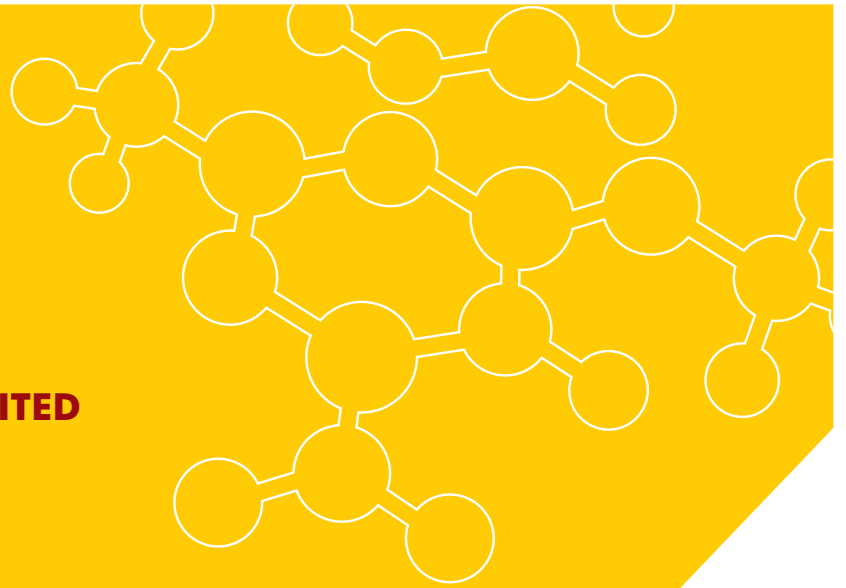
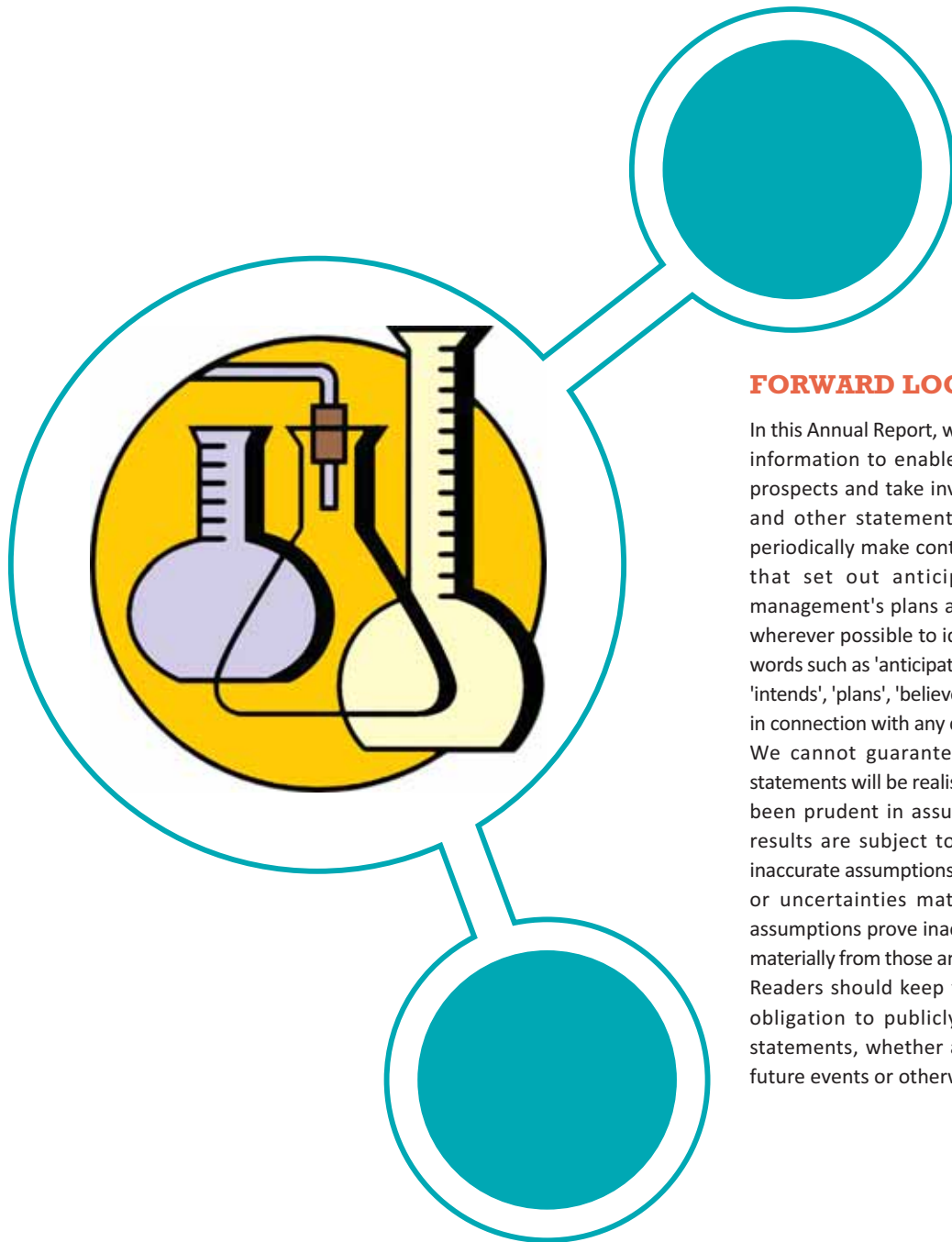




JAYSHREE CHEMICALS LIMITED



ANNUAL REPORT 2011-12



FORWARD LOOKING STATEMENTS

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment 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 plans 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 realised, although we believe 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 materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

BETWEEN THE COVERS

6 things you should know about Jayshree Chemicals Limited **2** Values that defines our ideology **5**
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2011-12 emerged as a year of building momentum for Jayshree Chemicals Limited through progressive changes.

Our revamped systems ensure that we operate responsibly, make informed decisions and deliver in a stringent regulatory environment which will help us to emerge as one of the leading producers of Chlor-Alkali Chemicals in Eastern India.

We are investing in our people to attract, develop and retain the workforce so that they can realise their potential and display their talents to the fullest. We strive to develop a corporate culture that is challenging, satisfying and meaningful. Jayshree Chemicals Limited has constantly provided the Industry in which it operates with a human touch integrating education, social welfare activities, environment, health and safety considerations in business planning and decision making.

**OUR STRATEGIES REVOLVE
AROUND PEOPLE, EXECUTION
AND WORLD-CLASS
MANUFACTURING PROCESS,
WHICH WOULD HELP THE
COMPANY TO RISE TO NEWER
HEIGHTS OF EXCELLENCE
THEREBY CREATING A
STRONGER FOUNDATION FOR
THE FUTURE GROWTH.**



6 things you should know about Jayshree Chemicals Limited

Vision

To emerge as one of the largest manufacturer of Chlor-Alkali Chemicals in Eastern India.

Mission

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

Optimum utilization of resources.

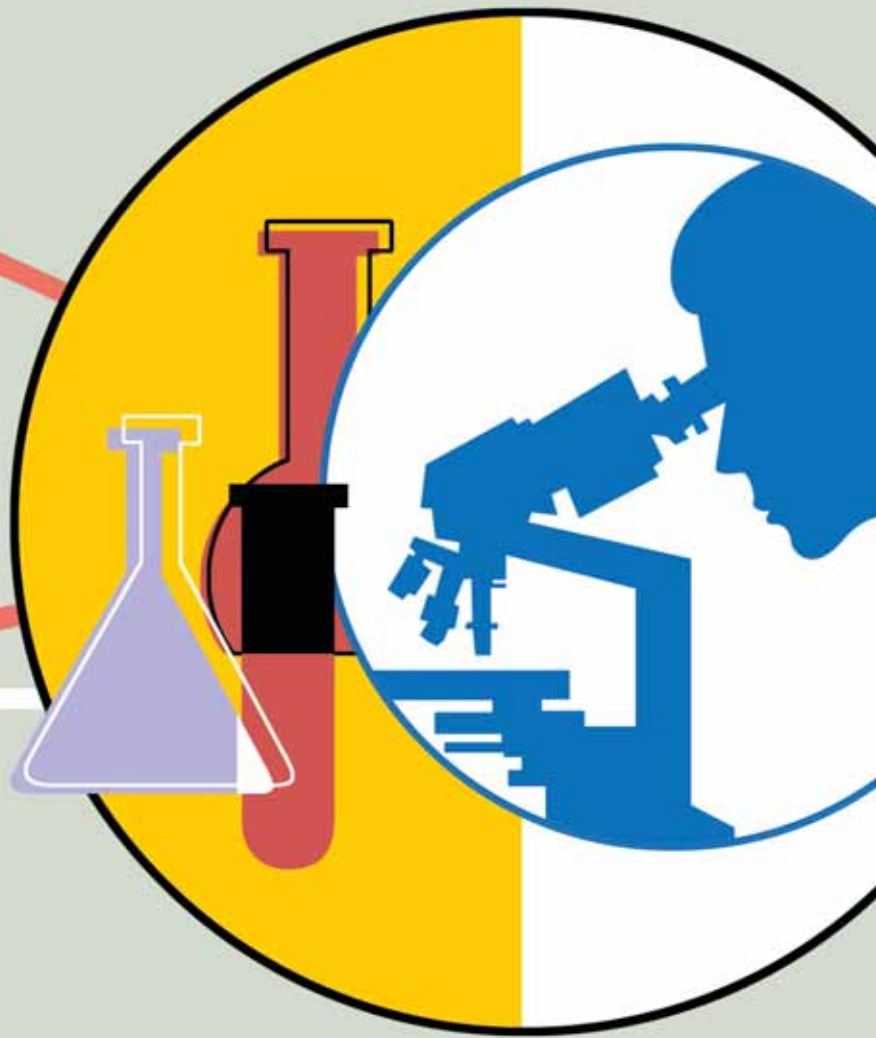
Sustainable environment friendly procedures and practices.

The highest ethics and standards.

Hiring, developing and retaining the best people.

Maximizing returns to stakeholders.

Positive impact on the communities we touch.





Pride

Accredited with ISO 9001:2008 and ISO 14001:2004 from Det Norske Veritas of Netherland.

Leadership

A part of S K Bangur group, with diversified interests in Paper & Paper Boards, Telecom Cables, Power (Windmill) and Tea & Rubber Plantations.

The Company is presently headed by Shri S K Bangur, Chairman, Shri Virendra Bangur, Managing Director and other eminent members on the Board.

Our Products

Caustic Soda with an installed capacity of 53,200 MT.

Liquid Chlorine with an installed capacity of 35,000 MT.

Hydrochloric Acid with an installed capacity of 37,000 MT.

Sodium Hypochlorite with an installed capacity of 6,500 MT.

Wind Power with an installed capacity of 1.25 MW.

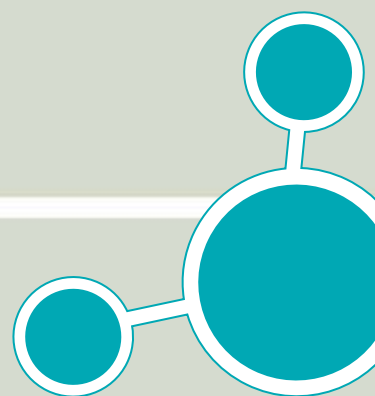
Listing

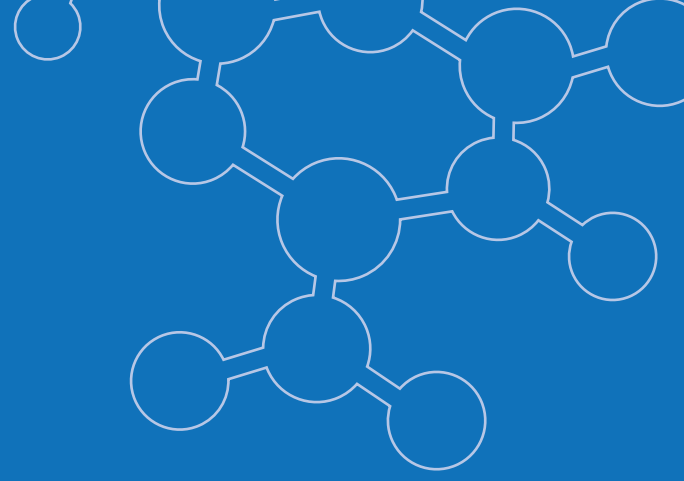
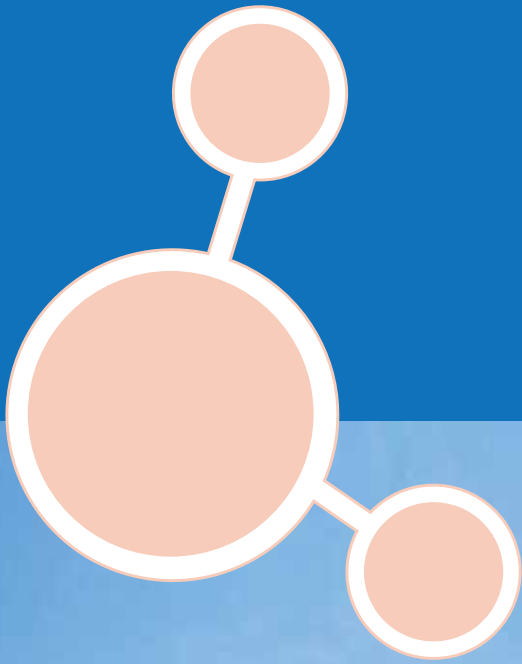
The shares of the Company are listed at the Bombay Stock Exchange Limited (BSE)

Scrip ID: JAYCH
Scrip Code: 506520

Presence

The Company's manufacturing facility is situated at Village Jayshree, District Ganjam in the state of Odisha.







Values that defines our ideology



CUSTOMER SUCCESS

Believing that success lies in the success of existing and potential customers. Based on this foundation, doing all possible to understand and fulfil the customers stated and unstated needs, thus enabling them to succeed on a continual basis.

KNOWLEDGE

Continuously upgrading skills and knowledge about technology, markets, products, customer's, regulations and business processes. Encourage new ideas and their implementation across the Company for commercial benefits.

PROSPERITY

Winning, doing better than others through exploiting new opportunities and enhancing the interests of every Employee, Shareholder and Stakeholder. To be recognised and perceived among the leaders in the segment of operation.

TEAMWORK

Employees and business partners thinking and working together across functions, business and geographies, leveraging the available resources to achieve common goals.

VELOCITY

Responding to customers with a sense of urgency by consistent, focused and accelerated growth of the organisation with timely and optimal utilisation of all resources.



From Transaction to Relationship

Developing successful partnerships with various stakeholders is deeply ingrained in our business culture and our growth in the recent years can be attributed to the same. We respect our suppliers, customers and various business partners and work with them thinking about the long-term prospects. Innovative management policies of our Company ensures about our future growth and trust of various stakeholders.

Our Company promotes a culture wherein we idolise customers as our business partners. Our organisational culture revolves around fulfilling the needs of customers and a pro-active eagerness to walk the extra mile with them. By ascertaining the needs of various customers and providing them with pro-active solutions in their response, we aim to create newer markets and providing high quality products to them.

Jayshree Chemicals Limited is a people-driven organisation deriving its competitive edge through its intellectual capital. Our diversified human resource represents our most important competitive advantage. As part of our focused people strategy, we concentrate on attracting and retaining the best industry talent, enhancing their skills through education and training and fostering a culture of ownership that rewards people for 'stepping out' of well-defined boundaries to prove their mind and mettle.





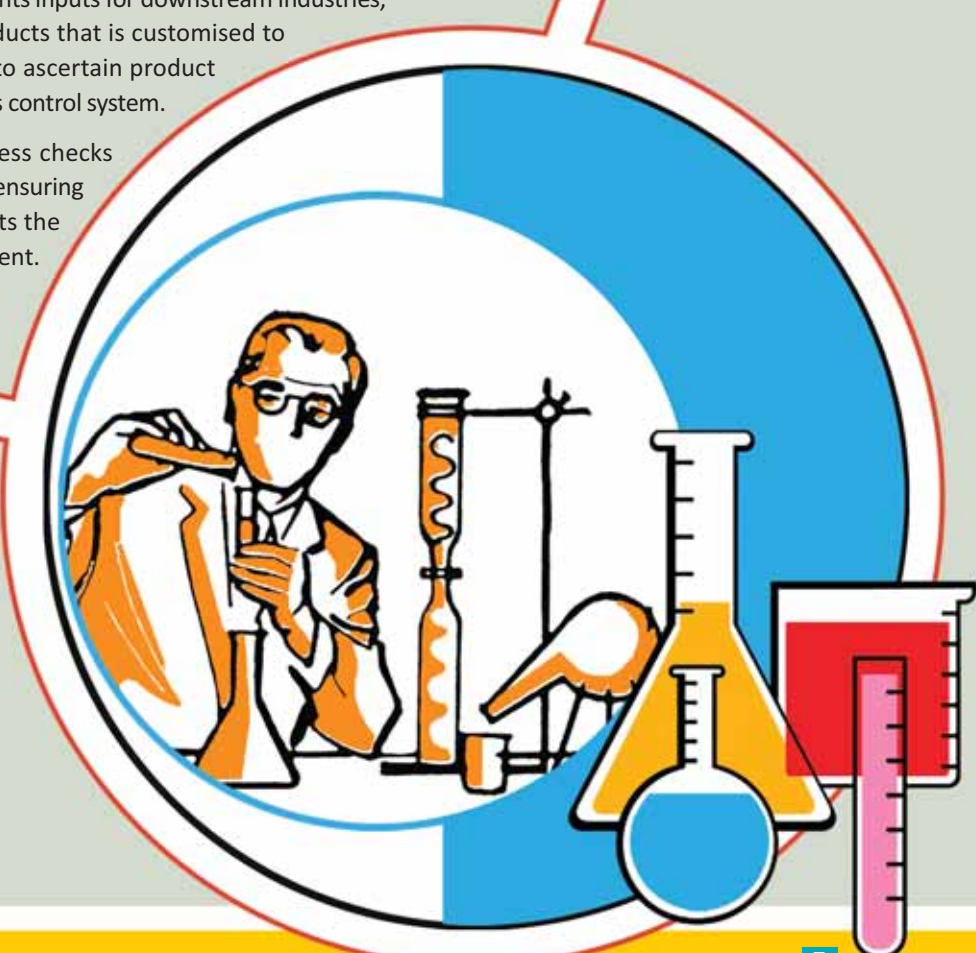
From Validation to Certification

At Jayshree Chemicals Limited, we believe that success is not a destination but a journey fuelled by one's desire to improve each time. As a result each achievement plays a key role in strengthening towards achieving perfection.

Delivery of quality products is always the top most priority of our Company. The products manufactured by our Company represents inputs for downstream industries, making it critical to achieve a high quality products that is customised to the end application. This makes it imperative to ascertain product quality at every stage through a statistical process control system.

Our quality control functions controls in-process checks and examines & inspects finished products thus ensuring that the products reaching the customers meets the quality standards as laid down by the management.

The Company's laboratories are equipped with the latest technologies. The manufacturing facility of the Company is certified with ISO 9001:2008 and ISO 14001:2004 certifications.



Green chemistry, the right chemistry

We at Jayshree Chemicals Limited believe in the concept of giving back to the society. We believe that growth must be sustainable. Every aspect of our value creation is benchmarked for sustainability. We have thus composed a fine balance amongst all - input and output sustainability, talent sustainability, capital sustainability, technological sustainability and community sustainability. We understand that responsible behavior is the essential key to building and maintaining brand loyalty.



Our Company believes that, sustainability is no longer an economic requirement, but an environment as well. In lieu of the same, our Company has been undertaking a number of welfare related activities, as mentioned below :

Welfare activities for employees

- a) Delegation of eco-friendly measures across grass root levels.
- b) Recycling and reusing of waste water.
- c) Implementation of "Charter for Corporate Responsibility for Environmental Protection (CREP).
- d) Annual celebration of "World Environment Day" on 5th of June by the management and employees of the Company.
- e) Undertaking responsibility for educating not only the children of our employees but those residing in our surrounding areas as well through "Jayshree Chemicals School".

- f) Staff colony with a Balaji Temple inside the premises of the colony.
- g) Free Homeopathy Clinic in the nearby villages providing basic medical assistance to the needy.
- h) Dedicated clinic inside the plant premises.
- i) First-aid training programme for the employees in consultation and co-ordination with senior doctors and team from First Aid & Home Nursing, St. John Ambulance, Bhubaneswar, Odisha.
- j) Periodical medical check-ups of the employees.
- k) Mock drill rehearsal for onsite emergency plan observed on 2nd March.
- l) Celebration of National Safety Day on 4th March to bring awareness and improve safety standards among the employees.
- m) Chlorine handling workshop.
- n) Fire Service Day observed on 14th April and giving training to the employees in case of any emergency related to fire and the usage of fire extinguishers and other safety apparatus.



Other welfare activities

- a) Clean drinking water facility for the needy in the nearby villages.
- b) Essay writing competition, Slogan writing competition and Poster painting competition among the employees of the plant and awarding them to boost their morale.
- c) Rain water harvesting which helps in recharging and replenishing the ground-water table.

The Company was also involved indirectly in certain welfare activities as follows

Clothes and Books were donated by Anand Ladies Club formed by the spouses of the employees in consultation with the management of the Company.

At Jayshree Chemicals Limited, a sensitive concern for the community makes our business truly sustainable. We are always committed to invest into community related activities for upliftment of people and the environment around us thereby benefiting the society at large.



Chairman's Overview





Dear Shareholders,

Over the years, Jayshree Chemicals Limited has evolved with an ambition to emerge as a leader in the Chlor-Alkali Chemical industry in Eastern India.

Fortified with new learning and acumen, we at Jayshree Chemicals Limited have focused to transform our facility to environment friendly Membrane Cell Technology that not only strengthens our foundation but also enhances our productivity.

2011-12 finally marked a year of inspiring accomplishment wherein we started the production at our "upgraded" facility. The steep rise in cost of power and raw materials dented our profitability, but our mood is upbeat for the future. We know about the rising demand of Aluminium and other user industries, which shows a brighter future ahead for a Company like ours well supported through our experience in the terrain in which we operate.

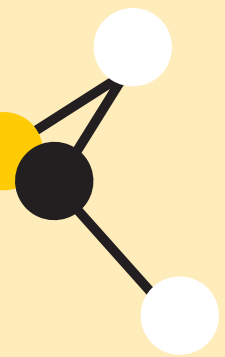
The synergies of our initiatives are linked to match best technology & quality with competitiveness, enhancing customer relationship and building new markets.

Our untiring efforts in the past and our wisdom will now translate into stronger & sustained business focus and a growing dependence on consensual decision-making for enhancing shareholder value.

Each day is a day to deliver at our Company. Every day, I see how the dedication and hard work of my colleagues is quietly transforming the face of our Company and making its future brighter and prospective. We aspire to come out with the best and deliver on our commitments.

With warm regards

S K Bangur



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, 2012.

FINANCIAL RESULTS

Particulars	31-3-2012 ₹	31-3-2011 ₹
Profit for the year	53,58,558	1,42,51,371
Less/(Add) : Provision for Taxation :		
- Current Tax	10,22,000	28,41,000
- Deferred Tax (Net)	(24,81,000)	(35,21,000)
- MAT Credit Entitlement	(10,22,000)	41,91,000
- Income Tax Provision/Payment for earlier years	–	(26,785)
	78,39,558	1,07,67,156
Add : Credit balance brought forward	9,16,71,205	8,09,04,049
Making a surplus of	9,95,10,763	9,16,71,205
Balance carried forward to next year	9,95,10,763	9,16,71,205
	9,95,10,763	9,16,71,205

DIVIDEND

The Board has not recommended any dividend for the financial year ended 31st March, 2012.

OPERATING RESULTS

The commercial production from the new Plant commenced from 1st April, 2011. The Company could achieve production of 45,233 MT of Caustic Soda being 85% of the installed capacity in the first year of operation of the new Plant.

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 of Odisha. 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 Company has been accredited with ISO 9001-2008 and ISO 14001-2004 Certificates for Quality Management System and Environmental Management System respectively by Det Norske Veritas (DNV) in the year under review.

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 Bombay Stock Exchange Ltd. and the Listing Fees for the year ended 31st March, 2012 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 awaiting necessary approvals from the Government for setting up Hydel Power Project in the State of Odisha. 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, 2012. 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 Ltd. is annexed and forms part of this Report.

DIRECTORS

Shri Prabhu Nath Ojha was appointed as an additional Director of the Company with effect from 17th August, 2011. He holds office upto the date of the ensuing Annual General Meeting of the Company and is eligible for appointment. Shri Ojha was also appointed as the wholetime Director designated as Executive Director of the Company for a period of 3 years with effect from 17th August, 2011.

Shri D. K. Maheshwari ceased to be a Director of the Company by resignation with effect from the close of business on 15th November, 2011. The Directors place on record their appreciation for the valuable services rendered by Shri D. K. Maheshwari during his tenure of office as a Director of the Company.

Smt. Sindhubala Choudhury and Shri Prabir Chakravarti 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 S. P. S. Dangi of 339, Saket Nagar, Indore (M.P.), who is a Fellow Member 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, 2011. The subject Cost Audit Report was required to be filed on or before 30th September, 2011 and the same was duly filed on 21st September, 2011. Shri Dangi was re-appointed as such Cost Auditor for the year ended 31st March, 2012 and the subject Cost Audit Report will be filed within the prescribed period.

On behalf of the Board

Kolkata
Date : 17th May, 2012

Virendra Bangur
Managing Director

Prabhu Nath Ojha
Executive Director

Annexure to the Directors' Report

INFORMATION AS PER SECTION 217 (1) (e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT.

A) CONSERVATION OF ENERGY

a. Energy conservation measures taken :

An energy conservation committee was formed to monitor day to day power, fuel oil & steam consumption. It took the following measures to reduce the power, fuel oil & steam consumption :-

- i) Optimization of cooling & chilled water flow.
- ii) Optimization of brine flow & electrolyser process parameters.
- iii) Reducing the running hours of equipments.
- iv) Improving the overall efficiency of non efficient motors, pumps & compressor.
- v) Replacing high energy consuming 70 Watt MH lamps with 35 Watt CFL lamps.

b. Additional Investments and proposals being implemented for reduction of consumption of energy in future :

Steps for further improving the overall efficiency of non efficient motors and pumps and replacement of high energy consuming MH Lamps with CFL Lamps are proposed.

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

In view of the measures taken at (a) above the overall power consumption was reduced from 34,000 KWH/day to 31,000 KWH/day and consumption of fuel oil was reduced from 3.1 MT per day to 1.9 MT per day.

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2011-12	2010-11
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased :		
Unit (In Million Units)	110.250	64.352
Total Amount (₹ in Lacs)	5,342.72	2,596.29
Average Rate (₹/Unit)	4.85	4.03
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	2011-12	2010-11
3. Furnace Oil :		
Quantity (K. Ltrs.)	876.370	261.506
Total Amount (₹ in Lacs)	344.85	90.95
Average Rate (₹/K.Ltrs.)	39,315.50	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
With Membrane Cell	2,437	2,526
Furnace Oil (Ltrs./M.T.)	19.375	37
Coal (Specify Quality)	-	-
Others (Specify)	-	-

FORM "B"

Disclosure of particulars with respect to absorption

Particulars	2011-12	2010-11
C. TECHNOLOGY ABSORPTION		
Research & Development (R & D) :		
1. Specific areas in which R & D carried out by the Company.	<ol style="list-style-type: none"> For increasing the life of membrane to some extent by maintaining the sulphate level between 8 - 9 gpl in feed brine. For improving the quality of chilled water. 	-
2. Benefits derived as a result of the above R & D.	<ol style="list-style-type: none"> The membrane life was increased to some extent by maintaining the sulphate level continually between 8-9 gpl in brine system. The chilled water had reddish brown colour and turbidity with iron content of 10 ppm. After using nitrite based chilled water chemical in the Company's laboratory, the iron content was reduced to 2 - 3 ppm without colour and turbidity. 	-
3. Future plan of Action.	TOC reduction in salt brine.	-
4. Expenditure on R & D.	-	-
Technology Absorption, Adaptation and Innovation :	The Company has switched over to energy efficient environment friendly Membrane Cell Technology in the year 2011 and the new technology has been fully absorbed.	-

Annexure to the Directors' Report

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	2011-12	2010-11
OUTGO		
Value of imports calculated on CIF Basis :		
Components, Stores & Spares	70.99	2,539.40
Earnings on account of Export of used Mercury of old Plant	-	834.96
Commission	10.15	0.10

On behalf of the Board

Kolkata

Date : 17th May, 2012

Virendra Bangur
Managing Director

Prabhu Nath Ojha
Executive Director

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 (Odisha), Wind Mill at Bogampatti Village near Coimbatore in Tamilnadu 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, pharmaceuticals, steel, power and other chemical industries.

During the year, the Company commenced commercial production from its new Plant which was set-up with the technical assistance from Udhe India Pvt. Ltd., a wholly owned subsidiary of Udhe, GmbH, Germany with the latest State of the Art and Environment Friendly Membrane Cell Technology.

b. OPPORTUNITIES AND THREATS

During the year under review the international prices of Caustic Soda remained around US\$ 380 per MT in the first half and around US\$ 450-500 per MT in the second half. Further depreciation of rupee has made imports costly thereby firming up the domestic price of Caustic Soda. However, the selling price of Chlorine and Hydrochloric Acid remained under pressure due to low demand in the region.

The selling price of Caustic Soda is governed by demand and supply gap due to high installed capacity in the Country and imports. In spite of this and additional capacities created, the Company does not foresee any problem in marketing its products.

c. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company earned a Cash Profit of ₹ 851.03 Lacs from the Caustic Soda segment. The Cash Profit was lower due to increase in power and raw material costs .

In the Wind Power segment, the Company earned a Cash Profit of ₹ 22.20 Lacs.

In the Trading Division, the Company incurred a Cash Loss of ₹ 12.50 Lacs.

d. OUTLOOK

The Company has consolidated its presence in the State of Odisha by increasing its production capacity. Caustic Soda and Chlorine are the most important basic inorganic chemicals used by almost all industries.

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

e. RISKS & CONCERNS

As a management policy the Company puts greater emphasis on the safety of its workmen and the Plant. The Company also gives priority to the maintenance and overall upkeepment of the Plant. It has adopted TPM activities which gives inputs to improved maintenance and upliftment of Plant and equipment.

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 372 employees as on 31st March, 2012 against 363 employees as on 31st March, 2011.

On behalf of the Board

Kolkata
Date : 17th May, 2012

Virendra Bangur
Managing Director

Prabhu Nath Ojha
Executive Director

Report on Corporate Governance

The Company's Report on Corporate Governance for the year ended 31st March, 2012 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, 2012, comprised of eight Directors, consisting of one Managing Director, one Executive Director and six Non-Executive Directors including Nominee and Representative Directors.

During the year 2011-12 five Board Meetings of the Company were held on 14th April, 2011, 30th May, 2011, 12th August, 2011, 14th November, 2011 and 30th January, 2012. 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	8	–
2	Shri D. D. Kothari	Non-Executive Director	2	No	1	2
3	Smt. Sindhubala Choudhury	Representative of LIC Independent Non-Executive Director	5	Yes	–	1
4	Shri P. C. Mohanta (***)	Nominee of IDCOL Independent Non-Executive Director	–	No	4	–
5	Shri P. K. Mishra (***)	Nominee of IDCOL Independent Non-Executive Director	1	No	2	–

Report on Corporate Governance

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 (**)
6	Shri Prabir Chakravarti	Independent Non-Executive Director	5	Yes	8	5
7	Shri Virendra Bangur	Managing Director - Promoter Group	4	No	5	1
8	Shri Satish Kapur	Independent Non-Executive Director	5	No	3	1
9	Shri D. K. Maheshwari (****)	Non-Executive Director	4	–	3	3
10	Shri Prabhu Nath Ojha (*****)	Executive Director w.e.f. 17-08-2011	2	No	–	1

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 and Investors' Grievance Committee only.

(***) IDCOL, 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 was withdrawn.

(****) Shri D.K.Maheshwari ceased to be a Director of the Company with effect from the close of business on 15th November, 2011 due to resignation.

(*****) Shri Prabhu Nath Ojha was appointed as wholtime Director designated as Executive Director of the Company with effect from 17th August, 2011.

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. As on 31st March, 2012, 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, five Meetings of the Audit Committee of the Board of Directors of the Company were held on 30th May, 2011, 11th July, 2011, 12th August, 2011, 14th November, 2011 and 30th January, 2012. 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	5	1
Smt. Sindhubala Choudhury	5	5
Shri Prabir Chakravarti	5	5
Shri Satish Kapur	5	5

Report on Corporate Governance

4. REMUNERATION COMMITTEE (NON-MANDATORY)

The Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') was constituted on 26th July, 2004. As on 31st March, 2012, 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.

During the year, one Meeting of the Remuneration Committee was held on 12th August, 2011 and the same was attended by all the Members thereof. The details of remuneration of the Managing, Executive and Non-Executive Directors during the year ended 31st March, 2012 are as under :

i) Managing Director	
Name	Shri Virendra Bangur
Description	Managing Director
Salary	₹ 21,00,000/-
Benefits	
Allowances & Perquisites	₹ 8,40,000/-
Bonus	-
Pension	-
Fixed Component	
Contributions to Provident & Superannuation Funds	₹ 5,67,000/-
Performance linked Incentive	-
Service Contract	12th November, 2010 to 11th November, 2013
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	-
TOTAL	₹ 35,07,000/-
ii) Executive Director (with effect from 17-8-2011)	
Name	Shri Prabhu Nath Ojha
Description	Executive Director
Salary	₹ 10,22,530/-
Benefits	
Allowances & Perquisites	₹ 5,80,690/-
Bonus	-
Pension	-
Fixed Component	
Contributions to Provident & Superannuation Funds	-
Performance linked Incentive	-
Service Contract	17th August, 2011 to 16th August, 2014
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	-
TOTAL	₹ 16,03,220/-

Report on Corporate Governance

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	15,000/-
Smt. Sindhubala Choudhury	55,000/-
Shri P. K. Mishra	5,000/-
Shri Prabir Chakravarti	55,000/-
Shri D. K. Maheshwari	20,000/-
Shri Satish Kapur	55,000/-
TOTAL	2,20,000/-

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. During the year, this Committee was reconstituted on 30th January, 2012 by inducting Shri Prabhu Nath Ojha, as a Member thereof in place of Shri D.K. Maheshwari, who ceased to be a Member thereof with effect from 15th November, 2011 consequent upon his resignation from the Board of Directors of the Company with effect from the same date. As on 31st March, 2012 this Committee comprised of Shri Virendra Bangur, Managing Director, Shri D.D.Kothari, Director and Shri Prabhu Nath Ojha, Executive Director of the Company as its Members with Shri Virendra Bangur as its Chairman. The Committee met four 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	Shri Prabhu Nath Ojha
2-5-2011	Yes	No	Yes	N.A.
16-6-2011	Yes	No	Yes	N.A.
27-8-2011	Yes	No	Yes	N.A.
17-10-2011	Yes	Yes	Yes	N.A.

Shri Manish Kumar Tiwari, Company Secretary is the Compliance Officer of the Company. There were 3 (Three) 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. ANNUAL GENERAL MEETINGS

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

Financial Year ended	Date	Time	Venue
31-3-2011	16-8-2011	3 P.M.	Registered Office at P. O. Jayshree - 761025 District Ganjam (Odisha)
31-3-2010	14-8-2010	3 P.M.	Registered Office at P. O. Jayshree - 761025 District Ganjam (Odisha)

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Financial Year ended	Date	Time	Venue
31-3-2009	28-8-2009	3 P.M.	Registered Office at P. O. Jayshree - 761025 District Ganjam (Odisha)

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 18th October, 2011 at which one Special Resolution for appointment and approval of remuneration to Shri Prabhu Nath Ojha as the wholetime Director designated as Executive Director of the Company for a period of three years with effect from 17th August, 2011 was passed but the same did not require postal ballot exercise.

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.

7. DISCLOSURES

A. Related Party Transactions

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

B. Compliances by the Company

The Company has complied with the requirements of the 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.

8. MEANS OF COMMUNICATION

The Quarterly/half yearly financial results during the year under review were published in English in the 'Business Standard' and in Oriya in the 'Orissa Bhaskar', all circulated in Ganjam where the Registered Office of the Company is situated. 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.

9. GENERAL SHAREHOLDER INFORMATION

i) a) Annual General Meeting :	
Date	4th August, 2012
Time	3 P.M.
Venue	P. O. Jayshree-761025, District Ganjam (Odisha)
ii) a) Financial year	2011-12
b) Financial Calendar	The Financial Calendar for the year 2012-13 (Provisional) is as under :-
a. Results for the first quarter ending 30th June, 2012	By middle of August, 2012
b. Results for the second quarter ending 30th September, 2012	By middle of November, 2012

Report on Corporate Governance

c. Results for the third quarter ending 31st December, 2012	By middle of February, 2013		
d. Results (Audited) for the Financial year ending 31st March, 2013	By end of May, 2013		
e. Annual General Meeting for the year ending 31st March, 2013	By end of August, 2013		
iii) Date of Book Closure	The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July, 2012 to 4th August, 2012 both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 4th August, 2012.		
iv) Dividend Payment Date	No Dividend is proposed.		
v) Listing on Stock Exchange	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001 Annual Listing Fees to the Bombay Stock Exchange Ltd. for the year ended 31st March, 2012 has been paid.		
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 :		
		Price per Share	
	Month	High (₹)	Low (₹)
	April, 2011	15.18	11.80
	May, 2011	15.75	13.06
	June, 2011	14.90	12.09
	July, 2011	13.99	12.70
	August, 2011	13.96	12.01
	September, 2011	14.88	13.11
	October, 2011	14.49	13.07
	November, 2011	14.39	10.01
	December, 2011	12.90	9.60
	January, 2012	13.80	10.60
	February, 2012	13.98	12.00
	March, 2012	13.39	10.90

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<p>viii) Share price performance in comparison to broad-based Indices</p> <p>Indices (BSE Sensex)</p>	<p>The Company's Share prices at the Bombay Stock Exchange Ltd. (BSE) are given hereunder :</p> <p>On 1st April, 2011 : ₹ 12.48P. per Share On 31st March, 2012 : ₹ 10.97P. per Share Change : (-) 12.10%</p> <p>On 1st April, 2011 : 19,463.11 (Opening) On 31st March, 2012 : 17,404.20 (Closing) Change : (-) 10.58%</p>
<p>ix) Registrars and Share Transfer Agents</p>	<p>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> <p>Niche Technologies Private Ltd. D-511, Bagree Market, 71, B.R.B.Basu Road, Kolkata-700001 Telephones : (033) 2235 7270/ 2235 7271 Fax No. 033-2215 6823 Email : nichetechpl@nichetechpl.com</p>
<p>x) Share Transfer System</p>	<p>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.</p>

xi) **Distribution of Shareholding**

a) Shareholding Pattern as on 31st March, 2012 is as under :

Category	No. of Shares held	Percentage of Shareholding
Promoters	1,43,18,259	48.824
Mutual Funds/UTI	200	0.001
Banks, Financial Institutions and Insurance Companies	9,91,556	3.381
Private Corporate Bodies	13,56,466	4.625
Indian Public	1,22,55,676	41.790
NRIs/OCBs	4,04,100	1.378
Foreign Institutional Investors	200	0.001
ADRs/GDRs	—	—
TOTAL	2,93,26,457	100.00

Report on Corporate Governance

b) Distribution of Shareholding as on 31st March, 2012 is as under :

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
1 to 500	2,496	60.30	4,71,957	1.61
501 to 1000	557	13.46	4,46,197	1.52
1001 to 2000	390	9.42	5,80,875	1.98
2001 to 3000	210	5.07	5,34,792	1.82
3001 to 4000	87	2.10	3,14,803	1.07
4001 to 5000	70	1.70	3,29,309	1.12
5001 to 10000	149	3.60	10,29,717	3.52
10001 and above	180	4.35	2,56,18,807	87.36
TOTAL	4,139	100.00	2,93,26,457	100.00

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

xii) Dematerialisation of Shares and Liquidity	As on 31st March, 2012, 99.62% of the Company's total Shares representing 2,92,13,986 Shares were held in dematerialised form and the balance 0.38% representing 1,12,471 Shares were in physical form.
xiii) Outstanding GDR/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDR/ADRs etc.
xiv) Plant Location	The Company's Plant is located at P.O.Jayshree - 761 025, District Ganjam (Odisha).
xv) Addresses for correspondence	<ol style="list-style-type: none"> Registered Office : P. O. Jayshree - 761 025, District Ganjam (Odisha). 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.

10. NON-MANDATORY REQUIREMENTS

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

On behalf of the Board

Kolkata
Date : 16th May, 2012

Virendra Bangur
Managing Director

Prabhu Nath Ojha
Executive Director

Report on Corporate Governance

TO WHOMSOEVER IT MAY CONCERN

I, Prabhu Nath Ojha, Executive Director of the Company, do hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreement with the Bombay Stock Exchange Ltd.

Kolkata
16th May, 2012

Prabhu Nath Ojha
Executive Director

AUDITORS' CERTIFICATE

To the Members of
Jayshree Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by Jayshree Chemicals Limited for the year ended 31st March, 2012 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 3 (Three) complaints from the Shareholders during the year ended 31st March, 2012, 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

B. K. Bhutia
Partner
Membership No. 059363

6C, Middleton Street
Kolkata - 700 071
Date : 16th May, 2012

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, 2012, the Statement of Profit & Loss 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 Statement of Profit & Loss and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statement of Profit & Loss 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, 2012 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, 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, 2012;
 - ii) in the case of Statement of Profit & Loss, 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 : 16th May, 2012

Annexure to the Auditors' Report

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

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b. All the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
 - c. During the year, the Company has not disposed off any substantial/major part of fixed assets so as to affect the going concern status of the Company.
- ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - 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 loans 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 transaction value of ₹ 100.00 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.
- 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, 2012 for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report

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 Odisha
Central Sales Tax Act	Sales Tax	2,17,994	1,10,000	1991-92	ACCT, Berhampur
Central Sales Tax Act	Sales Tax	1,78,082	1,22,500	1992-93	ACCT, Berhampur
Odisha Sales Tax Act	Sales Tax	1,39,584	1,12,926	1986-87	High Court of Odisha
Odisha Entry Tax Act	Odisha Entry Tax	12,54,480	5,00,000	2001-02	High Court of Odisha
Odisha Entry Tax Act	Odisha Entry Tax	9,21,181	4,00,000	2002-03	Sales Tax Tribunal, Cuttack
Odisha Entry Tax Act	Odisha Entry Tax	5,04,343	33,650	2005-06 2006-07	Addl. CCT Appeal, Berhampur
Odisha VAT Act	Odisha VAT	26,55,676	4,50,000	2005-06 2006-07	Addl. JCCT Appeal, Berhampur
Odisha Irrigation Act, 1959 and Odisha Irrigation Amendment Rules, 1999 & 2000	Water Tax	1,27,903	25,000	August, 1967 to February, 1993	High Court of Odisha
Odisha Irrigation Act, 1959 and Odisha Irrigation Amendment Rules, 1999 & 2000	Water Tax	3,49,12,028	56,53,450	October, 1994 to March, 2012	High Court of Odisha
Odisha Municipal Tax, 1951	Lighting Tax	7,93,389	1,78,068	Upto 2011-12	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 Odisha
Income Tax	Assessment Demand	6,73,629	4,50,000	2007-08	DCIT, 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 any 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.

Annexure to the Auditors' Report

- 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 sum of about ₹ 625.00 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 : 16th May, 2012

For **K. N. GUTGUTIA & CO.**
Chartered Accountants
Firm Registration No. 304153E

B. K. Bhutia
Partner
Membership No. 059363

Balance Sheet

as at 31st March, 2012

(Amount in ₹)

Particulars	Note No.	As at 31/03/2012	As at 31/03/2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2.1	29,32,64,570	29,32,64,570
b. Reserves & Surplus	2.2	22,67,78,926	21,89,39,368
		52,00,43,496	51,22,03,938
2. Non-current Liabilities			
a. Long-term Borrowings	2.3	70,55,51,499	84,71,51,548
b. Deferred Tax Liabilities (Net)	2.4	2,98,53,000	3,23,34,000
c. Long-term Provisions	2.5	48,31,331	46,09,496
		74,02,35,830	88,40,95,044
3. Current Liabilities			
a. Short-term Borrowings	2.6	41,10,06,668	14,73,05,747
b. Trade Payables	2.7	10,35,09,664	12,90,51,523
c. Other Current Liabilities	2.8	22,31,01,011	26,00,77,272
d. Short-term Provisions	2.9	9,85,366	8,98,160
		73,86,02,709	53,73,32,702
TOTAL (1+2+3)		1,99,88,82,035	1,93,36,31,684
II. ASSETS			
1. Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	2.10	1,58,76,16,465	1,54,12,96,288
ii. Intangible Assets		4,40,792	–
iii. Capital Work-in-Progress		16,14,450	2,49,43,151
		1,58,96,71,707	1,56,62,39,439
b. Non-current Investments	2.11	60,00,000	60,00,000
c. Long-term Loans and Advances	2.12	8,39,11,473	8,18,39,929
		1,67,95,83,180	1,65,40,79,368
2. Current Assets			
a. Inventories	2.13	6,01,97,536	4,22,19,895
b. Trade Receivables	2.14	16,06,15,361	11,06,87,246
c. Cash and Bank Balances	2.15	4,85,26,230	2,46,72,114
d. Short-term Loans and Advances	2.16	4,39,19,017	9,87,73,111
e. Other Current Assets	2.17	60,40,711	31,99,950
		31,92,98,855	27,95,52,316
TOTAL (1+2)		1,99,88,82,035	1,93,36,31,684

Significant Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 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

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Statement of Profit & Loss

for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Note No.	Year ended 31/03/2012	Year ended 31/03/2011
I. Revenue from Operations			
Sales (Gross)		1,25,11,74,841	32,04,10,436
Less : Excise Duty		11,91,04,401	2,93,50,984
Sales (Net)		1,13,20,70,440	29,10,59,452
Other Operating Revenues		26,85,330	2,00,518
		1,13,47,55,770	29,12,59,970
II. Other Income	2.18	8,09,63,345	8,97,86,176
III. Total Revenue (I + II)		1,21,57,19,115	38,10,46,146
IV. Expenses			
Cost of Materials Consumed	2.19	25,06,94,269	3,92,65,237
Power and Fuel Expenses		56,98,02,292	18,41,30,819
Changes in Inventories of finished goods and Work-in-Progress	2.20	48,21,425	1,34,75,414
Employees Benefit Expenses	2.21	10,70,56,907	6,23,97,683
Finance Costs	2.22	11,80,80,405	86,96,664
Depreciation and Amortization Expense	2.10	8,07,14,535	1,44,49,806
Other Expenses	2.23	7,91,90,724	4,43,79,152
Total Expenses		1,21,03,60,557	36,67,94,775
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		53,58,558	1,42,51,371
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		53,58,558	1,42,51,371
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII-VIII)		53,58,558	1,42,51,371
X. Tax Expense			
1. Current Tax		10,22,000	28,41,000
2. Deferred Tax (Net)		(24,81,000)	(35,21,000)
3. MAT Credit Entitlement		(10,22,000)	41,91,000
4. Income Tax provision/payment for earlier year		-	(26,785)
		(24,81,000)	34,84,215
XI. Profit/(Loss) for the period from continuing Operations (IX-X)		78,39,558	1,07,67,156
XII. Earnings Per Equity Share :	2.33		
Equity share of par value ₹ 10/- each			
1. Basic		0.27	0.37
2. Diluted		0.27	0.37

Significant Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 forming part of the Statement of Profit & Loss.
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

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Cash Flow Statement

for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	53,58,558	1,42,51,371
Adjustments for :		
- Depreciation	8,07,14,535	1,44,49,806
- Net Profit on sale of fixed/discarded assets	(4,44,80,056)	–
- TDS Written Off	–	55,591
- Interest Expenses	11,80,80,405	79,92,025
- Interest Income	(67,93,873)	(40,89,097)
Operating Profit Before Working Capital Changes	15,28,79,569	3,26,59,696
Adjustments for :		
- Trade Payables	(6,19,66,396)	21,97,37,600
- Trade and other Receivables	52,51,403	(17,47,47,864)
- Inventories	(1,79,77,641)	(14,20,334)
Cash Generated from Operations	7,81,86,935	7,62,29,098
Direct Taxes Paid	(40,15,383)	47,35,049
Net Cash generated from Operating Activities	7,41,71,552	8,09,64,147
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(13,55,24,774)	(1,16,40,27,696)
Sale of Fixed/Discarded Assets	7,58,58,028	93,018
Loan to Subsidiary	(14,64,693)	–
Interest Received	67,93,873	40,89,097
Net Cash used in Investing Activities	(5,43,37,567)	(1,15,98,45,581)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	26,37,00,921	12,18,52,672
Repayment of Long Term Borrowings	(14,16,00,049)	–
Proceeds From Long Term Borrowings	–	58,71,58,014
Unclaimed Dividend Paid	(338)	–
Interest Paid	(11,80,80,405)	(57,69,606)
Net Cash generated/(used) in Financing Activities	40,20,130	70,32,41,080
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	2,38,54,116	(37,56,40,354)
Opening Cash and Cash Equivalents	2,46,72,114	40,03,12,468
Closing Cash and Cash Equivalents	4,85,26,230	2,46,72,114

Note :

The Company has commenced Commercial Production of 152 MTPD Membrane Cell Technology based Plant from 1st April, 2011 whereas the capacity of Mercury Cell based Plant was 65 MTPD. Therefore the current year's cash flow statement is not comparable with corresponding cash flow statement of the previous financial year cash flow statement.

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

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Accounting Policies & Notes on Accounts

for the year ended 31st March, 2012

(Forming an integral part of the Balance Sheet and Statement of Profit & Loss)

NOTE NO. 1

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 Standard 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.

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.

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)(b) of the Companies Act, 1956.

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 Statement of Profit & Loss.

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.

Accounting Policies & Notes on Accounts

for the year ended 31st March, 2012

9) Taxation

Current income tax is estimated at the amount estimated to be paid under the Income Tax Act, 1961 and is charged to Statement of Profit & Loss 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 and Education Cess 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 & 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 Statement of Profit & Loss.

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 Statement of Profit & Loss 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".

Notes to the Balance Sheet

NOTE NO. 2

NOTES ON ACCOUNTS

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.1 SHARE CAPITAL		
Authorised Capital		
Equity Share of ₹ 10/- par value		
4,00,00,000 (4,00,00,000) Equity Shares	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid-up Capital		
Equity Share of ₹ 10/- par value		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid cash	29,32,64,570	29,32,64,570

Notes :

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.
- Details of Shareholders holding more than 5% of total shares as on 31st March, 2012

Name of Shareholder	No. of Shares	% to Total Shares
Shree Satyanarayan Investments Co. Ltd.	22,11,248	7.540
The Thirumbadi Rubber Co. Ltd.	15,24,100	5.197
Veer Enterprises Limited	31,41,958	10.714

- The reconciliation of the number of shares outstanding as at 31st March, 2012 is as below : (Amount in ₹)

Particulars	As at 31st March 2012	As at 31st March 2011
Number of shares at the beginning	2,93,26,457	2,93,26,457
Number of shares at the closing	2,93,26,457	2,93,26,457

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.2 RESERVES & SURPLUS		
Capital Redemption Reserve		
As per last Account	30,00,000	30,00,000
Share Premium		
As per last Account	12,10,13,227	12,10,13,227
Investment Allowance Utilised Reserve		
As per last Account	8,12,000	8,12,000
General Reserve		
As per last Account	24,42,936	24,42,936
Surplus		
Opening Balance	9,16,71,205	8,09,04,049
Add : Net profit after tax transferred from Statement of Profit & Loss	78,39,558	1,07,67,156
	9,95,10,763	9,16,71,205
TOTAL (2.2)	22,67,78,926	21,89,39,368

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.3 LONG TERM BORROWINGS		
1. Term Loans-Secured		
a. From Banks	66,02,93,876	80,18,93,925
b. From Govt. of Odisha	1,94,250	1,94,250
	66,04,88,126	80,20,88,175
2. Deferred Payment Liabilities	4,50,63,373	4,50,63,373
TOTAL (2.3)	70,55,51,499	84,71,51,548

Notes :

1. Term Loans - Secured		
a. From Banks		
i. Rupee/FCNR(B)/FCTL Term Loan	66,02,93,876	80,14,13,947
ii. Car Loan	–	4,79,978
	66,02,93,876	80,18,93,925
b. From Other Parties		
Govt. of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	66,04,88,126	80,20,88,175

Notes :

Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 16 quarterly instalments of ₹ 18,75,000/- each. Outstanding Rupee/FCNR(B) Term Loans are repayable in 22 quarterly instalments of ₹ 3,75,00,000/- each.

Outstanding Rupee Corporate Loan is repayable in 12 monthly instalments of ₹ 25,00,000/- each.

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March, 2012 in respect of these assets are as under :

Due	Total Minimum Lease payments outstanding as on 31st March, 2012	Interest Not Due	Present value of minimum Lease payments
Within one year	–	–	–
Last year	5,05,630	25,652	4,79,978
Later than one year and not later than five years	–	–	–
Last year	–	–	–
Total : Current Year	–	–	–
Total : Last Year	5,05,630	25,652	4,79,978

Nature of Security

For Government of Odisha - Subsidised Housing Scheme :

Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 Acres and Buildings and Structures constructed thereon.

For Modernisation cum Expansion Project :

Secured by first pari-passu charge inter-se by way of hypothecation of machinery and other fixed assets acquired or to be acquired out of the Term Loans from State Bank of Bikaner and Jaipur, State Bank of India and Indian Overseas Bank, the Term Lenders, and equitable mortgage of all the piece and parcel of factory land and other land aggregating to 140.80 Acres (lease hold land measuring about 107.41 Acres and free hold land measuring about 33.39 Acres) (excluding Wind Mill Land

Notes to the Balance Sheet

and Wind Mill receivables) situated at Ganjam District, Kalyanpur, Kanchipur, Jarapadar at Jayshree Nagar where the Company's registered office is located together with all buildings and structures, plant & machineries erected thereon, both present and future, and second charge on the current assets of the Company.

Out of total land of 140.80 Acres leasehold land measuring 42.79 Acres is presently mortgaged with the Government of Odisha. The Company is to create equitable mortgage thereon in favour of Banks on release of charge by Government of Odisha. At present FDR of ₹ 10.86 Lacs equivalent to amount of dues of Government of Odisha are held under lien with State Bank of Bikaner and Jaipur, and a mortgage on land purchased from OSFC measuring 2.40 Acres is to be created.

For Wind Mill Project :

Exclusively secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be purchased out of the term loans for the wind mill project at Bogampatti Village, Sulur Taluk, Tirupur, Coimbatore and Wind Mill receivables in favour of State Bank of Bikaner and Jaipur (SBBJ) and Indian Overseas Bank (IOB) 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 in favour of SBBJ and IOB on pari-passu basis.

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2. Deferred Payment Liabilities		
Electricity Duty payable	4,50,63,373	4,50,63,373
TOTAL (2.3)	70,55,51,499	84,71,51,548
2.4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities (Net)	2,98,53,000	3,23,34,000
Notes :		
a. Deferred Tax Liabilities		
Depreciation	12,58,87,000	3,40,83,000
b. Deferred Tax Assets		
Carry forward business loss/depreciation	9,37,73,000	–
Expenses allowable against taxable income in future year	22,61,000	17,49,000
	9,60,34,000	17,49,000
TOTAL (2.4)	2,98,53,000	3,23,34,000
2.5 LONG TERM PROVISIONS		
Provision for Employees Benefit		
Leave Liability	48,31,331	46,09,496
TOTAL (2.5)	48,31,331	46,09,496

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.6 SHORT TERM BORROWINGS		
a. Loan Repayable on Demand (Secured)		
From Banks		
i. Cash Credit A/c	9,50,89,485	2,98,05,747
ii. Term Loan	10,69,17,183	–
	20,20,06,668	2,98,05,747
b. Loan Repayable on Demand (Unsecured)		
From Bodies Corporate	20,90,00,000	11,75,00,000
TOTAL (2.6)	41,10,06,668	14,73,05,747

Notes :

For Short Term Borrowings :

Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stock-in-Process and book-debts by way of first charge on pari-pasu basis (except Wind Mill receivables) with other term lenders and second charge on entire fixed assets of the Company, both present and future.

2.7 TRADE PAYABLE		
a. MSME	2,23,997	1,89,605
b. Others	10,32,85,667	12,88,61,918
TOTAL (2.7)	10,35,09,664	12,90,51,523

Notes :

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2012 ₹ 2,23,997/- (₹ 1,89,605/-).

2.8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long term Borrowings	15,94,68,575	8,25,01,400
b. Interest accrued but not due on Borrowings	25,21,799	22,22,419
c. Interest accrued and due on Borrowings	37,09,261	53,93,969
d. Unpaid Dividends	2,10,485	2,10,822
e. Others Payable		
i. Amount Payable to Employees	42,38,334	51,50,699
ii. Income Tax and Other Dues Payables to Govt. Dept.	61,65,790	77,14,104
iii. Provision for Expenses	2,69,18,683	10,60,85,290
iv. Other Payables	1,16,37,817	3,63,45,329
v. Advance from Customers	19,78,637	11,41,052
vi. Advance from Subsidiary (East Coast Powers Ltd.)	–	29,000
vii. Security Deposit from Parties	14,61,369	27,73,671
viii. Provision for Gratuity	47,90,261	1,05,09,517
	5,71,90,891	16,97,48,662
TOTAL (2.8)	22,31,01,011	26,00,77,272

2.9 SHORT TERM PROVISIONS		
a. Provision for Employees Benefit		
Leave Liability	9,85,366	6,55,815
b. Provision for Income Tax (Net of Advance)	–	2,42,345
TOTAL (2.9)	9,85,366	8,98,160

Notes to the Balance Sheet

2.10 FIXED ASSETS AS AT 31ST MARCH, 2012

(Amount in ₹)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01/04/2011	Additions during the year	Sales/ Discarded/ Adjustment of year	As on 31/03/2012	Depreciation upto 31/03/2011	Depreciation for the 2011-12	Adjustment on Assets Sold/ Discarded	Total Depreciation	W.D.V. as on 31/03/2012	W.D.V. as on 31/03/2011
Tangible Assets										
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	4,525	-	1,38,532	1,39,057	1,43,582
Development of Site including Roads	46,60,544	-	-	46,60,544	32,93,709	24,949	-	33,18,658	13,41,886	13,66,835
Buildings	28,51,03,860	1,16,13,059	-	29,67,16,919	81,72,037	96,12,727	-	1,77,84,764	27,89,32,155	27,69,31,823
Plant & Machinery	1,23,19,35,849	13,17,30,072	-	1,36,36,65,921	3,99,96,757	6,54,44,902	-	10,54,41,659	1,25,82,24,262	1,19,19,39,092
Railway Siding	15,59,968	-	-	15,59,968	8,41,958	1,10,071	-	9,52,029	6,07,939	7,18,010
Water Supply & Tube Well	18,70,751	64,585	-	19,35,336	11,95,694	51,074	-	12,46,768	6,88,568	6,75,057
Furniture & Fittings	36,04,489	1,76,310	-	37,80,799	21,01,344	3,85,013	-	24,86,357	12,94,442	15,03,145
Office Equipments	29,03,411	5,18,254	-	34,21,665	20,75,528	3,11,373	-	23,86,901	10,34,764	8,27,883
Electrical Installations	57,88,816	2,90,948	-	60,79,764	30,24,230	3,50,968	-	33,75,198	27,04,566	27,64,586
Motor Car & Vehicles	68,32,635	-	12,15,391	56,17,244	42,05,988	6,24,216	9,20,569	39,09,635	17,07,609	26,26,647
Laboratory Equipments	44,68,104	17,61,974	-	62,30,078	18,987	6,82,049	-	7,01,036	55,29,042	44,49,117
Handling Equipments	4,94,84,619	1,22,53,598	45,46,728	5,71,91,489	2,57,58,301	31,08,780	44,46,118	2,44,20,963	3,27,70,526	2,37,26,318
	1,60,11,32,284	15,84,08,800	57,62,119	1,75,37,78,965	9,08,18,540	8,07,10,647	53,66,687	16,61,62,500	1,58,76,16,465	1,51,03,13,744
Intangible Assets										
Computer Software	-	4,44,680	-	4,44,680	-	3,888	-	3,888	4,40,792	-
	1,60,11,32,284	15,88,53,480	57,62,119	1,75,42,23,645	9,08,18,540	8,07,14,535	53,66,687	16,61,66,388	1,58,80,57,257	1,51,03,13,744
Fixed Assets Held for Disposal	15,44,64,472	-	15,44,64,472	-	12,34,81,928	-	12,34,81,928	-	-	3,09,82,544
TOTAL (2.10)	1,75,55,96,756	15,88,53,480	16,02,26,591	1,75,42,23,645	21,43,00,468	8,07,14,535	12,88,48,615	16,61,66,388	1,58,80,57,257	1,54,12,96,288
Previous Year Figure	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	4,15,837	21,43,00,468	1,54,12,96,288	-

Notes :

- The Company has capitalized ₹ 4,87,15,125/- (₹ NIL), being the exchange differences arising on long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, as per Notification No.G.S.R.225(E) Dt.31st March, 2009 (as amended), issued by the Ministry of Corporate Affairs.
- In the current financial year the Company has capitalised interest amounting to ₹ 1,00,93,691/- on qualifying assets as per AS -16 "Borrowing Costs".
- There is no impairment of Assets during the year and therefore no adjustment has been made thereof.

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.11 NON-CURRENT INVESTMENTS		
Other than Trade (Unquoted)		
Investments in Equity Instruments :		
- In Subsidiary		
6,00,000 (6,00,000) Equity Shares of ₹ 10/- each fully paid-up in East Coast Powers Limited	60,00,000	60,00,000

2.12 LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
a. Capital Advances	59,87,184	-
b. Security Deposit	7,56,26,462	7,70,90,318
c. Prepaid Expenses	-	43,397
d. Advance to Parties	1,00,000	17,54,469
e. Claim Recoverable	-	3,14,900
f. Deposit with Sales Tax	21,97,826	26,36,845
TOTAL (2.12)	8,39,11,473	8,18,39,929

2.13 INVENTORIES		
a. Raw Materials	2,80,67,420	2,05,28,234
b. Work-in-Progress	23,43,846	28,42,224
c. Finished Goods	50,27,938	93,50,985
d. Stores and Spares	2,47,58,332	94,98,452
TOTAL (2.13)	6,01,97,536	4,22,19,895

Notes :

Inventories are valued at cost or net realisable value, whichever is lower.

2.14 TRADE RECEIVABLE		
(Unsecured considered good)		
a. More than 6 months from the due date	3,23,48,724	10,82,11,034
b. Others	12,82,66,637	24,76,212
TOTAL (2.14)	16,06,15,361	11,06,87,246

Notes :

In the opinion of the management the amounts are good and realisable.

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.15 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks :		
- In Current Account	28,07,057	2,17,28,161
ii. Cash-on-Hand	1,94,237	4,36,414
	30,01,294	2,21,64,575
b. Others		
i. Unpaid Dividend A/c.	2,10,485	2,10,822
ii. Special Term Deposit/Margin Money with Banks	4,53,14,452	22,96,717
	4,55,24,937	25,07,539
TOTAL (2.15)	4,85,26,230	2,46,72,114
2.16 SHORT TERM LOANS & ADVANCES		
(Unsecured considered good)		
a. Loan to Subsidiary	14,00,000	–
b. Advance to Employees	7,80,795	4,11,320
c. Advance to Subsidiary	64,693	–
d. Other Recoverable Advances	49,74,312	60,04,252
e. Balances with Excise and other Govt. Dept.	65,24,357	7,46,95,324
f. Advance to Parties	2,06,94,731	1,43,71,108
g. Prepaid Expenses	42,07,091	17,91,107
h. Deposit with I. Tax Dept. (Against Demand)	15,00,000	15,00,000
i. Advance Income Tax	37,73,038	–
TOTAL (2.16)	4,39,19,017	9,87,73,111
2.17 OTHER CURRENT ASSETS		
Interest accrued and due on Deposit	60,40,711	31,99,950
TOTAL (2.17)	60,40,711	31,99,950

Notes :

In the opinion of the management the amounts are good and realisable.

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.18 OTHER INCOME		
a. Interest		
From Bank	23,61,298	8,33,750
From Subsidiary	1,05,184	–
From Other	43,27,391	32,55,347
	67,93,873	40,89,097
b. Other non-operating income		
i. Liabilities no longer required written back	2,16,62,186	3,15,815
ii. Net Profit on sale of fixed/discarded assets	4,44,80,056	–
iii. Miscellaneous Receipts	80,27,230	8,53,81,264
TOTAL (2.18)	8,09,63,345	8,97,86,176
Notes :		
1. Gross Interest includes TDS ₹ 6,65,383/- (₹ 5,25,420/-)		
2. Profit on sale of fixed/discarded assets (Net)		
Profit	7,56,10,007	–
Loss	(3,11,29,951)	–
	4,44,80,056	–

2.19 COST OF MATERIALS CONSUMED		
(Including own production)		
a. Opening Stock of Raw Materials	2,05,28,234	8,25,139
b. Add : Raw materials Purchased	25,34,73,450	3,84,40,098
	27,40,01,684	3,92,65,237
c. Less : Closing Stock of Raw Materials	2,33,07,415	–
TOTAL (2.19)	25,06,94,269	3,92,65,237

Notes :

Cost of Materials Consumed Includes employee benefits expenses ₹ 28,42,736/- (₹ 28,23,633/-), Power & Fuel ₹ 8,87,028/- (₹ 6,14,090/-), Repairs & Maintenance ₹ 17,14,183/- (₹ 21,85,922/-), Insurance ₹ 7,351/- (₹ 7,530/-) and Rates & Taxes ₹ 2,58,627/- (₹ 2,27,179/-).

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.20 CHANGES IN INVENTORIES		
a. Opening Inventories		
1. Finished Goods	93,50,985	1,33,11,494
2. Work-in-Progress	28,42,224	9,25,195
	1,21,93,209	1,42,36,689
b. Less : Closing Inventories		
1. Finished Goods	50,27,938	7,61,275
2. Work-in-Progress	23,43,846	–
	73,71,784	7,61,275
(Increase)/Decrease in Inventories	48,21,425	1,34,75,414

Note :

The Company has changed its accounting policy on valuation of finished goods from FIFO method to weighted average method. However, the change of method in valuation has no material impact on the financial results.

2.21 EMPLOYEES BENEFIT EXPENSES		
a. Salaries and Wages	7,49,13,467	4,03,81,768
b. Contribution to provident and other funds (Including Admn. Charges)	1,69,03,040	1,28,17,736
c. Staff Welfare Expenses	1,52,40,400	91,98,179
TOTAL (2.21)	10,70,56,907	6,23,97,683
Note :		
i. Employees Benefit Expenses includes		
Provision for Gratuity	47,90,261	1,05,09,517
Provision for Leave Encashment	12,07,201	19,57,356
	59,97,462	1,24,66,873

ii. Employees Benefit Expenses includes managerial remuneration ₹ 51,10,220/- (₹ 32,64,175/-).

2.22 FINANCE COSTS		
a. Interest Expenses		
Bank	8,43,24,475	69,08,829
Others	1,34,14,103	10,83,196
	9,77,38,578	79,92,025
b. Other Borrowing Costs	2,03,41,827	7,04,639
TOTAL (2.22)	11,80,80,405	86,96,664

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.23 OTHER EXPENSES		
a. Consumption of stores and spares part	91,39,384	51,48,481
b. Rent (Net)	5,44,000	4,25,651
c. Transportation Charges (Net)	38,28,225	22,86,634
d. Repairs & Maintenance	2,41,19,759	1,91,15,100
i. Buildings	38,57,480	26,30,960
ii. Plants & Machineries	93,09,971	69,86,195
iii. Others	1,09,52,308	94,97,945
e. Insurance	97,231	533,805
f. Rates and Taxes	4,698	850,909
g. Travelling & Vehicles Expenses	39,27,220	48,91,050
h. Legal Expenses	30,000	8,13,265
i. TDS Writtten off	–	55,591
j. Bad Debts Written Off	1,71,246	–
k. Net gain or loss on foreign currency translation	–	4,62,356
l. Difference of excise duty on opening/closing of finished goods stocks	(2,21,283)	(12,70,223)
m. Director's Sitting Fees	2,20,000	1,60,000
n. Payments to the Auditor	2,88,000	2,39,815
o. CSR Expenses	21,49,328	15,46,564
p. Miscellaneous Expenses	3,48,92,916	91,20,154
TOTAL (2.23)	7,91,90,724	4,43,79,152
Notes :		
1. Rent (Net)		
Rent Paid	7,02,616	5,41,800
Rent Received	(1,58,616)	(1,16,149)
	5,44,000	4,25,651
2. Transportation Charges (Net)		
Paid	11,37,11,196	2,78,43,857
Realised	(10,98,82,971)	(2,55,57,223)
	38,28,225	22,86,634
3. Repairs & Maintenance includes consumption of stores and spares part ₹ 1,22,55,983/- (₹ 81,30,626/-)		
4. Payments to the Auditor		
a. Auditors' Remuneration	1,00,000	1,00,000
b. For Taxation Matters	40,000	40,000
c. For Company Law Matters	–	–
d. For Management Services	–	–
e. For Other Services	79,000	66,500
f. For Re-imbusement of Expenses	49,000	13,315
g. Payment to Cost Auditor	20,000	20,000
	2,88,000	2,39,815

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
5. Net gain or loss on foreign currency translation		
Loss on foreign currency translation	-	1,19,22,772
Gain on foreign currency translation	-	1,14,60,416
	-	4,62,356
6. CSR Expenses includes Donation of ₹ 5,06,000/- (₹ 4,90,000/-).		

2.24 CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities

Claims against the Company not acknowledged as Debt (net of deposit)		
i) Sales Tax Demand under Appeals	45,98,885	47,95,651
ii) Income Tax Demand under Appeals	2,23,629	34,44,730
iii) Others	3,05,91,802	2,29,93,751
	3,54,14,316	3,12,34,132
Guarantees	5,40,34,790	1,23,04,216
	8,94,49,106	4,35,38,348

b. Commitments

Outstanding Estimated Capital Commitment (Net of Advances)	67,83,451	82,46,93,774
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Other commitment :

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	No. of Contracts	Pound Sterling	INR Equivalent
31.03.2012	4	90,20,000	42,54,25,621	1	3,31,000	2,71,57,723
31.03.2011	2	60,00,000	29,04,60,000	-	-	-

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

	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	US Dollar	INR Equivalent	US Dollar	INR Equivalent
Amount Payable in Foreign currency on account of the following :				
Loan Payable	80,52,600	40,75,46,332	65,83,200	29,52,56,520
	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011	As at 31.03.2011
	EURO	INR Equivalent	EURO	INR Equivalent
Capital Imports	-	-	2,90,300	1,84,34,050

Notes to the Accounts

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.25 DISCLOSURES		
a. Consumption of Raw materials		
Salt	22,71,80,910	3,42,04,674
Barium Carbonate	2,06,40,687	15,15,866
Soda Ash	25,74,032	35,44,697
Sodium Bisulphite	2,98,640	–
TOTAL	25,06,94,269	3,92,65,237
b. Value of goods sold		
Chemicals		
Caustic Soda	1,11,99,85,386	23,16,92,411
Liquid Chlorine	4,62,51,098	4,22,25,360
Hydrochloric Acid	6,09,60,154	3,71,54,745
Sodium Hypochlorite	1,53,84,946	–
	1,24,25,81,584	31,10,72,516
Wind Power	85,93,257	93,37,920
TOTAL	1,25,11,74,841	32,04,10,436
c. Opening Stock		
Chemicals		
Caustic Soda	78,10,541	–
Liquid Chlorine	8,13,937	–
Hydrochloric Acid	5,15,566	–
Sodium Hypochlorite	2,10,941	–
TOTAL	93,50,985	–
d. Closing Stock		
Chemicals		
Caustic Soda	47,07,084	78,10,541
Liquid Chlorine	1,57,157	8,13,937
Hydrochloric Acid	1,34,446	5,15,566
Sodium Hypochlorite	29,251	2,10,941
TOTAL	50,27,938	93,50,985

Notes to the Accounts

Particulars	Year ended 31/03/2012		Year ended 31/03/2011	
	%	₹	%	₹
2.25 DISCLOSURES				
e. Consumption of Raw materials, spares parts and component consumed				
Imported				
Raw Materials				
Spares Parts and Component	100.00	1,822	–	–
Total Imported Consumption	100.00	1,822	–	–
Indigenous				
Raw Materials	92.14	25,06,94,269	70.26	8,07,27,018
Spares Parts and Component	7.86	2,13,93,545	29.74	3,41,64,080
Total Indigenous Consumption	100.00	27,20,87,814	100.00	11,48,91,098
i) Imported Consumption	0.001	1,822	–	–
ii) Indigenous Consumption	99.999	27,20,87,814	100.00	11,48,91,098
TOTAL CONSUMPTION (i + ii)	100.00	27,20,89,636	100.00	11,48,91,098

Includes employee benefits expenses ₹ 28,42,736/- (₹ 28,23,633/-), Power & Fuel ₹ 8,87,028/- (₹ 6,14,090/-), Repairs & Maintenance ₹ 17,14,183/- (₹ 21,85,922/-), Insurance ₹ 7,351/- (₹ 7,530/-) and Rates & Taxes ₹ 2,58,627/- (₹ 2,27,179/-).

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.26 VALUE OF IMPORTS CALCULATED ON C.I.F BASIS		
I. Raw materials	–	–
II. Components and spare parts	–	–
III. Capital goods	51,75,070	24,95,89,722

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.27 EXPENDITURE IN FOREIGN CURRENCY		
a. Royalty	–	–
b. Know-how	–	–
c. Professional and Consultation fees	19,23,526	43,50,582
d. Interest	–	–
e. Other matters	–	–

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.28 EARNINGS IN FOREIGN EXCHANGE		
a. Export of goods calculated on F.O.B. basis	–	–
b. Royalty, know-how, professional and consultation fees	–	–
c. Interest and dividend	–	–
d. Other income		
Export of used Mercury	–	8,34,96,000
Commission	10,14,675	9,655

Notes to the Accounts

2.29 SEGMENT REPORTING

Business Segment	Amount (₹)				Amount (₹)			
	As on 31/03/12		As on 31/03/11		As on 31/03/11		As on 31/03/11	
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	1,12,34,77,183	85,93,257	-	1,13,20,70,440	28,17,21,532	93,37,920	-	29,10,59,452
Inter segment Sales	-	-	-	-	-	-	-	-
Total Revenue	1,12,34,77,183	85,93,257	-	1,13,20,70,440	28,17,21,532	93,37,920	-	29,10,59,452
Results								
Segment Results	11,39,27,049	40,03,633	(12,85,592)	11,66,45,090	1,50,40,009	51,68,239	(13,49,310)	1,88,58,938
Un-allocated Expenses				-				-
Operating Profit				11,66,45,090				1,88,58,938
Interest Expenses				11,80,80,405				86,96,664
Interest Income				67,93,873				40,89,097
Income Taxes				(24,81,000)				34,84,215
Profit from ordinary Activities				78,39,558				1,07,67,156
Extra-ordinary items				-				-
Net Profit				78,39,558				1,07,67,156
Business Segment								
Other Information								
Segment Assets	1,92,72,27,891	5,71,57,522	49,776	1,98,44,35,189	1,83,31,05,187	6,79,28,596	92,615	1,90,11,26,398
Un-allocated Assets				1,44,46,847				3,24,43,151
Total Assets				1,99,88,82,035				1,93,35,69,549
Segment Liabilities	32,45,04,215	79,20,786	2,370	33,24,27,371	35,09,44,228	5,27,870	27,877	35,14,99,975
Un-allocated Liabilities				1,66,64,54,664				1,06,98,65,636
Total Liabilities				1,99,88,82,035				1,42,13,65,611
Capital Expenditure				13,55,24,774				1,16,40,27,696
Depreciation				8,07,14,535				1,59,50,359
Non-cash Expenses other than depreciation				-				55,591

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.

Notes to the Accounts

2.30 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
Orbit Udyog Pvt. Ltd.	Control of KMP
The Indra Company Ltd.	Control of KMP
Veer Enterprises Ltd.	Control of KMP
Virendra Bangur	Managing Director
P N Ojha (Appointed W.E.F 17/08/2011)	Executive Director
D. K. Maheshwari (Upto 31/03/2011)	Executive Director
Bharti Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel.

B) Related Party transactions are as follows :

(Amount in ₹)

Nature of Transactions	2011-12	2010-11
Loan given to Subsidiary	14,00,000	–
Advance given to Subsidiary	93,693	28,60,000
Advance repaid by Subsidiary	–	(28,89,000)
Interest received from Subsidiary	1,05,184	–
Rent Received from The West Coast Paper Mills Ltd.	1,58,616	1,59,000
Sale of goods to The West Coast Paper Mills Ltd.	1,30,426	–
Purchases of Capital Goods from Gloster Cables Ltd.	–	1,83,09,000
Rent & Service Charges paid - Veer Enterprises Ltd.	5,20,000	–
Rent & Service Charges paid - Fort Gloster Industries Ltd	24,000	72,000
Donation paid - Shree Ram Trust, Kolkata	4,00,000	4,00,000
Loan Received from Veer Enterprises Ltd.	12,00,000	–
Loan repayment to Veer Enterprises Ltd.	(12,00,000)	–
Interest paid to Veer Enterprises Ltd.	1,052	–
Loan Received from Orbit Udyog Pvt. Ltd.	1,19,00,000	–
Loan repayment to Orbit Udyog Pvt. Ltd.	(1,19,00,000)	–
Interest paid to Orbit Udyog Pvt. Ltd.	34,981	–
Loan Received from The Indra Company Ltd.	9,00,000	–
Loan repayment to The Indra Company Ltd.	(9,00,000)	–
Interest paid to The Indra Company Ltd.	789	–
Remuneration paid to Virendra Bangur	35,07,000	13,52,753
Remuneration paid to P. N. Ojha	16,03,220	–
Remuneration paid to D. K. Maheshwari	–	19,11,422
Remuneration paid to Bharti Bangur	5,54,997	506,000
C) Details of Outstanding Payment to related party		
The West Coast Paper Mills Ltd.	1,30,426	(14,000)
East Coast Powers Limited	15,59,359	(29,000)

Notes to the Accounts

2.31 DISCLOSURE AS PER AS-15 "EMPLOYEES BENEFITS"

The following table summarises net benefit expenses recognized in the statement of profit and loss and funded status and amounts recognised in the balance sheet for Gratuity and Leave Encashment Liability :

(Amount in ₹)

Particulars	31st March, 2012		31st March, 2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Profit and Loss Account				
Net employees benefit expenses (recognised in employee cost)				
Current Service cost	23,73,913	1,45,957	21,45,189	2,24,081
Interest cost on benefit obligation	33,35,479	4,43,280	30,75,418	3,81,131
Expected return on plan assets	(31,43,868)	–	(26,55,037)	–
Net actuarial loss/(gain) recognised in the year	22,24,737	6,17,964	79,43,947	13,52,144
Past Service Cost Liability	–	–	–	–
Net benefit Expenses	47,90,261	12,07,201	1,05,09,517	19,57,356
Balance Sheet				
Defined benefit obligation	4,23,71,500	58,16,697	4,10,15,472	52,65,311
Fair value of plan assets	(3,75,81,239)	–	(3,05,05,955)	–
Net Liability recognised in balance sheet	47,90,261	58,16,697	1,05,09,517	52,65,311
Change in present value of the defined benefit obligation are as follows :				
Statement of Profit and Loss :				
Defined benefit obligation as at April 1st, 2011	4,10,15,472	52,65,311	3,58,69,976	42,62,959
Interest Cost	33,35,479	4,43,280	30,75,418	3,81,131
Current service Cost	23,73,913	1,45,957	21,45,189	2,24,081
Benefit paid	(67,09,469)	(6,55,815)	(67,64,631)	(9,55,004)
Actuarial loss/(gain) on obligation	23,56,105	6,17,964	66,89,520	13,52,144
Defined benefit obligation as at March 31st, 2012	4,23,71,500	58,16,697	4,10,15,472	52,65,311
Change in present value of the fair value of plan assets are as follows :				
Fair value of plan assets as at April 1st, 2011	3,05,05,955	–	3,58,69,976	–
Expected return	31,43,868	–	26,55,037	–
Contribution by the employer	1,05,09,517	–	–	–
Benefit paid	(67,09,469)	–	(67,64,631)	–
Actuarial (loss)/gain	1,31,368	–	(12,54,427)	–
Fair value of plan assets as at March 31st, 2012	3,75,81,239	–	3,05,05,955	–

Notes to the Accounts

Particulars	31st March, 2012		31st March, 2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
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	15.22%		25.50%	
Investment in Mutual Funds	53.32%		51.96%	
Bank Balance	31.46%		22.54%	
	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.

2.32 The Company has changed its accounting policy on valuation of finished goods from FIFO method to Weighted Average method. However, the change of method in valuation has no material impact on the financial results.

2.33 BASIS OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER

(Amount in ₹)

Particulars	31st March, 2012	31st March, 2011
Profit after Tax	78,39,558	1,07,68,156
Weighted average number of Equity Shares	2,93,26,457	2,93,26,457
Basic and Diluted Earnings Per Share	0.27	0.37
Nominal Value of Share (Par Value)	10	10

2.34 The corresponding figures of the previous financial year are not comparable with those of the current financial year, as the Company has commenced Commercial Production of 152 MTPD Membrane Cell Technology based Plant from 1st April, 2011 whereas the capacity of Mercury Cell based Plant was 65 MTPD.

2.35 Figures in bracket represent amount related to previous year.

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

Signature to Note Nos. 1 and 2.

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street

Kolkata - 700 071

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Information regarding Subsidiary Company

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, 2012
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, 2012.	₹ (80,708/-)
ii) For the previous financial year of the subsidiary Company since it became the holding company's subsidiary.	₹ 2,32,708/-
b) Dealt with in the holding company's accounts :	
i) For the financial year ended 31st March, 2012.	NIL
ii) 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 31/03/2012 ₹	As at 31/03/2011 ₹
Particulars		
a) Capital	65,00,000	65,00,000
b) Reserves	4,54,165	5,41,800
c) Total Assets	86,90,114	70,98,324
d) Total Liabilities	17,35,949	1,56,880
e) Investments	-	-
f) Turnover	30,282	26,524
g) Profit before Taxation	(87,432)	14,524
h) Provision for Taxation	-	4,547
i) Profit after Taxation	(87,432)	9,977
j) Proposed Dividend	-	-

Kolkata
16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

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, 2012.

1. We have audited the attached Consolidated Balance Sheet of **JAYSHREE CHEMICALS LIMITED** and its subsidiary company as at 31st March, 2012, the Consolidated Statement of Profit and Loss 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 ₹ 86,90,114/- as at 31st March, 2012 and total revenue of ₹ 30,282/- and net cash inflow amounting to ₹ 96,263/- 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 (AS 21) 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 state of affairs of Jayshree Chemicals Limited and its subsidiary as at 31st March, 2012;
 - b) in the case of the Consolidated Statement of Profit and Loss, 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.

6C, Middleton Street
Kolkata - 700 071
Date : 16th May, 2012

For K. N. GUTGUTIA & CO.
Chartered Accountants
Firm Registration No. 304153E

B. K. Bhutia
Partner
Membership No. 059363

Consolidated Balance Sheet

as at 31st March, 2012

(Amount in ₹)

Particulars	Note No.	As at 31/03/2012	As at 31/03/2011
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2.1	29,32,64,570	29,32,64,570
b. Reserves & Surplus	2.2	22,70,24,757	21,92,65,906
		52,02,89,327	51,25,30,476
2. Minority Interest		5,34,936	5,41,661
3. Non-Current Liabilities			
a. Long-term Borrowings	2.3	70,55,51,499	84,71,51,548
b. Deferred Tax Liabilities (Net)	2.4	2,98,53,000	3,23,34,000
c. Long-term Provisions	2.5	48,31,331	46,09,496
		74,02,35,830	88,40,95,044
4. Current Liabilities			
a. Short-term Borrowings	2.6	41,10,06,668	14,73,05,747
b. Trade Payables	2.7	10,36,85,954	12,91,06,047
c. Other Current Liabilities	2.8	22,31,01,012	26,00,77,272
d. Short-term Provisions	2.9	9,85,666	8,98,460
		73,87,79,300	53,73,87,526
TOTAL (1+2+3)		1,99,98,39,393	1,93,45,54,707
II. ASSETS			
1. Non-current Assets			
a. Fixed Assets			
i. Tangible Assets	2.10	1,58,76,16,465	1,54,12,96,288
ii. Intangible Assets		4,40,792	–
iii. Capital Work-in-Progress		16,14,450	2,49,43,151
		1,58,96,71,707	1,56,62,39,439
b. Long-term Loans and Advances	2.11	8,39,11,474	8,18,39,929
c. Other Non-Current Assets	2.12	78,26,052	63,05,151
		1,68,14,09,233	1,65,43,84,519
2. Current Assets			
a. Inventories	2.13	6,01,97,536	4,22,19,895
b. Trade Receivables	2.14	16,06,15,361	11,06,87,246
c. Cash and Cash Equivalents	2.15	4,92,08,067	2,52,57,688
d. Short-term Loans and Advances	2.16	4,24,63,151	9,88,05,409
e. Other Current Assets	2.17	59,46,045	31,99,950
		31,84,30,160	28,01,70,188
TOTAL (1+2)		1,99,98,39,393	1,93,45,54,707

Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 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

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Note No.	Year ended 31/03/2012	Year ended 31/03/2011
I. Revenue from Operations			
Sales (Gross)		1,25,11,74,841	32,04,10,436
Less : Excise Duty		11,91,04,401	2,93,50,984
Sales (Net)		1,13,20,70,440	29,10,59,452
Other Operating Revenues		26,85,330	2,00,518
		1,13,47,55,770	29,12,59,970
II. Other Income	2.18	8,08,88,443	8,98,12,700
III. Total Revenue (I + II)		1,21,56,44,213	38,10,72,670
IV. Expenses			
Cost of Materials Consumed	2.19	25,06,94,269	3,92,65,237
Power and Fuel Expenses		56,98,02,292	18,41,30,819
Changes in Inventories of finished goods and Work-in-Progress	2.20	48,21,425	1,34,75,414
Employee Benefits Expense	2.21	10,70,56,907	6,23,97,683
Finance Costs	2.22	11,80,80,405	86,96,664
Depreciation and Amortization Expense	2.10	8,07,14,535	1,44,49,806
Other Expenses	2.23	7,92,03,254	4,43,91,402
Total Expenses		1,21,03,73,087	36,68,07,025
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		52,71,126	1,42,65,645
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		52,71,126	1,42,65,645
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII-VIII)		52,71,126	1,42,65,645
X. Tax Expense			
1. Current Tax		10,22,000	28,45,500
2. Deferred Tax		(24,81,000)	(35,21,000)
3. MAT Credit Entitlement		(10,22,000)	41,91,000
4. Income Tax provision/payment for earlier year		-	(26,785)
		(24,81,000)	34,88,715
XI. Profit after Tax (IX-X)		77,52,126	1,07,76,930
XII. Minority Interest		(6,725)	752
XIII. Profit/(Loss) for the period from continuing Operations (XI-XII)		77,58,851	1,07,76,178
XIV. Earnings Per Equity Share :	2.29		
Equity share of par value ₹ 10/- each			
1. Basic		0.26	0.37
2. Diluted		0.26	0.37

Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 forming part of the Statement of Profit & Loss
In terms of our report on even date attached herewith

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street

Kolkata - 700 071

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Consolidated Cash Flow Statement

for the year ended 31st March, 2012

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	52,71,126	1,42,65,645
Adjustments for :		
- Depreciation	8,07,14,535	1,44,49,806
- Net Profit on sale of fixed/discarded assets	(4,44,80,056)	-
- TDS Written Off	-	55,591
- Interest Expenses	11,80,80,405	79,92,025
- Interest Income	(67,18,971)	(41,15,621)
Operating Profit Before Working Capital Changes	15,28,67,039	3,26,47,446
Adjustments for :		
- Trade Payables	(6,18,44,630)	21,96,49,720
- Trade and other Receivables	52,74,875	(17,47,76,864)
- Inventories	(1,79,77,641)	(14,20,334)
Cash Generated from Operations	7,83,19,643	7,60,99,968
Direct Taxes Paid	(40,15,383)	47,03,097
Net Cash generated from Operating Activities	7,43,04,260	8,08,03,065
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(13,55,24,774)	(1,16,40,27,696)
Sale of Fixed Assets	7,58,58,028	93,018
Loan to Subsidiary	(14,64,693)	-
Interest Received	67,18,971	41,15,621
Miscellaneous Expenses	(15,20,902)	(1,90,789)
Net Cash used in Investing Activities	(5,59,33,371)	(1,16,00,09,846)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	15,59,359	-
Proceeds from Short Term Borrowings	26,37,00,921	12,18,52,672
Repayment of Long Term Borrowings	(14,16,00,049)	-
Proceeds From Long Term Borrowings	-	58,71,58,014
Unclaimed Dividend Paid	(338)	-
Interest Paid	(11,80,80,405)	(57,69,606)
Net Cash generated/(used) in Financing Activities	55,79,489	70,32,41,080
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	2,39,50,379	(37,59,65,701)
Opening Cash and Cash Equivalents	2,52,57,688	40,12,23,389
Closing Cash and Cash Equivalents	4,92,08,067	2,52,57,688

Note :

The Company has commenced Commercial Production of 152 MTPD Membrane Cell Technology based Plant from 1st April, 2011 whereas the capacity of Mercury Cell based Plant was 65 MTPD. Therefore the current year cash flow statement is not comparable with corresponding cash flow statement of the previous financial year cash flow statement.

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

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Consolidated Accounting Policies & Notes on Accounts

for the year ended 31st March, 2012

(Forming an integral part of the Balance Sheet and Statement of Profit and Loss)

NOTE NO. 1

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 Standard 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.

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.

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 Section 205(2)(b) of the Companies Act, 1956.

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 Statement of Profit & Loss.

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.

Consolidated Accounting Policies & Notes on Accounts

for the year ended 31st March, 2012

9) Taxation

Current income tax is estimated at the amount estimated to be paid under the Income Tax Act, 1961 and is charged to Statement of Profit & Loss 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 and Education Cess 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 & 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 Statement of Profit & Loss.

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 Statement of Profit & Loss 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".

Notes to the Consolidated Balance Sheet

NOTE NO. 2

NOTES ON ACCOUNTS

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.1 SHARE CAPITAL		
Authorised Capital		
Equity Share of ₹ 10/- par value		
4,00,00,000 (4,00,00,000) Equity Shares	40,00,00,000	40,00,00,000
Issued, Subscribed and Paid-up Capital		
Equity Share of ₹ 10/- par value		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid Cash	29,32,64,570	29,32,64,570

Notes :

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.
- Details of Shareholders holding more than 5% of total shares as on 31st March, 2012

Name of Shareholder	No. of Shares	% to Total Shares
Shree Satyanaran Investments Co. Ltd.	22,11,248	7.540
The Thirumbadi Rubber Co. Ltd.	15,24,100	5.197
Veer Enterprises Limited	31,41,958	10.714

- The reconciliation of the number of shares outstanding as at 31st March, 2012 is as below :

Particulars	As at 31st March 2012	As at 31st March 2011
Number of shares at the beginning	2,93,26,457	2,93,26,457
Number of shares at the closing	2,93,26,457	2,93,26,457

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.2 RESERVES & 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	12,10,13,227
Investment Allowance Utilised Reserve		
As per last Account	8,12,000	8,12,000
General Reserve		
As per last Account	24,42,936	24,42,936
Surplus		
Opening Balance	9,17,30,509	8,09,54,331
Add : Net profit after tax transferred from Statement of Profit & Loss	77,58,851	1,07,76,178
	9,94,89,360	9,17,30,509
TOTAL (2.2)	22,70,24,757	21,92,65,906

Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.3 LONG TERM BORROWINGS		
1. Term Loans-Secured		
a. From Banks	66,02,93,876	80,18,93,925
b. From Govt. of Odisha	1,94,250	1,94,250
	66,04,88,126	80,20,88,175
2. Deferred Payment Liabilities	4,50,63,373	4,50,63,373
TOTAL (2.3)	70,55,51,499	84,71,51,548

Notes :

1. Term Loans - Secured		
a. From Banks		
i. Rupee/FCNR(B)/FCTL Term Loan	66,02,93,876	80,14,13,947
ii. Car Loan	–	4,79,978
	66,02,93,876	80,18,93,925
b. From Other Parties		
Govt. of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	66,04,88,126	80,20,88,175

Notes :

Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 16 quarterly instalments of ₹ 18,75,000/- each. Outstanding Rupee/FCNR(B) Term Loans are repayable in 22 quarterly instalments of ₹ 3,75,00,000/- each.

Outstanding Rupee Corporate Loan is repayable in 12 monthly instalments of ₹ 25,00,000/- each.

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March, 2012 in respect of these assets are as under :

Due	Total Minimum Lease payments outstanding as on 31st March, 2012	Interest Not Due	Present value of minimum Lease payments
Within one year	–	–	–
Last year	5,05,630	25,652	4,79,978
Later than one year and not later than five years	–	–	–
Last year	–	–	–
Total : Current Year	–	–	–
Total : Last Year	5,05,630	25,652	4,79,978

Nature of Security

For Government of Odisha - Subsidised Housing Scheme :

Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 Acres and Buildings and Structures constructed thereon.

For Modernisation cum Expansion Project :

Secured by first pari-passu charge inter-se by way of hypothecation of machinery and other fixed assets acquired or to be acquired out of the Term Loans from State Bank of Bikaner And Jaipur, State Bank of India and Indian Overseas Bank, the Term Lenders and equitable mortgage of all the piece and parcel of factory land and other land aggregating to 140.80 Acres (lease hold land measuring about 107.41 Acres and free hold land measuring about 33.39 Acres) (excluding Wind Mill Land and Wind Mill receivables) situated at Ganjam District, Kalyanpur, Kanchipur, Jarapadar at Jayshree Nagar where the

Notes to the Consolidated Balance Sheet

Company's registered office is located together with all buildings and structures, plant & machineries erected thereon, both present and future and second charge on the current assets of the Company.

Out of total land of 140.80 Acres leasehold land measuring 42.79 Acres is presently mortgaged with the Government of Odisha. The Company is to create equitable mortgage thereon in favour of Banks on release of charge by Government of Odisha. At present FDR of ₹ 10.86 Lacs equivalent to amount of dues of Government of Odisha are held under lien with State Bank of Bikaner and Jaipur and a mortgage on land purchased from OSFC measuring 2.40 Acres is to be created.

For Wind Mill Project :

Exclusively secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be purchased out of the term loans for the wind mill project at Bogampatti Village, Sular Taluk, Tirupur, Coimbatore and Wind Mill receivables in favour of State Bank of Bikaner And Jaipur (SBBJ) and Indian Overseas Bank (IOB) 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 in favour of SBBJ and IOB on pari-passu basis.

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2. Deferred Payment Liabilities		
Electricity Duty payable	4,50,63,373	4,50,63,373
TOTAL (2.3)	70,55,51,499	84,71,51,548
2.4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities (Net)	2,98,53,000	3,23,34,000
Notes :		
a. Deferred Tax Liabilities		
Depreciation	12,58,87,000	3,40,83,000
b. Deferred Tax Assets		
Carry forward business loss/depreciation	9,37,73,000	–
Expenses allowable against taxable income in future year	22,61,000	17,49,000
	9,60,34,000	17,49,000
TOTAL (2.4)	2,98,53,000	3,23,34,000
2.5 LONG TERM PROVISIONS		
Provision for Employees Benefit		
Leave Liability	48,31,331	46,09,496
TOTAL (2.5)	48,31,331	46,09,496

Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.6 SHORT TERM BORROWINGS		
a. Loan Repayable on Demand (Secured)		
From Banks		
i. Cash Credit A/c	9,50,89,485	2,98,05,747
ii. Term Loan	10,69,17,183	–
	20,20,06,668	2,98,05,747
b. Loan Repayable on Demand (Unsecured)		
From Bodies Corporate	20,90,00,000	11,75,00,000
TOTAL (2.6)	41,10,06,668	14,73,05,747

Notes :

For Short Term Borrowings :

Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stock-in-Process and book-debts by way of first charge on pari-pasu basis (except Wind Mill receivables) with other term lenders and second charge on entire fixed assets of the Company, both present and future.

2.7 TRADE PAYABLE		
a. MSME	2,23,997	1,89,605
b. Others	10,34,61,957	12,89,16,442
TOTAL (2.7)	10,36,85,954	12,91,06,047

Notes :

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2012 ₹ 2,23,997/- (₹ 1,89,605/-).

2.8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long term Borrowings	15,94,68,575	8,25,01,400
b. Interest Accrued But Not Due on Borrowings	25,21,799	22,22,419
c. Interest Accrued and Due on Borrowings	37,09,261	53,93,969
d. Unpaid Dividends	2,10,485	2,10,822
e. Others Payable		
i. Amount Payable to Employees	42,38,334	51,50,699
ii. Income Tax and Other Dues Payables to Govt. Dept.	61,65,790	77,14,104
iii. Provision for Expenses	2,69,18,684	10,60,85,290
iv. Other Payables	1,16,37,817	3,63,45,329
v. Advance from Customers	19,78,637	11,41,052
vi. Security Deposit from Parties	14,61,369	27,73,671
vii. Provision for Gratuity	47,90,261	1,05,09,517
	5,71,90,892	16,97,48,662
TOTAL (2.8)	22,31,01,012	26,00,77,272

2.9 SHORT TERM PROVISIONS		
a. Provision for Employees Benefit		
Leave Liability	9,85,366	6,55,815
b. Provision for Income Tax (Net of Advance)	300	2,42,645
TOTAL (2.9)	9,85,666	8,98,460

Notes to the Consolidated Balance Sheet

(Amount in ₹)

2.10 FIXED ASSETS AS AT 31ST MARCH, 2012

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on 01/04/2011	Additions during the year	Sales/ Discarded/ Adjustment of year	As on 31/03/2012	Deprecation Upto 31/03/2011	Deprecation For the 2011-12	Adjustment on Assets Sold/ Discarded	Total Depreciation	W.D.V. as on 31/03/2012	W.D.V. as on 31/03/2011
Tangible Assets										
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	4,525	-	1,38,532	1,39,057	1,43,582
Development of Site including Road	46,60,544	-	-	46,60,544	32,93,709	24,949	-	33,18,658	13,41,886	13,66,835
Buildings	28,51,03,860	1,16,13,059	-	29,67,16,919	81,72,037	96,12,727	-	1,77,84,764	27,89,32,155	27,69,31,823
Plant & Machinery	1,23,19,35,849	13,17,30,072	-	1,36,36,65,921	3,99,96,757	6,54,44,902	-	10,54,41,659	1,25,82,24,262	1,19,19,39,092
Railway Siding	15,59,968	-	-	15,59,968	8,41,958	1,10,071	-	9,52,029	6,07,939	7,18,010
Water Supply & Tube Well	18,70,751	64,585	-	19,35,336	11,95,694	51,074	-	12,46,768	6,88,568	6,75,057
Furniture & Fittings	36,04,489	1,76,310	-	37,80,799	21,01,344	3,85,013	-	24,86,357	12,94,442	15,03,145
Office Equipments	29,03,411	5,18,254	-	34,21,665	20,75,528	3,11,373	-	23,86,901	10,34,764	8,27,883
Electrical Installations	57,88,816	2,90,948	-	60,79,764	30,24,230	3,50,968	-	33,75,198	27,04,566	27,64,586
Motor Car & Vehicles	68,32,635	-	12,15,391	56,17,244	42,05,988	6,24,216	9,20,569	39,09,635	17,07,609	26,26,647
Laboratory Equipments	44,68,104	17,61,974	-	62,30,078	18,987	6,82,049	-	7,01,036	55,29,042	44,49,117
Handling Equipments	4,94,84,619	1,22,53,598	45,46,728	5,71,91,489	2,57,58,301	31,08,780	44,46,118	2,44,20,963	3,27,70,526	2,37,26,318
	1,60,11,32,284	15,84,08,800	57,62,119	1,75,37,78,965	9,08,18,540	8,07,10,647	53,66,687	16,61,62,500	1,58,76,16,465	1,51,03,13,744
Intangible Assets										
Computer Software	-	4,44,680	-	4,44,680	-	3,888	-	3,888	4,40,792	-
	1,60,11,32,284	15,88,53,480	57,62,119	1,75,42,23,645	9,08,18,540	8,07,14,535	53,66,687	16,61,66,388	1,58,80,57,257	1,51,03,13,744
Fixed Assets Held for Disposal	15,44,64,472	-	15,44,64,472	-	12,34,81,928	-	12,34,81,928	-	-	3,09,82,544
TOTAL (2.10)	1,75,55,96,756	15,88,53,480	16,02,26,591	1,75,42,23,645	21,43,00,468	8,07,14,535	12,88,48,615	16,61,66,388	1,58,80,57,257	1,54,12,96,288
Previous Year Figure	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	4,15,837	21,43,00,468	1,54,12,96,288	-

Notes :

- The Company has capitalized ₹ 4,87,15,125/- (₹ NIL), being the exchange differences arising on long term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, as per Notification No.G.S.R.225(E) Dt.31st March, 2009 (as amended), issued by the Ministry of Corporate Affairs.
- In the current financial year the Company has capitalised interest amounting to ₹ 1,00,93,691/- on qualifying assets as per AS -16 "Borrowing Costs".
- There is no impairment of Assets during the year and therefore no adjustment has been made thereof.

Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.11 LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
a. Capital Advances	59,87,184	–
b. Security Deposit	7,56,26,464	7,70,90,318
c. Prepaid Expenses	–	43,397
d. Advance to Parties	1,00,000	17,54,469
e. Claim Recoverable	–	3,14,900
f. Deposit with Sales Tax	21,97,826	26,36,845
TOTAL (2.11)	8,39,11,474	8,18,39,929

2.12 OTHER NON-CURRENT ASSETS		
Others-Preliminary and Pre-operative Expenses	78,26,052	63,05,151
TOTAL (2.12)	78,26,052	63,05,151

2.13 INVENTORIES		
a. Raw Materials	2,80,67,420	2,05,28,234
b. Work-in-Progress	23,43,846	28,42,224
c. Finished Goods	50,27,938	93,50,985
d. Stores and Spares	2,47,58,332	94,98,452
TOTAL (2.13)	6,01,97,536	4,22,19,895

Notes :

Inventories are valued at cost or net realisable value, whichever is lower.

2.14 TRADE RECEIVABLE		
(Unsecured considered good)		
a. More than 6 Months from the due date	3,23,48,724	10,82,11,034
b. Others	12,82,66,637	24,76,212
TOTAL (2.14)	16,06,15,361	11,06,87,246

Notes :

In the opinion of the management the amounts are good and realisable.

Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2012	As at 31/03/2011
2.15 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks :		
- In Current Account	31,10,537	2,19,62,632
ii. Cash-on-Hand	1,98,694	4,40,871
	33,09,231	2,24,03,503
b. Others		
i. Unpaid Dividend A/c	2,10,485	2,10,822
ii. Special Term Deposit/Margin Money with Banks	4,56,88,351	26,43,363
	4,58,98,836	28,54,185
TOTAL (2.15)	4,92,08,067	2,52,57,688

2.16 SHORT TERM LOANS & ADVANCES		
(Unsecured considered good)		
a. Advance to Employees	7,80,795	4,11,320
b. Other Recoverable Advances	49,74,313	60,33,251
c. Balances with Excise Dept. and other Govt. Dept.	65,24,357	7,46,95,324
d. Advance to Parties	2,06,94,731	1,43,71,108
e. Prepaid Expenses	42,07,090	17,91,107
f. Deposit with I.Tax Dept. (Against Demand)	15,00,000	15,00,000
g. Advance Income Tax	37,81,865	3,299
TOTAL (2.16)	4,24,63,151	9,88,05,409

2.17 OTHER CURRENT ASSETS		
Interest accrued and due on Deposit	59,46,045	31,99,950
TOTAL (2.17)	59,46,045	31,99,950

Notes :

In the opinion of the management the amounts are good and realisable.

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.18 OTHER INCOME		
a. Interest		
From Bank	23,91,580	41,15,621
From Subsidiary	–	–
From Other	43,27,391	–
	67,18,971	41,15,621
b. Other non-operating income		
1. Liabilities no longer required written back	2,16,62,186	3,15,815
2. Net Profit on sale of fixed/discarded assets	4,44,80,056	–
3. Miscellaneous Receipts	80,27,230	8,53,81,264
TOTAL (2.18)	8,08,88,443	8,98,12,700
Notes :		
1. Gross Interest includes TDS ₹ 6,65,383/- (₹ 5,25,420/-)		
2. Profit on sale of fixed/discarded assets		
Profit	(7,56,10,007)	–
Loss	3,11,29,951	–
	(4,44,80,056)	–
2.19 COST OF MATERIALS CONSUMED		
(Including own production)		
a. Opening Stock of Raw Materials	2,05,28,234	8,25,139
b. Add : Raw Materials Purchased	25,34,73,451	3,84,40,098
	27,40,01,685	3,92,65,237
c. Less : Closing Stock of Raw Materials	2,33,07,415	–
TOTAL (2.19)	25,06,94,269	3,92,65,237

Notes :

Cost of Materials Consumed includes employee benefits expenses ₹ 28,42,736/- (₹ 28,23,633), Power & Fuel ₹ 8,87,028/- (₹ 6,14,090/-), Repairs & Maintenance ₹ 17,14,183/- (₹ 21,85,922/-), Insurance ₹ 7,351/- (₹ 7,530/-) and Rates & Taxes ₹ 2,58,627/- (₹ 2,27,179/-).

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.20 CHANGES IN INVENTORIES		
a. Opening Inventories		
1. Finished Goods	93,50,985	1,33,11,494
2. Work-in-Progress	28,42,224	9,25,195
	1,21,93,209	1,42,36,689
b. Less : Closing Inventories		
1. Finished Goods	50,27,938	7,61,275
2. Work-in-Progress	23,43,846	–
	73,71,784	7,61,275
(Increase) / Decrease in Inventories	48,21,425	1,34,75,414

Note :

The Company has changed its accounting policy on valuation of finished goods from FIFO method to weighted average method. However, the change of method in valuation has no material impact on the financial results.

2.21 EMPLOYEES BENEFIT EXPENSES		
a. Salaries and Wages	7,49,13,467	4,03,81,768
b. Contribution to provident and other funds (Including Admn. Charges)	1,69,03,040	1,28,17,736
c. Staff Welfare Expenses	1,52,40,400	91,98,179
TOTAL (2.21)	10,70,56,907	6,23,97,683
Note :		
i. Employees Benefit Expenses includes		
Provision for Gratuity	47,90,261	1,05,09,517
Provision for Leave Encashment	12,07,201	19,57,356
	59,97,462	1,24,66,873

ii. Employees Benefit Expenses includes managerial remuneration ₹ 51,10,220/- (₹ 32,64,175/-).

2.22 FINANCE COST		
a. Interest Expenses		
Bank	8,43,24,475	69,08,829
Others	1,34,14,103	10,83,196
	9,77,38,578	79,92,025
b. Other Borrowing Costs	2,03,41,827	7,04,639
TOTAL (2.22)	11,80,80,405	86,96,664

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.23 OTHER EXPENSES		
a. Consumption of stores and spares part	91,39,384	51,48,481
b. Rent (Net)	5,44,000	4,25,651
c. Transportation Charges(Net)	38,28,225	22,86,634
d. Repairs & Maintenance	2,41,19,759	1,91,15,100
i) Buildings	38,57,480	26,30,960
ii) Plants & Machineries	93,09,971	69,86,195
iii) Others	1,09,52,308	94,97,945
e. Insurance	97,231	5,33,805
f. Rates and Taxes	4,698	8,50,909
g. Travelling & Vehicles Expenses	39,27,220	48,91,050
h. Legal Expenses	30,000	8,15,515
i. TDS Writtten off	–	55,591
j. Bad Debts Written Off	1,71,246	–
k. Loss on Sale of Fixed Assets (Net)	–	–
l. Net gain or loss on foreign currency translation	–	4,62,356
m. Difference of excise duty on opening/closing of finished goods stocks	(2,21,283)	(12,70,223)
n. Director's Sitting Fees	2,20,000	1,60,000
o. Payments to the Auditor	2,96,000	2,47,815
p. CSR Expenses	21,49,328	15,46,564
q. Miscellaneous Expenses	3,48,97,446	91,22,154
TOTAL (2.23)	7,92,03,254	4,43,91,402
Notes :		
1. Rent (Net)		
Rent Paid	7,02,616	5,41,800
Rent Received	(1,58,616)	(1,16,149)
	5,44,000	4,25,651
2. Transportation Charges (Net)		
Paid	11,37,11,196	2,78,43,857
Realised	(10,98,82,971)	(2,55,57,223)
	38,28,225	22,86,634
3. Repairs & Maintenance includes consumption of stores and spares part ₹ 1,22,55,983/- (₹ 81,30,626/-).		
4. Payments to the Auditor		
a. Auditors' Remuneration	1,05,000	1,05,000
b. For Taxation Matters	40,000	40,000
c. For Company Law Matters	–	–
d. For Management Services	–	–
e. For Other Services	79,000	66,500
f. For Re-imbusement of Expenses	52,000	16,315
g. Payment to Cost Auditor	20,000	20,000
	2,96,000	2,47,815

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
5. Net gain or loss on foreign currency translation		
Loss on foreign currency translation	-	1,19,22,772
Gain on foreign currency translation	-	1,14,60,416
	-	4,62,356

6. CSR expenses includes Donation of ₹ 5,06,000/- (₹ 4,90,000/-).

2.24 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 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 date on which investments have 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.

(Amount in ₹)

Particulars	Year ended 31/03/2012	Year ended 31/03/2011
2.25 CONTINGENT LIABILITIES AND COMMITMENTS		
a. Contingent Liabilities		
Claims against the Company not Acknowledge as Debt (net of deposit)		
i) Sales Tax Demand under Appeals	45,98,885	47,95,651
ii) Income Tax Demand under Appeals	2,23,629	34,44,730
iii) Others	3,05,91,802	2,29,93,751
	3,54,14,316	3,12,34,132
Guarantees	5,40,34,790	1,23,04,216
	8,94,49,106	4,35,38,348
b. Commitments		
Outstanding Estimated Capital Commitment(Net of Advances)	67,83,451	82,46,93,774
Other commitment	-	-

Notes to the Consolidated Accounts

2.26 SEGMENT REPORTING

Business Segment	Amount (₹)				Amount (₹)			
	As on 31/03/12				As on 31/03/11			
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	1,12,34,77,183	85,93,257	-	1,13,20,70,440	28,17,21,532	93,37,920	-	29,10,59,452
Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	1,12,34,77,183	85,93,257	-	1,13,20,70,440	28,17,21,532	93,37,920	-	29,10,59,452
Results								
Segment Results	11,39,27,049	40,03,633	(12,85,592)	11,66,45,090	1,50,40,009	51,68,239	(13,49,310)	1,88,58,938
Un-allocated Expenses	-	-	-	-	-	-	-	-
Operating Profit	-	-	-	11,66,45,090	-	-	-	1,88,58,938
Interest Expenses	-	-	-	11,80,80,405	-	-	-	86,96,664
Interest Income	-	-	-	67,93,873	-	-	-	40,89,097
Income Taxes	-	-	-	(24,81,000)	-	-	-	34,84,215
Profit from ordinary Activities	-	-	-	78,39,558	-	-	-	1,07,67,156
Extra-ordinary items	-	-	-	-	-	-	-	-
Net Profit	-	-	-	78,39,558	-	-	-	1,07,67,156
Business Segment								
Other Information								
Segment Assets	1,92,72,27,891	5,71,57,522	49,776	1,98,44,35,189	1,83,31,05,187	6,79,28,596	92,615	1,90,11,26,398
Un-allocated Assets	-	-	-	1,44,46,847	-	-	-	3,24,43,151
Total Assets	-	-	-	1,99,88,82,035	-	-	-	1,93,35,69,549
Segment Liabilities	32,45,04,215	79,20,786	2,370	33,24,27,371	35,09,44,228	5,27,870	27,877	35,14,99,975
Un-allocated Liabilities	-	-	-	1,66,64,54,664	-	-	-	1,06,98,65,636
Total Liabilities	-	-	-	1,99,88,82,035	-	-	-	1,42,13,65,611
Capital Expenditure	-	-	-	13,55,24,774	-	-	-	1,16,40,27,696
Depreciation	-	-	-	8,07,14,535	-	-	-	1,59,50,359
Non-cash Expenses other than depreciation	-	-	-	-	-	-	-	55,591

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.

Notes to the Consolidated Accounts

2.27 RELATED PARTY DISCLOSURE

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

Name of the related party	Relationship
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
Orbit Udyog Pvt. Ltd.	Control of KMP
The Indra Company Ltd.	Control of KMP
Veer Enterprises Ltd.	Control of KMP
Virendra Bangur	Managing Director
P N Ojha (Appointed W.E.F 17/08/2011)	Executive Director
D. K. Maheshwari (Upto 31/03/2011)	Executive Director
Bharti Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel

B) Related Party transactions are as follows :

(Amount in ₹)

Nature of Transactions	2011-12	2010-11
Rent Received from The West Coast Paper Mills Ltd.	1,58,616	1,59,000
Sale of goods to The West Coast Paper Mills Ltd.	1,30,426	–
Purchases of capital Goods from Gloster Cables Ltd.	–	1,83,09,000
Rent & Service Charges paid - Veer Enterprises Ltd.	5,20,000	–
Rent & Service Charges paid - Fort Gloster Industries Ltd.	24,000	72,000
Donation paid - Shree Ram Trust, Kolkata	4,00,000	4,00,000
Loan Received from Veer Enterprises Ltd.	12,00,000	–
Loan repayment to Veer Enterprises Ltd.	(12,00,000)	–
Interest paid to Veer Enterprises Ltd.	1,052	–
Loan Received from Orbit Udyog Pvt. Ltd.	1,19,00,000	–
Loan repayment to Orbit Udyog Pvt. Ltd.	(1,19,00,000)	–
Interest paid to Orbit Udyog Pvt. Ltd.	34,981	–
Loan Received from The Indra Company Ltd.	9,00,000	–
Loan repayment to The Indra Company Ltd.	(9,00,000)	–
Interest paid to The Indra Company Ltd.	789	–
Remuneration paid to Virendra Bangur	35,07,000	13,52,753
Remuneration paid to P.N. Ojha	16,03,220	–
Remuneration paid to D. K. Maheshwari	–	19,11,422
Remuneration paid to Bharti Bangur	5,54,997	5,06,000
C) Details of Outstanding Payment to related party		
The West Coast Paper Mills Ltd.	1,30,426	(14,000)

Notes to the Consolidated Accounts

2.28 The Company has changed its accounting policy on valuation of finished goods from FIFO method to Weighted Average method. However, the change of method in valuation has no material impact on the financial results.

2.29 BASIS OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER

(Amount in ₹)

Particulars	31st March, 2012	31st March, 2011
Profit after Tax	77,58,851	1,07,76,178
Weighted average number of Equity Shares	2,93,26,457	2,93,26,457
Basic and Diluted Earnings Per Share	0.26	0.37
Nominal Value of Share (Par Value)	10	10

2.30 The corresponding figures of the previous financial year are not comparable with those of the current financial year, as the company has Commenced Commercial Production of 152 MTPD Membrane Cell Technology based Plant from 1st April,2011 whereas the capacity of Mercury Cell based Plant was 65 MTPD.

2.31 Figures in bracket represent amount related to previous year.

2.32 Previous year`s figures have been re-arranged/re-grouped wherever necessary.

Signature to Note No. 1 & 2.

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

6C, Middleton Street

Kolkata - 700 071

16th May, 2012

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

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 Prabhu Nath Ojha

Executive Director

Company Secretary

Shri Manish Tiwari

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. Jaysree - 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

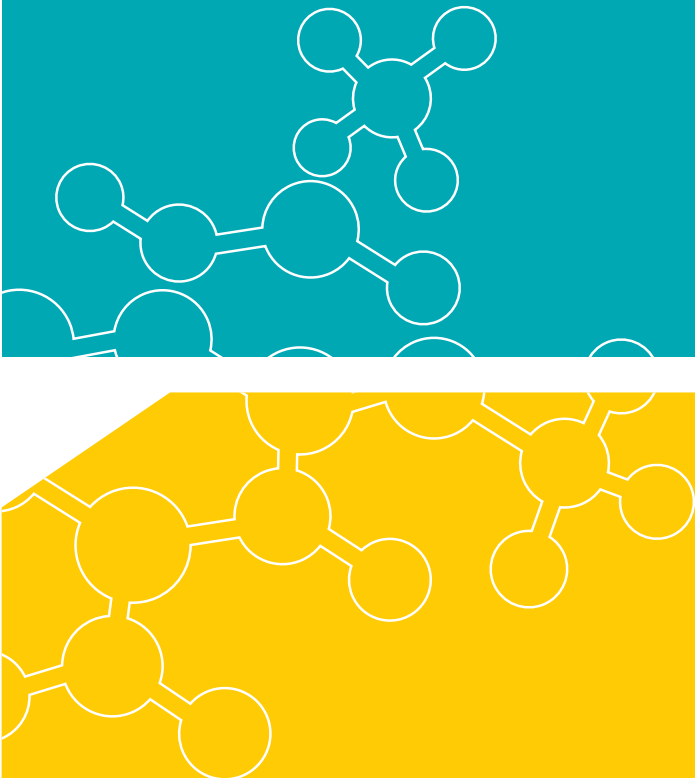
Phone : (033) 2235 7270-71

Fax : (033) 2215 6823

E-mail : nichetechpl@nichetechpl.com



www.jayshreechemicals.com





JAYSHREE CHEMICALS LIMITED

Registered Office : P. O. Jayshree - 761 025

District : Ganjam (Odisha)

NOTICE

NOTICE is hereby given that the 50th Annual General Meeting of the Company will be held at its Registered Office at P.O. Jayshree - 761 025 District Ganjam, Odisha on Saturday, the 4th August, 2012 at 3 P.M. to transact the following business :

1. To receive and adopt the Profit & Loss Account of the Company for the year ended 31st March, 2012 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 Smt. Sindhubala Choudhury, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint a Director in place of Shri Prabir Chakravarti, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

Special Business

To consider and if thought fit to pass, with or without modifications, the following Resolution which will be proposed as an Ordinary Resolution :

5. "Resolved that Shri Prabu Nath Ojha be and is hereby appointed as a Director of the Company."

By Order of the Board

Kolkata,
Date : 17th May, 2012

Manish Tiwari
Company Secretary

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) Explanatory Statement pursuant to the requirements of Section 173(2) of the Companies Act, 1956 relating to the item of Special Business is annexed.
- iii) The Register of Members and the Share Transfer Books of the Company will remain closed from 30th July, 2012 to 4th August, 2012 both days inclusive.
- iv) 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.
- v) 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.
- vi) 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.

- vii) 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.
- viii) 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.
- ix) The Company is concerned about the environment. The Ministry of Corporate Affairs (MCA), Government of India, through its Circular No. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its Green Initiative.

Accordingly, we propose to send annual report and other documents to the email address provided by you to your Depository Participant / Registrar of the Company viz. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B. R. B. Basu Road, Kolkata - 700 001.

We request you to update your email address with your Depository Participant / Registrar to ensure that the annual report and other documents reach you on your preferred email.

- x) In terms of Clause 49 of the Listing Agreement, the information pertaining to the Directors, who retire by rotation and one additional Director, who holds office upto the ensuing Annual General Meeting of the Company and are proposed to be re-appointed / appointed, is given below :-

A. Directors retiring by rotation

- a) Smt. Sindhubala Choudhury, who is about 59 years of age, is a Director of the Company, representing Life Insurance Corporation of India (LIC) on the Board of Directors of the Company, since 29th May, 2010. Smt. Choudhury, who is Director Management Development Centre of LIC, is a Post Graduate in Sociology and Labour Welfare and holds Post Graduate Diploma in Human Resource Management. She is Member of the Audit Committee; Remuneration Committee; and Investors' Grievance Committee of the Board of Directors of the Company.

Smt. Choudhury does not hold any Share in the Company and is not related to any Director of the Company.

- b) Shri Prabir Chakravarti, who is about 68 years of age, is a Director of the Company since 29th July, 2002. He is M.A. (Economics) and a law graduate from Calcutta University. He did his MBA from Queens University, Belfast in United Kingdom. Shri Chakravarti has wide experience of various industries. He is a Past President of All India Organisation of Employers, New Delhi, Bharat Chamber of Commerce, Calcutta Club Ltd. and the Rotary Club of Calcutta. He was District Governor 2004-05 of Rotary International District 3290.

Shri Chakravarti has been a member of various standing committees established by the Government of India, Ministry of Labour. He has represented the Employers, both as a leader and a member of various delegations in India and abroad. He has served as a Trustee of Regional Provident Fund Commission, West Bengal, Sikkim and Andaman & Nicobar Islands and also as a member of the State Labour Standing Committee of West Bengal. He is a Member of the Governing Body of Indian Institute of Social Welfare and Business Management.

Shri Chakravarti is a Director of Baghmari Tea Company Ltd., Nicco Financial Services Ltd., Reliance Jute Mills (International) Ltd., Vidula Consultancy Services Ltd., BNK Capital Markets Ltd., Nicco Corporation Ltd., Jayshree Chemicals Ltd., Sri Girija Prasanna Cotton Mills Ltd., Mangalam Timber Products Ltd., Bally Investment Trust Private Ltd. and Carumaco Private Limited. He is a Member of various Committees of the Board of Directors of the following companies :

Name of Company	Nature of Committee
BNK Capital Markets Ltd.	Audit Committee
Nicco Corporation Ltd.	Audit Committee Compensation & Remuneration Committee
Jayshree Chemicals Ltd.	Audit Committee Remuneration Committee

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

B. Additional Director

The necessary information in respect of Shri Prabhu Nath Ojha, the additional Director, who is proposed to be appointed as a Director of the Company, is given in the Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item 5

Pursuant to Article 95 of the Company's Articles of Association, the Board of Directors of the Company ('the Board') at its Meeting held on 12th August, 2011 appointed Shri Prabu Nath Ojha as an additional Director of the Company, with effect from the 17th August, 2011 to hold office as such additional Director upto the date of the ensuing Annual General Meeting of the Company. Shri Ojha was also appointed as Wholetime Director designated as the Executive Director of the Company for a period of three years with effect from the said date.

The Company has received a notice in writing from a member in terms of Section 257 of the Companies Act, 1956 ('the Act') signifying its intention to propose the appointment of Shri Ojha as a Director of the Company.

Shri Prabhu Nath Ojha, who is about 65 years of age, is a Bachelor of Chemical Engineering from Jadavpur University, Kolkata and has more than 41 years of experience in chemical/process industries and power plants in many companies in various capacities.

Shri Ojha is the recipient of various awards. He is a Life Member of the Indian Institute of Directors; a Member of American Institute of Chemical Engineers; Indian Institute of Chemical Engineers; and Institution of Engineers (India) & Charter Engineer. Shri Ojha is an active Rotarian.

Shri Ojha is also on the Board of Directors of PCAS Exim Private Limited and Bangur Exim Private Limited. He is a Member of the Investors Grievance Committee of the Board of Directors of the Company. Shri Ojha does not hold any Share in the Company in his own name. However, his wife Smt. Prabha Ojha holds 4,500 Equity Shares of the Company.

Shri Ojha is not related to any Director of the Company.

The Ordinary Resolution set out in Item 5 of the convening Notice has to be considered accordingly and the Board recommends the same.

No Director of the Company except Shri Prabu Nath Ojha is interested or concerned in the Resolution.



JAYSHREE CHEMICALS LIMITED

Registered Office : P. O. Jayshree - 761 025
District : Ganjam (Odisha)

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 50th Annual General Meeting of the Company to be held at its Registered Office on Saturday, the 4th August, 2012 at 3 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____

Affix
Revenue
Stamp

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 (Odisha) 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.