



JAYSHREE CHEMICALS LIMITED

ANNUAL REPORT 2012-13



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.

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At Jayshree Chemicals Limited, we always believe that

Change is continuous.

Since the beginning of our commercial production, we have always aspired to move ahead by strengthening our Core - Growth, Stakeholders value creation and Sustainability.

As newer realities emerge with quicker speed, there is a growing need to adapt. We are going to make new headwinds through our constant focus on achieving the scale of production to the maximum level, by innovating newer techniques to reduce operational costs, develop skilled human assets and achieve environmental compliances.

The various content of this annual report foresee the management's rationale about building a stronger platform for sustainable growth into the Chlor-Alkali Industry in Eastern India.





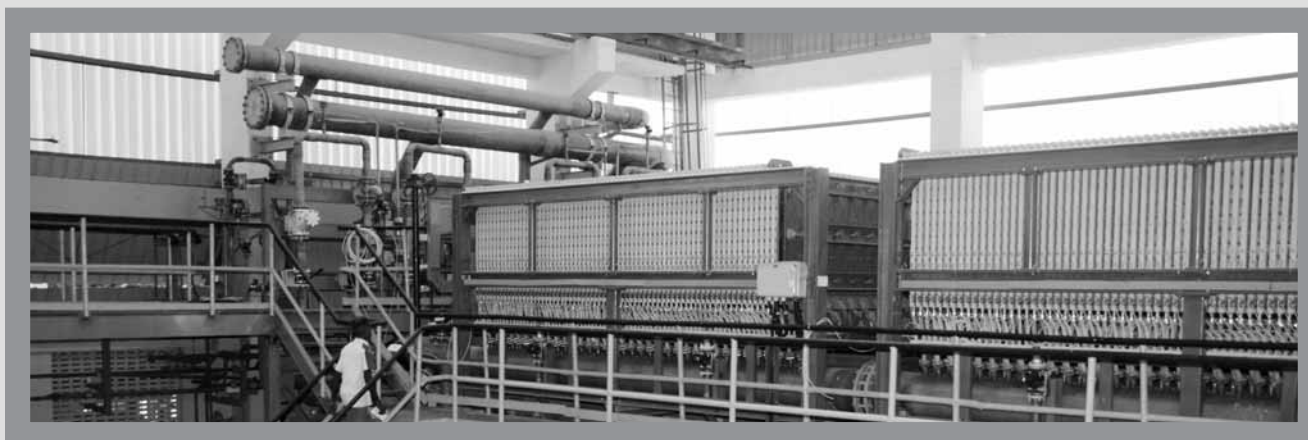
Jayshree Chemicals Limited is one of the oldest producers of Chlor-Alkali Chemicals in Eastern India. The product portfolio of the Company comprises of 4 products - Caustic Soda Lye, Liquid Chlorine, HydroChloric Acid and Sodium Hypochlorite.

These products service the growing needs and demand coming out of the basic industries especially from Alumina, Paper, Power, Pharma, Textile, Chemical, Soap and Detergent industries.

The Company has also extended its presence in wind power generation.

The Company also have an international trading division in Kolkata.

The Company is a clear proxy of the growth coming out from the chlor-alkali chemicals industry in India.



Few words on JCL

Jayshree Chemicals Limited is a part of the Kolkata based S. K. Bangur group. Incorporated as a Public Limited Company in 1962 in the State of West Bengal, the Company started commercial production during 1967 for manufacturing Caustic Soda Lye through Mercury Cell Technology. During the year 2011-12, the Company converted its existing production facility to the environment friendly Membrane Cell Technology.

JCL facts

- Incorporated as a **Public Limited Company** in 1962 in the state of West Bengal.
- Pioneers in the production of **Chlor-Alkali Chemicals** (Caustic Soda, Liquid Chlorine, Hydro-Chloric Acid and Sodium Hypochlorite) since 1967 in the state of Odisha.
- Shares listed at the **Bombay Stock Exchange**.
- An **ISO 9001:2008** and **ISO 14001:2004** certified Company.
- Stringent quality, regulatory and compliance standards.
- More than 10 brand enhancing clients.
- Rich talent pool of 354 employees.
- Experienced and professional management team.

Vision

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

Values

Excellence : Strive relentlessly and constantly improve ourselves in our offerings.

Integrity : Conduct our business fairly with "total" honesty and transparency.

Responsible : For our words and actions.

Respect : For our stakeholders, environment and community.

Achieved a
Turnover of
₹ 136.26
Crores

Caustic Soda
production
stood at
49,785 M.T.

Liquid Chlorine
production
stood at
33,248 M.T.

Hydro-Chloric
Acid production
stood at
34,316 M.T.

Sodium
Hypochlorite
production
stood at
4,643 M.T.

Wind Power
generation
stood at
30,16,294 KwH.

Change is continuous

and so in our existence of 46 years, we have emerged as one of the biggest Chlor-Alkali Chemical producers in Eastern India.

Despite all odds, we have not only moved ahead with our vigour towards converting the whole manufacturing facility from Mercury Cell Technology to the environment friendly Membrane Cell Technology but our Sales have also grown from ₹ 52.64 Crores in 2007-08 to ₹ 136.26 Crores in 2012-13.





Initiatives

Jayshree Chemicals Limited has been growing steadily through its initiatives aimed at achieving the cent-percent utilisation of its installed capacity. Being the largest producer of Chlor-Alkali Chemicals in the State of Odisha, where many Alumina, Paper, Pharma, Power, Textile and Chemical industries have been making inroads, the timely initiatives by the Company through pro-active investments and capacity upgradation, has helped it to create a foundation for robust sustainable growth.

Utilisation

The Company commissioned its upgraded manufacturing facility in one of the lowest commissioning tenures in Indian Chlor-Alkali Industry. Besides, even during a challenging year of 2012-13, the Company has reported an increased capacity utilisation of 93.58%.

Integration

Over the years, the biggest advantage for the Company has been to source its major raw material - industrial salt, from the coastal areas of Odisha and Gujarat. To mitigate any impact of industry downturns the Company has further integrated and has started procuring salt from Andhra



Pradesh and Tamil Nadu. This effort is going to benefit the Company with round-the-clock raw material availability at lower costs and consistent high quality, translating into superior end product quality.

Results

The Company grew its gross revenue by 20.20% in 2012-13. Although the Net Profit after Tax was on the flip side due to higher raw material, power and finance cost but we are quite optimistic about the greener side of our future, where the demand for our products would not only boost our sales in the State of Odisha, but we are also expecting demand emerging from the neighboring states too.

It is this ability to plug downstream needs with enduring products, services and solutions, which will drive growth from this point onwards.

Change is continuous

and so in our existence of 46 years, we have strengthened our customers business.

During the face of any challenging times we have always responded by going back to our clients to appraise their business opportunities and appetite. With that we not only satisfied the needs and thirst of our clients, but we also went on to add newer clients; thereby improving our capacity utilisation to 93.58%.



We do not just see ourselves as a supplier; we also see ourselves as a critical partner in the supply chain of our customers. As a result, we not only consider it important to manufacture products with high quality standards, but we also give equal importance to invest in cutting-edge technologies. A comprehensive checking of quality parameters always ensure that the end product manufactured, meets the customer requirement and satisfaction, thereby helping the customer to enhance their product quality. The strong & disciplined team in our laboratory provide us with a distinctive edge against our peers. The Company possesses the prestigious ISO 9001:2008 and ISO 14001:2004 certifications.

The Company has also been carrying out various R&D activities, not only to improve production capacity but also to improve the end product quality. In view of that following initiatives had been carried out by the Company:

- a) Increasing life of the Membrane by maintaining the TOC below standard level.
- b) Using the RO reject water for floor washing, lime solution preparation and as toilet & fire hydrants, thereby resulting in raw water consumption reduction from 10.0M³/MT of caustic soda production to 8.5 M³/MT of caustic soda production.
- c) Reducing the cellulose consumption by increase of filtration cycle, the Company is maintaining the stand-by Filter in wet condition by filling with DM water, thereby resulting in the Cellulose consumption from 0.120 KG/MT of caustic soda production to 0.060 Kg/MT of caustic soda production.
- d) The operational team of the Company have continuously worked to reduce the power consumption and energy inputs in various sections of the plant and reduced the same to the guaranteed parameters.



The efforts of the Company have been recognized by The Indian Chemical Council by awarding the "ICC Certificate of Merit" to the Company for excellence in Energy Conservation and Management

Change is continuous

and so in our existence of 46 years, we have always recognized that the difference between companies comes through innovative leaders and social bonding.

Revenue generated
per employee stood
at ₹ 43.48 Lacs.

Human Resource development

We are always inspired to look more closely at the human capabilities that strengthen our businesses. The human resource policy empowers our people and helps build a culture of transparency & ownership.

We recognise that the way we recruit, where we recruit from, who we recruit and how we train and retain, influence our competitive advantage. The Company is strengthening its organisation through the following initiatives :

- a) Recruiting the best available talent from local institutions and colleges, as well as inducting experienced industry hands in senior positions.
- b) Creating an environment of excellence.
- c) Inspiring the people to perform better.
- d) Providing periodic training in technologies and workplace practices to enhance skills and competencies.
- e) Strengthening a sense of professionalism through the absorption of industry best practices.
- f) Sending employees to various seminars to enhance their exposure and insight.
- g) Regularly organizing open forums to discuss issues with employees.
- h) Development of staff colony and providing them with recreational facilities at subsidized rates, annual get-together and free health check-up camps for the employees.

Corporate Social Responsibility

At Jayshree Chemicals Limited we believe in the philosophy of "Serving Society through Industry" and we continue to





ensure effective corporate social responsibility (CSR) in every moment of life in harmony with nature to create value for ourselves, our stakeholders and the society.

We are committed to :

- a) Enhance health and education awareness.
- b) Understand, support and develop the communities and the cultures within which we operate and work.
- c) Protect the environment and ensure safety of the people connected with the Company and the surroundings.

In consonance with the spirit of above commitments, following CSR activities have been undertaken by the Company :

Health

Jayshree Chemicals have launched various healthcare initiatives towards the welfare for the staff and their family members as well as for the people staying in the nearby village. The Company has setup a free Homeopathy Clinic at Ganjam town which provides basic medical assistance to the needy. A dedicated clinic has also been setup inside the plant which provides basic first-aid assistance to the employees in case of any emergency. The Company also provides first-aid training sessions to its employees. The Company also provides with periodical medical-checkups for its employees. The Company is also organising health & eye checkup camps for weaker section of the society.

Safety

The Company always follows "safety-a-must" etho at its manufacturing facility. The areas inside the plant are properly illuminated to avert any accidents. The Company regularly conducts mock-drill rehearsals for any emergency including

chlorine handling workshop. The Company observes Fire Services Day on 14th April of each year, where training is imparted to the employees for any emergency related to fire and the usage of fire extinguishers & other safety apparatuses. The Company also observes National Safety Day on 4th March of each year.

Clean and green environment

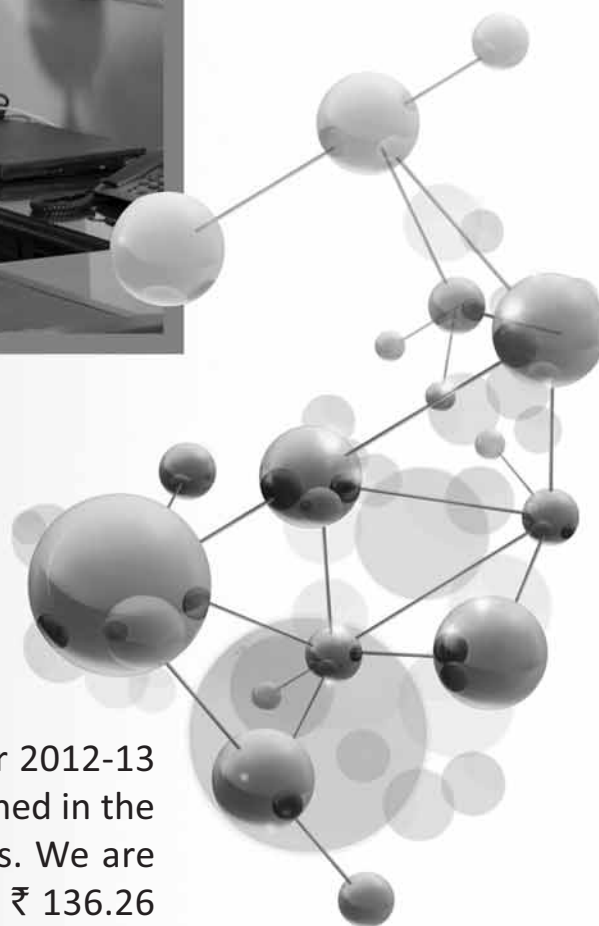
In order to keep the environment clean, the Company has taken initiatives like plantation of trees in and outside the plant premises for ecological upgradation. The Company also focuses on the optimum usage of water through the reuse and recycle of the water. The Company also focuses on the treatment and recycle of the effluent generated from the regular plant activities. Every year the Company celebrates World Environment Day on 5th June.

Education & staff welfare

The Company has setup staff colony with a Balaji Temple in the premises of the colony for the employees. The Company also maintains a garden near the Balaji Temple where the children as well as the employee's family members comes for various recreational activities. The Company also maintains and run "Jayshree Chemicals School" which takes care of the education of the children of the staff members and the people staying in vicinity of the plant. "Anand Ladies Club" a body maintained by the spouses of the staff members is also engaged in various social activities and in consultation with the management of the Company, they donate clothes and books to the needy.

Jayshree Chemicals Limited is fully committed towards its social responsibilities and is contributing effectively to facilitate value creation in various areas of the society.

Chairman's Overview



Dear Shareholders,

Our performance during the Financial Year 2012-13 may not be encouraging, but all this happened in the backdrop of challenging market conditions. We are pleased to report a healthy Sales figure of ₹ 136.26 Crores. The Caustic Soda production and Wind Power generation also zoomed significantly. Now begins the crucial lap of the journey which is expected us to take to newer orbits of green growth.

Market scenario

From quite some time the Indian economy had consistently been an area of concern. Economic growth on an overall basis plunged to 9 years of lowest records, setting-off heated debates and arguments among policy makers and business leaders for the way ahead. A deeper look on this grim situation, gives us the exact realistic idea for such a dismal economic situation. Sluggish investments, policy inertia, persistent inflation, growing fiscal deficit, weakening rupee, global volatilities and so on. As a result, businesses are finding hard to assess and mitigate risks, realize their true potential and create value for stakeholders.

Outlook for the Financial Year 2013-14 for the Indian economy seems to be cautiously optimistic. The recent moderation in global commodity prices is expected to augur well for both inflation and CAD. Additionally, the governments continued commitment towards fiscal and administrative reforms, alongwith expeditious execution, are bound to improve further growth prospects. All this is expected to usher a sustainable turnaround for the Indian economy in the Financial Year 2013-14.

Performance overview

The performance made by the Company had not really been encouraging and appealing. In the backdrop of a challenging market scenario, we tried hard to give something positive and the result had been with a growth in our Sales figure but the dampening part was our Profit which was on the lower side due to rising power tariff as well as the finance cost. We are defeating expected and unexpected changes affecting our business operations, by implementing stable strategies and embracing agility. We thus continue to be one of the leading producers of Chlor-Alkali Chemicals in Eastern India.

To tide over the challenges the Company is trying to achieve cent-percent capacity utilisation, alongwith controlling costs through new techniques, growing market share by moving ahead into newer domestic geographies. The Company is also evaluating the feasibility of adding new

by-products of Chlorine for value addition and also ensuring the expansion of the plant in near future.

Sound Corporate Governance

We are committed to high standards in corporate governance and aim to implement best practices beyond compliance requirements.

Our Board currently comprises of eight directors, including a majority of independent directors with varied expertise. The Company has also adopted various measures for a cordial working relation between the workers and the management. 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.

Corporate Social Responsibility

As a socially responsible citizen, we have made significant steps to uplift the morale of the communities in the vicinity of our plant. Our effort involves a free homeopathy clinic, "Jayshree Chemicals School" maintained by the Company, various greening activities around the plant as well as donation of books and clothes in association with the "Anand Ladies Club".

Safety is also accorded the utmost priority at our Company. Through our continuous effort and dedication, the year didn't report a "single" accident.

Way forward

I am grateful to the management team for their wise counsel and enthusiastic participation in our journey. Thanks to all members of the Jayshree Chemicals Limited family for their heart-warming encouragement and support.

We are fully geared for a sustainable green growth in the years to come.

Best wishes,
S K Bangur

Notice

NOTICE is hereby given that the 51st Annual General Meeting of the Company will be held at its Registered Office at P.O.Jayshree-761 025 District Ganjam, Odisha on Tuesday, the 20th August, 2013 at 3 P.M. to transact the following business :

1. To receive and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri S K Bangur, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri D D Kothari, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

By Order of the Board

Kolkata,

Date : 11th May, 2013

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) The Register of Members and the Share Transfer Books of the Company will remain closed from 16th August, 2013 to 20th August, 2013 both days inclusive.
- iii) Shareholders desiring any information on the Accounts are requested to write to the Company in advance to enable the Company to keep the information ready.
- iv) In terms of the provisions of Section 109A of the Companies Act, 1956, nomination facility is available to individual Shareholders. Shareholders holding Shares in physical form and desirous of availing the above facility are advised to submit their Nominations in Form 2B prescribed under Rule 5D of the Companies (Central Government's) General Rules & Forms, 1956.

Shareholders holding Shares in the dematerialised form are advised to contact their Depository Participant in this behalf.

- v) The Company's Shares are available for dematerialisation

both on National Securities Depository Limited and Central Depository Services (India) Ltd. and its ISIN No. is INE693E01016.

- vi) Shareholders, who hold Shares in dematerialised form, are requested to bring their Client ID and DPID Nos. for easier identification of attendance at the Meeting.
- vii) The Company had declared dividends on 30th June, 2008 and 28th August, 2009 for its financial years ended 31st March, 2008 and 2009 respectively and Interim Dividend for the financial year ended 31st March, 2010 on 20th October, 2009. Shareholders, who have not yet encashed their Dividend Cheques for the above are advised to make their claims to the Company.
- viii) 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.

- ix) In terms of Clause 49 of the Listing Agreement, the information pertaining to the Directors, who retire by rotation and are proposed to be re-appointed, is given below :
 - a) Shri S. K. Bangur, who is about 64 years of age, is a Director of the Company since 1st August, 1985. He is an eminent industrialist hailing from the well known family of Bangurs - the Scions of Industry and noted philanthropists. He is a Graduate from Calcutta University. Shri Bangur has wide experience of various industries like paper, newsprint, cables, chemicals, plantations, etc. He has been actively involved with the activities of Indian Paper Manufacturers' Association and has also been the President of the same. Shri Bangur is a former

Notice

President of the Indian Chamber of Commerce, Kolkata and the Executive Committee Member of the Federation of Indian Chambers of Commerce & Industry (FICCI). He is also associated with various charitable and philanthropic organisations carrying on the traditions of the illustrious Bangur Family.

Shri Bangur is the Chairman and Managing Director of The West Coast Paper Mills Limited; Chairman of Shree Rama Newsprint Limited; Jayshree Chemicals Limited; The Diamond Company Limited; The Kil Kotagiri Tea & Coffee Estates Co. Limited; Mothola Company Limited; Shree Satyanarayan Investments Co. Limited and Union Company Limited and the Director of Gloster Telecom Limited; The Marwar Textiles (Agency) Private Limited and Shree Satyanarayan Properties Private Limited.

He is the Member of the Remuneration Committee of the Directors of Jayshree Chemicals Ltd.

Shri S. K. Bangur holds 4,37,500 Equity Shares of the Company in his own name.

- b) Shri D. D. Kothari, who is about 78 years of age, is a Director of the Company since 23rd March, 1992. He is a Commerce Graduate and an entrepreneur

with progressive outlook. His business interests include Textiles, Hosiery Knit products manufacturing, Paper, Packaging and Chemicals.

He is a former President of Bharat Chamber of Commerce, West Bengal Hosiery Association, Corrugated Manufacturers Association and Federation of Hosiery Manufacturers Association of India.

Shri Kothari is a Rotarian. He is the Past President of Rotary Club of Calcutta, one of the oldest Rotary Clubs in Asia. He is associated with many educational, cultural and socio-economic institutions and organisations.

He is also a Director of SKCC Paper & Board Pvt. Ltd.; Shree Krishna Packaging Co. Pvt. Ltd.; Sri Krishna Commercial Co. Ltd.; Anant Sri Viniyog Pvt. Ltd.; Shree Krishna Hosiery Pvt. Ltd.; Kothari Knitting Mills Pvt. Ltd. and Kothari Hosiery Factory Pvt. Ltd. He is a Member of the Audit Committee and the Investors Grievance Committee of the Board of Directors of the Company.

Shri Kothari holds 600 Equity Shares of the Company in his own name.

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, 2013.

Financial Results

Particulars	31-3-2013 ₹	31-3-2012 ₹
Profit for the year	1,49,46,007	53,58,558
Less/(Add) : Provision for Taxation :		
- Current Tax	29,90,000	10,22,000
- Deferred Tax (Net)	62,89,000	(24,81,000)
- MAT Credit Entitlement	(29,90,000)	(10,22,000)
	86,57,007	78,39,558
Add : Credit Balance brought forward	9,95,10,763	9,16,71,205
Making a surplus of	10,81,67,770	9,95,10,763
Balance carried forward to next year	10,81,67,770	9,95,10,763

Dividend

The Board has not recommended any dividend for the financial year ended 31st March, 2013.

Operating Results

During the year under review, your Company has achieved the highest ever production of 49,785 M.T. of Caustic Soda, generated highest Wind Power of 30,16,294 kwh and earned highest Commission of ₹ 29.22 Lacs in its Trading Division.

Current Outlook

The Industry outlook is good. Two new aluminum/alumina plants are coming in the State of Odisha and are in advance stage of completion. Alumina industry is the major caustic soda consumer. Besides, it has multiple uses in paper, steel, power, pharmaceuticals, textiles, soaps and detergents industries.

However, there is no major consumer of chlorine in Odisha where the Company's plant is located. This has been impacting the chlorine off take. The ancillary units of CPW have been major consumers besides paper mills, pharmaceuticals and water treatment sector. A few industries are upcoming in Andhra Pradesh which will boost demand for Hydro Chloric Acid.

Your Company is evaluating feasibility of some value added products of Chlorine in order to have its own consumption and also ensure that the capacity of the Plant can be expanded in future.

The main element of cost of production is power and industrial salt. Power rates are increasing every year. The Company has been making all efforts to reduce power consumption by adopting various innovations in its Plant. The effort of the Company has been recognized by The Indian Chemical Council by awarding the "ICC Certificate of Merit" to the Company for excellence in Energy Conservation and Management for the year 2011.

The Company has been continuously exploring options to optimize cost of raw materials. In this direction, we have started procuring salt from the regions like Tamil Nadu and Andhra Pradesh, besides maintaining some supplies from Gujarat.

The Company has applied for restructuring of debt to the Term Lenders as cash generation is not sufficient to meet its debt obligation.

Industrial Relations

Relations of the Company with the staff and workers remained cordial throughout the year. The Company has entered into a fresh agreement with its labour unions, which shall remain valid upto 31st December, 2015.

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) and is in process of getting ISO 14000 certification.

Directors' Report

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 was cent percent.

The Company's Shares are listed on the Mumbai Stock Exchange Ltd. and the Listing Fees for the year ended 31st March, 2013 has been paid.

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

The Company places on record its appreciation for the dedicated services of all the Workmen, Staff and Executives. The Company also expresses its gratitude to the State Government, Electricity Authorities, State Bank of Bikaner and Jaipur, State Bank of India, Indian Overseas Bank, United Bank of India 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, 2013. 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 & 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;
- (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.

Directors' Report

Corporate Governance

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

Directors

Shri S. K. Bangur and Shri D. D. Kothari 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, 2012. The subject Cost Audit Report was duly filed on 1st January, 2013. Shri Dangi was re-appointed as such Cost Auditor for the year ending 31st March, 2013.

On behalf of the Board

Kolkata

Date : 11th May, 2013

S. K. Bangur
Chairman

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. Implementation of VFD for hypo blower.
- ii. Modification in air compressed air pipelines to give compressed air for Nitrogen PSA unit without running additional compressor for PSA unit.
- iii. Installation of vacuum pump for vacuum de-chlorination system instead of steam ejector.
- iv. Modification of raw water pipelines to reduce power consumption from 33 KW to 22 KW.
- v. Modification in Chlorine cylinder drying system by using steam instead of electric heater & electric blower.

- vi. By taking various technical measures, power factor is improved from 0.9780 to 0.9940.

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

- i. Provision for VFD in chilled water supply pump.
- ii. Provision for VFD in lean brine pump.
- iii. Provision for VFD in FD fan of boiler.

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

- i. In view of the measures taken at (a) above overall power consumption was reduced from 31,000 KWH/Day to 30,500 KWH/Day and fuel oil was reduced from 1.9 MT/Day to 0.750 MT/Day.
- ii. In view of the measures to be taken at (b) above the trial runs of said equipments with VFD are being taken for actual saving figures.

Annexure to the Directors' Report

Form "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2012-13	2011-12
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased :		
Unit (In Million Units)	125.990	110.250
Total Amount (₹ in Lacs)	5,713.94	5,342.72
Average Rate (₹/Unit)	4.53	4.85
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	-	-
3. Furnace Oil		
Quantity (K. Ltrs.)	493.992	876.370
Total Amount (₹ in Lacs)	215.31	344.85
Average Rate (₹/K.Ltrs.)	43,586.14	39,315.50
4. Others/Internal Generation		
Quantity	-	-
Total Cost	-	-
Rate/Unit	-	-
B. CONSUMPTION PER UNIT OF PRODUCTION		
Caustic Soda :		
Electricity (Kwh/M.T.) - With Membrane Cell	2,531	2,437
Furnace Oil (Ltrs./M.T.)	9.924	19.375
Coal (Specify Quality)	-	-
Others (Specify)	-	-

Annexure to the Directors' Report

Form "B" Disclosure of particulars with respect to absorption

Particulars	2012-13	2011-12
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"> To control TOC, we studied characteristics of organic compounds in salt & by maintaining Free Chlorine in satorator upto 10 ppm, TOC being maintained below 12 ppm. To reduce the cellulose consumption by increase of filtration cycle, we are maintaining the stand by Filter in wet condition by filling with DM water. Using RO reject water for floor washing, lime solution preparation, toilets & for fire hydrant. 	<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"> Membrane life was increased to some extent by maintaining the TOC below 12 ppm. Cellulose consumption reduced from 0.120 KG/MT of caustic production to 0.060 Kg/MT of caustic production. 	<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.
	<ol style="list-style-type: none"> Raw water consumption reduced from 10.0 M3/MT of caustic production to 8.5 M3/MT of production. 	
3. Future plan of Action.	Removal of magnesium from bittern brine and utilisation of brine in the system.	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.	There is no export potential of the Company's products due to logistic constraints.
2. Total Foreign Exchange used and earned :		(₹ in Lacs)
Particulars	2012-13	2011-12
OUTGO		
Value of imports calculated on CIF Basis :		
Components, Stores & Spares	28.26	70.99
Commission	27.57	10.15

On behalf of the Board

Kolkata

Date : 11th May, 2013

S. K. Bangur

Chairman

Management Discussion and Analysis Report

A. Industry Structure and Developments

The Company's main business is to manufacture caustic soda, chlorine, hydrochloric acid and sodium hypochlorite at its facilities located at Ganjam (Odisha). Besides, the Company has one wind mill at Bogampatti Village near Coimbatore in Tamil Nadu and Trading Division at Kolkata in the name and style of "Bangur Exim."

Caustic Soda is used in various applications such as finishing operations in textiles, manufacture of soaps and detergents, alumina, paper and pulp, control of pH (softening) of water, general cleansing and bleaching. The aluminium industry is the biggest demand driver for caustic soda. Chlorine is used in multiple sectors such as manufacture of polymers like PVC, bleaching applications, paper and pulp and textile industry.

B. Opportunities and Threats

During the year under review the international prices of Caustic Soda remained around US\$ 480 per MT in the first half and around US\$ 425 per MT in the second half. Further, depreciation of rupee has made imports costly. The selling price of Chlorine and Hydrochloric Acid is looking up and is comparatively better. However, of late there has been increase in the import of Caustic Soda from some countries which is reflecting in the Caustic Soda prices. Power tariff has increased in the State of Odisha which will adversely affect the working of the Company. However, the Company has been making all efforts to reduce power consumption by adopting various innovations in its Plant. The effort of the Company has been recognized by The Indian Chemical Council by awarding the "ICC Certificate of Merit" to the Company for excellence in Energy Conservation and Management for the year 2011.

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 ₹ 948.53 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 ₹ 65.82 Lacs.

In the Trading Division, the Company incurred a Cash Loss of ₹ 8.34 Lacs.

D. Outlook

During the year, production has consolidated and we

have achieved 93.58 % capacity utilisation.

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 improve 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 354 employees as on 31st March, 2013 against 372 employees as on 31st March, 2012.

The Company has entered into a fresh labour agreement with the unions, which will remain in force upto 15th December, 2015.

On behalf of the Board

Kolkata
Date : 11th May, 2013

S. K. Bangur
Chairman

Report on Corporate Governance

The Company's Report on Corporate Governance for the year ended 31st March, 2013 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, 2013, 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 2012-13 six Board Meetings of the Company were held on 16th May, 2012; 20th July, 2012; 1st September, 2012; 12th November, 2012; 29th January, 2013 and 7th February, 2013. 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	6	No	8	–
2	Shri D. D. Kothari	Non-Executive Director	4	No	1	2
3	Smt. Sindhubala Choudhury	Representative of LIC Independent Non-Executive Director	3	Yes	–	1
4	Shri P. K. Mishra	Nominee of IDCOL Independent Non-Executive Director	2	No	2	–
5	Shri Prabir Chakravarti	Independent Non-Executive Director	6	Yes	8	5

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 Virendra Bangur	Managing Director - Promoter Group	6	No	5	1
7	Shri Satish Kapur	Independent Non-Executive Director	6	No	3	1
8	Shri Prabhu Nath Ojha	Executive Director	6	Yes	–	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.

3. Audit Committee

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. As on 31st March, 2013, the Committee comprised of Shri D. D. Kothari, a Director and Shri Prabir Chakravarti, Smt. Sindhubala Choudhury and Shri Satish Kapur, three Independent Non-Executive Directors of the Company, with Shri Prabir Chakravarti as its Chairman. The Terms of Reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Ltd.

During the year, four Meetings of the Audit Committee of the Board of Directors of the Company were held on 16th May, 2012; 20th July, 2012; 12th November, 2012 and 7th February, 2013. The details of the attendance at the said Meetings are given hereunder :

Name of Director	No. of Meetings held during the tenure of Membership	No. of Meetings attended
Shri D. D. Kothari	4	2
Smt. Sindhubala Choudhury	4	3
Shri Prabir Chakravarti	4	4
Shri Satish Kapur	4	4

4. Remuneration Committee (Non-Mandatory)

The Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') was constituted on 26th July, 2004. As on 31st March, 2013, 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 16th October, 2012 and the same was attended by Shri S. K. Bangur, Shri Prabir Chakravarti and Shri Satish Kapur. The details of remuneration of the Managing, Executive and Non-Executive Directors during the year ended 31st March, 2013 are as under :

Report on Corporate Governance

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

Name	Shri Prabhu Nath Ojha
Description	Executive Director
Salary	₹ 15,29,806/-
Benefits	
Allowances & Perquisites	₹ 8,55,330/-
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	₹ 23,85,136/-

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	35,000/-
Shri D. D. Kothari	30,000/-
Smt. Sindhubala Choudhury	30,000/-
Shri P. K. Mishra	10,000/-
Shri Prabir Chakravarti	55,000/-
Shri Satish Kapur	55,000/-
TOTAL	2,15,000/-

5. Investors Grievance Committee

A Share Transfer Committee of the Board was constituted in the year 1981. This Committee was renamed as Investors Grievance Committee on 29th July, 2002 and its scope was enlarged to include the matters specified in Clause 49 of the Listing Agreements with the Stock Exchanges. As on 31st March, 2013 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 Prabhu Nath Ojha
28-7-2012	Yes	Yes	Yes
10-10-2012	Yes	Yes	Yes
8-2-2013	Yes	Yes	Yes
14-3-2013	Yes	Yes	Yes

Shri Manish Kumar Tiwari, Company Secretary is the Compliance Officer of the Company. There were two 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
31-3-2012	04-8-2012	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Odisha)
31-3-2011	16-8-2011	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Odisha)
31-3-2010	14-8-2010	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Odisha)

Report on Corporate Governance

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

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	20th August, 2013
Time	3 P.M.
Venue	P. O. Jayshree - 761 025, District Ganjam (Odisha)
ii) a) Financial year	2013-14
b) Financial Calendar	The Financial Calendar for the year 2013-14 (Provisional) is as under :-
a. Results for the first quarter ending 30th June, 2013	By middle of August, 2013
b. Results for the second quarter ending 30th September, 2013	By middle of November, 2013
c. Results for the third quarter ending 31st December, 2013	By middle of February, 2014
d. Results (Audited) for the Financial year ending 31st March, 2014	By end of May, 2014
e. Annual General Meeting for the year ending 31st March, 2014	By end of August, 2014

Report on Corporate Governance

iii) Date of Book Closure	The Register of Members and the Share Transfer Books of the Company will remain closed from 16th August, 2013 to 20th August, 2013 both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 20th August, 2013.		
iv) Dividend Payment Date	No Dividend is proposed.		
v) Listing on Stock Exchange	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai - 400 001		
	Annual Listing Fees to the Bombay Stock Exchange Ltd. for the year ended 31st March, 2013 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 :		
	Month	Price per Share	
		High (₹)	Low (₹)
	April, 2012	13.91	11.30
	May, 2012	12.92	10.50
	June, 2012	12.35	10.53
	July, 2012	12.60	10.58
	August, 2012	11.45	9.63
	September, 2012	11.51	9.10
	October, 2012	11.93	9.40
	November, 2012	11.99	9.86
	December, 2012	10.60	9.75
	January, 2013	10.90	9.23
	February, 2013	10.31	8.01
	March, 2013	9.03	7.50

Report on Corporate Governance

<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, 2012 : ₹ 11.83 P. per Share On 31st March, 2013 : ₹ 7.99 P. per Share Change : (-) 32.46%</p> <p>On 1st April, 2012 : 17,429.96 (Opening) On 31st March, 2013 : 18,835.77 (Closing) Change : 8.07%</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 - 700 001 Telephones : (033) 2235 7270, 2235 7271 Fax : (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 15 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, 2013 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	12,25,094	4.177
Indian Public	1,23,33,631	42.056
NRIs/OCBs	4,57,517	1.560
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, 2013 is as under :

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
1 to 500	2,335	59.73	4,33,292	1.48
501 to 1000	531	13.58	4,27,261	1.46
1001 to 5000	730	18.67	17,21,313	5.87
5001 to 10000	142	3.63	9,84,313	3.36
10001 to 50000	112	2.87	22,69,688	7.74
50001 to 100000	18	0.47	13,14,119	4.48
100001 and above	41	1.05	2,21,76,471	75.61
TOTAL	3,909	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, 2013, 99.63% of the Company's total Shares representing 2,92,18,569 Shares were held in dematerialised form and the balance 0.37% representing 1,07,888 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

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
Date : 10th May, 2013

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, 2013 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 2 (Two) complaints from the Shareholders during the year ended 31st March, 2013, 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

Place : Kolkata
Date : 10th May, 2013

Independent Auditors' Report

To the Members of
Jayshree Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statement of **JAYSHREE CHEMICALS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according

to the explanations given to us, the financial statements 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 :

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of Statement of Profit & Loss, of the Profit for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement 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 as on 31st March, 2013 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2013 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Chartered Accountants

Firm Registration No. 304153E

6C, Middleton Street
Kolkata - 700 071

Date : 10th May, 2013

B. K. Bhutia

Partner

Membership No. 059363

Annexure to the Independent Auditors' Report

Annexure to the Independent Auditors' Report to the Members of Jayshree Chemicals Limited referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in 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 loan from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Only two parties are involved with transactions value of ₹ 200.00 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, 2013 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

Annexure to the Independent Auditors' Report

Name of the Statute	Nature of the dues	Amount of Demand (₹)	Amount Deposited (₹)	Period to which amount relates	Forum where dispute is pending
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	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	Water Tax	4,29,89,418	1,05,47,760	October, 1994 to March, 2013	High Court of Odisha
Odisha Municipal Tax, 1951	Lighting Tax	8,82,431	1,78,068	Upto 2012-13	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	6,17,976	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 loss 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.

- 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

Annexure to the Independent Auditors' Report

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

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

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

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

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

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

6C, Middleton Street
Kolkata - 700 071
Date : 10th May, 2013

B. K. Bhutia
Partner
Membership No. 059363

Balance Sheet

as at 31st March, 2013

(Amount in ₹)

Particulars	Note No.	As at 31/03/2013	As at 31/03/2012
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	23,54,35,933	22,67,78,926
		52,87,00,503	52,00,43,496
2. Non-Current Liabilities			
a. Long-term Borrowings	2.3	68,12,06,425	78,43,69,689
b. Deferred Tax Liabilities (Net)	2.4	3,61,42,000	2,98,53,000
c. Long-term Provisions	2.5	51,44,703	48,31,331
		72,24,93,128	81,90,54,020
3. Current Liabilities			
a. Short-term Borrowings	2.6	31,49,75,811	30,40,89,485
b. Trade Payables	2.7	14,18,77,566	10,78,37,055
c. Other Current Liabilities	2.8	26,93,87,917	25,12,00,004
d. Short-term Provisions	2.9	8,54,953	9,85,366
		72,70,96,247	66,41,11,910
TOTAL (1+2+3)		1,97,82,89,878	2,00,32,09,426
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	2.10	1,54,23,71,581	1,58,76,16,465
ii. Intangible Assets		2,82,239	4,40,792
iii. Capital Work-in-Progress		62,25,318	16,14,450
		1,54,88,79,138	1,58,96,71,707
b. Non-Current Investments	2.11	60,00,000	60,00,000
c. Long-term Loans and Advances	2.12	10,08,07,372	8,82,38,864
		1,65,56,86,510	1,68,39,10,571
2. Current Assets			
a. Inventories	2.13	5,99,35,036	6,01,97,536
b. Trade Receivables	2.14	19,52,62,412	16,06,15,361
c. Cash and Bank Balances	2.15	2,09,39,167	4,85,26,230
d. Short-term Loans and Advances	2.16	4,13,48,735	4,39,19,017
e. Other Current Assets	2.17	51,18,018	60,40,711
		32,26,03,368	31,92,98,855
TOTAL (1+2)		1,97,82,89,878	2,00,32,09,426

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

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Statement of Profit & Loss

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note No.	Year ended 31/03/2013	Year ended 31/03/2012
I. Revenue from Operations			
Sales (Gross)		1,50,38,43,271	1,25,11,74,841
Less : Excise Duty		17,33,48,351	11,91,04,401
Sales (Net)		1,33,04,94,920	1,13,20,70,440
Other Operating Revenues		46,15,809	26,85,330
		1,33,51,10,729	1,13,47,55,770
II. Other Income	2.18	2,75,43,782	8,09,63,345
III. Total Revenue (I + II)		1,36,26,54,511	1,21,57,19,115
IV. Expenses			
Cost of Materials Consumed	2.19	29,03,00,515	25,06,94,269
Power and Fuel Expenses		59,40,92,370	56,98,02,292
Changes in Inventories of Finished Goods and Work-in-Progress	2.20	(38,86,337)	48,21,425
Employee Benefits Expense	2.21	11,93,80,863	10,72,79,520
Finance Costs	2.22	16,22,19,896	11,80,80,405
Depreciation and Amortization Expense	2.10	9,19,44,169	8,07,14,535
Other Expenses	2.23	9,36,57,028	7,89,68,111
Total Expenses		1,34,77,08,504	1,21,03,60,557
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		1,49,46,007	53,58,558
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		1,49,46,007	53,58,558
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII-VIII)		1,49,46,007	53,58,558
X. Tax Expense			
1. Current Tax		29,90,000	10,22,000
2. Deferred Tax (Net)		62,89,000	(24,81,000)
3. MAT Credit Entitlement		(29,90,000)	(10,22,000)
4. Income Tax provision/payment for earlier year		-	-
		62,89,000	(24,81,000)
XI. Profit/(Loss) for the period from continuing Operations (IX-X)		86,57,007	78,39,558
XII. Earnings Per Equity Share :	2.32		
Equity share of par value of ₹ 10/- each			
1. Basic		0.30	0.27
2. Diluted		0.30	0.27

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

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Cash Flow Statement

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,49,46,007	53,58,558
Adjustments for :		
- Depreciation	9,19,44,169	8,07,14,535
- Net Profit/(Loss) on sale of fixed/discarded assets	64,336	(4,44,80,056)
- TDS Written Off	-	-
- Interest Expenses	16,22,19,896	11,80,80,405
- Interest Income	(69,30,537)	(67,93,873)
Operating Profit Before Working Capital Changes	26,22,43,871	15,28,79,569
Adjustments for :		
- Trade Payables	5,24,11,383	(6,19,66,396)
- Trade and Other Receivables	(4,08,65,728)	52,51,403
- Inventories	2,62,500	(1,79,77,641)
Cash Generated from Operations	27,40,52,026	7,81,86,935
- Direct Taxes Paid	(23,04,784)	(40,15,383)
Net Cash generated from Operating Activities	27,17,47,242	7,41,71,552
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(5,16,59,738)	(13,55,24,774)
Sale of Fixed/Discarded Assets	4,43,802	7,58,58,028
Loan to Subsidiary	(5,52,072)	(14,64,693)
Interest Received	69,30,537	67,93,873
Net Cash used in Investing Activities	(4,48,37,471)	(5,43,37,567)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	1,08,86,326	26,37,00,922
Repayment of Long Term Borrowings	(10,31,63,264)	(14,16,00,049)
Unclaimed Dividend Paid	-	(338)
Interest Paid	(16,22,19,896)	(11,80,80,405)
Net Cash generated/(used) in Financing Activities	(25,44,96,834)	40,20,130
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,75,87,063)	2,38,54,116
Opening Cash and Cash Equivalents	4,85,26,230	2,46,72,114
Closing Cash and Cash Equivalents	2,09,39,167	4,85,26,230

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

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Accounting Policies & Notes on Accounts

for the year ended 31st March, 2013

(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 Standards notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof.

2) Use of Estimates

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

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

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

3) Fixed Assets

Fixed Assets are stated at cost excluding excise duty and education cess thereon. In respect of major projects involving construction, erection etc. related pre-operational expenses (net of revenue) form part of the value of the assets capitalised. Fixed Assets retired from active use and held for disposal are valued at lower of their written down value or net realizable value.

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 (vi) Computers and (vii) 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 Profit & Loss Account.

6) Inventories

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

7) Excise Duty

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

8) Retirement Benefits

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

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

9) Taxation

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

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

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

10) Sales

Sales are inclusive of Excise Duty 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

Accounting Policies & Notes on Accounts

for the year ended 31st March, 2013

accounted for at the prevailing exchange rate on the date of transactions.

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

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

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

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

13) Borrowing Costs

Borrowing Costs relating to (i) funds borrowed for

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

14) Impairment of Assets

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

15) Segment Reporting

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

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

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

Notes to the Balance Sheet

2 NOTES ON ACCOUNTS

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2.1 SHARE CAPITAL		
Authorised Capital		
Equity Shares 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 Shares of ₹ 10/- par value		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid in cash	29,32,64,570	29,32,64,570

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.

Notes to the Balance Sheet

3. Details of Shareholders holding more than 5% of total shares as on 31st March, 2013 :

Name of Shareholder	No. of Shares	% to Total Shares
Shree Satyanarayan Investments Co. Ltd.	22,11,248	7.540
The Thirumbadi Rubber Co. Ltd.	18,37,000	6.264
Veer Enterprises Limited	31,41,958	10.714

4. The reconciliation of the number of shares outstanding as at 31st March, 2013 is as below :

Particulars	As at 31st March 2013	As at 31st March 2012
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 31/03/2013	As at 31/03/2012
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	9,95,10,763	9,16,71,205
Add : Net Profit after tax transferred from Statement of Profit & Loss	86,57,007	78,39,558
	10,81,67,770	9,95,10,763
TOTAL (2.2)	23,54,35,933	22,67,78,926

2.3 LONG-TERM BORROWINGS

1. Term Loans - Secured

a. From Banks	63,59,48,802	73,91,12,066
b. From Govt. of Odisha	1,94,250	1,94,250
	63,61,43,052	73,93,06,316
2. Deferred Payment Liabilities	4,50,63,373	4,50,63,373
TOTAL (2.3)	68,12,06,425	78,43,69,689

Notes :

1. Term Loans - Secured

a. From Banks		
i. Rupee/FCNR(B)/FCTL Term Loan	63,35,91,497	73,91,12,066
ii. Car Loan	23,57,305	—
	63,59,48,802	73,91,12,066
b. From Other Parties		
Govt. of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	63,61,43,052	73,93,06,316

Notes to the Balance Sheet

Notes :

Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 12 quarterly instalments.

Outstanding Rupee/FCNR(B) Term Loans are repayable in 19 quarterly instalments.

Outstanding Rupee Term Loan from UBI are repayable in 9 quarterly instalments.

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March, 2013 in respect of these assets are as under :

(Amount in ₹)

Due	Total Minimum Lease outstanding as on 31st March, 2013	Interest Not Due	Present value of minimum Lease payments
Within one year	11,65,788	2,99,702	8,66,086
Last year	–	–	–
Later than one year and not later than five years	27,45,531	3,94,981	23,57,305
Last year	–	–	–
Total : Current Year	39,11,319	6,94,683	32,23,391
Total : Last Year	–	–	–

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 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 is 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 Balancing Equipments :

Exclusive charge on equipments purchased/to be purchased out of Term Loan from United Bank of India.

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.

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2. Deferred Payment Liabilities		
Electricity Duty payable	4,50,63,373	4,50,63,373
TOTAL (2.3)	68,12,06,425	78,43,69,689
2.4 DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liabilities (Net)	3,61,42,000	2,98,53,000
Notes :		
a. Deferred Tax Liabilities		
Depreciation	15,91,07,000	12,58,87,000
b. Deferred Tax Assets		
Carry forward business loss/depreciation	11,63,23,000	9,37,73,000
Expenses allowable against taxable income in future year	66,42,000	22,61,000
	12,29,65,000	9,60,34,000
TOTAL (2.4)	3,61,42,000	2,98,53,000
2.5 LONG-TERM PROVISIONS		
Provision for Employees Benefit		
Leave Liability	51,44,703	48,31,331
TOTAL (2.5)	51,44,703	48,31,331
2.6 SHORT-TERM BORROWINGS		
a. Loan Repayable on Demand (Secured)		
From Banks		
- Cash Credit A/c	8,09,48,500	9,50,89,485
b. Loan Repayable on Demand (Unsecured)		
From Bodies Corporate	23,40,27,311	20,90,00,000
TOTAL (2.6)	31,49,75,811	30,40,89,485
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	1,33,998	2,23,997
b. Others	14,17,43,568	10,76,13,058
TOTAL (2.7)	14,18,77,566	10,78,37,055
Notes :		
Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2013 ₹ 1,33,998 (₹2,23,997/-).		

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2.8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long-term Borrowings	16,75,66,086	18,75,67,568
b. Interest accrued but not due on Borrowings	47,26,902	25,21,799
c. Interest accrued and due on Borrowings	32,00,368	37,09,261
d. Unpaid Dividends	2,10,485	2,10,485
e. Others Payable		
i. Amount Payable to Employees	55,22,082	42,38,334
ii. Income Tax and Other Dues Payables to Govt. Dept.	47,71,234	61,65,790
iii. Provision for Expenses	2,02,74,893	2,69,18,683
iv. Other Payables	2,44,67,309	1,16,37,817
v. Advance from Customers	2,51,25,037	19,78,637
vi. Security Deposit from Parties	11,14,147	14,61,369
vii. Provision for Gratuity	1,24,09,374	47,90,261
TOTAL (2.8)	9,36,84,076	5,71,90,891
	26,93,87,917	25,12,00,004
2.9 SHORT-TERM PROVISIONS		
a. Provision for Employees Benefit		
Leave Liability	8,54,953	9,85,366
TOTAL (2.9)	8,54,953	9,85,366

2.10 FIXED ASSETS

Particulars	Original Cost as on 01/04/2012	Additions during the year 2012-13	Sold or Adjustment during 2012-13	Total Cost as on 31/03/2013	Total Deprn. provided upto 2011-12	Deprecation for the year 2012-13	Sold or Adjustment during 2012-13	Total Deprecation upto 31/03/2013	W.D.V. as on 31/03/2013	W.D.V. as on 31/03/2012
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	1,38,532	4,525	-	1,43,057	1,34,532	1,39,057
Development of Site including Roads	46,60,544	10,81,500	-	57,42,044	33,18,658	11,06,117	-	44,24,775	13,17,269	13,41,886
Buildings	29,67,16,919	9,26,438	(1,05,02,109)	30,81,45,466	1,77,84,764	1,00,97,479	(1,59,321)	2,80,41,564	28,01,03,902	27,89,32,155
Plant & Machinery	1,36,36,65,921	2,84,89,489	23,78,01,137	1,15,43,54,273	10,54,41,659	5,92,73,820	1,14,44,733	15,32,70,746	1,00,10,83,527	1,25,82,24,262
Railway Siding	15,59,968	-	-	15,59,968	9,52,029	93,197	-	10,45,226	5,14,742	6,07,939
Water Supply & Tube Well	19,35,336	2,83,628	(2,51,99,756)	2,74,18,720	12,46,768	13,92,582	(12,19,617)	38,58,967	2,35,59,753	6,88,568
Furniture & Fittings	37,80,799	68,209	10,87,758	27,61,250	24,86,357	2,25,812	8,29,657	18,82,512	8,78,738	12,94,442
Office Equipments	34,21,665	2,17,018	(10,87,758)	47,26,441	23,86,901	5,64,792	(8,29,657)	37,81,350	9,45,091	10,34,764
Electrical Installation	60,79,764	28,05,713	(20,19,79,516)	21,08,64,993	33,75,198	1,08,28,990	(99,51,788)	2,41,55,976	18,67,09,017	27,04,566
Motor Car & Vehicles	56,17,244	44,23,106	17,62,198	82,78,152	39,09,635	7,69,388	12,59,809	34,19,214	48,58,938	17,07,609
Laboratory Equipments	62,30,078	-	-	62,30,078	7,01,036	8,47,602	-	15,48,638	46,81,440	55,29,042
Handling Equipments	5,71,91,489	87,35,769	-	6,59,27,258	2,44,20,963	65,63,312	-	3,09,84,275	3,49,42,983	3,27,70,526
	1,75,37,78,965	4,70,30,870	18,81,954	1,79,89,27,881	16,61,62,500	9,17,67,616	13,73,816	25,65,56,300	1,54,23,71,581	1,58,76,16,465
Intangible Assets										
Computer Software	4,44,680	18,000	-	4,62,680	3,888	1,76,553	-	1,80,441	2,82,239	4,40,792
	1,75,42,23,645	4,70,48,870	18,81,954	1,79,93,90,561	16,61,66,388	9,19,44,169	13,73,816	25,67,36,741	1,54,26,53,820	1,58,80,57,257
Previous Year Figures	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	

Notes :

- The Company has capitalized ₹ 1,65,89,634/- (₹ 4,87,15,125/-), being the exchange differences arising on long-term foreign currency monetary items at rates different from those at which they were 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.
- 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 31/03/2013	As at 31/03/2012
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	21,90,900	59,87,184
b. Security Deposit	9,64,18,646	7,99,53,854
c. Advance to Parties	–	1,00,000
d. Deposit with Sales Tax	21,97,826	21,97,826
TOTAL (2.12)	10,08,07,372	8,82,38,864
2.13 INVENTORIES		
a. Raw Materials	2,09,20,356	2,80,67,420
b. Work-in-Progress	20,86,090	23,43,846
c. Finished Goods	91,72,031	50,27,938
d. Stores and Spares	2,77,56,559	2,47,58,332
TOTAL (2.13)	5,99,35,036	6,01,97,536
Note : 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	2,14,64,646	3,23,48,724
b. Others	17,37,97,766	12,82,66,637
TOTAL (2.14)	19,52,62,412	16,06,15,361
Note : In the opinion of the management the amounts are good and realisable.		

Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2.15 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks :		
- In Current Account	45,47,380	28,07,056
ii. Cash-on-Hand	2,71,497	1,94,237
iii. Special Term Deposit/Margin Money (Less than 3 months)	18,14,982	–
	66,33,859	30,01,293
b. Others		
i. Unpaid Dividend A/c.	2,10,485	2,10,485
ii. Special Term Deposit/Margin Money with Banks	1,40,94,823	4,53,14,452
	1,43,05,308	4,55,24,937
TOTAL (2.15)	2,09,39,167	4,85,26,230
Notes : Special term Deposit (b.ii) includes ₹ 29,000/- (₹ 29,000/-) having maturity of more than 12 months.		
2.16 SHORT-TERM LOANS & ADVANCES		
(Unsecured considered good)		
a. Loan to Subsidiary	20,16,765	14,00,000
b. Loan to Employees	21,90,667	7,80,795
c. Advance to Subsidiary	–	64,693
d. Other Recoverable Advances	34,91,959	49,74,312
e. Balances with Excise and other Govt. Dept.	81,16,464	65,24,357
f. Advance to Parties	1,48,94,096	2,06,94,731
g. Prepaid Expenses	30,60,962	42,07,091
h. Deposit with I. Tax Dept. (Against Demand)	–	15,00,000
i. Advance Income Tax (Net of Income Tax Provision)	75,77,822	37,73,038
TOTAL (2.16)	4,13,48,735	4,39,19,017
2.17 OTHER CURRENT ASSETS		
Interest accrued and due on Deposit	51,18,018	60,40,711
TOTAL (2.17)	51,18,018	60,40,711

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

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.18 OTHER INCOME		
a. Interest		
From Bank	19,33,287	23,61,298
From Subsidiary	2,53,318	1,05,184
From Other	47,43,932	43,27,391
	69,30,537	67,93,873
b. Other Non-Operating Income		
i. Liabilities no longer required written back	19,92,179	2,16,62,186
ii. Net Profit on sale of fixed/discarded assets	–	4,44,80,056
iii. Miscellaneous Receipts	1,86,21,066	80,27,230
TOTAL (2.18)	2,75,43,782	8,09,63,345
Notes :		
1. Gross Interest includes TDS ₹ 6,71,890 (₹6,65,383/-)		
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	2,33,07,415	2,05,28,234
b. Add : Raw Materials Purchased	28,40,04,585	25,34,73,450
	30,73,12,000	27,40,01,684
c. Less : Closing Stock of Raw Materials	1,70,11,485	2,33,07,415
TOTAL (2.19)	29,03,00,515	25,06,94,269

Note :

Cost of Materials Consumed includes employee benefits expenses ₹ 26,82,487/- (₹ 28,42,736/-), Power & Fuel ₹ 12,18,657/- (₹ 8,87,028/-), Repairs & Maintenance ₹ 15,47,180/- (₹ 17,14,183/-), Insurance ₹ 6,777/- (₹ 7,351/-) and Rates & Taxes ₹ 3,76,539/- (₹ 2,58,627/-).

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.20 CHANGES IN INVENTORIES		
a. Opening Inventories		
1. Finished Goods	50,27,938	93,50,985
2. Work-in-Progress	23,43,846	28,42,224
	73,71,784	1,21,93,209
b. Less : Closing Inventories		
1. Finished Goods	91,72,031	50,27,938
2. Work-in-Progress	20,86,090	23,43,846
	1,12,58,121	73,71,784
(Increase)/Decrease in Inventories	(38,86,337)	48,21,425
2.21 EMPLOYEES BENEFIT EXPENSES		
a. Salaries and Wages	9,15,96,098	7,49,13,467
b. Contribution to Provident and Other Funds (Including Admn. Charges)	1,14,47,591	1,69,03,040
c. Staff Welfare Expenses	1,63,37,174	1,54,63,013
TOTAL (2.21)	11,93,80,863	10,72,79,520
Notes :		
i. Employees Benefit Expenses includes		
Provision for Gratuity	79,10,343	47,90,261
Provision for Leave Encashment	13,44,087	12,07,201
	92,54,430	59,97,462
ii. Employees Benefit Expenses includes Managerial Remuneration ₹ 58,92,137/- (₹ 51,10,220/-).		
2.22 FINANCE COSTS		
a. Interest Expenses		
Bank	8,11,99,102	8,43,24,475
Others	3,93,43,469	1,34,14,103
	12,05,42,571	9,77,38,578
b. Other Borrowing Costs	4,16,77,325	2,03,41,827
TOTAL (2.22)	16,22,19,896	11,80,80,405

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.23 OTHER EXPENSES		
a. Consumption of Stores and Spares Part	1,09,90,196	91,39,384
b. Rent (Net)	11,45,008	8,17,557
c. Transportation Charges (Net)	93,51,207	66,33,935
d. Repairs & Maintenance	3,29,67,113	2,41,19,759
i. Buildings	44,32,165	38,57,480
ii. Plants & Machineries	1,66,16,437	93,09,971
iii. Others	1,19,18,511	1,09,52,308
e. Insurance	15,24,774	18,68,943
f. Rates and Taxes	68,52,578	84,93,617
g. Travelling & Vehicles Expenses	94,68,054	81,33,515
h. Legal Expenses	7,18,275	4,51,409
i. Loss on Sale of Fixed Assets	64,336	–
j. Bad Debts Written Off	–	1,71,246
k. Difference of excise duty on opening/closing of finished goods stocks	4,51,245	(2,21,283)
l. Director's Sitting Fees	2,15,000	2,20,000
m. Payments to the Auditor	3,81,875	2,88,000
n. CSR Expenses	17,57,992	21,49,328
o. Miscellaneous Expenses	1,77,69,375	1,67,02,701
TOTAL (2.23)	9,36,57,028	7,89,68,111
Notes :		
1. Rent (Net) :		
- Rent Paid	13,95,099	9,76,173
- Rent Received	(2,50,091)	(1,58,616)
	11,45,008	8,17,557
2. Transportation Charges (Net) :		
- Paid	13,56,47,570	11,65,16,906
- Realised	(12,62,96,363)	(10,98,82,971)
	93,51,207	66,33,935
3. Repairs & Maintenance includes consumption of stores and spares part ₹ 1,89,25,372/- (₹ 1,22,55,983/-).		
4. Payments to the Auditor		
a. Auditors' Remuneration	1,25,000	1,00,000
b. For Taxation Matters	50,000	40,000
c. For Other Services	1,56,875	79,000
d. For Re-imbursment of Expenses	20,000	49,000
e. Payment to Cost Auditor	30,000	20,000
	3,81,875	2,88,000
5. CSR Expenses includes donation of ₹ 4,00,000/- (₹ 5,06,000/-).		

Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
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	45,98,885
ii) Income Tax Demand under Appeals	2,23,629	2,23,629
iii) Others	3,38,63,924	3,05,91,802
	3,86,86,438	3,54,14,316
Guarantees	7,57,51,089	5,40,34,790
	11,44,37,527	8,94,49,106
b. Commitments		
Outstanding Estimated Capital Commitment (Net of Advances)	1,36,67,483	67,83,451

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
31.03.2013	7	1,26,14,592	69,26,31,156	1	3,31,000	2,75,11,396
31.03.2012	4	90,20,000	42,54,25,621	1	3,31,000	2,71,57,723

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

	As at 31.03.2013 US Dollar	As at 31.03.2013 INR Equivalent	As at 31.03.2012 US Dollar	As at 31.03.2012 INR Equivalent
Amount Payable in Foreign Loan Payable	3,00,000	1,63,16,790	80,52,600	40,75,46,332

Notes to the Accounts

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.25 DISCLOSURES		
a. Consumption of Raw materials		
Salt	26,62,93,185	22,71,80,910
Barium Carbonate	2,01,58,966	2,06,40,687
Soda Ash	35,48,266	25,74,032
Sodium Bisulphite	3,00,097	2,98,641
TOTAL	29,03,00,515	25,06,94,270
b. Value of goods sold		
Chemicals		
Caustic Soda	1,49,61,40,600	1,11,99,85,386
Liquid Chlorine	(4,49,84,551)	6,09,60,708
Hydrochloric Acid	2,37,03,726	4,62,50,544
Sodium Hypochlorite	1,89,06,913	1,53,84,946
	1,49,37,66,688	1,24,25,81,584
Wind Power	1,00,76,583	85,93,257
TOTAL	1,50,38,43,271	1,25,11,74,841
c. Opening 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
d. Closing Stock		
Chemicals		
Caustic Soda	83,64,563	47,07,084
Liquid Chlorine	5,97,323	1,57,157
Hydrochloric Acid	1,31,687	1,34,446
Sodium Hypochlorite	78,458	29,251
TOTAL	91,72,031	50,27,938

Notes to the Accounts

Particulars	Year ended 31/03/2013		Year ended 31/03/2012	
	%	₹	%	₹
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	90.66	29,03,00,515	92.14	25,06,94,270
Spares Parts and Component	9.34	2,99,15,568	7.86	2,13,93,544
Total indigenous consumption	100.00	32,02,16,083	100.00	27,20,87,814
i) Imported consumption	–	–	0.001	1,822.00
ii) Indigenous consumption	100.00	32,02,16,083	99.999	27,20,87,814
TOTAL CONSUMPTION (i+ii)	100.00	32,02,16,083	100.00	27,20,89,636

Cost of Materials Consumed Includes Employee Benefits Expenses ₹ 26,82,487/- (₹ 28,42,736/-), Power & Fuel ₹ 12,18,657/- (₹ 8,87,028/-), Repairs & Maintenance ₹ 15,47,180/- (₹ 17,14,183/-), Insurance ₹ 6,777/- (₹ 7,351/-) and Rates & Taxes ₹ 3,76,539/- (₹ 2,58,627/-)

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.26 VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS		
I. Raw Materials	–	–
II. Components and Spare Parts	28,25,867	–
III. Capital Goods	–	51,75,070
2.27 EXPENDITURE IN FOREIGN CURRENCY		
a. Royalty	–	–
b. Know-how	–	–
c. Professional and Consultation Fees	–	19,23,526
d. Interest	–	–
e. Other matters	–	–
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 :		
- Commission	29,22,274	10,14,675

Notes to the Accounts

2.29 SEGMENT REPORTING	Amount (₹)							
	As on 31/03/2013			As on 31/03/2012				
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	1,32,04,18,337	1,00,76,583	-	1,33,04,94,920	1,12,34,77,183	85,93,257	-	1,13,20,70,440
Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	1,32,04,18,337	1,00,76,583	-	1,33,04,94,920	1,12,34,77,183	85,93,257	-	1,13,20,70,440
Results								
Segment Results	16,50,21,351	60,74,035	(8,60,020)	17,02,35,366	11,39,27,449	40,03,633	(12,85,592)	11,66,45,490
Un-allocated Expenses				-				-
Operating Profit				17,02,35,366				11,66,45,490
Interest Expenses				16,22,19,896				11,80,80,405
Interest Income				69,30,537				67,93,873
Income Tax				62,89,000				(24,81,000)
Profit from Ordinary Activities				86,57,007				78,39,958
Extra-ordinary Items				-				-
Net Profit				86,57,007				78,39,958
Business Segment								
Other Information								
Segment Assets	1,89,14,39,023	6,44,36,266	5,94,684	1,95,64,69,973	1,93,15,55,282	5,71,57,522	49,776	1,98,87,62,579
Un-allocated Assets				2,18,19,905				1,44,46,847
Total Assets				1,97,82,89,878				2,00,32,09,426
Segment Liabilities	40,05,14,235	75,07,388	43,516	40,80,65,139	35,69,30,599	79,20,786	2,370	36,48,53,755
Un-allocated Liabilities				1,57,02,24,739				1,63,83,55,671
Total Liabilities				1,97,82,89,878				2,00,32,09,426
Capital Expenditure				5,16,59,738				13,55,24,774
Depreciation				9,19,44,169				8,07,14,535
Non-cash Expenses other than Depreciation				-				-

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	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	2012-13	2011-12
Loan given to Subsidiary	2,10,000	14,00,000
Advance given to Subsidiary	16,985	93,693
Advance repaid by Subsidiary	-	-
Interest received from Subsidiary	2,53,318	1,05,184
Rent Received from The West Coast Paper Mills Ltd.	1,58,616	1,58,616
Sale of goods to The West Coast Paper Mills Ltd.	8,28,146	1,30,426
Purchases of Capital Goods from Gloster Cables Ltd.	-	-
Rent & Service Charges paid - Veer Enterprises Ltd.	8,76,408	5,20,000
Rent & Service Charges paid - Fort Gloster Industries Ltd.	-	24,000
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	35,07,000
Remuneration paid to P. N. Ojha	23,85,137	16,03,220
Remuneration paid to Bharati Bangur	6,07,598	5,54,997
C) Details of Outstanding Payment to related party :		
The West Coast Paper Mills Ltd.	2,67,576	1,30,426
East Coast Powers Limited	20,16,765	15,59,359

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 & loss and funded status & amounts recognised in the balance sheet for Gratuity and Leave Encashment Liability :

(Amount in ₹)

Particulars	31st March, 2013		31st March, 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Profit & Loss Account				
Net employees benefit expenses (recognised in employee cost)				
Current Service Cost	18,32,758	22,53,097	23,73,913	1,45,957
Interest cost on benefit obligation	32,32,248	4,18,891	33,35,479	4,43,280
Expected return on plan assets	(31,94,405)	–	(31,43,868)	–
Net actuarial loss/(gain) recognised in the year	60,39,742	(13,27,901)	22,24,737	6,17,964
Past Service Cost Liability	–	–	–	–
Net Benefit Expenses	79,10,343	13,44,087	47,90,261	12,07,201
Balance Sheet				
Defined Benefit Obligation	3,51,67,907	59,99,656	4,23,71,500	58,16,697
Fair value of plan assets	(1,63,69,723)	–	(3,75,81,239)	–
Net Liability recognised in Balance Sheet	1,87,98,184	59,99,656	47,90,261	58,16,697
Change in present value of the defined benefit obligation are as follows :				
Statement of Profit & Loss :				
Defined Benefit Obligation as at April 1st, 2012	4,23,71,500	58,16,697	4,10,15,472	52,65,311
Interest Cost	32,32,248	4,18,891	33,35,479	4,43,280
Current service Cost	18,32,758	22,53,097	23,73,913	1,45,957
Benefit paid	(86,90,113)	(11,61,128)	(67,09,469)	(6,55,815)
Actuarial loss/(gain) on obligation	(35,78,486)	(13,27,901)	23,56,105	6,17,964
Defined Benefit Obligation as at March 31st, 2013	3,51,67,907	59,99,656	4,23,71,500	58,16,697
Change in present value of the fair value of plan assets are as follows :				
Fair value of plan assets as at April 1st, 2012	3,75,81,239	–	3,05,05,955	–
Expected Return	(31,94,405)	–	31,43,868	–
Contribution by the employer	2,91,230	–	1,05,09,517	–
Benefit paid	(86,90,113)	–	(67,09,469)	–
Actuarial (loss)/gain	(96,18,228)	–	1,31,368	–
Fair value of plan assets as at March 31st, 2013	1,63,69,723	–	3,75,81,239	–

Notes to the Accounts

(Amount in ₹)

Particulars	31st March, 2013		31st March, 2012	
	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 & Special Deposit	40.45%		15.22%	
Investment in Mutual Funds	53.11%		53.32%	
Bank Balance	6.44%		31.46%	
	100.00%		100.00%	
The principal assumption used in determining gratuity benefit obligation for the Company's plan are below :				
Discount Rate	8.50%		8.00%	
Expected Rate of Return on Assets	8.50%		8.00%	
Increase in compensation cost	2.00%		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 BASIS OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER

(Amount in ₹)

Particulars	31st March, 2013	31st March, 2012
Profit after Tax	86,57,007	78,39,558
Weighted average number of Equity Shares	2,93,26,457	2,93,26,457
Basic and Diluted Earnings Per Share	0.30	0.27
Nominal Value of Share (Par Value)	10	10

2.33 Figures in bracket represent amount related to previous year.

2.34 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

Place : Kolkata

Date : 10th May, 2013

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, 2013
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 par 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, 2013.	₹ (2,14,523/-)
ii) For the previous financial years of the subsidiary Company since it became the holding company's subsidiary.	₹ 1,52,000/-
b) Dealt with in the holding company's accounts :	
i) For the financial year ended 31st March, 2013.	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 31/03/2013 ₹	As at 31/03/2012 ₹
a) Capital	65,00,000	65,00,000
b) Reserves	2,21,765	4,54,165
c) Total Assets	89,07,951	86,90,114
d) Total Liabilities	21,86,186	17,35,949
e) Investments	–	–
f) Turnover	35,617	30,282
g) Profit before Taxation	(2,32,400)	(87,432)
h) Provision for Taxation	–	–
i) Profit after Taxation	(2,32,400)	(87,432)
j) Proposed Dividend	–	–

Independent Auditors' Report

To the Board of Directors of
Jayshree Chemicals Limited

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **JAYSHREE CHEMICALS LIMITED** ("the Company") and its subsidiary, which comprises the Consolidated Balance Sheet as at March 31, 2013, and the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan & perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of Consolidated Statement of Profit & Loss, of the Profit for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets(net) of ₹ 67,21,765/- as at 31st March, 2013, total revenues amounting to ₹ 35,617/- and net cash inflows amounting to ₹ 21,467/- for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

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

6C, Middleton Street
Kolkata - 700 071
Date : 10th May, 2013

B. K. Bhutia
Partner
Membership No. 059363

Consolidated Balance Sheet

as at 31st March, 2013

(Amount in ₹)

Particulars	Note No.	As at 31/03/2013	As at 31/03/2012
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	23,54,67,241	22,70,24,757
		52,87,31,811	52,02,89,327
2. Minority Interest		5,17,059	5,34,936
3. Non-Current Liabilities			
a. Long-term Borrowings	2.3	68,12,06,425	78,43,69,689
b. Deferred Tax Liabilities (Net)	2.4	3,61,42,000	2,98,53,000
c. Long-term Provisions	2.5	51,44,703	48,31,331
		72,24,93,128	81,90,54,020
4. Current Liabilities			
a. Short-term Borrowings	2.6	31,49,75,811	30,40,89,485
b. Trade Payables	2.7	14,18,77,566	10,78,37,055
c. Other Current Liabilities	2.8	26,95,57,338	25,13,76,294
d. Short-term Provisions	2.9	8,54,953	9,85,366
		72,72,65,668	66,42,88,200
TOTAL (1+2+3+4)		1,97,90,07,666	2,00,41,66,483
II. ASSETS			
1. Non-Current Assets			
a. Fixed Assets			
i. Tangible Assets	2.10	1,54,23,71,581	1,58,76,16,465
ii. Intangible Assets		2,82,239	4,40,792
iii. Capital Work-in-Progress		62,25,318	16,14,450
		1,54,88,79,138	1,58,96,71,707
b. Long-term Loans and Advances	2.11	10,08,07,372	8,82,38,864
c. Other Non-Current Assets	2.12	80,21,150	78,26,052
		1,65,77,07,660	1,68,57,36,623
2. Current Assets			
a. Inventories	2.13	5,99,35,036	6,01,97,536
b. Trade Receivables	2.14	19,52,62,412	16,06,15,361
c. Cash and Bank Balances	2.15	2,16,42,471	4,92,08,067
d. Short-term Loans and Advances	2.16	3,93,42,069	4,24,62,851
e. Other Current Assets	2.17	51,18,018	59,46,045
		32,13,00,006	31,84,29,860
TOTAL (1+2)		1,97,90,07,666	2,00,41,66,483

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

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Consolidated Statement of Profit & Loss

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Note No.	Year ended 31/03/2013	Year ended 31/03/2012
I. Revenue from Operations :			
Sales (Gross)		1,50,38,43,271	1,25,11,74,841
Less : Excise Duty		17,33,48,351	11,91,04,401
Sales (Net)		1,33,04,94,920	1,13,20,70,440
Other Operating Revenues		46,15,809	26,85,330
		1,33,51,10,729	1,13,47,55,770
II. Other Income	2.18	2,73,26,081	8,08,88,443
III. Total Revenue (I+II)		1,36,24,36,810	1,21,56,44,213
IV. Expenses :			
Cost of Materials Consumed	2.19	29,03,00,515	25,06,94,269
Power and Fuel Expenses		59,40,92,370	56,98,02,292
Changes in inventories of finished goods and work-in-progress	2.20	(38,86,337)	48,21,425
Employee Benefits Expense	2.21	11,93,80,863	10,72,79,520
Finance Costs	2.22	16,22,19,896	11,80,80,405
Depreciation and Amortization Expense	2.10	9,19,44,169	8,07,14,535
Other Expenses	2.23	9,36,71,727	7,89,80,641
Total Expenses		1,34,77,23,203	1,21,03,73,087
V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)		1,47,13,607	52,71,126
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V-VI)		1,47,13,607	52,71,126
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII-VIII)		1,47,13,607	52,71,126
X. Tax Expense :			
1. Current Tax		29,90,000	10,22,000
2. Deferred Tax (Net)		62,89,000	(24,81,000)
3. MAT Credit Entitlement		(29,90,000)	(10,22,000)
4. Income Tax provision/payment for earlier year		-	-
		62,89,000	(24,81,000)
XI. Profit after Tax (IX-X)		84,24,607	77,52,126
XII. Minority Interest		17,877	6,725
XIII. Profit/(Loss) for the period from Continuing Operations (XI-XII)		84,42,484	77,58,851
XIV. Earnings Per Equity Share :	2.28		
Equity share of par value ₹ 10/- each			
1. Basic		0.29	0.26
2. Diluted		0.29	0.26

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

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director

Consolidated Cash Flow Statement

for the year ended 31st March, 2013

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	1,47,13,607	52,71,126
Adjustments for :		
- Depreciation	9,19,44,169	8,07,14,535
- Net Profit/(Loss) on sale of fixed/discarded assets	64,336	(4,44,80,056)
- Interest Expenses	16,22,19,896	11,80,80,405
- Interest Income	(69,66,154)	(67,18,971)
Operating Profit Before Working Capital Changes	26,19,75,854	15,28,67,039
Adjustments for :		
- Trade Payables	5,24,04,514	(6,33,09,323)
- Trade and Other Receivables	(4,14,19,372)	52,74,875
- Inventories	2,62,500	(1,79,77,641)
Cash Generated from Operations	27,32,23,496	7,68,54,950
- Direct Taxes Paid	(23,04,784)	(40,15,383)
Net Cash generated from Operating Activities	27,09,18,712	7,28,39,568
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(5,16,59,738)	(13,55,24,773)
Sale of Fixed/Discarded Assets	4,43,802	7,58,58,028
Interest Received	69,66,154	67,18,971
Miscellaneous Expenses	(1,95,098)	(15,20,902)
Net Cash used in Investing Activities	(4,44,44,880)	(5,44,68,677)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	-	15,59,359
Proceeds from Short Term Borrowings	1,13,43,732	26,37,00,921
Repayment of Long Term Borrowings	(10,31,63,264)	(14,16,00,049)
Unclaimed Dividend Paid	-	(338)
Interest Paid	(16,22,19,896)	(11,80,80,405)
Net Cash generated/(used) in Financing Activities	(25,40,39,428)	55,79,488
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,75,65,596)	2,39,50,379
Opening Cash and Cash Equivalents	4,92,08,067	2,52,57,688
Closing Cash and Cash Equivalents	2,16,42,471	4,92,08,067

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

Place : Kolkata

Date : 10th May, 2013

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, 2013

(Forming an integral part of the Consolidated Balance Sheet and Consolidated 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 Standards notified under Section 211(3C) of the Companies Act, 1956 and relevant provisions thereof.

2) Use of Estimates

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

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

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

3) Fixed Assets

Fixed Assets are stated at cost excluding excise duty and education cess thereon. In respect of major projects involving construction, erection etc. related pre-operational expenses (net of revenue) form part of the value of the assets capitalised. Fixed Assets retired from active use and held for disposal are valued at lower of their written down value or net realizable value.

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 (vi) Computers and (vii) 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 Profit & Loss Account.

6) Inventories

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

7) Excise Duty

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

8) Retirement Benefits

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

9) Taxation

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

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

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

10) Sales

Sales are inclusive of Excise Duty 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

Consolidated Accounting Policies & Notes on Accounts

for the year ended 31st March, 2013

accounted for at the prevailing exchange rate on the date of transactions.

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

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

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

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

13) Borrowing Costs

Borrowing Costs relating to (i) funds borrowed for acquisition of Fixed Assets are capitalised and (ii) funds

borrowed for other purpose are charged to Profit & Loss Account.

14) Impairment of Assets

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

15) Segment Reporting

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

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

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

Notes to the Consolidated Balance Sheet

as at 31st March, 2013

NOTE NO. 2

NOTES ON ACCOUNTS

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2.1 SHARE CAPITAL		
Authorised Capital		
Equity Shares 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 Shares 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.

Notes to the Consolidated Balance Sheet

3. Details of Shareholders holding more than 5% of total shares as on 31st March, 2013 :

Name of Shareholder	No. of Shares	% to Total Shares
Shree Satyanarayan Investments Co. Ltd.	22,11,248	7.540
The Thirumbadi Rubber Co. Ltd.	18,37,000	6.264
Veer Enterprises Limited	31,41,958	10.714

4. The reconciliation of the number of shares outstanding as at 31st March, 2013 is as below :

Particulars	As at 31st March 2013	As at 31st March 2012
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 31/03/2013	As at 31/03/2012
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	9,94,89,360	9,17,30,509
Add : Net Profit after tax transferred from Statement of Profit & Loss	84,42,484	77,58,851
	10,79,31,844	9,94,89,360
TOTAL (2.2)	23,54,67,241	22,70,24,757
2.3 LONG-TERM BORROWINGS		
1. Term Loans - Secured		
a. From Banks	63,59,48,802	73,91,12,066
b. From Govt. of Odisha	1,94,250	1,94,250
	63,61,43,052	73,93,06,316
2. Deferred Payment Liabilities	4,50,63,373	4,50,63,373
TOTAL (2.3)	68,12,06,425	78,43,69,689

Notes to the Consolidated Balance Sheet

Notes :

1. Term Loans - Secured		
a. From Banks		
i. Rupee/FCNR(B)/FCTL Term Loan	63,35,91,497	73,91,12,066
ii. Car Loan	23,57,305	–
	63,59,48,802	73,91,12,066
b. From Other Parties		
Govt. of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	63,61,43,052	73,93,06,316

Notes :

Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 12 quarterly instalments.

Outstanding Rupee/FCNR(B) Term Loans are repayable in 19 quarterly instalments.

Outstanding Rupee Term Loans from UBI are repayable in 9 quarterly instalments.

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March, 2013 in respect of these assets are as under :

Due	Total Minimum Lease outstanding as on 31st March, 2013	Interest Not Due	Present value of minimum Lease payments
Within one year	11,65,788	2,99,702	8,66,086
Last year	–	–	–
Later than one year and not later than five years	27,45,531	3,94,981	23,57,305
Last year	–	–	–
Total : Current Year	39,11,319	6,94,683	32,23,391
Total : Last Year	–	–	–

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 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 Balancing Equipments :

Exclusive charge on equipments purchased/to be purchased out of Term Loan from United Bank of India.

For Wind Mill Project :

Exclusively secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be

Notes to the Consolidated Balance Sheet

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 31/03/2013	As at 31/03/2012
2. Deferred Payment Liabilities		
Electricity Duty payable	4,50,63,373	4,50,63,373
TOTAL (2.3)	68,12,06,425	78,43,69,689
2.4 DEFERRED TAX LIABILITIES (NET)	3,61,42,000	2,98,53,000

Notes :

a. Deferred Tax Liabilities		
Depreciation	15,91,07,000	12,58,87,000
b. Deferred Tax Assets		
Carry forward business loss/depreciation	12,29,65,000	9,37,73,000
Expenses allowable against taxable income in future year	—	22,61,000
	12,29,65,000	9,60,34,000
TOTAL (2.4)	3,61,42,000	2,98,53,000

2.5 LONG-TERM PROVISIONS		
Provision for Employees Benefit		
Leave Liability	51,44,703	48,31,331
TOTAL (2.5)	51,44,703	48,31,331

2.6 SHORT-TERM BORROWINGS		
a. Loan Repayable on Demand (Secured)		
From Banks		
- Cash Credit A/c	8,09,48,500	9,50,89,485
b. Loan Repayable on Demand (Unsecured)		
From Bodies Corporate	23,40,27,311	20,90,00,000
TOTAL (2.6)	31,49,75,811	30,40,89,485

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	1,33,998	2,23,997
b. Others	14,17,43,568	10,76,13,058
TOTAL (2.7)	14,18,77,566	10,78,37,055

Notes :

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2013 ₹ 1,33,998 (₹2,23,997/-).

Notes to the Consolidated Balance Sheet

(Amount in ₹)

2.8 OTHER CURRENT LIABILITIES		
a. Current Maturities of Long-term Borrowings	16,75,66,086	18,75,67,568
b. Interest accrued but not due on Borrowings	47,26,902	25,21,799
c. Interest accrued and due on Borrowings	32,00,368	37,09,261
d. Unpaid Dividends	2,10,485	2,10,485
e. Others Payable		
i. Amount Payable to Employees	55,22,082	42,38,334
ii. Income Tax and Other Dues Payables to Govt. Dept.	48,23,086	61,80,311
iii. Provision for Expenses	2,03,92,462	2,70,80,452
iv. Other Payables	2,44,67,309	1,16,37,817
v. Advance from Customers	2,51,25,037	19,78,637
vi. Security Deposit from Parties	11,14,147	14,61,369
viii. Provision for Gratuity	1,24,09,374	47,90,261
	9,38,53,497	5,73,67,181
TOTAL (2.8)	26,95,57,338	25,13,76,294

2.9 SHORT-TERM PROVISIONS		
Provision for Employees Benefit		
Leave Liability	8,54,953	9,85,366
TOTAL (2.9)	8,54,953	9,85,366

2.10 FIXED ASSETS

(Amount in ₹)

Particulars	Original Cost as on 01/04/2012	Additions during the year 2012-13	Sold or Adjustment during 2012-13	Total Cost as on 31/03/2013	Total Deprn. provided upto 2011-12	Deprecation for the year 2012-13	Sold or Adjustment during 2012-13	Total Deprecation upto 31/03/2013	W.D.V. as on 31/03/2013	W.D.V. as on 31/03/2012
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	1,38,532	4,525	-	1,43,057	1,34,532	1,39,057
Development of Site including Roads	46,60,544	10,81,500	-	57,42,044	33,18,658	11,06,117	-	44,24,775	13,17,269	13,41,886
Buildings	29,67,16,919	9,26,438	(1,05,02,109)	30,81,45,466	1,77,84,764	1,00,97,479	(1,59,321)	2,80,41,564	28,01,03,902	27,89,32,155
Plant & Machinery	1,36,36,65,921	2,84,89,489	23,78,01,137	1,15,43,54,273	10,54,41,659	5,92,73,820	1,14,44,733	15,32,70,746	1,00,10,83,527	1,25,82,24,262
Railway Siding	15,59,968	-	-	15,59,968	9,52,029	93,197	-	10,45,226	5,14,742	6,07,939
Water Supply & Tube Well	19,35,336	2,83,628	(2,51,99,756)	2,74,18,720	12,46,768	13,92,582	(12,19,617)	38,58,967	2,35,59,753	6,88,568
Furniture & Fittings	37,80,799	68,209	10,87,758	27,61,250	24,86,357	2,25,812	8,29,657	18,82,512	8,78,738	12,94,442
Office Equipments	34,21,665	2,17,018	(10,87,758)	47,26,441	23,86,901	5,64,792	(8,29,657)	37,81,350	9,45,091	10,34,764
Electrical Installations	60,79,764	28,05,713	(20,19,79,516)	21,08,64,993	33,75,198	1,08,28,990	(99,51,788)	2,41,55,976	18,67,09,017	27,04,566
Motor Car & Vehicles	56,17,244	44,23,106	17,62,198	82,78,152	39,09,635	7,69,388	12,59,809	34,19,214	48,58,938	17,07,609
Laboratory Equipments	62,30,078	-	-	62,30,078	7,01,036	8,47,602	-	15,48,638	46,81,440	55,29,042
Handling Equipments	5,71,91,489	87,35,769	-	6,59,27,258	2,44,20,963	65,63,312	-	3,09,84,275	3,49,42,983	3,27,70,526
	1,75,37,78,965	4,70,30,870	18,81,954	1,79,89,27,881	16,61,62,500	9,17,67,616	13,73,816	25,65,56,300	1,54,23,71,581	1,58,76,16,465
Intangible Assets										
Computer Software	4,44,680	18,000	-	4,62,680	3,888	1,76,553	-	1,80,441	2,82,239	4,40,792
	1,75,42,23,645	4,70,48,870	18,81,954	1,79,93,90,561	16,61,66,388	9,19,44,169	13,73,816	25,67,36,741	1,54,26,53,820	1,58,80,57,257
Previous Year Figures	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	

Notes :

- The Company has capitalized ₹ 1,65,89,634/- (₹ 4,87,15,125/-), being the exchange differences arising on long-term foreign currency monetary items at rates different from those at which they were 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.
- 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 31/03/2013	As at 31/03/2012
2.11 LONG-TERM LOANS AND ADVANCES		
(Unsecured considered good)		
a. Capital Advances	21,90,900	59,87,184
b. Security Deposit	9,64,18,646	7,99,53,854
c. Advance to Parties	–	1,00,000
d. Deposit with Sales Tax	21,97,826	21,97,826
TOTAL (2.11)	10,08,07,372	8,82,38,864
2.12 OTHER NON-CURRENT ASSETS		
Others + Preliminary and Pre-operative Expenses	80,21,150	78,26,052
TOTAL (2.12)	80,21,150	78,26,052
2.13 INVENTORIES		
a. Raw Materials	2,09,20,356	2,80,67,420
b. Work-in-Progress	20,86,090	23,43,846
c. Finished Goods	91,72,031	50,27,938
d. Stores and Spares	2,77,56,559	2,47,58,332
TOTAL (2.13)	5,99,35,036	6,01,97,536
Note : 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	2,14,64,646	3,23,48,724
b. Others	17,37,97,766	12,82,66,637
TOTAL (2.14)	19,52,62,412	16,06,15,361
Note : In the opinion of the Management the amounts are good and realisable.		
2.15 CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks :		
- In Current Account	48,38,146	31,10,536
ii. Cash-on-Hand	2,75,954	1,98,694
iii. Special Term Deposit/Margin Money (Less than 3 months)	18,14,982	–
	69,29,082	33,09,230
b. Others		
i. Unpaid Dividend A/c.	2,10,485	2,10,485
ii. Special Term Deposit/Margin Money with Banks	1,45,02,904	4,56,88,352
	1,47,13,389	4,58,98,837
TOTAL (2.15)	2,16,42,471	4,92,08,067
Note : Special Term Deposit includes ₹ 29,000/- (₹ 29,000/-) having maturity more than 12 months.		

Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31/03/2013	As at 31/03/2012
2.16 SHORT-TERM LOANS & ADVANCES		
(Unsecured considered good)		
a. Loan to Employees	21,90,667	7,80,795
b. Other Recoverable Advances	34,91,959	49,74,312
c. Balances with Excise and other Govt. Dept.	81,16,464	65,24,357
d. Advance to Parties	1,48,94,096	2,06,94,731
e. Prepaid Expenses	30,61,098	42,07,091
f. Deposit with I. Tax Dept. (Against Demand)	–	15,00,000
g. Advance Income Tax (Net of Income Tax Provision)	75,87,785	37,81,565
TOTAL (2.16)	3,93,42,069	4,24,62,851
2.17 OTHER CURRENT ASSETS		
Interest accrued and due on Deposit	51,18,018	59,46,045
TOTAL (2.17)	51,18,018	59,46,045

Note :

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 31/03/2013	Year ended 31/03/2012
2.18 OTHER INCOME		
a. Interest		
From Bank	19,68,904	23,91,580
From Other	47,43,932	43,27,391
	67,12,836	67,18,971
b. Other Non-Operating Income		
i. Liabilities no longer required written back	19,92,179	2,16,62,186
ii. Net Profit on sale of fixed/discarded assets	–	4,44,80,056
iii. Miscellaneous Receipts	1,86,21,066	80,27,230
TOTAL (2.18)	2,73,26,081	8,08,88,443
Notes :		
1. Gross Interest includes TDS ₹ 6,71,890 (₹6,65,383/-)		
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	2,33,07,415	2,05,28,234
b. Add : Raw Materials Purchased	28,40,04,585	25,34,73,450
	30,73,12,000	27,40,01,684
c. Less : Closing Stock of Raw Materials	1,70,11,485	2,33,07,415
TOTAL (2.19)	29,03,00,515	25,06,94,269

Notes :

Cost of Materials Consumed includes employee benefits expenses ₹ 26,82,487/- (₹ 28,42,736/-), Power & Fuel ₹ 12,18,657/- (₹ 8,87,028/-), Repairs & Maintenance ₹ 15,47,180/- (₹ 17,14,183/-), Insurance ₹ 6,777/- (₹ 7,351/-) and Rates & Taxes ₹ 3,76,539/- (₹ 2,58,627/-).

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.20 CHANGES IN INVENTORIES		
a. Opening Inventories		
1. Finished Goods	50,27,938	93,50,985
2. Work-in-Progress	23,43,846	28,42,224
	73,71,784	1,21,93,209
b. Less : Closing Inventories		
1. Finished Goods	91,72,031	50,27,938
2. Work-in-Progress	20,86,090	23,43,846
	1,12,58,121	73,71,784
(Increase)/Decrease in Inventories	(38,86,337)	48,21,425
2.21 EMPLOYEES BENEFIT EXPENSES		
a. Salaries and Wages	9,15,96,098	7,49,13,467
b. Contribution to Provident and Other Funds (Including Admn. Charges)	1,14,47,591	1,69,03,040
c. Staff Welfare Expenses	1,63,37,174	1,54,63,013
TOTAL (2.21)	11,93,80,863	10,72,79,520
Notes :		
i. Employees Benefit Expenses includes :		
Provision for Gratuity	79,10,343	47,90,261
Provision for Leave Encashment	13,44,087	12,07,201
	92,54,430	59,97,462
ii. Employees Benefit Expenses includes Managerial Remuneration ₹ 58,92,137/- (₹ 51,10,220/-).		
2.22 FINANCE COST		
a. Interest Expenses		
Bank	8,11,99,102	8,43,24,475
Others	3,93,43,469	1,34,14,103
	12,05,42,571	9,77,38,578
b. Other Borrowing Costs	4,16,77,325	2,03,41,827
TOTAL (2.22)	16,22,19,896	11,80,80,405

Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year ended 31/03/2013	Year ended 31/03/2012
2.23 OTHER EXPENSES		
a. Consumption of Stores and Spares Part	1,09,90,196	91,39,384
b. Rent (Net)	11,45,008	8,17,557
c. Transportation Charges (Net)	93,51,207	66,33,935
d. Repairs & Maintenance	3,29,67,113	2,41,19,759
i. Buildings	44,32,165	38,57,480
ii. Plants & Machineries	1,66,16,437	93,09,971
iii. Others	1,19,18,511	1,09,52,308
e. Insurance	15,24,774	18,68,943
f. Rates and Taxes	68,52,578	84,93,617
g. Travelling & Vehicles Expenses	94,68,054	81,33,515
h. Legal Expenses	7,22,826	4,51,409
i. Loss on Sale of Fixed Assets	64,336	—
j. Bad Debts Written Off	—	1,71,246
k. Difference of excise duty on opening/closing of finished goods stocks	4,51,245	(2,21,283)
l. Director's Sitting Fees	2,15,000	2,20,000
m. Payments to the Auditor	3,90,493	2,96,000
n. CSR Expenses	17,57,992	21,49,328
o. Miscellaneous Expenses	1,77,70,905	1,67,07,231
TOTAL (2.23)	9,36,71,727	7,89,80,641
Notes :		
1. Rent (Net) :		
- Rent Paid	13,95,099	9,76,173
- Rent Received	(2,50,091)	(1,58,616)
	11,45,008	8,17,557
2. Transportation Charges (Net) :		
- Paid	13,56,47,570	11,65,16,906
- Realised	(12,62,96,363)	(10,98,82,971)
	93,51,207	66,33,935
3. Repairs & Maintenance includes consumption of stores and spare parts ₹ 1,89,25,372/- (₹ 1,22,55,983/-)		
4. Payments to the Auditor		
a. Auditors' Remuneration	1,30,618	1,05,000
b. For Taxation Matters	50,000	40,000
c. For Other Services	1,56,875	79,000
d. For Re-imburement of Expenses	23,000	52,000
e. Payment to Cost Auditor	30,000	20,000
	3,90,493	2,96,000

5. CSR Expenses includes Donation of ₹ 4,00,000/- (₹ 5,06,000/-).

Notes to the Consolidated Financial Statements

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 statements.

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 31/03/2013	Year ended 31/03/2012
2.25 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	45,98,885
ii) Income Tax Demand under Appeals	2,23,629	2,23,629
iii) Others	3,38,63,924	3,05,91,802
	3,86,86,438	3,54,14,316
Guarantees	7,57,51,089	5,40,34,790
	11,44,37,527	8,94,49,106
b. Commitments		
Outstanding Estimated Capital Commitment (Net of Advances)	1,36,67,483	67,83,451
Other Commitment	–	–

Notes to the Consolidated Accounts

2.26 SEGMENT REPORTING	Amount (₹)							
	As on 31/03/2013			As on 31/03/2012				
	Chemicals	Power	Trading	Total	Chemicals	Power	Trading	Total
Revenue								
External Sales	1,32,04,18,337	1,00,76,583	-	1,33,04,94,920	1,12,34,77,183	85,93,257	-	1,13,20,70,440
Inter-segment Sales	-	-	-	-	-	-	-	-
Total Revenue	1,32,04,18,337	1,00,76,583	-	1,33,04,94,920	1,12,34,77,183	85,93,257	-	1,13,20,70,440
Results								
Segment Results	16,50,21,351	60,74,035	(8,60,020)	17,02,35,366	11,39,27,449	40,03,633	(12,85,592)	11,66,45,490
Un-allocated Expenses				-				-
Operating Profit				17,02,35,366				11,66,45,490
Interest Expenses				16,22,19,896				11,80,80,405
Interest Income				69,30,537				67,93,873
Income Tax				62,89,000				(24,81,000)
Profit from Ordinary Activities				86,57,007				78,39,958
Extra-ordinary Items				-				-
Net Profit				86,57,007				78,39,958
Business Segment								
Other Information								
Segment Assets	1,89,14,39,023	6,44,36,266	5,94,684	1,95,64,69,973	1,93,15,55,282	5,71,57,522	49,776	1,98,87,62,579
Un-allocated Assets				2,18,19,905				1,44,46,847
Total Assets				1,97,82,89,878				2,00,32,09,426
Segment Liabilities	40,05,14,235	75,07,388	43,516	40,80,65,139	35,69,30,599	79,20,786	2,370	36,48,53,755
Un-allocated Liabilities				1,57,02,24,739				1,63,83,55,671
Total Liabilities				1,97,82,89,878				2,00,32,09,426
Capital Expenditure				5,16,59,738				13,55,24,774
Depreciation				9,19,44,169				8,07,14,535
Non-cash Expenses other than Depreciation				-				-

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	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	2012-13	2011-12
Rent received from The West Coast Paper Mills Ltd.	1,58,616	1,58,616
Sale of goods to The West Coast Paper Mills Ltd.	8,28,146	1,30,426
Purchases of Capital Goods from Gloster Cables Ltd.	–	–
Rent & Service Charges paid - Veer Enterprises Ltd.	8,76,408	5,20,000
Rent & Service Charges paid - Fort Gloster Industries Ltd.	–	24,000
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	35,07,000
Remuneration paid to P. N. Ojha	23,85,137	16,03,220
Remuneration paid to Bharti Bangur	6,07,598	5,54,997
C) Details of Outstanding Payment to related party :		
The West Coast Paper Mills Ltd.	2,67,576	1,30,426

Notes to the Consolidated Accounts

2.28 BASIS OF CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE IS AS UNDER : (Amount in ₹)

Particulars	31st March, 2013	31st March, 2012
Profit after Tax	84,42,484	77,58,851
Weighted average number of Equity Shares	2,93,26,457	2,93,26,457
Basic and Diluted Earnings Per Share	0.29	0.26
Nominal Value of Share (Par Value)	10	10

2.29 Figures in bracket represent amount related to previous year.

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

Signature to Note Nos. 1 & 2.

For K. N. GUTGUTIA & CO.

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 059363

Place : Kolkata

Date : 10th May, 2013

Manish Tiwari
Company Secretary

Prabhu Nath Ojha
Executive Director

Virendra Bangur
Managing Director



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 51st Annual General Meeting of the Company to be held at its Registered Office on Tuesday, the 20th August, 2013 at 3 P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013

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.

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

United Bank of India

Auditors

Messrs. K. N. Gutgutia & Company

Chartered Accountants

6C, Middleton Street, Kolkata - 700 071

Registered Office & Works

P. O. Jayshree - 761 025

District : Ganjam (Odisha)

Phone : (06811) 254319/329

Fax : (06811) 254384

Corporate Office

31, Chowringhee Road

Kolkata - 700 016

Phone : (033) 2265 6271 (8 Lines)

Fax : (033) 2226 3257

E-mail : jcl@jayshreechemicals.com

Website : www.jayshreechemicals.com

Registrars & Share Transfer Agents

Niche Technologies Private Ltd.

D-511, Bagree Market

71, B. R. B. Basu Road, Kolkata - 700 001

Phone : (033) 2235 7270-71

Fax : (033) 2215 6823

E-mail : nichetechpl@nichetechpl.com



Mr. A. K. Singh, Sr. Vice President (Operations) receiving the ICC Certificate of Merit, awarded to the Company by the Indian Chemical Council for excellence in Energy Conservation and Mngement.

BOOK POST

If undelivered, please return to :



Jayshree Chemicals Limited
31, Chowringhee Road, Kolkata - 700 071
www.jayshreechemicals.com