual Funds and UTI	700	0.013
Banks, Financial Institutions and Insurance Companies	4,32,744	8.116
Private Corporate Bodies	4,27,725	8.022
Indian Public	15,17,027	28.450
NRIs/OCBs	71,984	1.350
Foreign Institutional Investors	200	0.004
ADRs/GDRs	—	—
<b>TOTAL</b>	<b>53,32,083</b>	<b>100.00</b>

#### b) Distribution of Shareholding as on 31st March, 2009 is as under :-

No. of Equity Shares held	Shareholdings		Shares	
	Nos.	%	Nos.	%
1 to 500	2,068	81.42	3,64,789	6.84
501 to 1000	223	8.78	1,92,177	3.60
1001 to 2000	82	3.23	1,27,734	2.40
2001 to 3000	42	1.65	1,07,605	2.02
3001 to 4000	25	0.98	89,280	1.67
4001 to 5000	18	0.71	86,124	1.62
5001 to 10000	34	1.34	2,50,948	4.71
10001 and above	48	1.89	41,13,426	77.14
<b>TOTAL</b>	<b>2,540</b>	<b>100.00</b>	<b>53,32,083</b>	<b>100.00</b>

#### c) Details of Shares held by the Directors are as under :-

Names	No. of Shares held	Percentage
Shri Shree Kumar Bangur	55,000	1.032
Shri Dau Dayal Kothari	100	0.002
Shri Virendra Bangur	35,000	0.656
Shri Satish Kapur	1,000	0.019



## Report on Corporate Governance (Contd.)

### xii) Dematerialisation of Shares and Liquidity

: As on 31st March, 2009, 51.47% of the Company's total Shares representing 27,44,407 Shares were held in dematerialised form and the balance 48.53% representing 25,87,676 Shares were in physical form.

### xiii) Outstanding GDR/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

: The Company has not issued any GDR/ADRs. etc.

### xiv) Plant Location

: The Company's Plant is located at  
P.O. Jayshree – 761 025, District Ganjam (Orissa)

### xv) Addresses for correspondence

- : 1) **Registered Office** : P. O. Jayshree – 761 025  
District Ganjam (Orissa)
- 2) **Kolkata Office** : 31, Chowringhee Road, Kolkata - 700 016
- 3) **Registrars and Share Transfer Agents**  
Niche Technologies Private Ltd.  
D-511, Bagree Market, 71, B. R. B. Basu Road,  
Kolkata - 700 001

## 11. NON-MANDATORY REQUIREMENTS

- The Board of Directors of the Company has not yet decided on maintenance of Chairman's office.
- The Company has a Remuneration Committee as reported in Paragraph 4 of this Report.
- The rest of the Non-Mandatory requirements such as Shareholder Rights, Training of Board Members, Mechanism for evaluating Non-Executive Board Members and the Whistle Blower Policy will be implemented by the Company as and when required and/or deemed necessary by the Board of Directors of the Company.

On behalf of the Board

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

*Directors*

**D. K. Maheshwari** | *Executive Director*

Kolkata, 19th May, 2009

## Report on Corporate Governance (Contd.)

### TO WHOMSOEVER IT MAY CONCERN

I, Deo Kumar Maheshwari, the Executive Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreements with the Stock Exchanges.

Kolkata, 19th May, 2009

**D. K. Maheshwari**  
Executive Director

### AUDITORS' CERTIFICATE

To the Members of  
**Jayshree Chemicals Limited**

We have examined the compliance of the conditions of Corporate Governance by Jayshree Chemicals Limited for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Limited.

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

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

We state that five investor grievances were received during the year ended 31st March, 2009, as per the records maintained by the Company and presented to the Investors Grievance Committee and the same were duly resolved.

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 **K. N. GUTGUTIA & CO.**  
Chartered Accountants  
**B. K. Bhutia**  
Partner  
Membership No. 59363

Place : Kolkata  
Date : 19th May, 2009



## Auditors' Report

To the Members of  
**Jayshree Chemicals Limited**

1. We have audited the attached Balance Sheet of **JAYSHREE CHEMICALS LIMITED** as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.

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 purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;

- c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with accounting policies and the Notes thereon and Schedules annexed thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
  - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009;
  - ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date; and
  - iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **K. N. GUTGUTIA & CO.**  
Chartered Accountants  
**B. K. Bhutia**  
Partner  
Membership No. 59363

6C, Middleton Street  
Kolkata - 700 071  
Date : 19th May, 2009

# Annexure to the Auditors' Report

## **Annexure to the Auditors' Report to the Members of Jayshree Chemicals Limited referred to in paragraph 3 of our Report of even date.**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- (b) All the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial/major part of fixed assets so as to affect the going concern status of the Company.
- ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In respect of stock lying with third party, related confirmations have been obtained by the Company.
- (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 records of inventory. In our opinion, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii) (a) The Company has not given any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of Clause 4(iii) (b), (c) & (d) are not applicable.
- (b) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of Clause 4(iii) (f) & (g) are not applicable.
- iv) In our opinion there are adequate internal control

procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

- v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that no transactions were needed to be entered in the Register maintained under Section 301 of the Companies Act, 1956.
- vi) The Company has not accepted any public deposits during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board in respect of the aforesaid deposits.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) (a) According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2009 for a period of more than six months from the date they became payable.

## Annexure to the Auditors' Report (Contd.)

(c) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

Name of the Statute	Nature of the dues	Amount of Demand (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	5,57,921	5,07,344	1985-86	High Court of Orissa
"	"	14,230	14,230	1986-87	CTO Berhampur
"	"	5,68,547	4,00,000	1988-89	High Court of Orissa
"	"	2,17,994	1,10,000	1991-92	CTO Berhampur
"	"	1,78,082	1,22,500	1992-93	Sales Tax Tribunal, Cuttack (Orissa)
"	"	63,219	35,000	1997-98	CTO Berhampur
Orissa Sales Tax Act	"	1,39,584	1,12,926	1986-87	High Court of Orissa
"	"	1,42,839	1,42,839	1988-89	CTO Berhampur
Orissa Entry Tax Act	Orissa Entry Tax	12,54,480	5,00,000	2001-02	High Court of Orissa
"	"	9,21,181	4,00,000	2002-03	CTO Berhampur
Orissa Vat Act	Orissa VAT	8,85,225	4,50,000	2005-06 2006-07	CCTO, Cuttack
Orissa Irrigation Act, 1959 and Orissa Irrigation Amendment Rules, 1999	Water Tax	1,27,903	25,000	August, 1967 to February, 1993	High Court of Orissa
"	"	5,05,800	2,52,900	October, 1994 to March, 1999	High Court of Orissa
"	"	11,24,000	-	April, 1999 to March, 2007	Executive Engineer Berhampur, (Orissa)
Service Tax	Service Tax for Services rendered by Goods transporters	5,39,949	-	November, 1997 to June, 1998	High Court of Orissa
Income Tax Act	Income Tax	60,39,888	1,00,000	2005-06	CIT (Appeal)

- x) The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and during immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment

of dues to banks. There are no outstanding dues to a financial institution or debenture holders.

- xii) The Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of

## Annexure to the Auditors' Report (Contd.)

the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.

xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the financial year.

xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

xviii) The Company has not made any preferential allotment of shares during the year.

xix) During the year covered by our Report, the Company has not issued secured debentures and no secured debentures are outstanding.

xx) The Company has not raised any money by public issue during the year covered by our Report.

xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **K. N. GUTGUTIA & CO.**  
Chartered Accountants  
**B. K. Bhutia**  
Partner  
Membership No. 59363

6C, Middleton Street  
Kolkata - 700 071  
Date : 19th May, 2009

## Balance Sheet as at 31st March, 2009

(Amount in Rs.)

Particulars	Schedule No.	As at 31/03/2009	As at 31/03/2008
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' Funds</b>			
Share Capital	1	5,33,20,830	5,33,20,830
Reserves & Surplus	2	5,07,74,253	1,12,72,939
		<b>10,40,95,083</b>	<b>6,45,93,769</b>
<b>2. Loan Funds</b>			
Secured Loans	3	2,25,82,244	2,69,09,784
Unsecured Loans	4	-	1,07,75,413
		<b>2,25,82,244</b>	<b>3,76,85,197</b>
<b>3. Deferred Tax Liabilities (Net)</b>		<b>1,63,02,000</b>	<b>1,48,94,000</b>
<b>TOTAL</b>		<b>14,29,79,327</b>	<b>11,71,72,966</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>	5		
Gross Block		27,36,74,778	27,31,20,857
Less : Depreciation		18,44,76,419	18,00,81,096
Net Block		8,91,98,359	9,30,39,761
Add : Capital Work-in-Progress		1,75,08,299	49,69,198
		<b>10,67,06,658</b>	<b>9,80,08,959</b>
<b>2. Investment</b>	6	60,00,000	60,00,000
<b>3. Current Assets, Loans &amp; Advances</b>	7		
Inventories		1,46,36,770	2,16,30,220
Sundry Debtors		9,18,21,308	7,48,38,243
Cash & Bank Balances		22,84,919	40,21,369
Loans & Advances		5,20,83,299	4,89,06,467
		<b>16,08,26,296</b>	<b>14,93,96,299</b>
Less : <b>Current Liabilities &amp; Provisions</b>	8		
(a) Current Liabilities		10,71,15,468	11,89,85,071
(b) Provisions		2,34,38,159	1,72,47,221
		<b>13,05,53,627</b>	<b>13,62,32,292</b>
Net Current Assets		3,02,72,669	1,31,64,007
<b>TOTAL</b>		<b>14,29,79,327</b>	<b>11,71,72,966</b>

### ACCOUNTING POLICIES & NOTES ON ACCOUNTS

16

Schedule 1 to 8 and 16 forming part of the Balance Sheet

In terms of our Report of even date attached herewith.

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

Directors

**D. K. Maheshwari** | Executive Director



## Profit & Loss Account for the year ended 31st March, 2009

(Amount in Rs.)			
Particulars	Schedule No.	Year ended 31/03/2009	Year ended 31/03/2008
<b>INCOME</b>			
Sales (Gross)		66,84,90,753	58,59,58,762
Less : Excise Duty & Education Cess		7,33,91,022	7,59,45,807
		59,50,99,731	51,00,12,955
Increase/(Decrease) in Stock	9	(29,50,125)	36,52,998
Other Income	10	40,74,194	1,27,36,510
<b>TOTAL</b>		59,62,23,800	52,64,02,463
<b>EXPENDITURE</b>			
Raw Materials Consumed	11	11,49,76,277	7,95,36,002
Manufacturing Expenses	12	25,91,31,992	25,05,91,892
Payment to Employees	13	7,00,97,613	6,04,55,498
Administrative & Sales Expenses	14	5,97,12,974	7,09,40,872
Interest & Finance Charges	15	29,56,193	20,02,308
Depreciation		1,26,32,031	1,40,19,577
<b>TOTAL</b>		51,95,07,080	47,75,46,149
<b>Profit before Tax</b>		7,67,16,720	4,88,56,314
Provision for Taxation			
- Current Tax		2,57,00,000	80,00,000
- Fringe Benefit Tax		7,50,000	8,77,993
- Deferred Tax		14,08,000	40,42,000
<b>Profit after Tax</b>		4,88,58,720	3,59,36,321
Add : Balance as per last accounts		27,94,279	(2,69,03,771)
		5,16,52,999	90,32,550
Transferred to General Reserve		24,42,936	-
Proposed Dividend		79,98,125	53,32,083
Tax on Dividend		13,59,281	9,06,188
<b>Balance carried over to Balance Sheet</b>		3,98,52,657	27,94,279
Basic and Diluted Earning Per Share (Face Value Rs.10/-)		9.16	6.74

### ACCOUNTING POLICIES & NOTES ON ACCOUNTS

16

Schedule 9 to 16 forming part of the Profit & Loss Account

As per our Report of even date in the Balance Sheet annexed herewith

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**

**D. D. Kothari**

**Virendra Bangur**

**Prabir Chakravarti**

**Satish Kapur**

**P. Bandyopadhyay**

**P. D. Agarwal**

Directors

**D. K. Maheshwari**

Executive Director

# Cash Flow Statement for the year ended 31st March, 2009

(Amount in Rs.)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	7,67,16,720	4,88,56,314
Adjustment for :		
- Depreciation	1,26,32,031	1,40,19,577
- Obsolete Assets Discarded	1,06,402	-
- Loss/(Profit) on Sale of Fixed Assets	41,173	1,81,796
- Interest Expenses	29,56,193	20,02,308
- Interest Income	(20,83,786)	(27,84,699)
<b>Operating Profit before Working Capital Changes</b>	<b>9,03,68,733</b>	<b>6,22,75,296</b>
Adjustment for :		
- Trade payables	(61,98,042)	1,05,11,106
- Trade and Other receivables	(2,01,77,402)	(1,57,70,030)
- Inventories	69,93,450	(6,59,547)
Cash generated from operations :	7,09,86,739	5,63,56,825
- Direct Taxes paid	(2,44,17,371)	(60,81,092)
<b>Net Cash used in Operating Activities</b>	<b>4,65,69,368</b>	<b>5,02,75,733</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,17,80,306)	(1,59,21,597)
Sale of Fixed Assets	3,03,001	3,20,035
Sale/(Purchase) of Investments	-	(60,00,000)
Interest received	20,83,786	27,84,699
<b>Net Cash from Investing Activities</b>	<b>(1,93,93,519)</b>	<b>(1,88,16,863)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Borrowings	(1,07,75,413)	(4,62,06,651)
Proceeds from Short term Borrowings	14,96,311	26,224
Increase/(Decrease) in Bank Borrowings	(58,50,074)	2,48,55,336
Dividend paid	(52,65,678)	-
Dividend Tax paid	(9,06,188)	-
Interest paid	(76,11,257)	(2,49,95,057)
<b>Net Cash from Financing Activities</b>	<b>(2,89,12,299)</b>	<b>(4,63,20,148)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(17,36,450)</b>	<b>(1,48,61,278)</b>
Opening Cash and Cash Equivalents	40,21,369	1,88,82,647
Closing Cash and Cash Equivalents	22,84,919	40,21,369

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

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**

**D. D. Kothari**

**Virendra Bangur**

**Prabir Chakravarti**

**Satish Kapur**

**P. Bandyopadhyay**

**P. D. Agarwal**

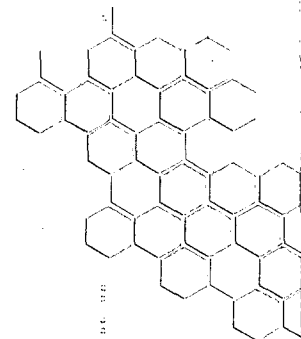
Directors

**D. K. Maheshwari** | Executive Director

# Schedules

(Amount in Rs.)

Particulars	As at 31/03/2009	As at 31/03/2008
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
<b>Issued, Subscribed and Paid-up</b>		
53,32,083 Equity Shares of Rs. 10/- each fully paid in Cash (Previous year - 53,32,083)	5,33,20,830	5,33,20,830
<b>TOTAL</b>	5,33,20,830	5,33,20,830
<b>2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve		
- As per last account	30,00,000	30,00,000
Share Premium		
- As per last account	46,66,660	46,66,660
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
- As per last account	8,12,000	8,12,000
General Reserve		
- Transferred from Profit & Loss Account	24,42,936	-
Surplus		
- As per Profit & Loss Account annexed	3,98,52,657	27,94,279
<b>TOTAL</b>	5,07,74,253	1,12,72,939
<b>3 SECURED LOANS</b>		
Term Loans		
From Government of Orissa for Subsidised Housing Scheme Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 acres and Buildings and Structures constructed thereon.	1,94,250	1,94,250
Interest accrued and due on above loan	7,34,265	7,08,042
Car Loan Account (Amount payable within next 12 months - Rs. 10,52,115/-)	26,48,467	11,52,156
Others		
State Bank of Bikaner & Jaipur :		
- Cash Credit Account	1,90,05,262	2,48,55,336
Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stocks-in-Process & Book Debts and also equitable mortgage by way of First Charge of immovable properties of about 64.62 acres in village Ganjam, Chatrapur Taluka and 30.94 acres in villages Kalyanpur, Kanchipur, Ganjam and Jarapadar together with all Buildings and Structures thereon and all Plant & Machineries attached to the earth or permanently fastened to anything attached to the earth.		
<b>TOTAL</b>	2,25,82,244	2,69,09,784
<b>4 UNSECURED LOANS</b>		
Government of Orissa -		
Deferred amount of Sales Tax (old)	-	76,27,579
Deferred amount of Sales Tax (new)	-	31,47,834
<b>TOTAL</b>	-	1,07,75,413

**5 FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	ORIGINAL COST				DEPRECIATION				NET BLOCK	
	As at 31st March, 2008	Additions during the year	Sales/ Discarded/ Adjustment during the year	As at 31st March, 2009	Upto 31st March, 2008	For the year 2008-09	Adjustment on Assets Sold/ Discarded	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
Land (Free Hold)	9,83,497	47,152	-	10,30,649	-	-	-	-	10,30,649	9,83,497
Land (Lease Hold)	2,77,589	-	-	2,77,589	1,34,008	-	-	1,34,008	1,43,581	1,43,581
Development of Site Including Roads	27,20,712	-	-	27,20,712	12,76,980	25,979	-	13,02,959	14,17,753	14,43,732
Buildings	2,04,71,552	-	-	2,04,71,552	1,11,17,983	4,47,916	-	1,15,65,899	89,05,653	93,53,569
Railway Siding	15,59,968	-	-	15,59,968	3,77,084	1,81,336	-	5,58,420	10,01,548	11,82,884
Plant and Machinery	18,74,02,746	59,71,430	56,83,631	18,76,90,545	13,01,64,063	66,60,588	58,59,941	13,09,64,710	5,67,25,835	5,72,38,683
Water Supply Installations	33,70,736	-	4,05,428	29,65,308	18,61,050	1,07,714	3,93,883	15,74,881	13,90,427	15,09,686
Furniture and Fittings	45,08,075	3,09,955	1,49,892	46,68,138	33,82,117	4,88,385	1,45,349	37,25,153	9,42,985	11,25,958
Electrical Installations	1,65,18,013	55,050	1,02,510	1,64,70,553	1,09,34,854	6,17,341	1,02,496	1,14,49,699	50,20,854	55,83,159
Motor Cars and Vehicles	53,01,954	28,19,231	10,63,920	70,57,265	19,54,249	12,07,686	7,19,747	24,42,188	46,15,077	33,47,705
Laboratory Equipments	1,43,401	38,387	-	1,81,788	1,23,715	8,612	-	1,32,327	49,461	19,686
Handling Equipments Including Chlorine Tonners	2,98,62,614	-	12,81,903	2,85,80,711	1,87,54,993	28,86,474	10,15,292	2,06,26,175	79,54,536	1,11,07,621
TOTAL	27,31,20,857	92,41,205	86,87,284	27,36,74,778	18,00,81,096	1,26,32,031	82,36,708	18,44,76,419	8,91,98,359	9,30,39,761
Figures for Previous Year	25,70,87,860	2,18,07,129	57,74,132	27,31,20,857	17,13,33,820	1,40,19,577	52,72,301	18,00,81,096	9,30,39,761	-

**Note :** Cost of Motor Cars and Vehicles includes Rs. 42,66,879/- (Previous year Rs. - 16,77,248/-) taken under Hire Purchase Scheme.

## Schedules (Contd.)

(Amount in Rs.)		
Particulars	As at 31/03/2009	As at 31/03/2008
<b>6 INVESTMENT (Long Term)</b>		
<b>In Subsidiary</b>		
Unquoted		
- 6,00,000 Equity Shares of Rs. 10/- each fully paid-up in East Coast Powers Limited	60,00,000	60,00,000
<b>TOTAL</b>	<b>60,00,000</b>	<b>60,00,000</b>
<b>7 CURRENT ASSETS</b>		
<b>Inventories</b>		
- Raw Materials	9,51,867	19,02,448
- Stores and Spares including Mercury	72,71,767	97,98,482
- Finished Goods	46,03,175	83,90,195
- Work-in-Progress	18,09,961	15,39,095
<b>TOTAL</b>	<b>1,46,36,770</b>	<b>2,16,30,220</b>
<b>Sundry Debtors - Unsecured (Considered Good)</b>		
Debts outstanding for a period exceeding six months	37,21,513	62,52,776
Other Debts	8,80,99,795	6,85,85,467
<b>TOTAL</b>	<b>9,18,21,308</b>	<b>7,48,38,243</b>
<b>Cash &amp; Bank Balance</b>		
- Cash-in-Hand	38,821	5,60,643
With Scheduled Banks :		
- In Current Account	18,33,674	31,28,939
- Special Term Deposit/Margin Money	3,46,019	3,31,787
- In Unpaid Dividend Account	66,405	-
<b>TOTAL</b>	<b>22,84,919</b>	<b>40,21,369</b>
<b>Loans &amp; Advances - Unsecured (Considered Good)</b>		
Loan to Subsidiary	10,75,466	-
Advances recoverable in cash or in kind or for value to be received	55,27,114	51,50,899
Security Deposit	3,59,68,949	3,49,33,139
Deposit with Excise Department	58,01,594	65,44,748
Deposit with other Government Department	37,10,176	22,60,176
Income Tax (Net of Provisions)	-	17,505
<b>TOTAL</b>	<b>5,20,83,299</b>	<b>4,89,06,467</b>

## Schedules (Contd.)

(Amount in Rs.)

Particulars	As at 31/03/2009	As at 31/03/2008
<b>8 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	6,90,867	-
- Other than Micro, Small and Medium Enterprises	10,16,49,545	11,23,26,933
- Advance from Customers	47,08,651	19,76,851
- Interest accrued but not due	-	46,81,287
Investors' Education and Protection Fund :		
- Unpaid Dividend Account	66,405	-
	<b>10,71,15,468</b>	<b>11,89,85,071</b>
<b>b) Provisions</b>		
- Gratuity	82,65,165	81,70,412
- Leave Liability	38,00,464	28,38,538
- Proposed Dividend	79,98,125	53,32,083
- Tax on Dividend	13,59,281	9,06,188
- Income Tax (Net of Advance Tax)	20,15,124	-
	<b>2,34,38,159</b>	<b>1,72,47,221</b>
<b>TOTAL</b>	<b>13,05,53,627</b>	<b>13,62,32,292</b>
<b>Particulars</b>	<b>Year ended 31/03/2009</b>	<b>Year ended 31/03/2008</b>
<b>9 INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock		
- Finished Goods	46,03,175	83,90,195
- Work-in-Progress	18,09,961	15,39,095
	<b>64,13,136</b>	<b>99,29,290</b>
Less : Opening Stock		
- Finished Goods	83,90,195	45,56,651
- Work-in-Progress	15,39,095	13,07,637
	<b>99,29,290</b>	<b>58,64,288</b>
	<b>(35,16,154)</b>	<b>40,65,002</b>
Adjustment of Excise Duty on Stock	5,66,029	4,12,004
<b>INCREASE/(DECREASE) IN STOCK</b>	<b>(29,50,125)</b>	<b>36,52,998</b>
<b>10 OTHER INCOME</b>		
Interest (TDS - Rs. 4,25,952/-, Previous year - Rs. 9,18,927/-)	20,83,786	45,64,974
Liability no longer required written back	2,53,030	41,74,404
Profit on Sale of Fixed Assets	708	53,798
Others	17,36,670	39,43,334
<b>TOTAL</b>	<b>40,74,194</b>	<b>1,27,36,510</b>

## Schedules (Contd.)

(Amount in Rs.)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>11 RAW MATERIAL CONSUMED</b>		
Opening Stock	19,02,448	53,06,803
Add : Purchases (including own production)	11,40,25,696	7,61,31,647
	11,59,28,144	8,14,38,450
Less : Closing Stock	9,51,867	19,02,448
<b>TOTAL</b>	<b>11,49,76,277</b>	<b>7,95,36,002</b>
<b>12 MANUFACTURING EXPENSES</b>		
Stores & Chemicals etc. consumed	73,39,975	48,96,852
Diesel Oil consumed	86,262	1,99,565
Electricity charges	22,29,87,713	22,62,34,114
Repairs and Maintenance	2,87,18,042	1,92,61,361
(including Stores consumed - Rs. 1,82,16,214/- Previous year - Rs. 1,14,01,889/-).		
- Buildings	37,07,029	23,55,990
- Plant and Machinery	1,79,25,783	1,02,60,687
- Others	70,85,230	66,44,684
<b>TOTAL</b>	<b>25,91,31,992</b>	<b>25,05,91,892</b>
<b>13 PAYMENTS TO EMPLOYEES</b>		
Salaries, Wages and Bonus	4,45,52,570	4,39,42,952
Contribution to :		
- Gratuity Fund	82,65,165	8,93,000
- Provident & Other Funds (including Administrative charges)	54,46,088	52,50,388
Employees' State Insurance	14,40,622	14,01,367
Workmen and Staff Welfare Expenses	94,64,347	81,17,218
House Rent Allowance	9,28,821	8,50,573
<b>TOTAL</b>	<b>7,00,97,613</b>	<b>6,04,55,498</b>

## Schedules (Contd.)

(Amount in Rs.)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>14 ADMINISTRATIVE &amp; SELLING EXPENSES</b>		
Insurance Charges	4,96,366	9,32,101
Rent	3,96,995	3,55,271
Travelling Expenses	27,13,964	22,78,985
Motor Vehicle Expenses	19,60,943	19,18,715
Rates & Taxes	2,92,655	3,51,048
Legal Expenses	3,91,611	14,77,240
Sundry Expenses (Ref. Note No. 3)	83,25,713	88,15,734
Transportation Charges	3,99,23,219	5,26,15,385
Bad Debts written-off	26,39,755	-
Fixed Assets discarded & written-off	1,06,402	2,16,020
Loss on Sale of Fixed Assets	41,881	19,574
Directors' Fees	1,00,000	1,10,000
Managerial Remuneration		
- To Executive Director (including perquisites)	16,10,199	11,25,908
Sales Tax	2,32,771	2,31,854
Donation	4,80,500	4,93,037
<b>TOTAL</b>	<b>5,97,12,974</b>	<b>7,09,40,872</b>
<b>15 INTEREST &amp; FINANCE CHARGES</b>		
To Bank	24,02,067	9,28,988
To Others	5,54,126	10,73,320
<b>TOTAL</b>	<b>29,56,193</b>	<b>20,02,308</b>

### 16 ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Concept

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standard (AS) issued by the Institute of Chartered Accountants of India unless otherwise stated.

##### 2. Use of Estimates

The preparation of financial statements requires to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure relating to contingent liabilities and assets as at the Balance Sheet date and reported amount of income and expenses during the year.

Contingencies are recorded when probable that liability will be incurred and the amount can reasonably be estimated.

Difference between the actual result and the estimates are recognised in the year the result are known/materialised.



## Schedules (Contd.)

### 3. Fixed Assets

Fixed Assets are stated at cost excluding excise duty and education cess thereon. In respect of major projects involving construction, erection etc., related pre-operational expenses form part of the value of the assets capitalised.

### 4. Depreciation

Depreciation on Fixed Assets is calculated in a manner that amortises the cost of the assets after commissioning over their estimated useful lives except as disclosed in Note No. 13 of this Schedule.

### 5. Investment

Long Term Investment are valued at cost. Decline in the value of investment other than temporary in nature are provided/charged to the Profit & Loss Account.

### 6. Inventories

Inventories are valued on cost or net realisable value, whichever is lower. Cost comprises, for finished goods, cost of purchase and production overhead and valued as per FIFO method. Work-in-Progress is valued at material cost. All other inventories are valued as per weighted average method.

### 7. Excise Duty

Excise Duty inclusive of education cess is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factory as on the Balance Sheet date.

### 8. Retirement Benefits

- (i) The Company has constituted a separate Gratuity Trust Fund. Yearly contribution towards accrued liability on account of gratuity payable to employees is provided in the accounts on the basis of actuarial valuation and is paid to the Trust from time to time.
- (ii) Leave Liability in respect of employees is accounted for on actuarial valuation basis.

### 9. Taxation

Current Income Tax and Fringe Benefit Tax is estimated at the amount estimated to be paid under the Income Tax Act, 1961 and is charged to profit & loss account for the year.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the balance sheet date.

Deferred Tax Assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realised in future. Deferred Tax Assets are recognized on unabsorbed losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

### 10. Sales

Sales are inclusive of Excise Duty, Education Cess and Transportation charges recoverable from customers and exclusive of Sales Tax and net of brokerage & commission.

### 11. Recognition of Income & Expenditure

All items of Income & Expenditure are accounted for on accrual basis.

### 12. Foreign Currency Transactions

Transactions in Foreign Currency are accounted for at the prevailing exchange rate on the date of transaction.

### 13. Borrowing Costs

Borrowing Costs relating to (i) funds borrowed for acquisition of Fixed Assets are capitalised and (ii) funds borrowed for other purpose are charged to Profit & Loss Account.

## Schedules (Contd.)

### 14. Impairment of Assets

Impairment is recognised to the extent that the recoverable amount of an asset is less than its carrying amount and the difference is charged to Profit & Loss Account as prescribed by the ICAI in Accounting Standard 28 - Impairment of Assets.

### B) NOTES ON ACCOUNTS

- Outstanding Capital Commitments (Net of Advances) are estimated at Rs. 28,73,95,000/- (Previous year - Rs. 8,66,738/-).

- Contingent Liabilities not provided for : (Amount in Rs.)

Particulars	31st March, 2009	31st March, 2008
(a) Claims against the Company not acknowledged as Debts		
- Sales Tax Demand under Appeals (net of deposit)	23,24,990	23,77,246
- Income Tax Demand under Appeals (net of deposit)	50,39,888	-
- Others (including Excise Duty under appeals)	36,24,364	55,44,706
(b) Guarantees	15,93,768	5,50,000
3. Sundry Expenses include		
(a) Payments to Auditors		
i) Audit Fees	80,000	80,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	38,000	38,000
iv) Reimbursement of Expenses	1,161	5,000
(b) Payment to Cost Auditor	20,000	20,000
4. Licensed Capacity	Since delicensed	Since delicensed
5. Installed Capacity (as certified by the Company's Technical Expert)		
	MT	MT
Caustic Soda	22,500	22,500
Chlorine	15,500	15,500
Hydrochloric Acid (33%)	20,000	20,000

(Amount in Rs.)

Particulars	31st March, 2009		31st March, 2008	
	MT	Rs.	MT	Rs.
6. Opening Stock of Finished Goods				
- Caustic Soda	465	71,08,662	225	35,81,378
- Chlorine	260	12,04,814	229	5,17,726
- Hydrochloric Acid (33%)	48	76,719	341	4,57,547
		83,90,195		45,56,651

## Schedules (Contd.)

Particulars	(Amount in Rs.)	
	31st March, 2009 MT	31st March, 2008 MT
7. (a) Actual Production		
- Caustic Soda	24,413	24,372
- Chlorine	13,888	14,617
- Hydrochloric Acid (33%)	23,920	22,091
(b) Internal Consumption/Losses		
- Caustic Soda	331	333
- Chlorine	-	180
- Hydrochloric Acid (33%)	985	1,018

Particulars	31st March, 2009		31st March, 2008	
	MT	Rs.	MT	Rs.
8. Turnover				
- Caustic Soda	24,308	59,20,63,537	23,799	47,83,61,919
- Chlorine	13,938	4,24,61,340	14,406	6,80,53,533
- Hydrochloric Acid (33%)	22,765	3,39,65,876	21,366	3,95,43,310
		66,84,90,753		58,59,58,762
9. Closing Stock of Finished Goods				
- Caustic Soda	239	42,06,433	465	71,08,662
- Chlorine	210	1,80,564	260	12,04,814
- Hydrochloric Acid (33%)	218	2,16,178	48	76,719
		46,03,175		83,90,195

10. Value of Imports calculated on C.I.F. Basis		
- Components, Stores and Spare Parts	NIL	77,793

	31st March, 2009		31st March, 2008	
	Rs.	%	Rs.	%
11. Consumption of:				
i) Raw Materials - Indigenous	11,49,76,276	81.81	7,95,36,002	82.99
ii) Stores, Spare Parts and Components				
- Imported	14,51,395	1.03	3,00,570	0.31
- Indigenous	2,41,04,794	17.15	1,59,98,171	16.69
	2,55,56,189	18.19	1,62,98,741	17.01
<b>TOTAL</b>	<b>14,05,32,465</b>	<b>100.00</b>	<b>9,58,34,743</b>	<b>100.00</b>

## Schedules (Contd.)

(Amount in Rs.)

Particulars	31st March, 2009		31st March, 2008	
	MT	Rs.	MT	Rs.
12. Value of Raw Materials consumed (including cost of own manufactured salt)				
- Salt	43,434	10,48,48,206 *	48,143	6,99,76,549
- Soda Ash	134	24,49,434	171	25,07,459
- Barium Carbonate	318	76,78,637	392	70,51,994
		11,49,76,276		7,95,36,002

\* Includes payments to and provision for employees Rs. 25,55,114/- (Previous year - Rs. 20,73,920/-), Power & Fuel Rs. 5,71,840/- (Previous year - Rs. 5,00,448/-), Repairs & Maintenance - Rs. 9,93,680/- (Previous year - Rs. 9,91,701/-) Insurance Rs. 6,552/- (Previous year - Rs. 7,458/-) and Rates & Taxes - Rs. 2,37,185/- (Previous year - Rs. 2,38,800/-).

13. Depreciation has been computed on Straight Line Method under Section 205 (2) (b) of the Companies Act, 1956 except on (i) Furniture & Fittings (ii) Motor Cars & Vehicles (iii) Laboratory Equipments (iv) Railway Siding (v) Weighing Machines and (vi) Fire Extinguishers which are depreciated on Written Down Value basis under Section 205 (2) (a) of the Companies Act, 1956.

14. Disclosure pertaining to Micro, Small and Medium Enterprises as per information available with the Company : Principal amount outstanding as at 31st March, 2009 - Rs. 6,90,867/- (Previous Year - Nil)

15. The Company is engaged primarily in the business of manufacture of Caustic Soda, Chlorine and Hydrochloric Acid and hence there is no separate business segment as per Accounting Standard - 17 issued by the Institute of Chartered Accountants of India.

The Company caters mainly to the needs of the domestic market. There is no export turnover during the year, as such there are no reportable Geographical segments.

16. Capital Work-in-Progress includes Rs. 15,00,000/- for advances to suppliers/contractor and Rs. 1,43,02,290/- for Project Expenses.

17. Basis of calculation of Basic and Diluted Earnings Per Share is as under :

Particulars	31st March, 2009	31st March, 2008
Profit after Tax (Rs.)	4,88,58,720	3,59,36,321
Weighted average number of Equity Shares	53,32,083	53,32,083
Basic and Diluted Earnings Per Share (Rs.)	9.16	6.74
Nominal Value of Share (Rs.)	10	10

18. Deferred Tax Liability/Assets at the year end have been computed and comprise timing differences on the account of :

Particulars	31st March, 2009	31st March, 2008
(A) Deferred Tax Liability		
- Depreciation	1,80,24,000	1,90,49,000
(B) Deferred Tax Assets		
- Expenses allowable against taxable income in future year	17,22,000	41,55,000
<b>Net Deferred Tax Liabilities</b>	<b>1,63,02,000</b>	<b>1,48,94,000</b>

19. There is no Impairment of Assets during the year and, therefore no adjustment has been made thereof.

## Schedules (Contd.)

20. The Company acquired Vehicles under Hire Purchase Scheme. Minimum lease payment outstanding as at 31st March, 2009 in respect of these assets are as under :

Due	Total Minimum lease payments outstanding as on 31st March, 2009	Interest not Due	Present Value of minimum lease payments
Within one year	12,97,992	2,45,877	10,52,115
Later than one year and not later than five years	17,24,853	1,28,501	15,96,352
<b>TOTAL</b>	<b>30,22,845</b>	<b>3,74,378</b>	<b>26,48,467</b>

21. Related Party Disclosure

A) Name of the related party with whom the Company has transactions during the year

Name of the related party	Relationship
East Coast Powers Limited	Subsidiary
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd.	Control of KMP
D. K. Maheshwari	Executive Director

**Note :** KMP means Key Managerial Personnel

B) Related Party transactions are as follows

Nature of Transactions	Amount (Rs./Lacs)
Loan to Subsidiary	10.50
Interest received from Subsidiary	0.32
Rent received from The West Coast Paper Mills Ltd.	1.20
Rent & Service Charges paid - Fort Gloster Industries Ltd.	0.72
Donation paid - Shree Ram Trust, Kolkata	4.20
D. K. Maheshwari	16.10

C) Details of Outstanding Payment to related party

Outstanding Balance as on 31st March, 2009	Amount (Rs./Lacs)
- The West Coast Paper Mills Ltd.	1.20
- East Coast Powers Limited	10.75

## Schedules (Contd.)

22. The following table summarises Net Benefit Expenses recognized in the Profit and Loss account and funded status and amounts recognised in the Balance Sheet for Gratuity and Leave Encashment Liability :

Amount (Rs./Lacs)

	31st March, 2009		31st March, 2008	
<b>Profit and Loss Account</b>	<b>Leave Gratuity encashment</b>		<b>Leave Gratuity encashment</b>	
Net employees benefit expenses (recognised in employee cost)				
- Current Service cost	16.95	1.92	14.21	0.27
- Interest cost on benefit obligation	26.32	2.65	24.94	2.37
- Expected return on plan assets	(19.75)	-	(17.76)	-
- Net actuarial loss/(gain) recognised in the year	59.13	9.01	5.45	(0.58)
- Past Service Cost Liability	-	-	(7.01)	-
<b>Net benefit expenses</b>	<b>82.65</b>	<b>13.58</b>	<b>19.83</b>	<b>2.06</b>
Balance Sheet				
- Defined benefit obligation	354.63	38.00	303.46	28.38
- Fair value of plan assets	271.98	-	221.76	-
<b>- Net Liability recognised in Balance Sheet</b>	<b>82.65</b>	<b>38.00</b>	<b>81.70</b>	<b>28.38</b>
Change in present value of the defined benefit obligation are as follows :				
- Defined benefit obligation as at April 1, 2008	303.46	28.38	320.15	30.87
- Interest Cost	26.32	2.65	24.94	2.37
- Current service cost	16.95	1.92	14.21	0.27
- Benefit paid	(46.93)	(3.96)	(50.39)	(4.55)
- Actuarial loss/(gain) on obligation	54.83	9.01	(5.45)	(0.58)
<b>Defined benefit obligation as at March 31, 2009</b>	<b>354.63</b>	<b>38.00</b>	<b>303.46</b>	<b>28.38</b>
Change in present value of the fair value of plan assets are as follows :				
- Fair value of plan assets as at April 1, 2008	221.76	-	230.39	-
- Expected return	19.75	-	17.76	-
- Contribution by the employer	81.70	-	24.00	-
- Benefit paid	(46.93)	-	(50.39)	-
- Actuarial (loss)/gain	(4.30)	-	-	-
<b>Fair value of plan assets as at March 31, 2009</b>	<b>271.98</b>	<b>-</b>	<b>221.76</b>	<b>-</b>
The major categories of plan assets as a percentage of fair value of total plan assets are as follows :				
- Investment in Government bonds and securities	62.09%		57.85%	
- Investment in Mutual Funds	26.97%		11.72%	
- Bank Balance	10.94%		30.43%	
	<b>100.00%</b>		<b>100.00%</b>	

## Schedules (Contd.)

The Principal assumption used in determining gratuity benefit obligation for the Company's plan are below :

	31st March, 2009	31st March, 2008
	Leave Gratuity encashment	Leave Gratuity encashment
- Discount rate	8.00%	7.50%
- Expected rate of return on assets	8.00%	8.00%
- Increase in compensation cost	5.00%	5.00%

The estimates of future salary increase, considered in actuarial valuation, take into account of inflation, seniority, promotion and relevant factor, such as demand supply in the employment market.

23. Previous year's figures have been re-arranged/re-grouped wherever necessary.

Signatures to Schedules 1 to 16.

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**

**D. D. Kothari**

**Virendra Bangur**

**Prabir Chakravarti**

**Satish Kapur**

**P. Bandyopadhyay**

**P. D. Agarwal**

Directors

**D. K. Maheshwari**

Executive Director

# Balance Sheet Abstract & Company's General Business Profile

## I. Registration Details

CIN No. 

L	2	4	1	1	9	0	R	1	9	6	2	P	L	C	0	0	7	1	2	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet Date 

3	1	0	3	2	0	0	9
D	D	M	M	Y	Y	Y	Y

State Code 

1	5
---	---

## II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N	I	L
---	---	---

Bonus Issue

N	I	L
---	---	---

Right Issue

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

## III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

2	7	3	5	3	3
---	---	---	---	---	---

Sources of Funds

Paid-up Capital

5	3	3	2	1
---	---	---	---	---

Secured Loans

2	2	5	8	2
---	---	---	---	---

Deferred Tax Liability

1	6	3	0	2
---	---	---	---	---

Application of Funds

Net Fixed Assets

1	0	6	7	0	7
---	---	---	---	---	---

Net Current Assets

3	0	2	7	3
---	---	---	---	---

Miscellaneous Expenditure

N	I	L
---	---	---

Total Assets

2	7	3	5	3	3
---	---	---	---	---	---

Reserve & Surplus

5	0	7	7	4
---	---	---	---	---

Unsecured Loans

N	I	L
---	---	---

Investments

6	0	0	0
---	---	---	---

Deferred Tax Assets

N	I	L
---	---	---

Accumulated Losses

N	I	L
---	---	---

## IV. Performance of Company (Amount in Rs. Thousands)

Turnover (Including other Income)

5	9	9	1	7	4
---	---	---	---	---	---

Profit before Tax

7	6	7	1	7
---	---	---	---	---

Earning Per Share Annualised (Rs.)

9	1	6
---	---	---

Total Expenditure

5	2	2	4	5	7
---	---	---	---	---	---

Profit after Tax

4	8	8	5	9
---	---	---	---	---

Dividend Rate (%)

1	5
---	---

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

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

Item Code No. (ITC Code)

Product Description

281512.00

Caustic Soda Lye

280110.00

Chlorine

280610.00

Hydrochloric Acid (33%)

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

Directors

**D. K. Maheshwari** | Executive Director



## Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company

Name of the subsidiary company	East Coast Powers Limited
1. The financial year of the subsidiary company ended on	31st March, 2009
2. Date from which it became subsidiary company	31st March, 2008
3. a) Number of shares held by Jayshree Chemicals Limited in the subsidiary at the end of the financial year of the subsidiary	6,00,000 Equity Shares of the face value of Rs. 10/- each, fully paid-up
b) Extent of interest of holding company at the end of the financial year of the subsidiary company	92.31%
4. The net aggregate amount of the subsidiary company's profit (loss) so far as it concerns the members of the holding company	
a) Not dealt with in the holding company's accounts :	
i) For the financial year ended 31st March, 2009	Rs. 1,33,260/-
ii) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	Rs. 90,706/-
b) Dealt with in the holding company's accounts :	
iii) For the financial year ended 31st March, 2009	NIL
iv) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	NIL

On behalf of the Board

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

*Directors*

**D. K. Maheshwari** | *Executive Director*



## Directors' Report

To the Members

### East Coast Powers Limited

The Directors have pleasure in presenting herewith their Ninth Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2009.

During the year under review, the Company could not commence its business operations. However, it earned interest on Term Deposit with Bank. In view thereof, Profit & Loss Account for the year has been prepared. Expenses incurred during the year have been debited to Pre-Operative/Preliminary Expenses and shall be allocated as and when the Company commences its business.

Approval of the Government of Orissa for recasting the Hydel Project from 24.7 MW to 20 MW, 6 MW and 6 MW aggregating to 32 MW is awaited. On receipt of the same a formal Memorandum of Understanding will be entered into between the Company and the Government of Orissa. Thereafter, the Detailed Project Reports will be submitted to the Government of Orissa for approval.

Necessary Compliance Certificate from a Secretary in wholetime practice pursuant to the requirements of Section 383A of the Companies Act, 1956, read with the Companies (Compliance Certificate) Rules, 2001 is annexed.

#### PARTICULARS OF EMPLOYEES

The Company had no employee drawing emoluments aggregating to Rs. 24,00,000/- or more per annum or Rs. 2,00,000/- or more per month during the year under review.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors state :-

- (i) that in the preparation of the annual Accounts, the applicable accounting standards had been followed

alongwith proper explanation relating to material departures, if any ;

- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

#### DIRECTORS

Shri P. S. Maharaj retires by rotation and being eligible offers himself for re-election.

#### AUDITORS

M/s. Lakhota & Co., Chartered Accountants, auditors of the Company, retire and are eligible for re-appointment.

On behalf of the Board

**P. S. Maharaj**  
**R. C. Kalani**  
**L. N. Chaturvedi**

Directors

Kolkata, 17th May, 2009

# Compliance Certificate

To  
The Members

## East Coast Powers Limited

I have examined the registers, records, books and papers of **EAST COAST POWERS LIMITED** as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2009. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all Registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, as applicable, within the time prescribed under the Act and the Rules made thereunder.
3. The Company being a Public Limited Company, the restriction clauses as provided in Section 3(1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met (6) six times on 23.04.2008, 10.05.2008, 14.06.2008, 30.08.2008, 15.10.2008 and 06.02.2009 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the Financial Year.
6. The Annual General Meeting for the Financial Year ended on 31.3.2008 was held on 30.06.2008 after giving due notice to the Members of the Company and Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the Financial Year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company had not entered into any Contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has not made any allotment of shares during the Financial Year. However, the Company has transferred all the certificates on lodgement thereof for transfer in accordance with the provisions of the Act.  
(ii) The Company has not deposited any amount in a separate Bank Account as no Dividend or Interim Dividend was declared during the Financial Year.  
(iii) The Company was not required to post Warrants to any member of the Company as no dividend was declared during the Financial Year.  
(iv) The Company has not transferred any amount to Investor Education and Protection Fund as there were no instances requiring such transfer.  
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors/alternate Directors and Directors to fill casual vacancy during the Financial Year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the Financial Year.
16. The Company has not appointed any Sole Selling Agent during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the Financial Year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not made any allotment of securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company was not required to redeem any Preference Shares or Debentures during the Financial Year as it has not issued any Preference Shares or Debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares, pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.

# Compliance Certificate

24. The Company has made borrowings during the financial year under review which are within the borrowing limits of the Company.
25. The Company has not made any loans and advances or given guarantees or provided securities to other body corporates during the Financial Year.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. I was given to understand by the management that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the Act.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has no Provident Fund Scheme during the Financial Year under certification.

**Sweety Kapoor**  
Company Secretary  
C.P. No. : 5738

Kolkata, 28th April, 2009

## Annexure - 'A'

### Registers as maintained by the Company -

1. Register of Members under Section 150
2. Index of Members under Section 151
3. Minutes of the Board and Shareholders under Section 193
4. Register of Contracts under Section 301
5. Register of Directors under Section 303
6. Register of Share Transfers under Section 108
7. Register of Directors' Shareholdings under Section 307
8. Register of Loans and Investments under Section 372A

## Annexure - 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ended 31st March, 2009.

Sl. No.	Form/Return	Filed under Section	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fees paid Yes/No
1.	Form 23 - Further Issue of Shares	192	03.04.2008	Yes	N.A.
2.	Form 2 - Return of Allotment	75	08.04.2008	Yes	N.A.
3.	Annual Return - Form 20B	159	31.07.2008	Yes	N.A.
4.	Balance Sheet - Form 23AC & ACA	220	14.07.2008	Yes	N.A.
5.	Compliance Certificate - Form 66	383A	14.07.2008	Yes	N.A.

# Auditors' Report

To  
The Shareholders of  
**East Coast Powers Limited**

We have audited the attached Balance Sheet of **EAST COAST POWERS LIMITED** as at 31st March, 2009 and also the related Profit & Loss Account 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. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the same based on our audit.

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.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act'), we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that :
  - i) 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.

- ii) In our opinion, proper books of account as required by the Companies Act, 1956 have been kept by the Company so far as it appears from our examination of the books.
- iii) The Balance Sheet dealt with by this Report is in agreement with the books of account.
- iv) In our opinion, the Balance Sheet dealt with by this Report is in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
- v) On the basis of written representations received from the directors, we report that none of the directors of the Company is disqualified as on 31st March, 2009 from being appointed as a director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
  - (b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended 31st March, 2009.

Kolkata, 16th May, 2009

For **LAKHOTIA & CO.**  
Chartered Accountants  
**Naresh Lakhota**  
Partner  
Membership No. 51249



## Annexure to the Auditors' Report

### Statement referred to in our Report of even date to the shareholders of East Coast Powers Limited on the accounts for the year ended 31st March, 2009 :

- i) The Company does not have any fixed assets and as such clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- ii) The Company does not have any inventory and as such clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable. The Company has also not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- iv) According to the records of the Company and information and explanations given to us, the Company's activities during the year do not include purchase of inventory and fixed assets and sale of goods and services and as such Clause 4(iv) of the Order is not applicable to the Company.
- v) According to the information and explanations given to us, there have been no transactions exceeding the value of five lakh rupees in respect of any party during the year in pursuance of contracts or arrangements which are required to be entered in the register maintained under Section 301 of the Act. Accordingly, clause 4(v)(b) of the Order is not applicable to the Company.
- vi) The Company has not accepted deposits from the public.
- vii) The Company does not have an internal audit system.
- viii) The Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Act.
- ix) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company has been regular in depositing during the year undisputed statutory dues in respect of income tax and other material statutory dues, as applicable, with the appropriate authorities and during the year there are no undisputed statutory dues relating to provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, custom duty, excise duty and cess.  
(b) As at 31st March, 2009 according to the records of the Company and the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of any dispute.
- x) The Company has neither accumulated losses as at 31st March, 2009 nor it has incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi) According to the records of the Company, it has not taken any loan from any financial institution or bank or against debentures during the year and as such clause 4(xi) of the Order is not applicable to the Company.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause 4(xiv) of the Order is not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the records of the Company there are no term loans outstanding and as such Clause 4(xvi) of the Order is not applicable to the Company.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has used funds raised on short term basis for long term investment. The Company has taken unsecured loans of Rs. 10.50 lakhs, repayment terms of which have not being specified and the Company has invested the money for Hydel Power Project.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debenture and as such clause 4(xix) of the Order is not applicable to the Company.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

For **LAKHOTIA & CO.**  
Chartered Accountants

**Naresh Lakhotia**  
Partner

Kolkata, 16th May, 2009

Membership No. 51249

## Balance Sheet as at 31st March, 2009

(Amount in Rs.)

As at 31.03.2008	Liabilities	As at 31.03.2009	As at 31.03.2008	Assets	As at 31.03.2009
	<b>SHARE CAPITAL</b>			<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	
	<b>Authorised</b>			<b>Current Assets</b>	
1,00,00,000	10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	20,030	Cash-in-Hand	5,206
	Issued Subscribed & Paid-up			Balances with Schedule Banks	
65,00,000	6,50,000 Equity Shares of Rs. 10/- each fully paid-up in cash (Out of above, 6,00,000 Equity Shares are held by Jayshree Chemicals Ltd., the Holding Company)	65,00,000	14,55,872	- In Current Accounts	1,90,341
			26,81,508	- In Term Deposits	29,68,255
					31,58,596
	<b>RESERVES &amp; SURPLUS</b>			<b>MISCELLANEOUS EXPENSES</b> (To the extent not written off or adjusted)	
2,89,503	Profit & Loss Account	4,33,869			
	<b>UNSECURED LOAN</b>		1,37,683	Preliminary Expenses	1,37,683
-	From Holding Company	10,75,466	25,46,569	Pre-operative Expenses	47,65,619
					49,03,302
	<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
	Current Liabilities				
2,500	Sundry Creditors	2,000			
-	Other Liabilities	6,606			
	<b>Provisions</b>				
	Provisions for Taxation (Net of advance) :				
40,659	- Income Tax	32,813			
9,000	- Fringe Benefit Tax	16,350	49,163		
68,41,662		80,67,104	68,41,662		80,67,104

Accounting Policies & Notes on Accounts - As per Schedule 'A' annexed

Signed in terms of our Report of even date

For **LAKHOTIA & CO.**

Chartered Accountants

**Naresh Lakhota**

Partner

Membership No. 51249

Place : Kolkata

Date : 16th May, 2009

**P. S. Maharaj**  
**R. C. Kalani**  
**L. N. Chaturvedi**

Directors

## Profit & Loss Account for the year ended 31st March, 2009

(Amount in Rs.)

Year ended 31.03.2008	Particulars	Year ended 31.03.2009	Year ended 31.03.2008	Particulars	Year ended 31.03.2009
600	To Filing Fees <b>2,500</b>		1,79,862	By Interest on Term Deposits (Gross)	<b>2,45,366</b>
1,500	To Audit Fees <b>2,000</b>			(TDS - Rs. 48,846/- Previous year - Rs. 21,519/-)	
-	To Legal & Professional Fees <b>1,500</b>	<b>6,000</b>			
1,77,762	To Profit for the year before Taxation carried down	<b>2,39,366</b>			
1,79,862		<b>2,45,366</b>	1,79,862		<b>2,45,366</b>
	To Provision for Taxation :		1,77,762	By Profit for the year before Taxation brought down	<b>2,39,366</b>
60,500	- Income Tax	<b>81,000</b>	1,91,241	By Balance brought forward from Last year	<b>2,89,503</b>
19,000	- Fringe Benefit Tax	<b>14,000</b>			
2,89,503	To Balance transferred to Balance Sheet	<b>4,33,869</b>			
3,69,003		<b>5,28,869</b>	3,69,003		<b>5,28,869</b>
1.90	Basic & Diluted Earning Per Share	<b>0.22</b>			

Notes : As per Schedule 'A' annexed

Signed in terms of our Report of even date

For **LAKHOTIA & CO.**

Chartered Accountants

**Naresh Lakhoria**

Partner

Membership No. 51249

Place : Kolkata

Date : 16th May, 2009

**P. S. Maharaj**

**R. C. Kalani**

**L. N. Chaturvedi**

Directors



## Schedule - A

### Schedule of Notes Annexed to and forming part of the Accounts for the year ended 31st March, 2009

- The Company has not commenced its business operations upto the date of close of accounting year. During the year, the Company has earned Interest on Term Deposit with Bank. In view thereof, Profit & Loss Account has been prepared. Expenses incurred during the year for Hydel Power Project have been charged to Pre-operative expenses and the same alongwith Pre-operative expenses incurred in earlier years shall be allocated as and when the Company commences its business.
- Details of Pre-operative & Preliminary Expenditure incurred during the year are following : (Amount in Rs.)

a) Pre-operative Expenses :	31st March, 2009	31st March, 2008
Salary & Wages	10,80,000	7,02,581
Employees Welfare Expenses	3,74,834	2,34,100
Postage & Telephone Expenses	1,075	1,862
Travelling & Conveyance	1,24,510	2,16,105
Car Hire Charges	58,793	93,064
Books & Periodicals	500	3,803
Service Charges	4,61,693	12,25,794*
Bank Charges	6,517	—
Guarantee Commission	20,680	19,590
Printing & Stationery	27,001	9,936
General Expenses	31,375	25,813
Interest to Holding Company	32,072	—
<b>TOTAL</b>	<b>22,19,050</b>	<b>25,32,648</b>

\*Includes Rs. 1,000/- paid to Auditors for certification

b) Preliminary Expenses	31st March, 2009	31st March, 2008
Filing Fees	—	1,20,000
<b>TOTAL</b>	<b>—</b>	<b>1,20,000</b>

### 3. Earning Per Share

The numerator and denominator used to calculate Basic and Diluted Earnings Per Share :

	31st March, 2009	31st March, 2008
Net Profit attributable to Equity Share holders (Rs.)	1,44,366	98,262
No. of Equity Shares at the beginning of the year	6,50,000	50,000
No. of Equity Shares allotted during the year	—	6,00,000
Weighted Average number of Equity Shares outstanding during the year	6,50,000	51,639
Nominal Value of each Equity Share (Rs.)	10.00	10.00
Earning Per Share (weighted average) Basic/Diluted (Rs.)	0.22	1.90

### 4. Accounting Policies

- Income & Expenditure are accounted for on accrual basis.
- Preliminary expenses shall be written-off and Pre-operative expenditure shall be allocated as and when the Company commences its business operations.

5. The additional information required under Part-IV of Schedule VI to the Companies Act, 1956 is annexed hereto.

6. Previous year's figures have been re-arranged/re-grouped wherever necessary.

In terms of our attached Report of even date

For **LAKHOTIA & CO.**

Chartered Accountants

**Naresh Lakhota**

Partner

Membership No. 51249

Place : Kolkata

Date : 16th May, 2009

**P. S. Maharaj**

**R. C. Kalani**

**L. N. Chaturvedi**

Directors

# Balance Sheet Abstract and Company's General Business Profile

## Information as required under Part IV of Schedule VI of the Companies Act, 1956

### I. Registration Details

Registration No. 0 0 6 0 8 2

Balance Sheet Date 3 1 0 3 2 0 0 9  
D D M M Y Y Y Y

State Code 1 5

### II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Bonus Issue

N I L

Right Issue

N I L

Private Placement

N I L

### III. Position of Mobilisation & Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

8 0 6 7

Source of Funds

Paid-up Capital

6 5 0 0

Secured Loans

N I L

Application of Funds

Net Fixed Assets

N I L

Net Current Assets

3 1 0 6

Total Assets

8 0 6 7

Reserves & Surplus

4 3 4

Unsecured Loans

1 0 7 5

Investments

N I L

Miscellaneous Expenditure

4 9 0 3

### IV. Performance of Company (Amount in Rs. Thousands)

Turnover (including other Income)

2 4 5

Profit/(Loss) before Tax

2 3 9

Earning Per Share (in Rs.)

0 . 2 2

Total Expenditure

6

Profit/(Loss) after Tax

1 4 4

Dividend Rate (Rs.)

N I L

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

Item Code No. (ITC Code)

Not Applicable

Products Description

Not Applicable

P. S. Maharaj  
R. C. Kalani  
L. N. Chaturvedi

Directors

# Auditors' Report

## Auditors' Report to the Board of Directors of Jayshree Chemicals Limited on the Consolidated Financial Statements Including its Subsidiary for the Year Ended 31st March, 2009

1. We have audited the attached Consolidated Balance Sheet of **M/s. JAYSHREE CHEMICALS LIMITED** and its subsidiary company as at 31st March, 2009, the Consolidated Profit and Loss Account for the year ended as on that date annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of Jayshree Chemicals Limited's management. Our responsibility is to express an opinion on these consolidated 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 prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 statements presentation. We believe that our audit provides a *reasonable basis for our opinion*.
3. We did not audit the financial statements of subsidiary viz. East Coast Powers Limited, whose financial statements reflect total assets of Rs. 80,67,104/- as at 31st March, 2009 and total revenue of Rs. 2,45,366/- and net cash outflow amounting to Rs. 10,89,104/- for the year then ended. These financial statements and other information of the subsidiary has been audited by the other auditor whose reports have been furnished to us, and our opinion, in so

far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Jayshree Chemicals Limited and its subsidiary included in the Consolidated Financial Statements.
5. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Jayshree Chemicals Limited and its subsidiary in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India :
  - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Jayshree Chemicals Limited and its subsidiary as at 31st March, 2009.
  - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of Jayshree Chemicals Limited and its subsidiary for the year ended on that day.
  - c) in the case of the Cash Flow Statement of the Consolidated Cash Flow of Jayshree Chemicals Limited and its subsidiary for the year ended on that date.

For **K. N. GUTGUTIA & CO.**  
Chartered Accountants

6C, Middleton Street  
Kolkata - 700 071  
Date : 19th May, 2009

**B. K. Bhutia**  
Partner  
Membership No. 59363

# Consolidated Balance Sheet as at 31st March, 2009

(Amount in Rs.)

Particulars	Schedule No.	As at 31/03/2009	As at 31/03/2008
<b>SOURCES OF FUNDS</b>			
<b>1. Shareholders' funds</b>			
Share Capital	1	5,33,20,830	5,33,20,830
Reserves & Surplus	2	5,11,74,747	1,15,40,173
		<b>10,44,95,577</b>	<b>6,48,61,003</b>
<b>2. Minority Interest</b>		<b>5,33,375</b>	<b>5,22,269</b>
<b>3. Loan funds</b>			
Secured Loans	3	2,25,82,244	2,69,09,784
Unsecured Loans	4	-	1,07,75,413
		<b>2,25,82,244</b>	<b>3,76,85,197</b>
<b>3. Deferred Tax Liabilities (Net)</b>		<b>1,63,02,000</b>	<b>1,48,94,000</b>
<b>TOTAL</b>		<b>14,39,13,196</b>	<b>11,79,62,469</b>
<b>APPLICATION OF FUNDS</b>			
<b>1. Fixed assets</b>	5		
Gross Block		27,36,74,778	27,31,20,857
Less : Depreciation		18,44,76,419	18,00,81,096
Net Block		8,91,98,359	9,30,39,761
Add : Capital Work-in-Progress		1,75,08,299	49,69,198
		<b>10,67,06,658</b>	<b>9,80,08,959</b>
<b>2. Current Assets, Loans &amp; Advances</b>	6		
Inventories		1,46,36,770	2,16,30,220
Sundry Debtors		9,18,21,308	7,48,38,243
Cash & Bank Balances		54,48,721	81,78,779
Loans & Advances		5,10,07,833	4,88,88,962
		<b>16,29,14,632</b>	<b>15,35,36,204</b>
Less : Current Liabilities & Provisions	7		
(a) Current Liabilities		10,71,24,074	11,89,87,571
(b) Provisions		2,34,87,322	1,72,79,375
		<b>13,06,11,396</b>	<b>13,62,66,946</b>
Net Current Assets		3,23,03,236	1,72,69,258
Miscellaneous Expenses (to the extent not written off)		49,03,302	26,84,252
<b>TOTAL</b>		<b>14,39,13,196</b>	<b>11,79,62,469</b>

## ACCOUNTING POLICIES & NOTES ON ACCOUNTS

15

Schedules 1 to 7 and 15 forming part of the Balance Sheet

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**

**D. D. Kothari**

**Virendra Bangur**

**Prabir Chakravarti**

**Satish Kapur**

**P. Bandyopadhyay**

**P. D. Agarwal**

Directors

**D. K. Maheshwari** | Executive Director

# Consolidated Profit & Loss Account for the year ended 31st March, 2009

(Amount in Rs.)			
Particulars	Schedule No.	Year ended 31/03/2009	Year ended 31/03/2008
<b>INCOME</b>			
Sales (Gross)		66,84,90,753	58,59,58,762
Less : Excise Duty & Education Cess		7,33,91,022	7,59,45,807
		59,50,99,731	51,00,12,955
Increase/(Decrease) in Stock	8	(29,50,125)	36,52,998
Other Income	9	43,19,560	1,27,36,510
<b>TOTAL</b>		<b>59,64,69,166</b>	<b>52,64,02,463</b>
<b>EXPENDITURE</b>			
Raw Materials Consumed	10	11,49,76,277	7,95,36,002
Manufacturing Expenses	11	25,91,31,992	25,05,91,892
Payment to Employees	12	7,00,97,613	6,04,55,498
Administrative & Sales Expenses	13	5,97,18,974	7,09,40,872
Interest & Finance Charges	14	29,56,193	20,02,308
Depreciation		1,26,32,031	1,40,19,577
<b>TOTAL</b>		<b>51,95,13,080</b>	<b>47,75,46,149</b>
<b>Profit before tax</b>		<b>7,69,56,086</b>	<b>4,88,56,314</b>
Provision for Taxation			
- Current Tax		2,57,81,000	80,00,000
- Fringe Benefit Tax		7,64,000	8,77,993
- Deferred Tax		14,08,000	40,42,000
<b>Profit after Tax</b>		<b>4,90,03,086</b>	<b>3,59,36,321</b>
Less : Minority Interest		11,106	-
		4,89,91,980	3,59,36,321
Add : Balance as per last accounts		27,94,279	(2,69,03,771)
<b>TOTAL</b>		<b>5,17,86,259</b>	<b>90,32,550</b>
Transferred to General Reserve		24,42,936	-
Proposed Dividend		79,98,125	53,32,083
Tax on Dividend		13,59,281	9,06,188
<b>Balance carried over to Balance Sheet</b>		<b>3,99,85,917</b>	<b>27,94,279</b>
Basic and Diluted Earning Per Share (Face Value Rs.10/-)		9.19	6.74

## ACCOUNTING POLICIES & NOTES ON ACCOUNTS

15

Schedule 8 to 15 forming part of the Profit & Loss Account

As per our Report of even date in the Balance Sheet annexed herewith.

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

Directors

**D. K. Maheshwari** | Executive Director

# Consolidated Cash Flow Statement for the year ended 31st March, 2009

(Amount in Rs.)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	76,956,086	49,034,076
Adjustment for :		
- Depreciation	12,632,031	14,019,577
- Obsolete Assets Discarded	106,402	-
- Loss/( Profit) on Sale of Fixed Assets	41,173	181,796
- Interest Expenses	2,956,193	2,002,308
- Interest Income	(2,329,152)	(2,964,561)
<b>Operating Profit before Working Capital changes</b>	<b>90,362,733</b>	<b>62,273,196</b>
Adjustment for :		
- Trade Payables	(6,191,936)	10,512,106
- Trade and Other receivables	(19,101,936)	(15,770,030)
- Inventories	6,993,450	(659,547)
<b>Cash generated from Operations</b>	<b>72,062,311</b>	<b>56,355,725</b>
Direct Taxes paid	(24,512,867)	(6,122,611)
<b>Net Cash used in Operating Activities</b>	<b>47,549,444</b>	<b>50,233,114</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(21,780,306)	(15,921,597)
Miscellaneous Expenses	(2,219,050)	(2,652,648)
Sale of Fixed Assets	303,001	320,035
Interest Received	2,329,152	2,964,561
<b>Net Cash from Investing Activities</b>	<b>(21,367,203)</b>	<b>(15,289,649)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Short Term Borrowings	(10,775,413)	(46,206,651)
Proceeds from Short Term Borrowings	1,496,311	26,224
Repayment of Secured Loans	-	(2,000,000)
Increase/(Decrease) in Bank Borrowings	(5,850,074)	24,855,336
Dividend paid	(5,265,678)	-
Dividend Tax paid	(906,188)	-
Interest paid	(7,611,257)	(24,995,057)
<b>Net Cash from Financing Activities</b>	<b>(28,912,299)</b>	<b>(48,320,148)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(2,730,058)</b>	<b>(13,376,683)</b>
Opening Cash and Cash Equivalents	8,178,779	21,555,462
Closing Cash and Cash Equivalents	5,448,721	8,178,779

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

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

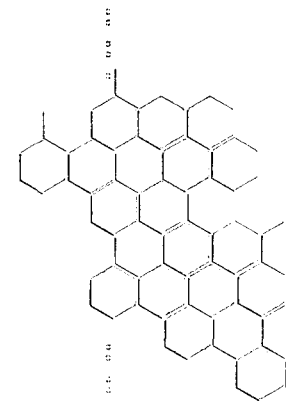
Directors

**D. K. Maheshwari** | Executive Director

# Consolidated Schedules

(Amount in Rs.)

Particulars	As at 31/03/2009	As at 31/03/2008
<b>1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	15,00,00,000	15,00,00,000
	15,00,00,000	15,00,00,000
<b>Issued, Subscribed and Paid up</b>		
53,32,083 Equity Shares of Rs. 10/- each fully paid in Cash (Previous Year - 53,32,083)	5,33,20,830	5,33,20,830
<b>TOTAL</b>	<b>5,33,20,830</b>	<b>5,33,20,830</b>
<b>2 RESERVES AND SURPLUS</b>		
Capital Redemption Reserve		
- As per last Account	30,00,000	30,00,000
Capital Reserve	2,67,234	2,67,234
Share Premium		
- As per last Account	46,66,660	46,66,660
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
As per last Account	8,12,000	8,12,000
General Reserve		
Transferred from Profit & Loss Account	24,42,936	-
Surplus		
As per Profit & Loss Account Annexed	3,99,85,917	27,94,279
<b>TOTAL</b>	<b>5,11,74,747</b>	<b>1,15,40,173</b>
<b>3 SECURED LOANS</b>		
<b>Term Loans</b>		
From Government of Orissa for Subsidised Housing Scheme - Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 Acres and Buildings and Structures constructed thereon.	1,94,250	1,94,250
Interest accrued and due on above loan	7,34,265	7,08,042
Car Loan Account (Amount payable within next 12 months Rs. 10,52,115/-)	26,48,467	11,52,156
<b>Others</b>		
State Bank of Bikaner & Jaipur :		
- Cash Credit Account	1,90,05,262	2,48,55,336
Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stocks in Process & Book Debts and also equitable mortgage by way of First Charge of immovable properties of about 64.62 acres in village Ganjam, Chatrapur Taluka and 30.94 Acres in Villages Kalyanpur, Kanchipur, Ganjam and Jarapadar together with all Buildings and Structures thereon and all Plant & Machineries attached to the earth or permanently fastened to anything attached to the earth.		
<b>TOTAL</b>	<b>2,25,82,244</b>	<b>2,69,09,784</b>
<b>4 UNSECURED LOANS</b>		
Government of Orissa -		
Deferred Amount of Sales Tax (Old)	-	76,27,579
Deferred Amount of Sales Tax (New)	-	31,47,834
<b>TOTAL</b>	<b>-</b>	<b>1,07,75,413</b>

**5 FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	ORIGINAL COST				DEPRECIATION				NET BLOCK	
	As at 31st March, 2008	Additions during the year	Sales/ Discarded/ Adjustment during the year	As at 31st March, 2009	Upto 31st March, 2008	For the year 2008-09	Adjustment on Assets Sold/ Discarded	Upto 31st March, 2009	As at 31st March, 2009	As at 31st March, 2008
Land (Free Hold)	9,83,497	47,152	-	10,30,649	-	-	-	-	10,30,649	9,83,497
Land (Lease Hold)	2,77,589	-	-	2,77,589	1,34,008	-	-	1,34,008	1,43,581	1,43,581
Development of Site Including Roads	27,20,712	-	-	27,20,712	12,76,980	25,979	-	13,02,959	14,17,753	14,43,732
Buildings	2,04,71,552	-	-	2,04,71,552	1,11,17,983	4,47,916	-	1,15,65,899	89,05,653	93,53,569
Railway Siding	15,59,968	-	-	15,59,968	3,77,084	1,81,336	-	5,58,420	10,01,548	11,82,884
Plant and Machinery	18,74,02,746	59,71,430	56,83,631	18,76,90,545	13,01,64,063	66,60,588	58,59,941	13,09,64,710	5,67,25,835	5,72,38,683
Water Supply Installations	33,70,736	-	4,05,428	29,65,308	18,61,050	1,07,714	3,93,883	15,74,881	13,90,427	15,09,686
Furniture and Fittings	45,08,075	3,09,955	1,49,892	46,68,138	33,82,117	4,88,385	1,45,349	37,25,153	9,42,985	11,25,958
Electrical Installations	1,65,18,013	55,050	1,02,510	1,64,70,553	1,09,34,854	6,17,341	1,02,496	1,14,49,699	50,20,854	55,83,159
Motor Cars and Vehicles	53,01,954	28,19,231	10,63,920	70,57,265	19,54,249	12,07,686	7,19,747	24,42,188	46,15,077	33,47,705
Laboratory Equipments	1,43,401	38,387	-	1,81,788	1,23,715	8,612	-	1,32,327	49,461	19,686
Handling Equipments Including Chlorine Tonners	2,98,62,614	-	12,81,903	2,85,80,711	1,87,54,993	28,86,474	10,15,292	2,06,26,175	79,54,536	1,11,07,621
<b>TOTAL</b>	27,31,20,857	92,41,205	86,87,284	27,36,74,778	18,00,81,096	1,26,32,031	82,36,708	18,44,76,419	8,91,98,359	9,30,39,761
Figures for Previous Year	25,70,87,860	2,18,07,129	57,74,132	27,31,20,857	17,13,33,820	1,40,19,577	52,72,301	18,00,81,096	9,30,39,761	-

**Note :** Cost of Motor Cars and Vehicles includes Rs. 42,66,879/- (Previous year Rs. - 16,77,248/-) taken under Hire Purchase Scheme.



## Consolidated Schedules (Contd.)

(Amount in Rs.)		
Particulars	As at 31/03/2009	As at 31/03/2008
<b>6 CURRENT ASSETS</b>		
<b>Inventories</b>		
Raw Materials	9,51,867	19,02,448
Stores and Spares including Mercury	72,71,767	97,98,482
Finished Goods	46,03,175	83,90,195
Work-in-Progress	18,09,961	15,39,095
<b>TOTAL</b>	<b>1,46,36,770</b>	<b>2,16,30,220</b>
<b>Sundry Debtors - Unsecured (Considered Good)</b>		
Debts outstanding for a period exceeding six months	37,21,513	62,52,776
Other Debts	8,80,99,795	6,85,85,467
<b>TOTAL</b>	<b>9,18,21,308</b>	<b>7,48,38,243</b>
<b>Cash &amp; Bank Balance</b>		
Cash-in-Hand	44,027	5,80,673
With Scheduled Banks :		
- In Current/Cash Credit Account	20,24,015	45,84,811
- Special Term Deposit/Margin Money	3,46,019	3,31,787
- In Unpaid Dividend Account	66,405	-
- Term Deposit	29,68,255	26,81,508
<b>TOTAL</b>	<b>54,48,721</b>	<b>81,78,779</b>
<b>Loans &amp; advances - Unsecured (Considered good)</b>		
Advances recoverable in Cash or in kind or for value to be received	55,27,114	51,50,899
Security Deposit	3,59,68,949	3,49,33,139
Deposit with Excise Department	58,01,594	65,44,748
Deposit with other Government Department	37,10,176	22,60,176
<b>TOTAL</b>	<b>5,10,07,833</b>	<b>4,88,88,962</b>
<b>7 CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a) Current Liabilities</b>		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	6,90,867	-
- Other than Micro, Small and Medium Enterprises	10,16,58,151	11,23,29,433
- Advance from Customers	47,08,651	19,76,851
- Interest accrued but not due	-	46,81,287
Investors' Education and Protection Fund :		
- Unpaid Dividend Account	66,405	-
	<b>10,71,24,074</b>	<b>11,89,87,571</b>

## Consolidated Schedules (Contd.)

(Amount in Rs.)

Particulars	As at 31/03/2009	As at 31/03/2008
<b>b) Provisions</b>		
- Gratuity	82,65,165	81,70,412
- Leave Liability	38,00,464	28,38,538
- Proposed Dividend	79,98,125	53,32,083
- Tax on Dividend	13,59,281	9,06,188
- Income Tax (Net of Advance Tax)	20,64,287	32,154
	2,34,87,322	1,72,79,375
<b>TOTAL</b>	<b>13,06,11,396</b>	<b>13,62,66,946</b>

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>8 INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock		
- Finished Goods	46,03,175	83,90,195
- Work-in-Progress	18,09,961	15,39,095
	64,13,136	99,29,290
Less : Opening Stock		
- Finished Goods	83,90,195	45,56,651
- Work-in-progress	15,39,095	13,07,637
	99,29,290	58,64,288
Increase/(Decrease) in Stock	(35,16,154)	40,65,002
Adjustment of Excise Duty on Stock	5,66,029	4,12,004
	(29,50,125)	36,52,998

<b>9 OTHER INCOME</b>		
Interest (TDS - Rs. 4,74,798/-, Previous year - Rs. 9,40,446/-)	23,29,152	27,84,699
Liability no longer required written back	2,53,030	41,74,404
Profit on Sale of Fixed Assets	708	53,798
Others	17,36,670	57,23,609
<b>TOTAL</b>	<b>43,19,560</b>	<b>1,27,36,510</b>

<b>10 RAW MATERIAL CONSUMED</b>		
Opening Stock	19,02,448	53,06,803
Add : Purchases (including own production)	11,40,25,696	7,61,31,647
	11,59,28,144	8,14,38,450
Less : Closing Stock	9,51,867	19,02,448
<b>TOTAL</b>	<b>11,49,76,277</b>	<b>7,95,36,002</b>

## Consolidated Schedules (Contd.)

		(Amount in Rs.)	
Particulars	Year ended 31/03/2009	Year ended 31/03/2008	
<b>11 MANUFACTURING EXPENSES</b>			
Stores & Chemicals etc. consumed	73,39,975	48,96,852	
Diesel Oil consumed	86,262	1,99,565	
Electricity charges	22,29,87,713	22,62,34,114	
Repairs and Maintenance	2,87,18,042	1,92,61,361	
(including Stores consumed - Rs.1,82,16,214/-, Previous year - Rs.1,14,01,889/-)			
- Buildings	37,07,029	23,55,990	
- Plant and Machinery	1,79,25,783	1,02,60,687	
- Others	70,85,230	66,44,684	
<b>TOTAL</b>	<b>25,91,31,992</b>	<b>25,05,91,892</b>	
<b>12 PAYMENTS TO EMPLOYEES</b>			
Salaries, Wages and Bonus	4,45,52,570	4,39,42,952	
Contribution to :			
- Gratuity Fund	82,65,165	8,93,000	
- Provident & Other Funds (Including Administrative charges)	54,46,088	52,50,388	
Employees' State Insurance	14,40,622	14,01,367	
Workmen and Staff Welfare Expenses	94,64,347	81,17,218	
House Rent Allowance	9,28,821	8,50,573	
<b>TOTAL</b>	<b>7,00,97,613</b>	<b>6,04,55,498</b>	
<b>13 ADMINISTRATIVE &amp; SALES EXPENSES</b>			
Insurance Charges	4,96,366	9,32,101	
Rent	3,96,995	3,55,271	
Travelling Expenses	27,13,964	22,78,985	
Motor Vehicle Expenses	19,60,943	19,18,715	
Rates & Taxes	2,92,655	3,51,048	
Legal Expenses	3,93,111	14,77,240	
Sundry Expenses (Note 4)	83,30,213	88,15,734	
Transportation Charges	3,99,23,219	5,26,15,385	
Bad Debts written-off	26,39,755	-	
Fixed Assets discarded & written-off	1,06,402	2,16,020	
Loss on Sale of Fixed Assets	41,881	19,574	
Directors' Fees	1,00,000	1,10,000	
Managerial Remuneration			
- To Executive Director (including perquisites)	16,10,199	11,25,908	
Sales Tax	2,32,771	2,31,854	
Donation	4,80,500	4,93,037	
<b>TOTAL</b>	<b>5,97,18,974</b>	<b>7,09,40,872</b>	

## Consolidated Schedules (Contd.)

(Amount in Rs.)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
<b>14. INTEREST &amp; FINANCE CHARGES</b>		
On Term Loans	24,02,067	26,224
To Bank and others	5,54,126	19,76,084
<b>TOTAL</b>	<b>29,56,193</b>	<b>20,02,308</b>

### 15. ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

#### A) SIGNIFICANT ACCOUNTING POLICIES :

##### 1. Accounting Concept

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting and comply with the mandatory Accounting Standard (AS) issued by the Institute of Chartered Accountants of India unless otherwise stated.

##### 2. Use of Estimates

The preparation of financial statements requires to make estimates and assumption that affect the reported amount of assets and liabilities and disclosure relating to contingent liabilities and assets as at the Balance Sheet date and reported amount of income and expenses during the year.

Contingencies are recorded when probable that liability will be incurred and the amount can reasonably be estimated. Difference between the actual result and the estimates are recognised in the year the result are known/materialised.

##### 3. Fixed Assets

Fixed Assets are stated at cost excluding excise duty and education cess thereon. In respect of major projects involving construction, erection etc., related pre-operational expenses form part of the value of the assets capitalised.

##### 4. Depreciation

Depreciation on Fixed Assets is calculated in a manner that amortises the cost of the assets after commissioning over their estimated useful lives except as disclosed in Note No.5 of this Schedule.

##### 5. Investment

Long Term Investment are valued at cost. Decline in the value of investment other than temporary in nature are provided/charged to the Profit & Loss account.

##### 6. Inventories

Inventories are valued on cost or net realisable value, whichever is lower. Cost comprises, for finished goods, cost of purchase and production overhead and valued as per FIFO method. Work-in-progress is valued at material cost. All other inventories are valued as per weighted average method.

##### 7. Excise Duty

Excise Duty inclusive of Education Cess is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factory as on the Balance Sheet date.

##### 8. Retirement Benefits

(i) The Company has constituted a separate Gratuity Trust Fund. Yearly contribution towards accrued liability on account of gratuity payable to employees is provided in the accounts on the basis of actuarial valuation and is paid to the Trust from time to time.

(ii) Leave Liability in respect of employees is accounted for on actuarial valuation basis.

##### 9. Taxation

Current Income Tax and Fringe Benefit Tax is estimated at the amount estimated to be paid under the Income Tax Act, 1961 and is charged to Profit & Loss account for the year.

The Deferred Tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

Deferred Tax Assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realised in future. Deferred Tax Assets are recognized on unabsorbed losses only if there is virtual certainty that such Deferred Tax Assets can be realised against future taxable profits.

## Consolidated Schedules (Contd.)

### 10. Sales

Sales are inclusive of Excise Duty, Education Cess and Transportation charges recoverable from customers and exclusive of Sales Tax and net of Brokerage & Commission.

### 11. Recognition of Income & Expenditure

All items of Income & Expenditure are accounted for on accrual basis.

### 12. Foreign Currency Transactions

Transactions in Foreign Currency are accounted for at the prevailing exchange rate on the date of transaction.

### 13. Borrowing Costs

Borrowing Costs relating to (i) funds borrowed for acquisition of Fixed Assets are capitalised and (ii) funds borrowed for other purpose are charged to Profit & Loss Account.

### 14. Impairment of Assets

Impairment is recognised to the extent that the recoverable amount of an asset is less than its carrying amount and the difference is charged to Profit & Loss Account as prescribed by the ICAI in Accounting Standard 28 - Impairment of Assets.

## B) NOTES ON ACCOUNTS

### 1. Principles of Consolidation

(i) Consolidated Financial Statements relate to Jayshree Chemicals Limited (The Company), and its subsidiary.

(ii) The Consolidated Financial Statements have been prepared on the following basis :

- The Financial Statements of the Company and its subsidiary have been prepared on a line by line consolidation by adding the book values of the like items of assets, liabilities, income and expenses as per the respective audited financial statements of the respective Companies.
- The accounts of East Coast Powers Limited have been audited by the auditors qualified to conduct audit.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner the Company's individual financial statement.
- Minority Interest consists of the amount of equity attributable to the minority shareholders at the date on which investment has been made by the Company in the subsidiary company and further movements in their share in equity subsequent to the date of investments.
- Intra-group balances, Intra-group transactions and resulting unrealised profits have been eliminated.

2. Outstanding Capital Commitments (Net of Advances) are estimated at Rs. 28,73,95,000/- (Previous year - Rs. 8,66,738/-).

3. Contingent Liabilities not provided for : (Amount in Rs.)

	31st March, 2009	31st March, 2008
(a) Claims against the Company not acknowledged as Debts -		
Sales Tax Demand under Appeals (net of deposit)	23,24,990	23,77,246
Income Tax Demand under Appeals (net of deposit)	50,39,888	-
Others (including Excise Duty under appeals)	36,24,364	55,44,706
(b) Guarantees	15,93,768	5,50,000
<b>4. Sundry Expenses include</b>		
(a) Payments to Auditors		
i) Audit Fees	80,000	80,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	38,000	38,000
iv) Reimbursement of Expenses	1,161	5,000
(b) Payment to Cost Auditor	20,000	20,000

## Consolidated Schedules (Contd.)

5. Depreciation has been computed on Straight Line Method under Section 205 (2)(b) of the Companies Act, 1956 except on (i) Furniture & Fittings (ii) Motor Cars & Vehicles (iii) Laboratory Equipments (iv) Railway Siding (v) Weighing Machines and (vi) Fire Extinguishers which are depreciated on Written Down Value basis under Section 205 (2) (a) of the Companies Act, 1956.
6. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount outstanding as at 31st March, 2009 Rs. 6,90,867/- (Previous Year - Nil)
7. The Company is engaged primarily in the business of manufacture of Caustic Soda, Chlorine and Hydrochloric Acid and hence there is no separate business segment as per Accounting Standard - 17 issued by the Institute of Chartered Accountants of India.  
The Company caters mainly to the needs of the domestic market. There is no export turnover during the year, as such there are no reportable Geographical segments.
8. Capital Work-in-Progress includes Rs. 15,00,000/- for advances to suppliers/contractor and Rs. 1,43,02,290/- for Project Expenses.
9. There is no Impairment of Assets during the year and, therefore no adjustment has been made thereof.
10. Related Party Disclosure

A) Name of the related party with whom the Company has transactions during the year

Name of the related party	Relationship
East Coast Powers Limited	Subsidiary
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd.	Control of KMP
D. K. Maheshwari	Executive Director

**Note :** KMP means Key Managerial Personnel

B) Related Party transactions are as follows :

Nature of Transactions	(Rs./Lacs)
Rent Received from The West Coast Paper Mills Ltd	1.20
Rent & Service Charges paid - Fort Gloster Industries Ltd	0.72
Donation Paid - Shree Ram Trust, Kolkata	4.20
D. K. Maheshwari	16.10

C) Details of Outstanding Payment to related party :

Outstanding Balance as on 31st March, 2009	
- The West Coast Paper Mills Ltd.	1.20

11. Previous year's figures have been re-arranged/re-grouped wherever necessary.

Signatures to Schedules 1 to 15

For **K. N. GUTGUTIA & CO.**

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

19th May, 2009

**S. K. Bangur**  
**D. D. Kothari**  
**Virendra Bangur**  
**Prabir Chakravarti**  
**Satish Kapur**  
**P. Bandyopadhyay**  
**P. D. Agarwal**

Directors

**D. K. Maheshwari** | Executive Director

# Corporate Information

## Board of Directors

**Shri S. K. Bangur**  
*Chairman*

**Shri D. D. Kothari**  
*Director*

**Shri Virendra Bangur**  
*Director*

**Shri Prabir Chakravarti**  
*Director*

**Shri Satish Kapur**  
*Director*

**Shri P. Bandyopadhyay**  
*Director (LIC Representative)*

**Shri P. D. Agarwal**  
*Director (SBBJ Nominee)*

**Shri B. Padhy**  
*Director (IDCOL Nominee)*

**Shri D. K. Maheshwari**  
*Executive Director*

## Bankers

State Bank of Bikaner and Jaipur

## Auditors

Messrs. K. N. Gutgutia & Company  
*Chartered Accountants*  
6C, Middleton Street, Kolkata - 700 071

## Registered Office & Works

P. O. Jayshree - 761 025  
District : Ganjam (Orissa)  
Phone : (06811) 254319/329  
Fax : (06811) 254384

## Corporate Office

31, Chowringhee Road  
Kolkata - 700 016  
Phone : (033) 2265 6271 (8 Lines)  
Fax : (033) 2226 3257  
E-mail : jcl@jayshreechemicals.com

## Registrars & Share Transfer Agents

Niche Technologies Private Ltd.  
D-511, Bagree Market  
71, B. R. B. Basu Road, Kolkata - 700 001  
Phone : (033) 2235 7270-71  
Fax : (033) 2215 6823  
E-mail : nichetech@vsnl.net



**JAYSHREE CHEMICALS LIMITED**

Regd. Office : P.O. : Jaysree - 761 025  
District : Ganjam (Orissa)