



JAYSHREE CHEMICALS LIMITED

ANNUAL REPORT 2010 - 2011

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Cautionary 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.



Change

“The only way to manage change is to create it”

At Jayshree Chemicals Limited, the word change relates to transformation.

Transformation of the operational efficiencies with the usage of greener and environmental friendly technologies.

Transformation towards increasing our revenue with a view to give maximum return to our stakeholders in the long run.

Transformation towards meeting the expectation of our customers and stakeholders and maintaining a longstanding relationship with them.

Transformation towards giving more value for meeting the expectations of our human resource reservoir.

Transformation towards meeting the emerging needs of the society and working for the preservation of the nature.



Jayshree, at a glance

Vision

We aim to emerge as one of the largest manufacturers of Chlor-Alkali Chemicals in Eastern India by adopting eco-friendly technologies and enhancing our core capabilities through expansion/diversification and customer satisfaction.

Mission

Ensure total customer satisfaction through quality improvement and achieving global standards of production.

Optimum utilization of resources.

Sustainable environment friendly procedures and practices.

The highest ethics and standards.

Hiring, developing and retaining the best people.

Maximizing returns to stakeholders.

Positive impact on the communities we touch.

Business

Aluminium. Hundreds of everyday usage. **Paper.** Driver of literacy. **Soap.** Cleaning of the body, removal of dirt. **Pharma.** Keeping one fit and fine from disease. **Power.** Removing darkness and keeping the world illuminated. **Textile.** Everyday clothing.

Jayshree Chemicals Limited. Odisha's only and eastern India's one of the largest companies in the production of chlor-alkali chemicals, which are used in the abovementioned sectors.





Identity

Jayshree Chemicals Limited, a S K Bangur Group Company, is managed by an experienced team under the guidance of Shri S K Bangur, Chairman, Shri Virendra Bangur, Managing Director and other Directors on the Board.

The management team comprises of well qualified executives with more than 10-15 years of experience in the area of finance, operations, project management & implementation.

Spread

The manufacturing facility of the Company is situated at Ganjam district in the State of Odisha.

The Corporate Office of the Company is situated at Kolkata, West Bengal.

The shares of the Company are traded at the Bombay Stock Exchange Ltd.

Promoter holding in the Company as on 31st March, 2011 stood at 48.824%.

World Class Technology

Commissioned new state-of-the-art environment friendly Membrane Cell Technology plant with an annual production capacity of 53,200 MTPA of Caustic Soda, 35,000 MTPA of Chlorine, 37,000 MTPA of Hydrochloric Acid & 6,500 MTPA of Sodium Hypo-Chlorite from Uhde GmbH, Germany, a Thyssen Krupp Group Company.

The Company also generates Wind Power with an annual installed capacity of 1.25 MW.



Emerging with Renewed Energy

The world is about changes. Changes are about adaptability and readiness. The readiness to guide for the future is about leadership. Leadership is what the path ahead demands.

Jayshree Chemicals Limited, is a name synonymous within the Chlor-Alkali business in Eastern part of India for last 44 years. The primary objective of the Company is to enhance its products position in the user sectors which are growing rapidly i.e. Aluminium, Paper and Power.

Going ahead with the same, we made significant investments in our plant and technology and have commissioned state-of-the-art Membrane Cell Technology based plant which is not only environment friendly but will also boost the production of Caustic Soda Lye at reduced costs.



The products manufactured by us adhere to stringent quality specifications, so as to meet the customer satisfaction. The growth in user industries is accelerating which will benefit us in the long run.

Conventionally, companies manufacture products, enhance scale of their products and go for backward or forward integration. At Jayshree Chemicals Limited, our extended value chain, our by-products, Liquid Chlorine, Hydrochloric Acid and Sodium Hypo-Chlorite became raw materials for many user industries, whose products in turn became raw materials for others and so on with large growing markets. At Jayshree Chemicals Limited we have been able to derive customer satisfaction with our product quality and enjoy a reputable order book with them.

Jayshree Chemicals Limited is fully geared to leverage future opportunities.



Tomorrow's **Answers** Today

Businesses must voluntarily share the created value with the community they operate in. At Jayshree Chemicals Limited, our commitment towards sustainability is unequivocal and unwavering. For us, sustainability is an agenda that comes both from the heart and the mind. At Jayshree Chemicals Limited, we deploy the measures around our manufacturing location to outreach the surrounding communities including employees with a slew of CSR initiatives in the realms of healthcare, education, environment management, water conservation, safety awareness and training, nurturing the Human Resource reservoir and their well-being.

Health

Good health is the basic driver for growth. Focusing on the people around our surroundings, the Company has set-up a Homeopathy Clinic in the Ganjam town providing free medicines and medical consultancy to the needy. The Company has also set-up a dedicated clinic inside the plant premises for its employees.

The Company provides with First Aid Training programme to its employees in co-ordination with Senior Doctors and team from First Aid & Home Nursing, St. John Ambulance, Bhubaneswar, Odisha.

Jayshree Chemicals Limited continuously strives to move ahead for the good health of its people.

Education

We at Jayshree Chemicals Limited always believe that the disparities in the country's education system need to be addressed through long-term and durable solution. Jayshree Chemicals School has been set-up around the plant and is completely managed by the authorities of the Company in co-ordination with the local authorities. This school is affiliated with the Indian School Certificate Examination, New Delhi and is imparting education to around 275 students including children of the employees of our Company. This school has a dedicated Computer Lab room and

it operates from KG - I to Standard 12 in the science stream. The students of the school has been giving 100% result in the ICSE and ISC examination.

Environment Management

Green is not just a checklist of our agenda. We work towards ensuring that the activities we are engaged in have a minimal impact on the planet. Plantation of trees in the surrounding areas of the plant, proper waste management, beautification and maintenance of park at the staff colony comes as part of it.

The management of the Company actively celebrates World Environment Day and plants new saplings during that time.

Water Conservation

Water is a precious resource and as a manufacturing company we continuously strive to reduce our consumption of water. We have taken strong initiatives at our factory for reducing consumption of water by creating awareness amongst the employees about scarcity of water on one hand and recycling & reusing the same on the other hand.

Even as we reduce water consumption, our consciousness towards the conservation of water leads us to take on water-saving initiatives like rainwater harvesting at our manufacturing facility.



Social Welfare

The Company maintains and upkeepes a Balaji temple inside the staff colony and Goddess Durga Temple inside the plant premises.

Anand Ladies Club formed by the spouses of the employees of the Company, works actively in consultation and participation of the management of the Company in a slew of social welfare activities including Clothes and Books donations at the orphan's school, etc.



Safety Awareness

The safety standards adopted by Jayshree Chemicals Limited at its workplace are at par with the best in the industry. For Jayshree Chemicals Limited, safety is non-negotiable. It is as important as production, quality, efficiency and every other aspect of the performance of the Company.

Some of the measures that Jayshree Chemicals Limited initiates as part of its safety awareness are :

- Safety meets by the management and executives of the Company is held during every month.
- Mock drill for disaster management.
- Chlorine handling workshop.
- Self carrying breathing apparatus.
- Smoke detectors.
- Sound record monitoring as per the guidelines laid down by the authorities.
- Public Addressing Systems in case of any disaster.

Jayshree Chemicals Limited celebrates 4th March as Safety Day.



A continuous cycle of – Engage, Measure and Improve – will go a long way in helping us take forward our sustainability initiatives. As long as we keep ourselves focused on "responsible care", we will continue to take great strides in the direction of sustainable and healthy living.

We are fully geared to provide Tomorrow's Answers Today.





People - great mind, greater ambitions

If we are asked to single out the one thing that distinguishes Jayshree Chemicals Limited from its peers and sets the Company apart from the rest, we would never point on our work track record neither on the state-of-the-manufacturing facility that we possess, but rather we would point to a remarkable individual - Jayshree Chemicals Limited is its people. Our future has been well shaped and defined by our own employees. We therefore recognize that all our vision and mission to excel into our area of competence i.e. manufacturing of chlor-alkali chemicals, enhancing shareholders value, achieving growth, to become eastern India's leader into the production of Caustic Soda ... all hinges on a single factor - our ability to attract, retain and develop the skills of our human resources. Talent identification, development in terms of career planning is accorded top priority and thus consistently receives the management attention.

Jayshree Chemicals HR policy :

- To treat each employee with dignity.
- To encourage their career growth.
- To promote corporate bonding through collective leadership.
- To compensate each employee as per their performance.
- To encourage higher levels of transparency across the organization.

Recruitment : Jayshree Chemicals Limited recruitment follows through employment exchange, paper notifications, interviews, experience, qualification and compatibility with the job profile is followed with each aspirant.

Performance appraisal : Jayshree Chemicals Limited followed a transparent system of appraisals across all management levels. It follows an open door policy where one could easily give their feedback by to the management and vice-versa, thereby checking attrition at various levels.

Career path : Jayshree Chemicals Limited provides a structured career path to promising employees on the basis of performance at individual and team levels.

Employee community engagement : Development of staff colony and providing them with recreational facilities at subsidized rates, annual get-together, free health check-up camps for employees.



Chairman's review



THE YEAR GONE BY MARKED A NEW ERA AT JAYSHREE CHEMICALS LIMITED AS WE MANAGED TO DO WHAT WE SET OUT TO ACHIEVE. WE SUCCESSFULLY COMPLETED OUR EXPANSION-CUM-CONVERSION PROGRAMME OF THE STATE-OF-THE-ART ENVIRONMENT FRIENDLY MEMBRANE CELL TECHNOLOGY



Dear Members,

There is a huge gap between visualizing a dream and then achieving it. Having bridged the distance, today we at Jayshree Chemicals Limited, stand tall and elated. The year gone by marked a new era at Jayshree Chemicals Limited as we managed to do what we set out to achieve. We successfully completed expansion-cum-conversion programme of the state-of-the-art environment friendly Membrane Cell Technology at our existing facility. With this we have also become one of the industry players to implement this new environment friendly technology going ahead with the vision set by the Government, of adopting environment friendly technologies at manufacturing units and helping the sustainability of the environment. We also shaped a dream and realized it within a span of 2 years. Looking back at the time gone by, each step we took was worth its effort, in the present scheme of things. The challenges were immense. But as things turned out, the resolve stood victorious.

2010-11 was a challenging year for us. The biggest of them was to ensure that the current operations does not get hampered and the timely completion of the new project. Into the race and with the pace both came as acknowledged winners with the latter one



getting more edge than the other. The number although fails to reflect the true courage and initiatives from our side. And that's too supported by breakdown at the old facility which led to the suspension of operations for several days, a huge set back which is still behind us.

However, the future is now with us and we would like to ensure our every stakeholder that it would be greener than ever before. Our upgraded facility is going to take us way ahead with a better scale and growth. The challenges lied up with us has successfully been addressed and the stability at our operations has been achieved with the help of our qualified and dedicated team. The trial run of our dream facility is already over with better and desired results and that too with reduction in power requirements which is expected to give us better returns in terms of power cost.

The Indian Chlor-Alkali industry is moving ahead with a better pace and it is expected to become healthier with the creation of more demand from user industries, especially from the Eastern India where new Aluminium industries are coming up. The demand is also expected to become healthier from the paper & packaging, PVC, power and construction industries where our products are used. The main

area of concern lies at two points, 1st being the cheaper imports, where the Government had imposed a safeguard duty of 15% on caustic soda, a protectionist measure, brought in to avert any damage to the domestic industry from cheaper imports. 2nd being the rising power costs, where we are working to setup captive power plant to take care of the same.

We at Jayshree Chemicals Limited have taken steps to hire, develop and retain best of the talents. Our vision is clear. If we want to achieve greater heights then we must have a capable team to deliver them. We are also working actively for the emerging needs of the society as a responsible corporate citizen through number of CSR activities. I am grateful to the members of the Board of the Company for their invaluable guidance and contribution. I would also like to express my sincere thanks to all the Stakeholders including Banks, Regulatory Authorities and all Government Agencies for their valued support.

With warm regards

S. K. Bangur

Snapshot of the Ganjam facility



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, 2011.

FINANCIAL RESULTS

Particulars	31/03/2011 ₹	31/03/2010 ₹
Profit for the year	1,42,51,371	7,30,51,563
Less/(Add) : Provision for Taxation		
- Current Tax	28,41,000	1,24,19,000
- Deferred Tax (Net)	(35,21,000)	1,95,53,000
- MAT Credit Entitlement	41,91,000	(58,84,000)
- Income Tax Provision/Payment for earlier years	(26,785)	(3,26,100)
	<u>1,07,67,156</u>	<u>4,72,89,663</u>
Add : Credit Balance brought forward	8,09,04,049	3,98,52,657
Making a surplus of	<u>9,16,71,205</u>	<u>8,71,42,320</u>
Which is appropriated as under :		
- Interim Dividend on Equity Shares	–	53,32,083
- Tax on Dividend	–	9,06,188
- Balance carried forward to next year	9,16,71,205	8,09,04,049
	<u>9,16,71,205</u>	<u>8,71,42,320</u>

DIVIDEND

The Board has not recommended any dividend for the financial year ended 31st March, 2011.

OPERATING RESULTS

Due to breakdown of Rectifier-Transformer of the old Plant and expansion activities carried during the year, the production was lower. The Expansion-Cum-Conversion Project was completed on 29th December, 2010 but the same was under trial run upto 31st March, 2011.

CURRENT OUTLOOK

The Company has commissioned the latest state of the Art and Environment Friendly Membrane Cell Technology based Plant resulting in increase of capacity by more than double. With the increased production capacity the Company will strengthen its presence in the State. The Industry outlook is bright due to expansion by the alumina manufacturers/new alumina projects being implemented which is the major caustic soda consumer industry.

INDUSTRIAL RELATIONS

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

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 continue 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, 2011 has been paid.

Directors' Report

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, State Bank of India, Indian Overseas Bank 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 (ECPL), 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 Board of Directors of the Company has by a resolution given consent for not attaching the balance sheet of ECPL for the year ended 31st March, 2011. Accordingly, the Annual Accounts of the ECPL are not annexed to the Accounts of the Company. However, the same for the above year and the related detailed information including a hard copy thereof shall be made available at any point of time to those shareholders of the Company who seek the same. Annual Accounts of ECPL shall also be kept for inspection by any shareholder at the Registered Office of the Company.

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 remuneration specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, during the year under review. Accordingly, the particulars required under the above Section 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;
- (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;

Directors' Report

- (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 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 Managing 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

The Industrial Development Corporation of Orissa Ltd. nominated Shri Prasanta Kumar Mishra on the Board of Directors of the Company with effect from 20th May, 2011 in place of Shri P. C. Mohanta.

The Directors place on record their appreciation for the valuable advices given by Shri P. C. Mohanta during his tenure of office as a Director of the Company.

Shri Virendra Bangur was appointed as the Managing Director of the Company with effect from 12th November, 2010.

Shri D. K. Maheshwari ceased to be the Executive Director of the Company on expiry of his term with effect from the close of business on 31st March, 2011. He, however, continues to be a Director of the Company.

Shri D. K. Maheshwari and Shri Satish Kapur retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

Statutory Auditor

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

Cost Auditor

Shri Satyendra Prasanna Sinha Dangi (S. P. S. Dangi) of 339, Saket Nagar, Indore (M.P.), who is a Fellow of the Institute of Cost & Works Accountants of India having Membership No.752 was appointed as the Cost Auditor for audit of the Cost Accounts maintained by the Company relating to Caustic Soda for the year ended 31st March, 2010. The subject Cost Audit Report was required to be filed on or before 30th September, 2010 and the same was duly filed on 28th September, 2010.

Kolkata

Date : 31st May, 2011

On behalf of the Board

Prabir Chakravarti

Satish Kapur

Sindhubala Choudhury

D. K. Maheshwari

Directors

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 :

- i) Conversion-cum-expansion of the existing Plant based on old Mercury Cell Technology to latest Membrane Cell Technology supplied by M/s. UHDE, Germany, was completed.
- ii) Variable Frequency Drive (VFD) equipments were installed.
- iii) VAM (Vapour Absorption Machine) heat pump where electrical energy is completely eliminated were installed.
- iv) Beblee Make Energy saving device in total lighting system, giving about 15% saving as compared to conventional lighting system was installed.
- v) Energy Efficient 130 Nos. motors installed, which will give more than 85% efficiency.
- vi) Capacitor Bank in LV (Low Voltage) - 2x625 KVA were installed by which Power factor will increase from 0.80 to 0.99.

b) Additional investments and proposals being implemented for reduction of consumption of energy in future :

As stated in (a) above Conversion-cum-Expansion of the existing Plant has recently been completed and measures in general as may be considered necessary will be taken.

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 :

In view of the measures taken/to be taken under (a) and (b) above, the overall power consumption per Ton of Caustic Soda will come down by about 850 kwh.

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2010-11	2009-10
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased :		
Unit (In Million Units)	64.352	73.479
Total Amount (₹ in Lacs)	2,596.29	2,038.44
Average Rate (₹/Unit)	4.03	2.77
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	—	—
2. Coal (Specify quality and where used)		
Quantity (M.T.)	—	—
Total Cost	—	—
Average Rate	—	—

Annexure to the Directors' Report

Particulars	2010-11	2009-10
3. Furance Oil :		
Quantity (K. Ltrs.)	261.506	–
Total Amount (₹ in Lacs)	90.95	–
Average Rate (₹/K.Ltrs.)	34,780.00	–
4. Others/Internal Generation :		
Quantity	–	–
Total Cost	–	–
Rate/Unit	–	–
B. CONSUMPTION PER UNIT OF PRODUCTION		
Caustic Soda :		
Electricity (Kwh/M.T.) : With Mercury Cell	3,366	3,341
With Membrane Cell	2,526	–
Furance Oil (Ltrs./M.T.)	37	–
Coal (Specify Quality)	–	–
Others (Specify)	–	–

FORM "B"

Disclosure of particulars with respect to absorption

Particulars	2010-11	2009-10
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 switched over to Energy efficient environment friendly Membrane Cell Technology, which has been fully implemented.

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.

There is no export potential of the Company's products due to logistic constraints.

2. Total Foreign Exchange used and earned :

(₹ in Lacs)

Particulars	2010-11	2009-10
OUTGO		
Value of imports calculated on CIF Basis :		
Components, Stores & Spares	2,539.40	4.66
Earnings on account of Export of used Mercury of the old Plant	834.96	–
Commission	0.10	–

On behalf of the Board

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Kolkata
 Date : 31st May, 2011

Management Discussion and Analysis Report

a. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has three segments being Caustic Soda, Chlorine Gas and Hydrochloric Acid Plant at Ganjam (Orissa), Wind Mill at Bogampatti Village near Coimbatore in Tamil Nadu and Trading Division at Kolkata in the name and Style of "Bangur Exim."

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 user industries for the Company's products are aluminium, paper, cosmetics and other chemical industries.

During the year, the Company has successfully completed Conversion-Cum-Expansion Project for manufacture of Caustic Soda with the latest State of the Art and Environment Friendly Membrane Cell Technology and with this the production capacity of Caustic Soda has increased from 65 Tons per day to 152 Tons per day.

b. OPPORTUNITIES AND THREATS

The selling price of Caustic Soda is governed by demand and supply gap because of high installed capacity in the Country and imports. In spite of this and additional capacities created, the Company has no problem in marketing its products.

c. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company earned a lower operating Profit of ₹ 143.35 Lacs from the Caustic Soda segment due to increase in power cost and break down of the rectifier-transformer of the old Plant. The new Plant, although commissioned on 29th December, 2010, was under trial run, which was completed on 31st March, 2011. Production/Sales during the trial run period have been adjusted with Capital Work-in-Progress.

In the Wind Power segment, the Company earned an operating Profit of ₹ 51.68 Lacs.

In the Trading Division, the Company incurred an operating Loss of ₹ 13.49 Lacs. However, the impact of this segment for the full year will be reflected in the year 2011-12.

d. OUTLOOK

The Company has strengthened its presence in the State of Orissa by increasing its production capacity.

Caustic Soda and Chlorine are the most important inorganic chemicals used by almost all industries. It is among the twenty largest Chemical Industries in the world.

Demand for Caustic Soda will increase substantially due to capacity expansion of aluminium and other consumer industries in the State of Orissa. The increase in demand and the Company's increased capacity will have positive impact on the Company's working.

e. 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.

f. 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.

g. FINANCIAL & OPERATING PERFORMANCE

This has already been discussed in the Directors' Report.

h. 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. There were 363 employees as on 31st March, 2011 against 352 employees as on 31st March, 2010.

Kolkata
Date : 31st May, 2011

On behalf of the Board
Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Report on Corporate Governance for the year ended 31st March, 2011

The Company's Report on Corporate Governance for the year ended 31st March, 2011 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, 2011, comprised of eight Directors, consisting of one Managing Director and seven Non-Executive Directors including Nominee and Representative Directors. During the year 2010-11 four Board Meetings of the Company were held on 29th May, 2010; 14th August, 2010; 3rd November, 2010 and 4th February, 2011. 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	10	–
2	Shri D. D. Kothari	Non-Executive Director	3	Yes	1	2
3	Smt. Sindhubala Choudhury (appointed with effect from 29/5/2010)	Representative of LIC Independent Non-Executive Director	3	No	–	1
4	Shri P. C. Mohanta (***)	Nominee of IDCOL Independent Non-Executive Director	–	–	4	–
5	Shri Prabir Chakravarti	Independent Non-Executive Director	3	Yes	9	7
6	Shri Virendra Bangur	Non Executive Director upto 11-11-2010 and Managing Director with effect from 12-11-2010 Promoter Group	3	Yes	5	2

Report on Corporate Governance for the year ended 31st March, 2011

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 (**)
7	Shri Satish Kapur	Independent Non-Executive Director	4	Yes	4	2
8	Shri D. K. Maheshwari (****)	Executive Director	4	Yes	3	4

Shri S. K. Bangur and Shri Virendra Bangur are related to each other being the father and son respectively. Save and except them, no Director is related to any other Director of the Company.

(*) Excluding Directorships held in Private Limited Companies.

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

(***) IDCOL has vide letter dated 20th May, 2011, nominated Shri Prasanta Kumar Mishra, Head (COM & MBD) of IDCOL on the Board of Directors of the Company with immediate effect in place of Shri P.C.Mohanta, whose nomination has been withdrawn.

(****) Shri D.K.Maheshwari has ceased to be Executive Director of the Company with effect from the close of business on 31st March, 2011. He, however continues to be a Director of the Company.

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. During the year, this Committee was reconstituted on 29th May, 2010 by inducting Smt. Sindhubala Choudhury as a Member thereof. As on 31st March, 2011, the Committee comprised of Shri D.D.Kothari, a Director and Shri Prabir Chakravarti, Smt.Sindhubala Choudhury 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 29th May, 2010, 14th August, 2010; 3rd November, 2010 and 4th February, 2011. 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
Smt. Sindhubala Choudhury	3	2
Shri Prabir Chakravarti	4	3
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. During the year, this Committee was reconstituted on 3rd November, 2010 by inducting Smt. Sindhubala Choudhury as a Member thereof. As on 31st March, 2011, this Committee comprised of Shri S.K.Bangur, Chairman and Shri Prabir Chakravarti, Smt. Sindhubala Choudhury and Shri Satish Kapur, three independent Non-Executive Directors. The Committee has power to regulate its Meetings and proceedings.

Report on Corporate Governance for the year ended 31st March, 2011

The details of remuneration of the Managing, Executive and Non-Executive Directors during the year ended 31st March, 2011 are as under :

i) Managing Director (with effect from 12-11-2010)

Name	Shri Virendra Bangur
Description	Managing Director
Salary	₹ 8,10,833/-
Benefits	
Allowances & Perquisites	₹ 3,22,995/-
Bonus	–
Pension	–
Fixed Component	
Contributions to Provident & Superannuation Funds	₹ 2,18,925/-
Performance linked Incentive	–
Service Contract	12th November, 2010 to 11th November, 2013
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	–
TOTAL	₹ 13,52,753/-

ii) Executive Director

Name	Shri D. K. Maheshwari
Description	Executive Director
Salary	₹ 11,40,000/-
Benefits	
Allowances & Perquisites	₹ 4,63,622/-
Bonus	–
Pension	–
Fixed Component	
Contributions to Provident & Superannuation Funds	₹ 3,07,800/-
Performance linked incentive	–
Service Contract	1st April, 2009 to 31st March, 2011
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	–
TOTAL	₹ 19,11,422/-

Report on Corporate Governance for the year ended 31st March, 2011

iii) 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 (₹)
Shri S. K. Bangur	15,000/-
Shri D. D. Kothari	30,000/-
Smt. Sindhubala Choudhury	30,000/-
Shri P. C. Mohanta	—
Shri Prabir Chakravarti	30,000/-
Shri Virendra Bangur (upto 11-11-2010)	10,000/-
Shri Satish Kapur	45,000/-
TOTAL	1,60,000/-

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. As on 31st March, 2011 this Committee comprised of Shri Virendra Bangur, Managing Director and Shri D. K. Maheshwari, Executive Director and Shri D. D. Kothari, Non Executive Director of the Company and its Meetings are presided by Shri Virendra Bangur, Managing Director of the Company. The Committee met nine 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
12-4-2010	Yes	Yes	Yes
28-4-2010	Yes	Yes	Yes
14-5-2010	Yes	No	Yes
23-6-2010	Yes	Yes	Yes
5-7-2010	Yes	Yes	Yes
22-7-2010	Yes	No	Yes
4-9-2010	Yes	Yes	Yes
4-1-2011	Yes	Yes	Yes
7-3-2011	Yes	Yes	No

Shri R. C. Kalani, Vice President (Legal & Corporate Affairs) is the Compliance Officer of the Company. There were 24 (Twenty four) complaints from Shareholders during the year under review which were duly resolved and no complaint was pending at the end of the financial year.

6. UFR COMMITTEE

In order to comply with 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. As

Report on Corporate Governance for the year ended 31st March, 2011

on 31st March, 2011, this Committee comprised of Shri Virendra Bangur, Managing Director, of the Promoter Group as its Chairman and Shri Prabir Chakravarti an independent Non-Executive Director and Shri D.K.Maheshwari, Executive Director.

No Meeting of this Committee was held during the year under review.

7. ANNUAL GENERAL MEETINGS

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

Financial Year ended	Date	Time	Venue
31-3-2010	14-8-2010	3 P.M.	Registered Office at P.O. Jayshree - 761025 District Ganjam (Orissa)
31-3-2009	28-8-2009	3 P.M.	Registered Office at P.O. Jayshree - 761025 District Ganjam (Orissa)
31-3-2008	30-6-2008	3 P.M.	Registered Office at P.O. Jayshree - 761025 District Ganjam (Orissa)

There was one Special Resolution for consideration of the Members of the Company at the Annual General Meeting held on 28th August, 2009 for alteration of Article 98 of the Articles of Association of the Company and the same was not required to be passed through postal ballot.

One Extra-ordinary General Meeting of the Company was held on 7th December, 2010 at which two Special Resolutions one under Section 269 and 309 read with Schedule XIII to the Companies Act, 1956 for appointment of and payment of remuneration to Shri Virendra Bangur as the Managing Director of the Company with effect from 12th November, 2010 and the other under Section 149(2A) of the Companies Act, 1956 for commencement of new business not germane to the existing business carried on by the Company were passed but the same did not require postal ballot exercise.

Besides, the Company passed an Ordinary Resolution on 14th August, 2010 with requisite majority under Section 293(1)(a) of the Companies Act, 1956 by postal ballot for creating charges/mortgages in favour of two Term Lending Bankers for securing their respective Term Loans for part financing the cost of the Company's 1.25 MW Wind Mill Project at Coimbatore in the State of Tamil Nadu. The postal ballot exercise for this was conducted by Ms. Sweety Kapoor, the wholetime Practicing Company Secretary, and the voting pattern thereof was as under:

Number of valid postal ballot forms received	113
Votes in favour of the Resolution	1,43,62,808 (99.9476%)
Votes against the Resolution	457 (0.0032%)
Number of invalid postal ballot forms received	2
Number of votes in invalid postal ballot forms	7,065 (0.0942%)

No Special Resolution or 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 the ensuing Annual General Meeting.

8. DISCLOSURES

A. Related Party Transactions

The Company has not entered into any transaction of material nature with the Promoters, the Directors or

Report on Corporate Governance for the year ended 31st March, 2011

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 Bombay Stock Exchange, 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 Exchange 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 'Times of India'/'Business Standard' and in Oriya in the 'Orissa Bhaskar', all circulated in Ganjam where the Registered Office of the Company is situated. The results are displayed on the Company's website www.jayshreechemicals.com but 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	16th August, 2011
Time	3 p.m.
Venue	P. O. Jayshree - 761 025, District : Ganjam (Orissa)
ii) (a) Financial year	2010 - 11
(b) Financial Calendar	The Financial Calendar for the year 2011-12 (Provisional) is as under :-
a. Results for the first quarter ending 30th June, 2011	By middle of August, 2011
b. Results for the second quarter ending 30th September, 2011	By middle of November, 2011
c. Results for the third quarter ending 31st December, 2011	By middle of February, 2012
d. Results (Audited) for the Financial year ending 31st March, 2012	By end of May, 2012
e. Annual General Meeting for the year ending 31st March, 2012	By end of August, 2012
iii) Date of Book Closure	The Register of Members and the Share Transfer Books of the Company will remain closed from 11th August, 2011 to 16th August, 2011 both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 16th August, 2011.
iv) Dividend Payment Date	No Dividend is proposed
v) Listing on Stock Exchange	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, 2011 has been paid.

Report on Corporate Governance for the year ended 31st March, 2011

vi) Stock Code	Name of Stock Exchange	Physical	Demat ISIN No.
	Bombay Stock Exchange Ltd.	506520	INE693E01016
vii) Market Price Data	The High and Low prices in each month in the Bombay Stock Exchange Ltd. (BSE) at which the Company's Shares are listed are given hereunder :-		
	Month	Price per Share	
		High (₹)	Low (₹)
	April, 2010	18.70	15.50
	May, 2010	17.45	14.05
	June, 2010	15.85	14.25
	July, 2010	17.00	14.60
	August, 2010	17.40	14.05
	September, 2010	16.50	14.60
	October, 2010	18.00	14.65
	November, 2010	17.70	14.30
	December, 2010	15.70	12.51
	January, 2011	15.40	13.00
	February, 2011	14.50	12.00
	March, 2011	12.92	11.00
viii) Share price performance in comparison to broad-based Indices (BSE Sensex)	The Company's Share prices at the Bombay Stock Exchange Ltd. (BSE) are given hereunder :-		
	On 1st April, 2010	: ₹ 16.20 P. per Share	
	On 31st March, 2011	: ₹ 11.83 P. per Share	
	Change	: (-) 26.98%	
Indices (BSE Sensex)	On 1st April, 2010 (Opening)	: 17,555.04	
	On 31st March, 2011 (Closing)	: 19,445.22	
	Change	: (+) 10.77%	
ix) Registrars and Share Transfer Agents	Niche Technologies Private Ltd. are acting as the Registrars of the Company for both physical and dematerialized form of Shares. The address of the above Registrars is given hereunder :		
	<p>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 : nichetechpl@nichetechpl.com</p>		

Report on Corporate Governance for the year ended 31st March, 2011

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, 2011 is as under :-

Category	No. of Shares held	Percentage of Shareholding
Promoters	1,43,18,259	48.824
Mutual Funds and UTI	700	0.002
Banks, Financial Institutions and Insurance Companies	9,91,556	3.381
Private Corporate Bodies	12,88,945	4.395
Indian Public	1,23,29,411	42.042
NRIs/OCBs	3,97,386	1.355
Foreign Institutional Investors	200	0.001
ADRs/GDRs	–	–
TOTAL	2,93,26,457	100.00

b) Distribution of Shareholding as on 31st March, 2011 is as under :-

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
1 to 500	2,728	59.98	5,23,480	1.79
501 to 1000	634	13.94	5,06,821	1.73
1001 to 2000	433	9.52	6,48,032	2.21
2001 to 3000	234	5.15	5,99,158	2.04
3001 to 4000	90	1.98	3,25,740	1.11
4001 to 5000	77	1.69	3,63,346	1.24
5001 to 10000	163	3.58	11,36,255	3.87
10001 and above	189	4.16	2,52,23,625	86.01
TOTAL	4,548	100.00	2,93,26,457	100.00

Report on Corporate Governance for the year ended 31st March, 2011

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

Names	No. of Shares held	Percentage
Shri Shree Kumar Bangur	4,37,500	1.4918
Shri Dau Dayal Kothari	600	0.0020
Shri Virendra Bangur	4,92,500	1.6794
Shri Satish Kapur	26,000	0.0887
Shri Deo Kumar Maheshwari	100	0.0003

xii) Dematerialisation of Shares and Liquidity	As on 31st March, 2011, 98.23% of the Company's total Shares representing 2,88,08,527 Shares were held in dematerialised form and the balance 1.77% representing 5,17,930 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 - 761025, District Ganjam (Orissa)
xv) Addresses for correspondence	<ol style="list-style-type: none"> Registered Office : P.O.Jayshree - 761 025 District Ganjam (Orissa) Kolkata Office : 31, Chowringhee Road, Kolkata - 700 016 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.

Kolkata
Date : 30th May, 2011

On behalf of the Board

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Report on Corporate Governance for the year ended 31st March, 2011

TO WHOMSOEVER IT MAY CONCERN

I, Virendra Bangur, Managing 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 Agreement with the Bombay Stock Exchange Ltd.

Kolkata, 21st May, 2011

Virendra Bangur
Managing 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, 2011 as stipulated in Clause 49 of the Listing Agreement of the said company with the Bombay Stock Exchange Ltd.

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 there were 24 (Twenty Four) complaints from the Shareholders during the year ended 31st March, 2011, which were duly resolved and no complaint was pending at the end of the financial year.

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
Firm Registration No. 304153E

6C, Middleton Street
Kolkata - 700 071
Date : 30th May, 2011

B. K. Bhutia
Partner
Membership No. 059363

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, 2011, 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 the 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, 2011 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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, 2011;
 - 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

Firm Registration No. 304153E

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street
Kolkata - 700 071
Date : 30th May, 2011

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 discarded and disposed off substantial/major part of fixed assets of the old Plant. However, the same would not 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.
- 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 taken unsecured loan from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Only one party is involved with transactions value of ₹ 75.00 Lacs. The rate of interest and other terms and conditions of unsecured loans taken by the Company, are prima facie not prejudicial to the interest of the Company. The payment of the principal amount and interest are regular.
- 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 transactions need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- 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 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 generally 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, 2011 for a period of more than six months from the date they became payable.
- 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 (₹)	Amount Deposited (₹)	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
"	"	5,68,547	4,00,000	1988-89	ACCT, Berhampur
"	"	2,17,994	1,10,000	1991-92	ACCT, Berhampur
"	"	1,78,082	1,22,500	1992-93	ACCT, Berhampur
"	"	63,219	35,000	1997-98	ACCT, Berhampur
Orissa Sales Tax Act	"	1,39,584	1,12,926	1986-87	High Court of Orissa

Auditors' Report

Name of the Statute	Nature of the dues	Amount of Demand (₹)	Amount Deposited (₹)	Period to which amount relates	Forum where dispute is pending
Orissa Sales Tax Act	Sales Tax	1,42,839	1,42,839	1988-89	ACCT, Berhampur
Orissa Entry Tax Act	Orissa Entry Tax	12,54,480	5,00,000	2001-02	Sales Tax Tribunal, Cuttack
"	"	9,21,181	4,00,000	2002-03	Sales Tax Tribunal, Cuttack
"	"	5,04,343	33,650	2005-06 2006-07	Addl. CCT Appeal, Berhampur
Orissa VAT Act	Orissa VAT	8,85,225	4,50,000	2005-06 2006-07	Addl. CCT Appeal, Berhampur
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
"	"	2,28,38,425	10,88,858	October, 1994 to March, 2011	High Court of Orissa
Orissa Municipal Tax, 1951	Lighting Tax	5,26,281	–	Upto 2010-11	Court of ADM, Chatrapur
Service Tax	Service Tax for Services rendered by Goods transporters	6,15,000	–	November, 1997 to June, 1998	High Court of Orissa
Income Tax	Assessment Demand	49,44,730	15,00,000	2007-08	Addl. CIT Kolkata
West Bengal VAT ACT	W B VAT	6,17,967	2,11,932	2005-06	JCCT Kolkata (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 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) According to the information and explanations given to us, the Company has taken term loans during the financial year and applied the same for the purpose for which such loans were obtained.
- 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 ₹ 675 Lacs funds raised on short-term basis have been used for long-term investment in purchase of fixed assets.
- 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.

6C, Middleton Street
Kolkata - 700 071
Date : 30th May, 2011

For **K. N. GUTGUTIA & CO.**
Chartered Accountants
Firm Registration No. 304153E
B. K. Bhutia
Partner
Membership No. 059363

Balance Sheet as at 31st March, 2011

Particulars	Schedule No.	As at 31/03/2011 ₹	As at 31/03/2010 ₹
SOURCES OF FUNDS			
1. Shareholders` Funds			
Share Capital	1	29,32,64,570	29,32,64,570
Reserves & Surplus	2	21,89,39,368	20,81,72,212
		51,22,03,938	50,14,36,782
2. Loan Funds			
Secured Loans	3	91,97,89,291	32,82,78,605
		91,97,89,291	32,82,78,605
3. Unsecured Loans	4	11,75,00,000	–
4. Deferred Tax Liabilities (Net)		3,23,34,000	3,58,55,000
TOTAL		1,58,18,27,229	86,55,70,387
APPLICATION OF FUNDS			
1. Fixed Assets	5		
Gross Block		1,75,55,96,756	34,43,24,473
Less : Depreciation		21,43,00,468	19,87,65,946
Net Block		1,54,12,96,288	14,55,58,527
Add : Capital Work-in-Progress		2,49,43,151	27,11,96,040
		1,56,62,39,439	41,67,54,567
2. Investment	6	60,00,000	60,00,000
3. Current Assets, Loans & Advances	7		
Inventories		4,22,19,895	4,07,99,561
Sundry Debtors		11,06,87,246	6,35,85,638
Cash & Bank Balances		2,46,09,979	40,03,12,468
Loans & Advances		18,38,12,990	6,07,15,029
		36,13,30,110	56,54,12,696
Less : Current Liabilities & Provisions	8		
(a) Current Liabilities		33,57,25,147	11,56,48,308
(b) Provisions		1,60,17,173	69,48,568
		35,17,42,320	12,25,96,876
Net Current Assets		95,87,790	44,28,15,820
TOTAL		1,58,18,27,229	86,55,70,387
Accounting Policies & Notes on Accounts	16		

Schedules 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. 059363
6C, Middleton Street
Kolkata - 700 071
30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Profit & Loss Account for the year ended 31st March, 2011

Particulars	Schedule No.	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
INCOME			
Sales (Gross)		34,59,67,659	54,61,96,206
Less : Excise Duty & Education Cess		2,93,50,984	3,93,06,309
		31,66,16,675	50,68,89,897
Increase/(Decrease) in Stock	9	(1,34,75,414)	78,23,553
Other Income	10	8,99,86,694	63,57,726
TOTAL		39,31,27,955	52,10,71,176
EXPENDITURE			
Raw Materials Consumed	11	3,92,65,237	6,36,86,202
Manufacturing Expenses	12	20,54,73,692	23,36,03,102
Payment to Employees	13	5,91,33,508	6,56,17,493
Administrative & Sales Expenses	14	5,25,62,316	6,71,18,151
Interest & Finance Charges	15	79,92,025	36,78,956
Depreciation [Refer Note No. 1 to Schedule 5]		1,44,49,806	1,43,15,709
		37,88,76,584	44,80,19,613
Profit before Tax		1,42,51,371	7,30,51,563
Provision for Taxation			
- Current Tax		28,41,000	1,24,19,000
- Deferred Tax		(35,21,000)	1,95,53,000
- Mat Credit Entitlement		41,91,000	(58,84,000)
- Income Tax provision/payment for earlier years		(26,785)	(3,26,100)
Profit after Tax		1,07,67,156	4,72,89,663
Add : Balance as per last account		8,09,04,049	3,98,52,657
TOTAL		9,16,71,205	8,71,42,320
Interim Dividend		–	53,32,083
Tax on Dividend		–	9,06,188
Balance carried over to Balance Sheet		9,16,71,205	8,09,04,049
Basic and Diluted Earning Per Share (Face Value ₹ 10/-)		0.37	7.14
Accounting Policies & Notes on Accounts	16		

Schedules 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. 059363
6C, Middleton Street
Kolkata - 700 071
30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

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

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,42,51,371	7,30,51,563
Adjustments for :		
- Depreciation	1,44,49,806	1,43,15,709
- Obsolete Assets Discarded	-	3
- TDS Written Off	55,591	-
- Interest Expenses	79,92,025	36,78,956
- Interest Income	(40,89,097)	(29,45,855)
Operating Profit before Working Capital Changes	3,26,59,696	8,81,00,376
Adjustments for :		
- Trade Payables	21,96,75,465	32,66,238
- Trade and other Receivables	(17,47,47,864)	2,43,59,871
- Inventories	(14,20,334)	(2,61,62,791)
Cash Generated from Operations	7,61,66,963	8,95,63,694
Direct Taxes Paid	47,35,049	(1,29,79,956)
Net Cash generated from Operating Activities	8,09,02,012	7,65,83,738
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(1,16,40,27,696)	(32,43,63,621)
Sale of Fixed Assets	93,018	-
Interest Received	40,89,097	29,45,855
Net Cash used in Investing Activities	(1,15,98,45,581)	(32,14,17,766)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue	-	35,99,15,610
Rights Issue Expenses	-	(36,25,303)
Proceeds from Short Term Borrowings	12,18,52,672	64,47,813
Repayment of Long Term Borrowings	-	(10,75,016)
Proceeds From Long Term Borrowings	58,71,58,014	30,03,23,564
Dividend Paid	-	(1,31,80,666)
Dividend Tax Paid	-	(22,65,469)
Interest Paid	(57,69,606)	(36,78,956)
Net Cash generated/(used) in Financing Activities	70,32,41,080	64,28,61,577
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(37,57,02,489)	39,80,27,549
Opening Cash and Cash Equivalents	40,03,12,468	22,84,919
Closing Cash and Cash Equivalents	2,46,09,979	40,03,12,468

Note :

In the current financial year the Company has closed its mercury based caustic soda plant on 29th December, 2010 and on the same date it commenced the membrane cell technology based plant on trial run which was successfully completed on 31st March, 2011. Therefore, the current year's Cash Flow Statement is not comparable with the corresponding Cash Flow Statement of the previous financial year.

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. 059363

6C, Middleton Street

Kolkata - 700 071

30th May, 2011

Prabir Chakravarti

Satish Kapur

Sindhubala Choudhury

D. K. Maheshwari

Directors

Schedules

Particulars	As at 31/03/2011 ₹	As at 31/03/2010 ₹
Schedule - 1 SHARE CAPITAL		
Authorised		
4,00,00,000 (4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid-up		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid in Cash	29,32,64,570	29,32,64,570
TOTAL	29,32,64,570	29,32,64,570
Schedule - 2 RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Account	30,00,000	30,00,000
Share Premium		
- As per last Account	12,10,13,227	46,66,660
Add : Received during the year	–	11,99,71,870
Less : Right Issue Expenses	–	(36,25,303)
	12,10,13,227	12,10,13,227
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
- As per last Account	8,12,000	8,12,000
General Reserve		
- As per last Account	24,42,936	24,42,936
Surplus		
- As per Profit & Loss Account Annexed	9,16,71,205	8,09,04,049
TOTAL	21,89,39,368	20,81,72,212
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	7,86,712	7,60,488
From Scheduled Banks :		
- Rupee Term Loan	32,62,64,214	30,02,97,341
- Foreign Currency Term Loan	56,22,58,390	–
- Car Loan Account (Amount payable within next 12 months ₹ 4,79,978/-)	4,79,978	15,73,451
Cash Credit Account [Please refer to Note No. 19 of Schedule 16 (B)]	2,98,05,747	2,54,53,075
TOTAL	91,97,89,291	32,82,78,605
Term Loans include due within one year	8,25,00,000	86,66,470
Schedule - 4 UNSECURED LOANS		
Loans from Bodies Corporate	11,75,00,000	–
TOTAL	11,75,00,000	–

Schedules

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01/04/2010	Additions during the year	Sale/ Discarded/ Adjusted during the year	Total Upto 31/03/2011	Upto 31/03/2010	For the year 2010-11	Adjustment on Sold Discarded Assets	Total Upto 31/03/2011	As on 31/03/2011	As on 31/03/2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Land Free Hold	26,41,649	-	-	26,41,649	-	-	-	-	26,41,649	26,41,649
Land Lease Hold	2,77,589	-	-	2,77,589	1,34,007	-	-	1,34,007	1,43,582	1,43,582
Development of Site including Roads	27,20,712	19,39,832	-	46,60,544	13,28,590	19,65,119	-	32,93,709	13,66,835	13,92,122
Buildings	2,10,54,937	32,52,89,726	49,80,533	34,13,64,130	1,20,08,250	4,27,240	42,63,453	81,72,037	33,31,92,093	90,46,687
Plant & Machinery	25,45,95,110	1,05,62,27,659	13,51,47,190	1,17,56,75,579	13,93,54,063	90,09,444	10,83,66,750	3,99,96,757	1,13,56,78,822	11,52,41,047
Water Supply & Tube Well	29,65,308	-	10,94,557	18,70,751	16,82,595	93,554	5,80,455	11,95,694	6,75,057	12,82,713
Furniture, Fittings & Office Equipments	53,85,057	17,73,220	6,50,377	65,07,900	41,86,934	6,32,344	6,42,406	41,76,872	23,31,028	11,98,123
Elect. & Telephone Installation	1,70,16,179	12,08,697	1,24,36,060	57,88,816	1,20,35,105	4,69,337	94,80,212	30,24,230	27,64,586	49,81,074
Motor Vehicles	73,07,265	45,762	5,20,392	68,32,635	36,85,450	9,47,908	4,27,370	42,05,988	26,26,647	36,21,815
Laboratory Equipments	1,81,788	44,20,448	1,34,132	44,68,104	1,39,909	6,112	1,27,034	18,987	44,49,117	41,879
Handling Equipments	2,86,18,911	2,08,75,792	10,084	4,94,84,619	2,34,99,085	22,69,299	10,083	2,57,58,301	2,37,26,318	51,19,826
Railway Siding	15,59,968	-	-	15,59,968	7,11,958	1,30,000	-	8,41,958	7,18,010	8,48,010
Fixed assets held for disposal	34,43,24,473	1,41,17,81,136	15,49,73,325	1,60,11,32,284	19,87,65,946	1,59,50,359	12,38,97,763	9,08,18,540	1,51,03,13,744	14,55,58,527
TOTAL	34,43,24,473	1,41,17,81,136	5,08,853	1,75,55,96,756	19,87,65,946	1,59,50,359	4,15,835	21,43,00,468	1,54,12,96,288	14,55,58,527
Figures for previous year	27,36,74,778	7,06,75,880	26,185	34,43,24,473	18,44,76,419	1,43,15,709	26,182	19,87,65,946	14,55,58,527	-

Notes :

1. A sum of ₹ 15,00,551/- has been transferred to Pre-operative Expenses out of current year's depreciation.
2. Cost of Motor Cars and Vehicles includes ₹ 36,85,222/- (₹ 42,66,879/-) taken under Hire Purchase Scheme.

Schedules

Particulars	As at 31/03/2011 ₹	As at 31/03/2010 ₹
Schedule - 6 INVESTMENT (Long Term)		
Trade - Unquoted		
In Subsidiary :		
- 6,00,000 Equity Shares of ₹ 10/- each fully paid-up in East Coast Powers Limited	60,00,000	60,00,000
Schedule - 7 CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Raw Materials	2,05,28,234	21,53,348
Stores and Spares	94,98,452	2,44,09,524
Finished Goods	93,50,985	1,33,11,494
Work-in-Progress	28,42,224	9,25,195
TOTAL	4,22,19,895	4,07,99,561
Sundry Debtors - Unsecured (Considered Good)		
Debts outstanding for a period exceeding six months	1,66,60,004	40,19,591
Other Debts	9,40,27,242	5,95,66,047
TOTAL	11,06,87,246	6,35,85,638
Cash & Bank Balance		
Cash-in-Hand	4,36,414	1,37,207
With Scheduled Banks :		
- In Current Account	2,17,28,161	37,80,71,065
- Special Term Deposit/Margin Money	22,96,717	1,84,93,464
- Current Account - Right Issue	-	33,94,785
- In Unpaid Dividend Accounts	1,48,687	2,15,947
TOTAL	2,46,09,979	40,03,12,468
Loans & Advances - Unsecured (Considered Good)		
Advance to Subsidiary	-	60,064
Advances recoverable in Cash or kind or for value to be received	2,46,90,553	89,98,104
Security Deposit	8,02,93,662	4,04,48,130
Deposit with Excise Dept.	7,46,91,930	30,96,260
Deposit with other Govt. Department	26,36,845	25,64,176
Deposit with Income Tax Dept. (Against Demand Contested in Appeal)	15,00,000	10,00,000
Advance Income Tax (Net of Provision)	-	45,48,295
TOTAL	18,38,12,990	6,07,15,029

Schedules

Particulars	As at 31/03/2011 ₹	As at 31/03/2010 ₹
Schedule - 8 CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	1,89,605	7,95,829
- Other than Micro, Small and Medium Enterprises	33,19,94,385	11,36,44,332
- Interest Accrued but not due	22,22,419	–
- Advance from Customers	11,41,051	9,92,200
- Advance from Subsidiary	29,000	–
Investors' Education and Protection Fund :		
- Unpaid Dividend Account	1,48,687	2,15,947
	33,57,25,147	11,56,48,308
b) Provisions		
- Gratuity	1,05,09,517	26,85,609
- Leave Liability	52,65,311	42,62,959
- Provision for Income Tax (Net of Advance)	2,42,345	–
	1,60,17,173	69,48,568
TOTAL	35,17,42,320	12,25,96,876

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 9 INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished Goods	–	1,33,11,494
Work-in-Progress	7,61,275	9,25,195
	7,61,275	1,42,36,689
Less : Opening Stock		
- Finished Goods	1,33,11,494	46,03,175
- Work-in-Progress	9,25,195	18,09,961
	1,42,36,689	64,13,136
Increase/(Decrease) in Stock	(1,34,75,414)	78,23,553

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 10 OTHER INCOME		
Interest (TDS ₹ 5,25,420/- (₹ 4,60,522/-))	40,89,097	29,45,855
Liability no longer required written back	3,15,815	9,98,953
Others [Please refer to Note No. 22 of Schedule 16 (B)]	8,55,81,782	24,12,918
TOTAL	8,99,86,694	63,57,726

Schedules

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 11 RAW MATERIALS CONSUMED		
Opening Stock	8,25,139	9,51,867
Add : Purchase (including own production)	3,84,40,098	6,35,59,474
	3,92,65,237	6,45,11,341
Less : Closing Stock	–	8,25,139
TOTAL	3,92,65,237	6,36,86,202
Schedule - 12 MANUFACTURING EXPENSES		
Stores & Chemicals etc. Consumed	51,48,481	62,66,280
Diesel Oil Consumed	1,73,544	1,57,249
Electricity Charges	18,39,57,275	20,53,76,826
Repairs and Maintenance including	1,74,64,615	2,10,31,068
Stores consumed ₹ 81,30,626/- (₹ 1,08,03,581/-)		
- Buildings	26,30,960	34,63,127
- Plant and Machinery	69,86,195	1,12,19,911
- Others	78,47,460	63,48,030
Difference of Excise Duty on Opening/Closing on Finished Goods Stock	(12,70,223)	7,71,679
TOTAL	20,54,73,692	23,36,03,102
Schedule - 13 PAYMENT TO EMPLOYEES		
Salaries, Wages and Bonus	3,72,71,048	4,62,28,620
Contributions to :		
- Gratuity Fund	78,82,138	31,11,213
- Provident & Other Funds (Including Administrative charges)	44,08,873	54,21,569
Employees' State Insurance	12,54,126	13,33,374
Workmen and Staff Welfare Expenses	74,50,061	85,54,077
House Rent Allowance	8,67,262	9,68,640
TOTAL	5,91,33,508	6,56,17,493

Schedules

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 14 ADMINISTRATIVE & SALES EXPENSES		
Insurance Charges	5,33,805	5,90,599
Rent (Net)	4,25,651	3,85,491
Travelling Expenses	21,98,692	21,62,685
Motor Vehicle Expenses	26,92,358	22,28,462
TDS Written Off	55,591	–
Rates & Taxes	8,50,909	2,75,433
Legal Expenses	8,13,265	8,66,918
Sundry Expenses (Refer Note No.3)	1,15,14,464	1,09,23,223
Transportation Charges	2,78,43,857	4,59,97,621
Fixed Assets Discarded & Written Off	–	3
Loss/(Gain) on Exchange Rate Fluctuation	4,62,356	–
Directors' Fees	1,60,000	1,05,000
Managerial Remuneration	32,64,175	19,10,436
Sales Tax	2,00,629	2,01,055
CSR (Including Donation)	15,46,564	14,71,225
TOTAL	5,25,62,316	6,71,18,151
Schedule - 15 INTEREST & FINANCE CHARGES		
To Bank	69,08,829	16,75,626
To Others	10,83,196	20,03,330
TOTAL	79,92,025	36,78,956

Schedule - 16 ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A) SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Concept

The financial statements have been prepared under the historical cost convention on the accrual basis in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof.

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 (net of revenue) form part of the value of the assets capitalised. Fixed Assets retired from active use and held for disposal are valued at lower of their written down value or net realizable value.

Schedules

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 investments 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 overheads 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 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, unless otherwise stated.

12) Foreign Currency Transactions

Foreign currency transactions and forward contracts are accounted for at the prevailing exchange rate on the date of transactions.

Foreign currency monetary assets and liabilities and unsettled forward contract are translated on the basis of closing exchange rate.

Foreign currency non-monetary assets and liabilities are carried as per the exchange rate on the date of transaction.

Exchange differences arising on settlement/conversion of monetary assets and liabilities are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

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

14) Impairment of Assets

Impairment is recognized 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.

15) Segment Reporting

The Company has identified that its business segments are the primary segments. The Company identifies the business segments on the basis of products, risks and returns and internal reporting system.

The geographical segment identification is based on the location of customers of the Company.

The Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Common cost, if any, is allocable on reasonable basis. The revenues, expenses, assets and liabilities which are not allocable are shown as "Unallocated".

B) NOTES ON ACCOUNTS

1. **Outstanding Capital Commitments (Net of Advances) are estimated at ₹ 1,08,05,930/- (₹ 82,46,93,774 /-).**

	31st March, 2011 ₹	31st March, 2010 ₹
2. Contingent Liabilities not provided for :		
(a) Claims against the Company not acknowledged as Debts (Net of deposit) -		
i) Sales Tax Demand under Appeals	47,95,651	43,24,958
ii) Income Tax Demand under Appeals	34,44,730	–
iii) Others (including Excise Duty under appeals)	2,29,93,751	1,68,83,578
(b) Guarantees	1,23,04,216	1,99,18,493
3. Sundry Expenses include :		
(a) Payments to Auditors -		
i) Audit Fees	1,00,000	1,00,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	66,500	70,500
iv) Reimbursement of Expenses	21,315	14,700
(b) Payment to Cost Auditor	20,000	20,000
4. Licensed Capacity	Since delicensed	
	31st March, 2011	31st March, 2010
5. Installed Capacity - (as certified by the Company's Technical Expert) :		
Caustic Soda	53,200 MT	22,500 MT
Chlorine	35,000 MT	15,500 MT
Hydrochloric Acid (33%)	37,000 MT	20,000 MT
Sodium Hypo-Chlorite	6,500 MT	–
Wind Power	1.25 MW	1.25 MW
6. (a) Actual Production :		
Caustic Soda	20,909 MT	21,994 MT
Chlorine	12,168 MT	12,883 MT
Hydrochloric Acid (33%)	19,974 MT	20,552 MT
Sodium Hypo-Chlorite	1,013 MT	–
Wind Power	27,58,722 KWH	4,58,057 KWH

Schedules

	31st March, 2011 ₹	31st March, 2010 ₹
7. Value of Imports calculated on C.I.F. Basis :		
(a) Components, Stores and Spare Parts	–	4,66,201
Capital Goods	24,95,89,722	–
Raw Material	–	–
(b) Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;	43,50,582	–
(c) (i) Earnings in foreign exchange classified under the following heads, namely :		
Export of goods calculated on F.O.B. basis	8,34,96,000	–
(ii) Other income (Commission)	9,655	–

	₹	%	₹	%
8. Consumption of :				
i) Raw Materials - Indigenous*	8,07,27,018	70.26	6,36,86,202	78.86
ii) Stores, Spare Parts and Components -				
Imported	–	–	–	–
Indigenous	3,41,64,080	29.74	1,70,69,861	21.14
	3,41,64,080	29.74	1,70,69,861	21.14
Total**	11,48,91,098	100.00	8,07,56,063	100.00

* Includes payments to and provision for employees ₹ 28,23,633/- (₹ 26,55,153/-), Power & Fuel ₹ 6,14,090/- (₹ 6,57,405/-), Repairs & Maintenance ₹ 21,85,922/- (₹ 13,28,212/-), Insurance ₹ 7,530/- (₹ 6,984/-) and Rates & Taxes ₹ 2,27,179/- (₹ 2,56,250/-).

** Includes ₹ 6,20,04,274/- transferred to Pre-operative Expenses.

9. 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.
10. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company: Principal amount Outstanding as at 31st March, 2011 ₹ 1,89,605/- (₹ 7,95,829/-).

11. Segment Reporting :

Business Segment	As on 31/03/2011 Amount (₹)				As on 31/03/2010 Amount (₹)			
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	30,72,78,755	93,37,920	–	31,66,16,675	50,53,39,943	15,49,954	–	50,68,89,897
Inter segment Sales	–	–	–	–	–	–	–	–
Total Revenue	30,72,78,755	93,37,920	–	31,66,16,675	50,53,39,943	15,49,954	–	50,68,89,897

Schedules

Business Segment	As on 31/03/2011 Amount (₹)				As on 31/03/2010 Amount (₹)			
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Results								
Segment Results	1,43,35,370	51,68,239	(13,49,310)	1,81,54,299	7,40,22,400	(2,37,736)	-	7,37,84,664
Un-allocated Expenses				-				-
Operating Profit				1,81,54,299				7,37,84,664
Interest Expenses				79,92,025				36,78,956
Interest Income				40,89,097				29,45,855
Income Tax				34,84,215				2,57,61,900
Profit from ordinary Activities				1,07,67,156				4,72,89,663
Extra-ordinary items				-				-
Net Profit				1,07,67,156				4,72,89,663
Business Segment								
Other Information								
Segment Assets	1,83,31,05,187	6,79,28,596	92,615	1,90,11,26,398	23,29,43,599	6,55,14,718	-	29,84,58,317
Un-allocated Assets				3,24,43,151				68,97,08,946
Total Assets				1,93,35,69,549				98,81,67,263
Segment Liabilities	35,09,44,228	5,27,870	27,877	35,14,99,975	13,32,58,581	4,56,27,702	-	17,88,86,283
Un-allocated Liabilities				1,06,98,65,636				27,19,89,198
Total Liabilities				1,42,13,65,611				45,08,75,481
Capital Expenditure				1,16,40,27,696	25,88,03,544	6,55,60,077	-	32,43,63,621
Depreciation				1,59,50,359	1,26,31,517	16,84,192	-	1,43,15,709
Non-cash Expenses other than depreciation				55,591	3	-	-	3

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

12. **Block-in-Progress (New Project) includes capital advances Nil (₹ 15,26,39,171/-) and Pre-operative expenses as per the details given below :**

	As on 31.03.2011 (₹)	As on 31.03.2010 (₹)
As per last Accounts	4,11,19,300	1,44,39,848
Raw Material Consumed	4,14,61,781	-
Stores Consumed	2,08,84,974	-
Power & Fuel	8,41,49,663	-
Payment to Employees :		
Salary & Wages	2,32,54,297	53,76,352
Contribution to :		
Gratuity Fund	26,27,379	-
Provident & Other funds (including Administrative charges)	26,91,848	6,45,161
Leave Liability	4,89,339	-
Employees' State Insurance	5,26,455	16,556
Workmen & Staff Welfare Expenses	57,29,554	12,92,645

Schedules

	As on 31.03.2011 (₹)		As on 31.03.2010 (₹)	
House Rent Allowance	5,84,812	3,59,03,684	2,05,384	75,36,098
Upfront fees paid to Banks		–		39,75,000
Excise duty on closing stock		8,83,648		
Transportation charges		1,48,16,897		
Amortization on Premium Contract		81,54,269		
Brokerage & Commission (ICD)		1,25,109		
Administrative & Sales Expenses :				
Insurance	35,269		18,54,026	
Rent	4,82,520		–	
Travelling Expenses	39,28,931		14,10,282	
Motor Vehicle Expenses	11,84,257		6,74,954	
Rates & Taxes	3,10,088		6,75,242	
Legal Expenses	10,500		–	
Sales Tax	12,71,620		–	
Sundry Expenses :				
Telephone, Postage & Telegram	1,75,669		61,443	
Bank Charges	3,36,420		60,760	
General Expenses	19,83,982		4,97,345	
Handling Expenses on stores	12,74,071		–	
Laboratory Expenses	4,40,774		–	
Printing & Stationary	81,473		–	
Professional and Consultancy Service Charges (Includes Auditors' Remuneration ₹ 22,000/-)	53,03,993		56,53,040	
Guarantee Commission	19,738	96,16,120	1,68,39,305	– 1,08,87,092
Interest & Finance charges :				
Interest on ICD Loan	46,36,707			–
Interest paid to Banks	5,72,29,532			42,81,262
Interest (Others)	3,52,894	6,22,19,133		
		32,65,57,763		4,11,19,300
Depreciation		15,00,551		–
		32,80,58,314		4,11,19,300
Less : Sales (Gross)	17,09,24,035			
Less : Excise Duty & Education cess	1,48,00,853	15,61,23,182		
Miscellaneous Receipts (Insurance Claims)		78,017		
Increase/(Decrease) in Stock :				
Closing Stock :				
Finished Goods	93,50,985			
Work-in-Progress	20,80,949	1,14,31,934		–
		16,04,25,181		4,11,19,300
Less : Capitalised & transferred to Fixed Assets		16,04,25,181		–
		–		4,11,19,300

Schedules

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

	31st March, 2011 (₹)	31st March, 2010 (₹)
Profit after Tax	1,07,68,156	4,72,89,663
Weighted average number of Equity Shares	2,93,26,457	66,19,207
Basic and diluted earnings per share	0.37	7.14
Nominal Value of each Share	10	10
14. Deferred Tax Liability/Assets at the year end have been computed and comprise timing differences on account of :		
(A) Deferred Tax Liability		
Depreciation	3,40,83,000	3,69,97,000
(B) Deferred Tax Assets		
Expenses allowable against taxable income in future year	17,49,000	11,42,000
Net Deferred Tax Liabilities	3,23,34,000	3,58,55,000

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

16. The Company acquired Vehicles under Hire Purchase Scheme. Minimum Lease payment outstanding as at 31st March, 2011 in respect of these assets are as under :

Due	Total Minimum Lease payments outstanding as on 31st March, 2011	Interest not Due	Present Value of minimum lease payments
Within one year	5,05,630	25,652	4,79,978
Last Year	12,82,677	1,16,207	11,66,470
Later than one year and not later than five years	–	–	–
Last Year	5,29,417	1,22,436	4,06,981
Total : Current Year	5,05,630	25,652	4,79,978
Last Year	18,12,094	2,38,643	15,73,451

17. 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
Gloster Cables Ltd	Control of KMP
Virendra Bangur (Appointed W.E.F 12/11/2010)	Managing Director
D. K. Maheshwari (Upto 31/03/2011)	Executive Director
Bharati Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel

Schedules

B) Related Party transactions are as follows -

Nature of Transactions	2010-2011 Amount (₹/Lacs)	2009-2010 Amount (₹/Lacs)
Loan repayment by Subsidiary	–	10.15
Advance given to Subsidiary	28.60	–
Advance Received from Subsidiary	(28.89)	–
Interest received from Subsidiary	–	1.73
Rent Received from The West Coast Paper Mills Ltd	1.59	1.59
Sale of goods to The West Coast Paper Mills Ltd.	–	4.15
Purchases of capital Goods from Gloster Cables Ltd.	183.09	–
Rent & Service Charges paid - Fort Gloster Industries Ltd	0.72	0.72
Donation paid - Shree Ram Trust, Kolkata	4.00	4.05
Remuneration paid to Virendra Bangur	13.53	–
Remuneration paid to D. K. Maheshwari	19.11	19.10
Remuneration paid to Bharati Bangur	5.06	2.53
C) Details of Outstanding Payment to related party -		
Outstanding Balance as on 31st March, 2011 :		
- The West Coast Paper Mills Ltd	(0.14)	1.43
- East Coast Powers Limited	(0.29)	0.60

18. The following table summarises net benefit expenses recognized in the profit & loss account and funded status and amounts recognised in the balance sheet for Gratuity and Leave Encashment Liability : Amount (₹/Lacs)

	31st March, 2011		31st March, 2010	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Profit & Loss Account				
Net employees benefit expenses (recognised in employee cost)				
Current Service cost	21.45	2.24	16.98	2.91
Interest cost on benefit obligation	30.75	3.81	28.53	3.23
Expected return on plan assets	(26.55)	–	(23.98)	–
Net actuarial loss/(gain) recognised in the year	79.45	13.52	9.58	1.55
Past Service Cost Liability	–	–	–	–
Net benefit Expenses	105.10	19.57	31.11	7.69
Balance Sheet				
Defined benefit obligation	410.15	52.65	358.70	42.63
Fair value of plan assets	(305.05)	–	331.84	–
Net Liability recognised in balance sheet	105.10	52.65	26.86	42.63
Change in present value of the defined benefit obligation are as follows :				
Profit & Loss Account				
Defined benefit obligation as at April 1st, 2010	358.70	42.63	354.63	38.00
Interest Cost	30.75	3.81	28.53	3.23
Current service Cost	21.45	2.24	16.98	2.91
Benefit paid	(67.65)	(9.55)	(43.28)	(3.06)
Actuarial loss/(gain) on obligation	66.90	13.52	1.84	1.55
Defined benefit obligation as at March 31st, 2011	410.15	52.65	358.70	42.63

Schedules

Amount (₹/Lacs)

	31st March, 2011		31st March, 2010	
Profit & Loss Account	Gratuity	Leave encashment	Gratuity	Leave encashment
Change in present value of the fair value of plan assets are as follows :				
Fair value of plan assets as at April 1, 2010	358.70	–	271.98	–
Expected return	26.54	–	23.98	–
Contribution by the employer	–	–	86.90	–
Benefit paid	(67.65)	–	(43.28)	–
Actuarial (loss)/gain	(12.54)	–	(7.74)	–
Fair value of plan assets as at March 31st, 2011	305.05	–	331.84	–
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	25.50%		47.54%	
Investment in Mutual Funds	51.96%		48.56%	
Bank Balance	22.54%		3.90%	
	100.00%		100.00%	
The Principal assumption used in determining gratuity benefit obligation for the Company's plan are below :				
Discount rate	8.00%		8.00%	
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.

19. Details of Security given under Secured Loan :

Against Cash Credit -

Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stock-in-Process and book-debts by way of first charge and also equitable mortgage by way of first charge on pari-passu basis with other term lenders on immovable properties of factory land and other land aggregating to 141.46 acres at Ganjam Dist. together with all buildings and structures thereon and all Plant & Machineries attached to the earth or permanently fastened to anything attached to the earth.

Against Modernisation cum expansion project -

Secured by pari-passu charge inter-se by way of hypothecation of machinery and other fixed assets acquired or to be acquired out of the Term Loan and equitable mortgage of factory land and other lands aggregating 141.46 acres at Ganjam Dist. Kalyanpur, Kanchipur, Jarapadar on pari-passu basis and pari-passu second charge over the current assets.

Against Wind-Mill -

Secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be purchased out of the term loan for the Wind Mill project at Bogampatti Village, Sulur Taluk, Tirupur Coimbatore and Wind Mill receivables and second charge on the current assets ranking pari-passu with other term lenders and to be further secured by equitable mortgage of Wind - Mill project land measuring 2 acres.

Security Given under Secured Loans -

The Housing Department, Government of Orissa is not in existence. Accordingly, dues against the Housing loan could not be repaid. The Company has made a Fixed Deposit of ₹ 10.00 Lacs with S.B.B.J. Kolkata, which is held under lien by them to be utilised for repayment of dues of the Housing Department, Government of Orissa. On

Schedules

release of charge by Government of Orissa on Land measuring 42.79 acres, the same shall be mortgaged to Term Lenders and Cash Credit Lenders by way of first charge.

20. Derivative Instruments :

- a) The Company uses foreign currency forward contracts to hedge risk associated with foreign currency fluctuations.

The Company does not use forward contracts for speculative purposes.

Outstanding Forward Contracts entered into by the Company on account of payables :

As at	No. of Contracts	US Dollar	INR Equivalent
31.03.2011	2	60,00,000	29,04,60,000
31.03.2010	–	–	–

- b) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below :

	As at 31.03.2011 US Dollar	As at 31.03.2011 INR Equivalent	As at 31.03.2010 US Dollar	As at 31.03.2010 INR Equivalent
Amount Payable in Foreign currency on account of the following :				
Loan Payable	65,83,200	29,52,56,520	–	–

	As at 31.03.2011 Euro	As at 31.03.2011 INR Equivalent	As at 31.03.2010 Euro	As at 31.03.2010 INR Equivalent
Amount Payable in Foreign currency on account of the following :				
Capital Imports	2,90,300	1,84,34,050	–	–

21. The Company has closed down the existing Mercury Cell based Caustic Soda Plant on 29/12/2010 and on the same day commenced trial run of the Membrane Cell Technology based new Plant, which was successfully completed on 31/03/2011, hence financial statements of the year are not comparable with the corresponding previous year's figures.
22. Other Income includes ₹ 834.96 Lacs on account of used mercury sold during the year derived from the old Mercury Cell based caustic soda Plant.
23. Figures in bracket represent amount related to previous year.
24. Previous year's figures have been rearranged/regrouped wherever necessary.

Signatures to Schedules 1 to 16

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street

Kolkata - 700 071

30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details

CIN No.

Balance Sheet Date
 D D M M Y Y Y Y

State Code

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

Public Issue Right Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability (Net)

Application of Funds

Net Fixed Assets Investment

Net Current Assets Deferred Tax Assets

Miscellaneous Expenditure Accumulated Losses

IV. Performance of Company (Amount in ₹ Thousands)

Turnover (Including other Income) Total Expenditure

Profit before Tax Profit after Tax

Earning Per Share Annualised (₹) Dividend Rate (%)

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

Item Code No. (ITC Code)	Product Description
281512.00	Caustic Soda Lye
280110.00	Chlorine
280610.00	Hydrochloric Acid (33%)

30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

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, 2011
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 ₹ 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, 2011	₹ 9,022/-
ii) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	₹ 2,23,686/-
b) Dealt with in the holding company's accounts :	
iii) For the financial year ended 31st March, 2011	NIL
iv) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	NIL

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY

Name of Subsidiary	East Coast Powers Limited	
	As at 31/03/2011	As at 31/03/2010
Particulars	₹	₹
a) Capital	65,00,000	65,00,000
b) Reserves	5,41,597	5,31,823
c) Total Assets	70,96,421	71,98,680
d) Total Liabilities	54,824	1,66,857
e) Investments	—	—
f) Turnover	26,524	1,66,740
g) Profit before Taxation	14,274	1,49,904
h) Provision for Taxation	4,500	51,950
i) Profit after Taxation	9,774	97,954
j) Proposed Dividend	—	—

On behalf of the Board

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Kolkata
 Date : 30th May, 2011

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, 2011.

1. We have audited the attached consolidated balance sheet of **JAYSHREE CHEMICALS LIMITED** and its subsidiary company as at 31st March, 2011, the consolidated profit & loss account for the year ended 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 East Coast Powers Limited, whose financial statements reflect total assets of ₹ 70,96,421/- as at 31st March, 2011 and total revenue of ₹ 14,274/- and net cash outflow amounting to ₹ 3,25,347/- for the year ended on that date. 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 report of other auditor.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS21) on Consolidated Financial Statements as per Section 211 (3C) of the Companies Act, 1956 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, 2011;
 - b) in the case of the consolidated profit & loss account, of the profit for the year ended on that date; and
 - c) in the case of the consolidated cash flow, of the cash flow for the year ended on that date.

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

Chartered Accountants

Firm Registration No. 304153E

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street
Kolkata - 700 071
Date : 30th May, 2011

Consolidated Balance Sheet as at 31st March, 2011

Particulars	Schedule No.	As at 31/03/2011 ₹	As at 31/03/2010 ₹
SOURCES OF FUNDS			
1. Shareholders` Funds			
Share Capital	1	29,32,64,570	29,32,64,570
Reserves & Surplus	2	21,92,65,906	20,84,89,728
		51,25,30,476	50,17,54,298
2. Minority Interest		5,41,661	5,40,909
3. Loan Funds			
Secured Loans	3	91,97,89,291	32,82,78,605
		91,97,89,291	32,82,78,605
4. Unsecured Loans	4	11,75,00,000	–
5. Deferred Tax Liabilities (Net)		3,23,34,000	3,58,55,000
TOTAL		1,58,26,95,428	86,64,28,812
APPLICATION OF FUNDS			
1. Fixed Assets	5		
Gross Block		1,75,55,96,756	34,43,24,473
Less : Depreciation		21,43,00,468	19,87,65,946
Net Block		1,54,12,96,288	14,55,58,527
Add : Capital Work-in-Progress		2,49,43,151	27,11,96,040
		1,56,62,39,439	41,67,54,567
2. Current Assets, Loans & Advances	6		
Inventories		4,22,19,895	4,07,99,561
Sundry Debtors		11,06,87,246	6,35,85,638
Cash & Bank Balances		2,51,95,553	40,12,23,389
Loans & Advances		18,38,16,289	6,06,30,512
		36,19,18,983	56,62,39,100
Less : Current Liabilities & Provisions	7		
(a) Current Liabilities		33,57,50,971	11,57,30,648
(b) Provisions		1,60,17,173	69,48,568
		35,17,68,144	12,26,79,216
Net Current Assets		1,01,50,839	44,35,59,884
Miscellaneous Expenses (to the extent not written off)		63,05,150	61,14,361
TOTAL		1,58,26,95,428	86,64,28,812
Accounting Policies & Notes on Accounts	15		

Schedules 1 to 7 and 15 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. 059363
6C, Middleton Street
Kolkata - 700 071
30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

Consolidated Profit & Loss Account for the year ended 31st March, 2011

Particulars	Schedule No.	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
INCOME			
Sales (Gross)		34,59,67,659	54,61,96,206
Less : Excise Duty & Education Cess		2,93,50,984	3,93,06,309
		31,66,16,675	50,68,89,897
Increase/(Decrease) in Stock	8	(1,34,75,414)	78,23,553
Other Income	9	9,00,13,218	63,51,068
TOTAL		39,31,54,479	52,10,64,518
EXPENDITURE			
Raw Materials Consumed	10	3,92,65,237	6,36,86,202
Manufacturing Expenses	11	20,54,73,692	23,36,03,102
Payment to Employees	12	5,91,33,508	6,56,17,493
Administrative & Sales Expenses	13	5,25,74,566	6,71,34,987
Interest & Finance Charges	14	79,92,025	36,78,956
Depreciation [Refer Note No. 1 to Schedule 5]		1,44,49,806	1,43,15,709
TOTAL		37,88,88,834	44,80,36,449
Profit before Tax		1,42,65,645	7,30,28,069
Provision for Taxation :			
- Current Tax		28,45,500	1,24,69,000
- Deferred Tax		(35,21,000)	1,95,53,000
- Mat Credit Entitlement		41,91,000	(58,84,000)
- Income Tax provision/payment for earlier years		(26,785)	(3,24,150)
Profit after Tax		1,07,76,930	4,72,14,219
Less : Minority Interest		752	7,534
Add : Balance as per last account		8,09,54,331	3,99,85,917
TOTAL		9,17,30,509	8,71,92,602
Interim Dividend		-	53,32,083
Tax on Dividend		-	9,06,188
Balance carried over to Balance Sheet		9,17,30,509	8,09,54,331
Basic and Diluted Earning Per Share (Face Value ₹ 10/-)		0.37	7.13
Accounting Policies & Notes on Accounts	15		

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

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

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street

Kolkata - 700 071

30th May, 2011

Prabir Chakravarti
Satish Kapur
Sindhubala Choudhury
D. K. Maheshwari

Directors

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

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,42,65,645	7,30,28,069
Adjustments for :		
- Depreciation	1,44,49,806	1,43,15,709
- Obsolete Assets Discarded	-	3
- TDS Written Off	55,591	-
- Interest Expenses	79,92,025	36,78,956
- Interest Income	(41,15,621)	(29,39,197)
Operating Profit before Working Capital Changes	3,26,47,446	8,80,83,540
Adjustments for :		
- Trade Payables	21,95,87,585	33,39,972
- Trade and other Receivables	(17,47,76,864)	2,33,44,469
- Inventories	(14,20,334)	(2,61,62,791)
Cash Generated from Operations	7,60,37,833	8,86,05,190
Direct Taxes Paid	47,03,097	(1,30,56,616)
Net Cash generated from Operating Activities	8,07,40,930	7,55,48,574
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(1,16,40,27,696)	(32,43,63,621)
Sale of Fixed Assets	93,018	-
Interest Received	41,15,621	29,39,197
Miscellaneous Expenses	(1,90,789)	(12,11,059)
Net Cash used in Investing Activities	(1,16,00,09,846)	(32,26,35,483)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights Issue	-	35,99,15,610
Rights Issue Expenses	-	(36,25,303)
Repayment of Short Term Borrowings	-	-
Proceeds from Short Term Borrowings	12,18,52,672	64,47,813
Repayment of Long Term Borrowings	-	(10,75,016)
Proceeds From Long Term Borrowings	58,71,58,014	30,03,23,564
Dividend Paid	-	(1,31,80,666)
Dividend Tax Paid	-	(22,65,469)
Interest Paid	(57,69,606)	(36,78,956)
Net Cash generated/(used) in Financing Activities	70,32,41,080	64,28,61,577
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(37,60,27,836)	39,57,74,668
Opening Cash and Cash Equivalents	40,12,23,389	54,48,721
Closing Cash and Cash Equivalents	2,51,95,553	40,12,23,389

Note :

In the current financial year Jayshree Chemicals Limited ('Holding Company') has closed its Mercury Cell based Caustic Soda Plant on 29th December, 2010 and on the same date it commenced the Membrane Cell technology based Plant on trial run which was successfully completed on 31st March, 2011. Therefore, the current year's Cash Flow Statement is not comparable with the corresponding cash flow statement of the previous financial year.

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. 059363

6C, Middleton Street

Kolkata - 700 071

30th May, 2011

Prabir Chakravarti

Satish Kapur

Sindhubala Choudhury

D. K. Maheshwari

Directors

Consolidated Schedules

Particulars	As at 31/03/2011 ₹	As at 31/03/2010 ₹
Schedule - 1 SHARE CAPITAL		
Authorised		
4,00,00,000 (4,00,00,000) Equity Shares of ₹ 10/- each	40,00,00,000	40,00,00,000
	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid-up		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid in Cash	29,32,64,570	29,32,64,570
TOTAL	29,32,64,570	29,32,64,570
Schedule - 2 RESERVES AND SURPLUS		
Capital Redemption Reserve		
As per last Account	30,00,000	30,00,000
Capital Reserve		
As per last Account	2,67,234	2,67,234
Share Premium		
- As per last Account	12,10,13,227	46,66,660
Add : Received during the year	-	11,99,71,870
Less : Right Issue Expenses	-	(36,25,303)
	12,10,13,227	12,10,13,227
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
- As per last Account	8,12,000	8,12,000
General Reserve		
- As per last Account	24,42,936	24,42,936
Surplus		
- As per Profit & Loss Account Annexed	9,17,30,509	8,09,54,331
TOTAL	21,92,65,906	20,84,89,728
Schedule - 3 SECURED LOANS		
Term Loans		
From Government of Orissa for Subsidised Housing Scheme	1,94,250	1,94,250
Interest accrued and due on above loan	7,86,712	7,60,488
From Scheduled Banks		
- Rupee Term Loan	32,62,64,214	30,02,97,341
- Foreign Currency Term Loan	56,22,58,390	-
Car Loan Account (Amount payable within next 12 months ₹ 4,79,978/-)	4,79,978	15,73,451
Cash Credit Account	2,98,05,747	2,54,53,075
TOTAL	91,97,89,291	32,82,78,605
Term Loans include due within one year	8,25,00,000	86,66,470
Schedule - 4 UNSECURED LOANS		
Loans from Bodies Corporate	11,75,00,000	-
TOTAL	11,75,00,000	-

Consolidated Schedules

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01/04/2010	Additions during the year	Sale/ Discarded/ Adjusted during the year	Total Upto 31/03/2011	Upto 31/03/2010	For the year 2010-11	Adjustment on Sold Discarded Assets	Total Upto 31/03/2011	As on 31/03/2011	As on 31/03/2010	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Land Free Hold	26,41,649	-	-	26,41,649	-	-	-	-	26,41,649	26,41,649	
Land Lease Hold	2,77,589	-	-	2,77,589	1,34,007	-	-	1,34,007	1,43,582	1,43,582	
Development of Site including Roads	27,20,712	19,39,832	-	46,60,544	13,28,590	19,65,119	-	32,93,709	13,66,835	13,92,122	
Buildings	2,10,54,937	32,52,89,726	49,80,533	34,13,64,130	1,20,08,250	4,27,240	42,63,453	81,72,037	33,31,92,093	90,46,687	
Plant & Machinery	25,45,95,110	1,05,62,27,659	13,51,47,190	1,17,56,75,579	13,93,54,063	90,09,444	10,83,66,750	3,99,96,757	1,13,56,78,822	11,52,41,047	
Water Supply & Tube Well	29,65,308	-	10,94,557	18,70,751	16,82,595	93,554	5,80,455	11,95,694	6,75,057	12,82,713	
Furniture, Fittings & Office Equipments	53,85,057	17,73,220	6,50,377	65,07,900	41,86,934	6,32,344	6,42,406	41,76,872	23,31,028	11,98,123	
Elect. & Telephone Installation	1,70,16,179	12,08,697	1,24,36,060	57,88,816	1,20,35,105	4,69,337	94,80,212	30,24,230	27,64,586	49,81,074	
Motor Vehicles	73,07,265	45,762	5,20,392	68,32,635	36,85,450	9,47,908	4,27,370	42,05,988	26,26,647	36,21,815	
Laboratory Equipments	1,81,788	44,20,448	1,34,132	44,68,104	1,39,909	6,112	1,27,034	18,987	44,49,117	41,879	
Handling Equipments	2,86,18,911	2,08,75,792	10,084	4,94,84,619	2,34,99,085	22,69,299	10,083	2,57,58,301	2,37,26,318	51,19,826	
Railway Siding	15,59,968	-	-	15,59,968	7,11,958	1,30,000	-	8,41,958	7,18,010	8,48,010	
Fixed Assets held for disposal	34,43,24,473	1,41,17,81,136	15,49,73,325	1,60,11,32,284	19,87,65,946	1,59,50,359	12,38,97,763	9,08,18,540	1,51,03,13,744	14,55,58,527	
TOTAL	-	-	(15,44,64,472)	15,44,64,472	-	-	(12,34,81,928)	12,34,81,928	3,09,82,544	-	
Figures for previous year	34,43,24,473	1,41,17,81,136	5,08,853	1,75,55,96,756	19,87,65,946	1,59,50,359	4,15,835	21,43,00,468	1,54,12,96,288	14,55,58,527	
Figures for previous year	27,36,74,778	7,06,75,880	26,185	34,43,24,473	18,44,76,419	1,43,15,709	26,182	19,87,65,946	14,55,58,527	-	

Notes :

1. A sum of ₹ 15,00,551/- has been transferred to Pre-operative Expenses out of current year's depreciation.
2. Cost of Motor Cars and Vehicles includes ₹ 36,85,222/- (₹ 42,66,879/-) taken under Hire Purchase Scheme.

Consolidated Schedules

Particulars	As at 31/03/2011 ₹	As at 31/03/2010 ₹
Schedule - 6	CURRENT ASSETS LOANS & ADVANCES	
Inventories		
Raw Materials	2,05,28,234	21,53,348
Stores and Spares	94,98,452	2,44,09,524
Finished Goods	93,50,985	1,33,11,494
Work-in-Progress	28,42,224	9,25,195
TOTAL	4,22,19,895	4,07,99,561
Sundry Debtors - Unsecured (Considered Good)		
Debts outstanding for a period exceeding six months	1,66,60,004	40,19,591
Other Debts	9,40,27,242	5,95,66,047
TOTAL	11,06,87,246	6,35,85,638
Cash & Bank Balance		
Cash-in-Hand	4,40,871	1,45,022
With Scheduled Banks :		
- In Current Account	2,19,62,632	37,86,48,704
- Special Term Deposit/Margin Money	26,43,363	1,88,18,931
- Current Account - Right Issue	–	33,94,785
- In Unpaid Dividend Accounts	1,48,687	2,15,947
TOTAL	2,51,95,553	40,12,23,389
Loans & Advances - Unsecured (Considered Good)		
Advances recoverable in Cash or kind or for value to be received	2,46,93,852	89,98,104
Security Deposit	8,02,93,662	4,04,48,130
Deposit with Excise Dept.	7,46,91,930	30,96,260
Deposit with other Govt. Department	26,36,845	25,64,176
Deposit with Income Tax Dept (Against Demand Contested in Appeal)	15,00,000	10,00,000
Advance Income Tax (Net of Provision)	–	45,23,842
TOTAL	18,38,16,289	6,06,30,512
Schedule - 7	CURRENT LIABILITIES AND PROVISIONS	
a) Current Liabilities		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	1,89,605	7,95,829
- Other than Micro, Small and Medium Enterprises	33,20,49,209	11,37,26,672
- Interest Accrued but not due	22,22,419	–
- Advance from Customers	11,41,051	9,92,200
Investors' Education and Protection Fund :		
- Unpaid Dividend Accounts	1,48,687	2,15,947
	33,57,50,971	11,57,30,648
b) Provisions		
- Gratuity	1,05,09,517	26,85,609
- Leave Liability	52,65,311	42,62,959
- Provision for Income Tax (Net of Advance)	2,42,345	–
	1,60,17,173	69,48,568
TOTAL	35,17,68,144	12,26,79,216

Consolidated Schedules

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 8 INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished Goods	–	1,33,11,494
Work-in-Progress	7,61,275	9,25,195
	7,61,275	1,42,36,689
Less : Opening Stock		
- Finished Goods	1,33,11,494	46,03,175
- Work-in-Progress	9,25,195	18,09,961
	1,42,36,689	64,13,136
Increase/(Decrease) in Stock	(1,34,75,414)	78,23,553
Schedule - 9 OTHER INCOME		
Interest (TDS ₹ 5,28,372/- (₹ 4,80,147/-))	41,15,621	29,39,197
Liability no longer required written back	3,15,815	9,98,953
Others [Please refer to Note No.12 of Schedule 15(B)]	8,55,81,782	24,12,918
TOTAL	9,00,13,218	63,51,068
Schedule - 10 RAW MATERIALS CONSUMED		
Opening Stock	8,25,139	9,51,867
Add : Purchase (including own production)	3,84,40,098	6,35,59,474
	3,92,65,237	6,45,11,341
Less : Closing Stock	–	8,25,139
TOTAL	3,92,65,237	6,36,86,202
Schedule - 11 MANUFACTURING EXPENSES		
Stores & Chemicals etc. Consumed	51,48,481	62,66,280
Diesel Oil Consumed	1,73,544	1,57,249
Electricity Charges	18,39,57,275	20,53,76,826
Repairs and Maintenance	1,74,64,615	2,10,31,068
Including Stores consumed ₹ 81,30,626/- (₹ 1,08,03,581/-)		
- Buildings	26,30,960	34,63,127
- Plant and Machinery	69,86,195	1,12,19,911
- Others	78,47,460	63,48,030
Difference of Excise Duty on Opening/Closing on Finished Goods Stock	(12,70,223)	7,71,679
TOTAL	20,54,73,692	23,36,03,102

Consolidated Schedules

Particulars	Year ended 31/03/2011 ₹	Year ended 31/03/2010 ₹
Schedule - 12 PAYMENT TO EMPLOYEES		
Salaries, Wages and Bonus	3,72,71,048	4,62,28,620
Contributions to :		
- Gratuity Fund	78,82,138	31,11,213
- Provident & Other Funds (Including Administrative charges)	44,08,873	54,21,569
Employees' State Insurance	12,54,126	13,33,374
Workmen and Staff Welfare Expenses	74,50,061	85,54,077
House Rent Allowance	8,67,262	9,68,640
TOTAL	5,91,33,508	6,56,17,493
Schedule - 13 ADMINISTRATIVE & SALES EXPENSES		
Insurance Charges	5,33,805	5,90,599
Rent (Net)	4,25,651	3,85,491
Travelling Expenses	21,98,692	21,62,685
Motor Vehicle Expenses	26,92,358	22,28,462
TDS Written Off	55,591	–
Rates & Taxes	8,50,909	2,75,433
Legal Expenses	8,15,515	8,72,254
Sundry Expenses (Refer Note No. 3)	1,15,24,464	1,09,34,723
Transportation Charges	2,78,43,857	4,59,97,621
Fixed Assets Discarded & Written Off	–	3
Loss/(Gain) on Exchange Rate Fluctuation	4,62,356	–
Directors' Fees	1,60,000	1,05,000
Managerial Remuneration	32,64,175	19,10,436
Sales Tax	2,00,629	2,01,055
CSR (Including Donation)	15,46,564	14,71,225
TOTAL	5,25,74,566	6,71,34,987
Schedule - 14 INTEREST & FINANCE CHARGES		
To Bank	69,08,829	16,75,626
To Others	10,83,196	20,03,330
TOTAL	79,92,025	36,78,956

Schedule - 15 ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A) SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Concept

The financial statements have been prepared under the historical cost convention on the accrual basis in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof.

2) Use of Estimates

The preparation of financial statements requires to make estimates and assumption that affect the reported

Consolidated Schedules

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 (net of revenue) form part of the value of the assets capitalised. Fixed Assets retired from active use and held for disposal are valued at lower of their written down value or net realizable value.

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 investments 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 overheads 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 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, unless otherwise stated.

Consolidated Schedules

12) Foreign Currency Transactions

Foreign currency transactions and forward contracts are accounted for at the prevailing exchange rate on the date of transactions.

Foreign currency monetary assets and liabilities and unsettled forward contract are translated on the basis of closing exchange rate.

Foreign currency non-monetary assets and liabilities are carried as per the exchange rate on the date of transaction.

Exchange differences arising on settlement/conversion of monetary assets and liabilities are recognized as income or expenses in the year in which they arise.

The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit & loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognized as income or as expense for the period.

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 recognized 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.

15) Segment Reporting

The Company has identified that its business segments are the primary segments. The Company identifies the business segments on the basis of products, risks and returns and internal reporting system.

The geographical segment identification is based on the location of customers of the Company.

The Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis. Common cost, if any, is allocable on reasonable basis. The revenues, expenses, assets and liabilities which are not allocable are shown as "Unallocated".

B) NOTES ON ACCOUNTS

1. Principles of Consolidation

- (i) Consolidated Financial Statements relate to Jayshree Chemicals Limited (The Company), and its subsidiary – East Coast Powers Limited (The Subsidiary).
- (ii) The Consolidated Financial Statements have been prepared on the following basis:
 - The Financial Statement 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 the Subsidiary 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

Consolidated Schedules

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 unrealized profits have been eliminated.

2. Outstanding Capital Commitments (Net of Advances) are estimated at ₹ 1,08,05,930/- (₹ 82,46,93,774/-).

	31st March, 2011 ₹	31st March, 2010 ₹
3. Contingent Liabilities not provided for :		
(a) Claims against the Company not acknowledged as Debts (Net of deposit) -		
i) Sales Tax Demand under Appeals	47,95,651	43,24,958
ii) Income Tax Demand under Appeals	34,44,730	-
iii) Others (including Excise Duty under appeals)	2,29,93,751	1,68,83,578
(b) Guarantees	1,23,04,216	1,99,18,493
4. Sundry Expenses include :		
(a) Payments to Auditors -		
i) Audit Fees	1,00,000	1,00,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	66,500	70,500
iv) Reimbursement of Expenses	21,315	14,700
(b) Payment to Cost Auditor	20,000	20,000

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, 2011 ₹ 1,89,605/- (₹ 7,95,829/-).

7. Segment Reporting :

Business Segment	As on 31/03/2011 Amount (₹)				As on 31/03/2010 Amount (₹)			
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	30,72,78,755	93,37,920	-	31,66,16,675	50,53,39,943	15,49,954	-	50,68,89,897
Inter segment Sales	-	-	-	-	-	-	-	-
Total Revenue	30,72,78,755	93,37,920	-	31,66,16,675	50,53,39,943	15,49,954	-	50,68,89,897
Results								
Segment Results	1,43,35,370	51,68,239	(13,49,310)	1,81,54,299	7,40,22,400	(2,37,736)	-	7,37,84,664
Un-allocated Expenses				-				-
Operating Profit				1,81,54,299				7,37,84,664
Interest Expenses				79,92,025				36,78,956

Consolidated Schedules

Business Segment	As on 31/03/2011 Amount (₹)				As on 31/03/2010 Amount (₹)			
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Interest Income				40,89,097				29,45,855
Income Tax				34,84,215				2,57,61,900
Profit from ordinary Activities				1,07,67,156				4,72,89,663
Extra-ordinary items				-				-
Net Profit				1,07,67,156				4,72,89,663
Other Information								
Segment Assets	1,83,31,05,187	6,79,28,596	92,615	1,90,11,26,398	23,29,43,599	6,55,14,718	-	29,84,58,317
Un-allocated Assets				3,24,43,151				68,97,08,946
Total Assets				1,93,35,69,549				98,81,67,263
Segment Liabilities	35,09,44,228	5,27,870	27,877	35,14,99,975	13,32,58,581	4,56,27,702	-	17,88,86,283
Un-allocated Liabilities				1,06,98,65,636				27,19,89,198
Total Liabilities				1,42,13,65,611				45,08,75,481
Capital Expenditure				1,16,40,27,696	25,88,03,544	6,55,60,077	-	32,43,63,621
Depreciation				1,59,50,359	1,26,31,517	16,84,192	-	1,43,15,709
Non-cash Expenses other than depreciation				55,591	3	-	-	3

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

8. **Block-in-Progress (New Project) includes capital advances Nil (₹ 15,26,39,171/-) and Pre-operative expenses as per the details given below :**

	As on 31/03/2011 (₹)		As on 31/03/2010 (₹)	
As per last Accounts		4,11,19,300		1,44,39,848
Raw Material Consumed		4,14,61,781		-
Stores Consumed		2,08,84,974		-
Power & Fuel		8,41,49,663		-
Payment to Employees :				
Salary & Wages	2,32,54,297		53,76,352	
Contribution to :				
Gratuity Fund	26,27,379		-	
Provident & Other funds (including Administrative charges)	26,91,848		6,45,161	
Leave Liability	4,89,339		-	
Employees' State Insurance	5,26,455		16,556	
Workmen & Staff Welfare Expenses	57,29,554		12,92,645	
House Rent Allowance	5,84,812	3,59,03,684	2,05,384	75,36,098
Upfront fees paid to Banks			-	39,75,000
Excise duty on closing stock		8,83,648		-
Transportation charges		1,48,16,897		-
Amortization on Premium Contract		81,54,269		-
Brokerage & Commission (ICD)		1,25,109		-

Consolidated Schedules

	As on 31/03/2011 (₹)		As on 31/03/2010 (₹)	
Administrative & Sales Expenses :				
Insurance	35,269		18,54,026	
Rent	4,82,520		-	
Travelling Expenses	39,28,931		14,10,282	
Motor Vehicle Expenses	11,84,257		6,74,954	
Rates & Taxes	3,10,088		6,75,242	
Legal Expenses	10,500		-	
Sales Tax	12,71,620		-	
Sundry Expenses :				
Telephone, Postage & Telegram	1,75,669		61,443	
Bank Charges	3,36,420		60,760	
General Expenses	19,83,982		4,97,345	
Handling Expenses on Stores	12,74,071		-	
Laboratory Expenses	4,40,774		-	
Printing & Stationary	81,473		-	
Professional and Consultancy Service Charges (Includes Auditors' Remuneration ₹ 22,000/-)	53,03,993		56,53,040	
Guarantee Commission	19,738	96,16,120	1,68,39,305	- 1,08,87,092
Interest & Finance charges :				
Interest on ICD Loan	46,36,707		-	
Interest paid to Banks	5,72,29,532		42,81,262	
Interest (Others)	3,52,894	6,22,19,133		
		32,65,57,763		4,11,19,300
Depreciation		15,00,551		-
		32,80,58,314		4,11,19,300
Less : Sales (Gross)	17,09,24,035			
Less : Excise Duty & Education Cess	1,48,00,853	15,61,23,182		
Miscellaneous Receipts (Insurance Claims)		78,017		
Increase/(Decrease) in Stock :				
Closing Stock :				
Finished Goods	93,50,985			
Work-in-Progress	20,80,949	1,14,31,934		-
		16,04,25,181		4,11,19,300
Less : Capitalised & Transferred to Fixed Assets		16,04,25,181		-
		-		4,11,19,300

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

Consolidated Schedules

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
Gloster Cables Ltd	Control of KMP
Virendra Bangur (Appointed w.e.f 12/11/2010)	Managing Director
D. K. Maheshwari (Upto 31/03/2011)	Executive Director
Bharati Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel

B) Related Party Transactions are as follows -

Nature of Transactions	2010-2011 Amount (₹/Lacs)	2009-2010 Amount (₹/Lacs)
Loan repayment by Subsidiary	-	10.15
Advance given to Subsidiary	28.60	-
Advance Received from Subsidiary	(28.89)	-
Interest received from Subsidiary	-	1.73
Rent Received from The West Coast Paper Mills Ltd.	1.59	1.59
Sale of goods to The West Coast Paper Mills Ltd.	-	4.15
Purchases of capital Goods from Gloster Cables Ltd.	183.09	-
Rent & Service Charges paid - Fort Gloster Industries Ltd.	0.72	0.72
Donation paid - Shree Ram Trust, Kolkata	4.00	4.05
Remuneration paid to Virendra Bangur	13.53	-
Remuneration paid to D. K. Maheshwari	19.11	19.10
Remuneration paid to Bharati Bangur	5.06	2.53
C) Details of Outstanding Payment to related party -		
Outstanding Balance as on 31st March, 2011 :		
- The West Coast Paper Mills Ltd.	(0.14)	1.43
- East Coast Powers Limited	(0.29)	0.60

11. The Company has closed down the existing Mercury Cell based Caustic Soda Plant on 29/12/2010 and on the same day commenced trial run of the Membrane Cell Technology based new Plant, which was successfully completed on 31/03/2011, hence financial statements of the year are not comparable with the corresponding previous year's figures.

12. Other Income includes ₹ 834.96 Lacs on account of used mercury sold during the year derived from the old Mercury Cell based caustic soda Plant.

13. Figures in bracket represent amount related to previous year.

14. 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. 059363

6C, Middleton Street

Kolkata - 700 071

30th May, 2011

Prabir Chakravarti

Satish Kapur

Sindhubala Choudhury

D. K. Maheshwari

Directors

Corporate Information

Board of Directors

Shri S. K. Bangur

Chairman

Shri Virendra Bangur

Managing Director

Shri D. D. Kothari

Director

Shri Prabir Chakravarti

Director

Shri Satish Kapur

Director

Smt. Sindhubala Choudhury

Director (LIC Representative)

Shri P. K. Mishra

Director (IDCOL Nominee)

Shri D. K. Maheshwari

Director

Bankers

State Bank of India

State Bank of Bikaner and Jaipur

Indian Overseas Bank

Auditors

Messrs. K. N. Gutgutia & Company

Chartered Accountants

6C, Middleton Street, Kolkata - 700 071

Registered Office & Works

P. O. Jayshree - 761 025

District : Ganjam (Odisha)

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

Website : www.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 : nichetechpl@nichetechpl.com



www.jayshreechemicals.com



JAYSHREE CHEMICALS LIMITED
Regd. Office : P.O. : Jayshree - 761 025
District : Ganjam (Orissa)

NOTICE

NOTICE is hereby given that the 49th Annual General Meeting of the Company will be held at its Registered Office at P. O. Jayshree - 761 025 District Ganjam, Orissa on Tuesday, the 16th August, 2011 at 3 p.m. to transact the following business :

1. To receive and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2011 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri D.K.Maheshwari, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Satish Kapur, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration.

By Order of the Board

Kolkata
Date : 31st May, 2011

D. K. Maheshwari
Director

NOTES :

- i) A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.
- ii) The Register of Members and the Share Transfer Books of the Company will remain closed from 11th August, 2011 to 16th August, 2011 both days inclusive.
- iii) Shareholders desiring any information on the Accounts are requested to write to the Company in advance to enable the Company to keep the information ready.
- iv) In terms of the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to individual Shareholders. Shareholders holding Shares in physical form and desirous of availing the above facility are advised to submit their Nominations in Form 2B prescribed under Rule 5D of the Companies (Central Government's) General Rules & Forms, 1956.
Shareholders holding Shares in the dematerialised form are advised to contact their Depository Participant in this behalf.
- v) The Company's Shares are available for dematerialisation both on National Securities Depository Limited and Central Depository Services (India) Ltd. and its ISIN No. is INE693E01016.
- vi) Shareholders, who hold Shares in dematerialised form, are requested to bring their Client ID and DPID Nos. for easier identification of attendance at the Meeting.
- vii) The Company had declared dividends on 30th June, 2008 and 28th August, 2009 for its financial years ended 31st March, 2008 and 2009 respectively and Interim Dividend for the financial year ended 31st March, 2010 on 20th October, 2009. Shareholders, who have not yet encashed their Dividend Cheques for the above are advised to make their claims to the Company.
- viii) In terms of Clause 49 of the Listing Agreement, the information pertaining to a Director, who has been nominated on the Board of Directors of the Company and the Directors, who retire by rotation and are proposed to be re-appointed, is given below :-

A. Nominee Director

Shri Prasanta Kumar Mishra, the Head (COM & MBD) of the Industrial Development Corporation of Orissa Ltd. (IDCOL), has been nominated on the Board of Directors of the Company by IDCOL with effect from 20th May, 2011. Shri Mishra, who is about 55 years of age is B.Sc. Engineering (Electrical), MIE, PGDBA, and has expertise in the following fields :-

- i) Maintenance of Blast Furnace Equipments, H.T. Indoor and Outdoor switch yard and sub-station;
- ii) Operation and maintenance of Captive Power Plant and its machineries;
- iii) Sale of finished product, procurement of raw materials, stores and consumable items.

Shri Mishra does not hold any Share in the Company and is not related to any Director of the Company.

B. Directors retiring by rotation

- a) Shri D. K. Maheshwari, who is about 70 years of age, was the Executive Director of the Company from 20th August, 1998 to 31st March, 2011. He continues to be the Director of the Company from 1st April, 2011. Shri Maheshwari is a Post Graduate in Commerce and during his career of more than 48 years has served various industries like Jute, Engineering, Steel, Chemical, Power Cables and Information Technology in Senior Position. He is also a Director of The Diamond Company Ltd.; Fort Gloster Industries Ltd.; Union Company Ltd. and Shree Packaging Pvt. Ltd. and Member of Committees of the Board of Directors of the following companies :-

Name of Company	Nature of Committee
Jayshree Chemicals Ltd.	i) Investors' Grievance Committee ii) UFR Committee
Fort Gloster Industries Ltd.	i) Audit Committee ii) Shareholders' Grievance Committee iii) Remuneration Committee

Shri Maheshwari holds 100 Equity Shares of the Company in his own name and is not related to any Director of the Company.

- b) Shri Satish Kapur, who is about 66 years of age, is a Director of the Company since 27th March, 2006. He specialises in Marketing and Management. He is acting as representative of a foreign Company to sell its Newsprint to major publishers in India and another foreign company for supplying its products to the Laminating Industry.

Shri Kapur is the Honorary Director of the Consular Corps of Kolkata and the Honorary Consul of the Consulate of Finland. Shri Kapur is on the Committee of the Indian Chamber of Commerce and Bharat Chamber of Commerce. He is the past President of Saturday Club and the Rotary Club of Kolkata. He is also the past President of Federation of Corrugated Box Manufacturers of India.

Shri Kapur is the Managing Director of Crossley & Towers Private Ltd. and B. N. Kapur Private Ltd. and a Director of Vaikunt Paperboard Pvt. Ltd.; Vertex Paperboard Marketing Pvt. Ltd.; Helles Investments Pvt. Ltd.; Vantage Paper Board Pvt. Ltd.; Ospak Cyfox Paper Co. (Pvt.) Ltd.; Triling Marketing Pvt. Ltd.; Warehousing & Cold Storage General Enterprises India Ltd.; Hindustan Engineering & Industries Ltd.; Ludlow Jute & Specialities Ltd. and Visa International Ltd. He is a Member of the Audit Committee and UFR Committee of the Board of Directors and Remuneration Committee of the Directors of the Company.

Shri Kapur holds 26,000 Equity Shares of the Company in his own name and is not related to any Director of the Company.



JAYSHREE CHEMICALS LIMITED

Registered Office :

P. O. Jayshree - 761 025, District : Ganjam (Orissa)

PROXY FORM

I/We _____

of _____

being a member/members of Jayshree Chemicals Limited hereby appoint _____ of

_____ or failing him _____ of _____ as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 49th Annual General Meeting of the Company to be held at its Registered Office on Tuesday, the 16th August, 2011 at 3 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Signature _____



Folio No. _____

DP ID No. _____

Client ID No. _____

No. of Shares held _____

Notes :

- i) The Proxy must be deposited at the Company's Registered Office at P. O. Jayshree - 761 025, District : Ganjam (Orissa) or at the Company's Office at 31, Chowringhee Road, Kolkata - 700 016 not less than 48 hours before the time for holding the Meeting.
- ii) A proxy need not be a member of the Company.