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forward-looking statement

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

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

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

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the composition
to lead tomorrow



The confidence and forward motion towards value addition to our existing capacities by using efficient technology, our ever promising Human Resource and enhanced sustainable developmental activities, all of which together lead towards the creation of a healthy stakeholder's value, thereby showing a larger and evolving picture of the "Jayshree" family.

Our business card

Origin

- Promoted by Kolkata based S K Bangur group.
- Incorporated as a Public Limited Company on 17th April, 1962 in the State of West Bengal.

Presence

- Corporate office in Kolkata, Registered Office and Manufacturing facility at P. O. Jayshree, Ganjam District within State of Orissa.
- Shares listed on the Bombay Stock Exchange Limited.

Our Competitive advantage

- Single plant in the State of Orissa, manufacturing Caustic Soda since 1967.
- Stringent quality, regulatory and compliance standards.
- More than 10 brand enhancing customers.
- Converting the existing production facility from Mercury Cell Technology to the most environment friendly Membrane Cell Technology.
- Foray in Wind Power generation.



Vision

To emerge as one of the largest manufacturers of Caustic Soda, Liquid Chlorine and Hydrochloric Acid in the Eastern India.

Values

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

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

Responsibility : For our words and actions.

Respect : For our stakeholders, environment and Community.

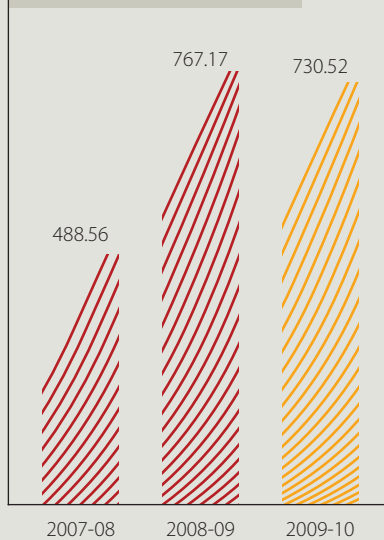
Value Enhancement :

- Achieved a Turnover of Rs. 5461.96 Lacs.
- Achieved a Post-Tax profit of Rs. 472.89 Lacs.
- Achieved an EPS of Rs. 7.14 per share.
- Produced 21,994 MT of Caustic Soda.
- Produced 12,883 MT of Liquid Chlorine.
- Produced 20,552 MT of Hydrochloric Acid.
- Wind Power generation stood at 4,58,057 KWH.



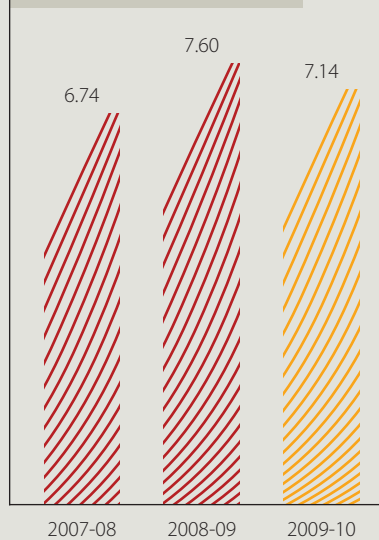
Profit before Tax

(Rs. in Lacs)



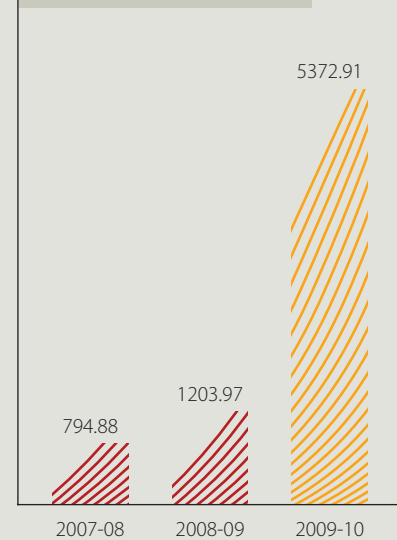
EPS

(Rs.)



Networth

(Rs. in Lacs)





chairman's statement

Dear Shareholders,

Our vision for "Jayshree" has been built over on the 3 major pillars of success – Human Resource, Stakeholders Value Creation and Sustainability. We have always ensured that these three attributes percolate through all our business endeavours.

We have already started with the technology conversion of our existing plant from Mercury Cell Technology to the Environment friendly Membrane Cell Technology. The civil work at the existing facility is in full swing and we expect to commence production from the first week of November 2010. To part finance the project, we came out with a Rights Issue which received good response from the investors and it was eventually oversubscribed.

The demand for our products is expected to remain buoyant during the coming years due to investments by various user industries mainly aluminium manufacturers in the State of Orissa. This surely gives an exciting time to us. Your Company with the expanded capacity will be able to cater only 10% of the total demand in the State of Orissa.

Despite various breakdowns arising from the poor and lower

supply of power, we still posted a satisfactory year in terms of our results. The problems related to the power supply have been resolved with the Government and we are expected to deliver a healthy and growing numbers in the years to come.

Our business which possesses a potent combination of leadership and team spirit always strives to look ahead so as to deliver better than expected results to the Company.

In a challenging business scenario where the input costs are continuously on an upscale we are committed to maintain ourselves financially stable by taking various precautionary measures.

Measured through our objectives and various initiatives taken, the year under review remained satisfactory at all levels right from Operations to CSR activities. We will continue to build upon these achievements and I eagerly look forward to report on our progress in the years to come.

S K Bangur
Chairman

scale + strategy + execution = growth and leadership

Jayshree offers three products in its basket including Caustic Soda, Hydrochloric Acid and Chlorine. Its manufacturing facility is one of the largest in the Eastern India.

Jayshree Chemicals produces Caustic Soda using Mercury Cell Technology. With a present installed capacity of 22,500 MT p.a. the total production during the year 2009-10 stood at 21,994 MT and the Company generated a total income of Rs. 4855.87 Lakhs.

Hydrochloric Acid is a clear, colorless, fuming, poisonous, highly acidic aqueous solution of hydrogen chloride. It is used as a chemical

intermediate and in petroleum production, ore reduction, food processing, pickling, and metal cleaning. It is also found in the stomach in dilute form. The installed capacity of Hydrochloric Acid stood at 20,000 MT p.a. and the total production during the year 2009-10 stood at 20,552 MT and the Company generated a total income of Rs. 317.63 Lakhs.

Liquid Chlorine is a greenish-yellow gas which is liquid under pressure. It possesses a pungent and suffocating odor and it is highly toxic in nature. It is mainly in the purification process of water, waste and sewage treatment, manufacturing of PVC, synthetic rubber. It is



also treated as bleaching and sanitizing agent. The installed capacity of Liquid Chlorine stood at 15,500 MT p.a. and the total production during the year 2009-10 stood at 12,883 MT and the Company generated a total income of Rs. 272.97 Lakhs.

Jayshree Chemicals added one 1.25 MW Wind Turbine Generator to its kitty in the State of Tamil Nadu in the Wind Energy Park developed by Suzlon Energy, during the year 2009-10 the Company generated 4,58,057 KWH of power and earned a total income of Rs. 15.50 Lakhs.

The aggressiveness shown by the Company for modernization of its plant by using eco-friendly technology for conversion from Mercury Cell Technology to Membrane Cell Technology and an increase in the total production to 53,200 MT p.a. of Caustic Soda, shows its zeal of becoming one of the market leaders in the production of chlor-alkali chemicals in the Eastern India.



people + process = excellence



We at Jayshree have created an environment that facilitates a transformation of the individual mindset from a follower to a leader, from an implementer to a creator.

Human Resource is always regarded as an intellectual capital in any organization. The Company's intellectual capital comprises hosts of peoples from diversified sectors and educational backgrounds and with their experience and expertise they always help "Jayshree" in attaining total customer satisfaction through their dedicated services.

We always aim to emerge as a preferred employer within our industry through the following initiatives:

- Widening career opportunities for the employees.
- Performance based employee appraisal, compensation structure at par with the best industry standards, performance linked plans and retirement benefits.
- Talent nurturing and a people strategy development for organizational growth.
- Enhanced employee participation in decision making.
- Periodic employee feedbacks surveys alongwith performance appraisals.

The emphasis on people and process has resulted in the following :

- One of the lowest attrition rates at the senior level among the employees, reflecting the positive impact of empowerment and leadership opportunities among the employees.



socially relevant business practices +
voluntary employee involvement =
responsible &
caring corporate

At Jayshree, a sensitive concern for the community and the world makes our business truly sustainable. We are always committed to invest into community development to enlighten the life of people and the environment around us thereby benefiting the society at large.



We at Jayshree Chemicals Ltd, always believe in providing a healthy workplace through and safe plant operations. We always integrate environment, health and safety considerations into business planning and decision making.

Community Welfare

- Dispensary inside the factory premises for quick medical aid to the employees.
- Various health check-up camps at regular intervals.
- Proper water and sanitation facilities for the benefit of the employees, their families and the community in the Jayshree village of the Ganjam District.

Environment Management

- Implemented greening activities in and around the plant to protect the environment.
- Conservation of water through harvesting.
- Efficient air and water pollution measures following the principles as laid down by various government agencies.

Empowerment

- Initiating literacy programme in and around the village through Jayshree Chemicals School affiliated to the Indian School Certificate Examination, Delhi.
- Thanks to all these initiatives, Jayshree Chemicals Ltd enhanced quality of life of all those living across the surrounding areas in Ganjam.



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, 2010.

FINANCIAL RESULTS

Particulars	31-3-2010 (Rs.)	31-3-2009 (Rs.)
Profit for the year	7,30,51,563	7,67,16,720
Less/(Add) : Provision for Taxation		
- Current Tax	1,24,19,000	2,57,00,000
- Fringe Benefit Tax	-	7,50,000
- Deferred Tax (Net)	1,95,53,000	14,08,000
- MAT Credit Entitlement	(58,84,000)	-
- Income Tax Provision/Payment for earlier years	(3,26,100)	-
	4,72,89,663	4,88,58,720
Add : Credit Balance brought forward	3,98,52,657	27,94,279
Making a surplus of	8,71,42,320	5,16,52,999
Which is appropriated as under :		
- Transfer to General Reserve	-	24,42,936
- Interim Dividend on Equity Shares	53,32,083	-
- Proposed Dividend	-	79,98,125
- Tax on Dividend	9,06,188	13,59,281
- Balance carried forward to next year	8,09,04,049	3,98,52,657
	8,71,42,320	5,16,52,999

ISSUE OF RIGHTS SHARES

In order to part finance the cost of the Project for conversion of existing plant based on Mercury Cell Technology to Membrane Cell Technology and also increasing the existing production capacity of Caustic Soda from 65 TPD to a capacity of 152 TPD the Company issued 2,39,94,374 Equity Shares of Rs. 10/- each for cash at a price of Rs. 15/- each including a premium of Rs. 5/- per Share to the Equity Shareholders of

the Company on Rights Basis in the ratio of 9 Equity Shares for every 2 Equity Shares held on 18th February, 2010, being the Record Date therefor. The issue was oversubscribed and the above Shares were allotted on 29th March, 2010 as per the basis of allotment approved by the Bombay Stock Exchange Ltd. ('BSE'). The above Shares were duly listed on the BSE and also admitted to the Depository System of National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).

Directors' Report (Contd.)

DIVIDEND

The Board of Directors of the Company ('the Board') at its Meeting held on 20th October, 2009, had declared an Interim Dividend @ Re. 1/- per Share for the year ending 31st March, 2010, on 53,32,083 Equity Shares to the Shareholders as on 30th October, 2009, being the Record Date therefor. The said Interim Dividend was distributed on 9th November, 2009. The Board does not recommend any further Dividend for the above financial year.

OPERATING RESULTS

Due to poor Hydel Power Generation in the State of Orissa, power supply was substantially curtailed and number of breakdowns also increased. As a result, the Company could produce only 21,994 M.T. of Caustic Soda against 24,413 M.T. during the previous year. Imports at substantially lower prices from various countries have also impacted the realisation in the last quarter of the year.

CURRENT OUTLOOK

The demand of the Company's products is on the increase and prices are also firming up due to higher import costs. Production of salt is satisfactory. However, Power Tariff in the State of Orissa has been raised, which is going to have an impact on the profitability.

EXPANSION

As reported earlier, the Company has already commenced work on the Expansion-cum-Conversion Project. Equipment have been ordered and have started arriving at the site. Civil and Mechanical work is progressing satisfactorily. The said project, though scheduled to be commissioned by the end of the current calendar year, is likely to be pre-commissioned by the 1st week of November, 2010.

INDUSTRIAL RELATIONS

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

GENERAL

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

The Company's Shares are listed on the Mumbai Stock Exchange and the Listing Fees for the year ended 31st March, 2010, 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 and the Local Authorities for their continued co-operation and support.

SAFETY

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

ENVIRONMENT

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

SUBSIDIARY COMPANY

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

As required under Section 212 of the Companies Act, 1956, the audited statement of Accounts alongwith the Reports of the Directors and the Auditors of East Coast Powers Ltd., the subsidiary of the Company, for the year ended 31st March, 2010 are annexed.

CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Particulars prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, to the extent applicable, forming part of this Report, are as per annexure.

Directors' Report (Contd.)

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CORPORATE GOVERNANCE

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. Report on Corporate Governance is annexed. Necessary declaration duly signed by the Executive Director of the Company to the effect that all the Board Members and Senior

Management Personnel have affirmed their compliance on an annual basis with the Code of Conduct as laid down by the Company pursuant to the requirements of Clause 49 of the Listing Agreement with the Bombay Stock Exchange is annexed and forms part of this Report.

DIRECTORS

State Bank of Bikaner and Jaipur ('SBBJ') withdrew the nomination of Shri P. D. Agarwal from the Board of Directors of the Company ('the Board') with effect from 22nd July, 2009 and nominated Shri B. C. Sahu in his place. Shri Sahu's nomination on the Board became effective from 17th August, 2009 upon approval of his Director Identification No. (DIN) Application by the Central Government. SBBJ has withdrawn the nomination of Shri Sahu from the Board with effect from 30th March, 2010.

Shri P. Bandyopadhyay, the representative of Life Insurance Corporation of India ('LIC') on the Board, resigned from the Board with effect from 29th January, 2010 and in the casual vacancy so caused, Smt. Sindhubala Choudhury has been appointed as a Director representing LIC on the Board with effect from 29th May, 2010.

The Industrial Development Corporation of Orissa Ltd. ('IDCOL') withdrew the nomination of Shri B. Padhy from the Board with effect from 2nd March, 2010 and nominated Shri P. C. Mohanta in his place with effect from the same date.

The Directors place on record their appreciation for the valuable advices given by Shri P. D. Agarwal, Shri B. C. Sahu, Shri P. Bandyopadhyay and Shri B. Padhy during their respective tenure of office as a Director of the Company.

Shri S. K. Bangur, Shri Virendra Bangur and Shri D. D. Kothari retire by rotation and being eligible offer themselves for re-appointment.

AUDITORS

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

On behalf of the Board

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

Place : Kolkata
Date : 31st May, 2010

Annexure to the Directors' Report

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

A) CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
1. 7 Nos. of old motors were replaced by energy efficient motors.
 2. Conventional street lights and bulbs were replaced by 24 Nos. CFL lamp fittings.
 3. 125 Watt MV lamp fittings were replaced by 12 Nos. 70 Watt Metal halide energy efficient fittings.
 4. 38 Nos. of tube lights of office buildings were replaced by 36 Watts energy efficient fittings.

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

Conversion-cum-Expansion of the existing plant based on Mercury Cell Technology to Membrane Cell Technology is under implementation.

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

In spite of taking energy conservation measures under (a) above, the overall power consumption per ton of Caustic Soda was marginally higher due to frequent power failures, power cut and unstable power supply. However, with the measures being implemented under (b) above, the Company expects a substantial reduction in power consumption.

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars	2009-10	2008-09
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased :		
- Unit (In Million Units)	73.479	80.475
- Total Amount (Rs. in Lacs)	2038.44	2215.94
- Average Rate (Rs./Unit)	2.77	2.75
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.)	—	—
- Total Amount (Rs. in Lacs)	—	—
- Average Rate (Rs./K. Ltrs.)	—	—

Annexure to the Directors' Report (Contd.)

Particulars	2009-10	2008-09
4. Others/Internal Generation		
- Quantity	—	—
- Total Cost	—	—
- Rate/Unit	—	—
B. CONSUMPTION PER UNIT OF PRODUCTION		
Caustic Soda		
- Electricity (Kwh/M.T.)	3341	3296
- Furnace Oil (Ltrs/M.T.)	—	—
- Coal (Specify Quality)	—	—
- Others (Specify)	—	—
FORM "B"		
Disclosure of particulars with respect to absorption		
C. TECHNOLOGY ABSORPTION		
Research & Development (R & D)		
1. Specific areas in which R & D carried out by the Company	—	—
2. Benefits derived as a result of the above R & D	—	—
3. Future Plan of Action	—	—
4. Expenditure on R & D	—	—
Technology Absorption, Adaptation and Innovation	The Company has not availed any new technology during last 5 years.	
D. FOREIGN EXCHANGE EARNINGS & OUTGO		
1. Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.	Export potential of the Company's Products has reduced owing to permanent shut-down of its Flaker Unit. Other Products can not be exported because of Logistic Constraints.	
2. Total Foreign Exchange used and earned	2009-10	2008-09
OUTGO	(Rs. in Lacs)	
Value of imports calculated on CIF Basis :		
- Components, Stores & Spares	4.66	—
- Earnings on account of Export	—	—

On behalf of the Board

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

Place : Kolkata
Date : 31st May, 2010

Management Discussion and Analysis Report

a. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has two segments being Plant for manufacturing Caustic Soda, Chlorine Gas and Hydrochloric Acid at Ganjam (Orissa) and Wind Mill Power Project at Bogampatti Village near Coimbatore in Tamil Nadu.

Caustic Soda is mainly used for Bauxite refining and by the Paper Industry. Chlorine is a mother chemical and is used in production of many other chemicals. The main user industries for the Company's products are aluminium, paper, cosmetics and other chemical industries.

The Company has undertaken a Conversion-cum-Expansion Project whereby the existing Mercury Cell based Technology is being replaced by the latest State of the Art and Environment Friendly Membrane Cell Technology and production capacity of Caustic Soda will increase from 65 tons per day to 152 tons per day. The Project is scheduled to be commissioned by the first week of November, 2010.

The Company had entered in the field of Wind Power Generation during the year under review by installing 1.25 MW Wind Mill Generator at Bogampatti Village near Coimbatore in Tamilnadu which was commissioned on 30th September, 2010.

b. OPPORTUNITIES AND THREATS

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

c. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company earned an Operating Profit of Rs. 740.22 Lacs from the Caustic Soda segment in spite of loss of production due to restriction of Power for almost two months by the Orissa Electricity Regulatory Commission.

In the Wind Power segment, the Company incurred an Operating Loss of Rs. 2.38 Lacs. However, the impact of this segment for the full year will be reflected in the year 2010-11.

d. OUTLOOK

After achieving the lifetime highest production during the last financial year, the Company lost production during the year under review due to restriction on drawal of Power by the Orissa Electricity Regulatory Commission. However, such

restriction has been withdrawn from the middle of May, 2010 and normal production has resumed.

Caustic Soda and Chlorine are the most important inorganic chemicals used by almost all industries for one or the other purpose. It is among the twenty largest Chemical Industries in the world. Caustic Soda is primarily used in Pulp & Paper, Detergent, Aluminium, Petroleum Refineries, Metal cleaning etc. Chlorine is also used in Pulp & Paper Industry and manufacture of PVC, Pharmaceutical and other organic chemicals.

The demand for Caustic Soda has been projected to increase substantially due to capacity expansion of Aluminium and other consuming industries. The Company is the only manufacturer of Caustic Soda & Chlorine in the State of Orissa. With the ongoing expansion of Nalco's Aluminium Plant & Vedanta's Aluminium Plant both situated in the State of Orissa, its demand is expected to increase substantially and the same can be met by the Company's expanded capacity.

e. RISKS & CONCERNS

The Company's fate is linked to the fate of its user industries. The Company, however, puts greater emphasis on the safety of its Workmen and the Plant. The Company also gives priority to the maintenance of the Plant.

f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

g. FINANCIAL & OPERATING PERFORMANCE

This has already been discussed in the Directors' Report.

h. HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONTS

The Company has cordial relations with its employees as well as unions and all problems are solved across the table in a very congenial atmosphere. Workshops are being organized on a regular basis to impart training to the Company's personnel and also to make them aware of the developments in the Industry. Total number of manhours spent on such training during the year were 1,856 hours. There were 352 employees as on 31st March, 2010 against 359 employees as on 31st March, 2009.

On behalf of the Board

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

Place : Kolkata
Date : 31st May, 2010

Report on Corporate Governance for the year ended 31st March, 2010

The Company's Report on Corporate Governance for the year ended 31st March, 2010 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, 2010, comprised of seven Directors, consisting of one Executive Director and six Non-Executive Directors including one Nominee Director.

During the year 2009-10 six Board Meetings of the Company were held on 19th May, 2009; 23rd July, 2009; 1st August, 2009; 20th October, 2009; 29th January, 2010 and 4th February, 2010. 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	4	No	12	–
2	Shri D. D. Kothari	Non-Executive Director	6	No	7	2
3	Shri P. Bandyopadhyay (Resigned with effect from 29.1.2010)	Representative of LIC Independent Non-Executive Director	4	Yes	– **	1**
4	Shri P. D. Agarwal (Nomination withdrawn by SBBJ with effect from 22.7.2009)	Nominee of SBBJ Independent Non-Executive Director	1	No	–	–
5	Shri B. C. Sahu (Nominated by SBBJ with effect from 17.8.2009 but Nomination withdrawn with effect from 30.3.2010)	Nominee of SBBJ Independent Non-Executive Director	1	No	–	–
6	Shri B. Padhy (Nomination withdrawn by IDCOL with effect from 2.3.2010)	Nominee of IDCOL Independent Non-Executive Director	–	No	6**	–**

Report on Corporate Governance (Contd.)

Sl. No.	Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	No. of other directorships as Director/ Chairman	No. of Committee Memberships as Director/ Chairman*
7	Shri P. C. Mohanta (Nominated by IDCOL with effect from 2.3.2010)	Nominee of IDCOL Independent Non-Executive Director	-	-	4	-
8	Shri Prabir Chakravarti	Independent Non-Executive Director	6	Yes	11	7
9	Shri Virendra Bangur	Non-Executive Director Promoter Group	6	No	8	2
10	Shri Satish Kapur	Independent Non-Executive Director	4	No	12	2
11	Shri D. K. Maheshwari	Executive Director	6	No	4	4

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

(**) Upto date of cessation

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. Shri P. Bandyopadhyay ceased to be a Member of this Committee consequent upon his resignation from the Company's Board with effect from 29th January, 2010. As on 31st March, 2010, the Committee comprised of Shri D. D. Kothari, a Director and Shri Prabir Chakravarti and Shri Satish Kapur, two 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 18th May, 2009; 23rd July, 2009; 20th October, 2009 and 29th January, 2010. The details of the attendance at the said Meetings are given hereunder :-

Names of Directors	No. of Meetings held during the tenure of Membership	No. of Meetings attended
Shri D. D. Kothari	4	4
Shri P. Bandyopadhyay	3	3
Shri Prabir Chakravarti	4	4
Shri Satish Kapur	4	2

4. REMUNERATION COMMITTEE (NON-MANDATORY)

The Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') was constituted on 26th July, 2004. Shri P. Bandyopadhyay ceased to be a Member of this Committee consequent upon his resignation from the Board of Directors of the Company with effect from 29th January, 2010. As on 31st March, 2010, this Committee comprised of Shri S. K. Bangur, Chairman and Shri Prabir Chakravarti and Shri Satish Kapur, two independent Non-Executive Directors. The Committee has power to regulate its Meetings and proceedings.

The details of remuneration of the Executive and Non-Executive Directors during the year ended 31st March, 2010 are as under :-

i) Executive Director

Name Shri D. K. Maheshwari

Description Executive Director

Salary Rs. 11,40,000/-

Benefits

Allowances & Perquisites : Rs. 4,62,636/-

Bonus -

Pension -

Report on Corporate Governance (Contd.)

Fixed Component	
Contributions to Provident & Superannuation Funds	Rs. 3,07,800/-
Performance linked Incentive	–
Service Contract	1st April, 2009 to 31st March, 2011
Notice Period	3 Months
Severance Fee	Nil
Stock Options (Rs.)	–
TOTAL	Rs. 19,10,436/-

ii) Non-Executive Directors

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

The details of sitting fees paid are as under :-

Name of Director	Sitting Fees (Rs.)
Shri S. K. Bangur	8,000/-
Shri D. D. Kothari	23,000/-
Shri P. Bandyopadhyay	14,000/-
Shri P. D. Agarwal	2,000/-
Shri B. Padhy	–
Shri Prabir Chakravarti	23,000/-
Shri Virendra Bangur	15,000/-
Shri Satish Kapur	15,000/-
Shri B. C. Sahu	5,000/-
TOTAL	1,05,000/-

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. The Committee presently consists of Shri Virendra Bangur and Shri D. D. Kothari, two Non-Executive Directors and Shri D. K. Maheshwari, Executive Director of the Company as its Members and its Meetings are presided by Shri Virendra Bangur, a Non-Executive Director of the Company. The Committee met five times during the year. The details of Meetings held and attendance of the Members thereat are given hereunder :-

Date of Meeting	Names of Members and whether Attended		
	Shri Virendra Bangur	Shri D. D. Kothari	Shri D. K. Maheshwari
14.7.2009	Yes	Yes	Yes
17.8.2009	Yes	Yes	Yes
21.9.2009	Yes	Yes	Yes
4.1.2010	Yes	Yes	Yes
18.2.2010	Yes	Yes	Yes

Shri S. L. Jalan, Company Secretary, is the Compliance Officer of the Company. There were nil complaints from Shareholders during the year under review.

6. UFR COMMITTEE

In order to comply with Clause 41 of the Listing Agreement with the Bombay Stock Exchange Ltd., a Committee of the Board of Directors of the Company known as 'UFR Committee' was constituted on 31st October, 2007. Shri P. Bandyopadhyay ceased to be a Member of this Committee consequent upon his resignation from the Board of Directors of the Company with effect from 29th January, 2010. Shri Virendra Bangur, a Non-Executive Director of the Promoter Group was the Chairman and Shri Prabir Chakravarti an Independent Non-Executive Director and Shri D. K. Maheshwari, Executive Director were its members as on 31st March, 2010.

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

Report on Corporate Governance (Contd.)

7. MANAGEMENT COMMITTEE (NON-MANDATORY)

A Management Committee of the Board of Directors of the Company was constituted on 4th February, 2010 comprising of Shri Virendra Bangur, Shri Prabir Chakravarti, Shri Satish Kapur, Directors and Shri D. K. Maheshwari, Executive Director of the Company for the purpose of the Issue of Rights Shares by the Company. This Committee fulfilled its objective upon allotment of the Rights Shares on 29th March, 2010.

Four Meetings of this Committee were held after its constitution and the details of attendance of the Members thereat are given hereunder :-

Date of Meeting	Names of Members and whether Attended			
	Shri Virendra Bangur	Shri Prabir Chakravarti	Shri Satish Kapur	Shri D. K. Maheshwari
5.2.2010	Yes	Yes	Yes	Yes
6.2.2010	Yes	Yes	Yes	Yes
15.2.2010	Yes	No	Yes	Yes
29.3.2010	Yes	Yes	Yes	Yes

8. ANNUAL GENERAL MEETINGS

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

Financial Year ended	Date	Time	Venue
31.3.2009	28.8.2009	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)
31.3.2008	30.6.2008	3 P.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)
31.3.2007	29.9.2007	11.30 A.M.	Registered Office at P. O. Jayshree - 761 025 District Ganjam (Orissa)

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

One Extra-ordinary General Meeting of the Company was held on 4th September, 2009, at which, inter-alia, four Special Resolutions under Section 31, 81(1A), 149(2A) and 314(1B) respectively of the Companies Act, 1956, were passed but the same did not require postal ballot exercise.

Besides, the Company passed an Ordinary Resolution on 25th July, 2009 with requisite majority under Section 293(1)(a) of the Companies Act, 1956 by postal ballot for creating charges/mortgages in favour of three Term Lending Bankers for securing their respective Term Loans. The postal ballot exercise for this was conducted by Ms. Sweety Kapoor, the Wholtime Practicing Company Secretary, and the voting pattern thereof was as under :-

Number of valid postal ballot forms received	74
Votes in favour of the Resolution	28,09,617 (99.972%)
Votes against the Resolution	800 (0.028%)
Number of invalid postal ballot forms received	1 (0.009%)

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

Report on Corporate Governance (Contd.)

9. 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 Exchanges or SEBI or any other statutory authorities relating to the above.

10. MEANS OF COMMUNICATION

The quarterly/half yearly financial results during the year under review were published in English in the 'Economic Times'/'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.

11. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting

Date	: 14th August, 2010
Time	: 3 P. M.
Venue	: P. O. Jayshree - 761 025, District Ganjam (Orissa)

ii) (a) Financial year

: 2009 - 10

(b) Financial Calendar

: The Financial Calendar for the year 2010-11 (Provisional) is as under :-

- | | |
|---------------------------------------------------------------------|-------------------------------|
| a) Results for the first quarter ending 30th June, 2010 | : By middle of August, 2010 |
| b) Results for the second quarter ending 30th September, 2010 | : By middle of November, 2010 |
| c) Results for the third quarter ending 31st December, 2010 | : By middle of February, 2011 |
| d) Results (Audited) for the Financial year ending 31st March, 2011 | : By end of May, 2011 |
| e) Annual General Meeting for the year ending 31st March, 2011 | : By end of August, 2011 |

iii) Date of Book Closure

: The Register of Members and the Share Transfer Books of the Company will remain closed from 7th August, 2010 to 14th August, 2010, both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 14th August, 2010.

iv) Dividend Payment Date

: Interim Dividend for the year ending 31st March, 2010 was paid on 9th November, 2009. No final Dividend is recommended for the above year.

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, 2010, has been paid.

Report on Corporate Governance (Contd.)

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 (Rs.)	Low (Rs.)
April, 2009	18.00	14.50
May, 2009	25.50	16.20
June, 2009	30.75	23.85
July, 2009	26.45	21.80
August, 2009	27.20	24.00
September, 2009	29.20	24.20
October, 2009	34.70	25.10
November, 2009	29.45	25.60
December, 2009	30.85	26.50
January, 2010	33.50	27.50
February, 2010	39.00	16.10 (*)
March, 2010	18.50 (*)	16.15 (*)

(*) Denotes Ex-Rights prices

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

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

On 1st April, 2009 : Rs. 14.50 P. per Share

On 31st March, 2010 : Rs. 16.50 P. per Share

Change : (+) 13.79%

Indices (BSE Sensex)

On 1st April, 2009 : 9,745.77
(Opening)

On 31st March, 2010 : 17,527.77
(Closing)

Change : (+) 79.85%

ix) Registrars and Share Transfer Agents

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

Niche Technologies Private Ltd.

D-511, Bagree Market

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

Telephones : (033) 2235 7270/2235 7271

Fax No. : (033) 2215 6823

Email : nichetechpl@nichetechpl.com

Report on Corporate Governance (Contd.)

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

xi) **Distribution of Shareholding**

- a) Shareholding Pattern as on 31st March, 2010 is as under :-

Category	No. of Shares held	Percentage of Shareholding
Promoters	1,43,43,259	48.909
Mutual Funds and UTI	700	0.002
Banks, Financial Institutions and Insurance Companies	10,05,756	3.429
Private Corporate Bodies	23,38,086	7.973
Indian Public	1,12,82,855	38.473
NRIs/OCBs	3,55,601	1.213
Foreign Institutional Investors	200	0.001
ADRs/GDRs	–	–
TOTAL	2,93,26,457	100.00

- b) Distribution of Shareholding as on 31st March, 2010 is as under :-

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
1 to 500	2544	57.30	457797	1.56
501 to 1000	596	13.43	466082	1.59
1001 to 2000	479	10.79	681168	2.32
2001 to 3000	229	5.16	582753	1.99
3001 to 4000	89	2.01	317034	1.08
4001 to 5000	94	2.12	440382	1.50
5001 to 10000	208	4.68	1469294	5.01
10001 and above	200	4.51	24911947	84.95
TOTAL	4439	100.00	29326457	100.00

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

Names	No. of Shares held	Percentage
Shri Shree Kumar Bangur	467500	1.59
Shri Dau Dayal Kothari	600	0.002
Shri Virendra Bangur	492500	1.68
Shri Satish Kapur	26000	0.089

Report on Corporate Governance (Contd.)

- xii) **Dematerialisation of Shares and Liquidity** : As on 31st March, 2010, 94.351% of the Company's total Shares representing 2,76,69,947 Shares were held in dematerialised form and the balance 5.649% representing 16,56,510 Shares were in physical form.
- xiii) **Outstanding GDR/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity** : The Company has not issued any GDR/ADRs. etc.
- xiv) **Plant Location** : The Company's Plant is located at
P. O. .Jayshree – 761 025, District Ganjam (Orissa)
- xv) **Addresses for correspondence** : 1) **Registered Office** : P. O. .Jayshree - 761 025
District Ganjam (Orissa)
2) **Kolkata Office** : 31, Chowringhee Road, Kolkata - 700 016
3) **Registrars and Share Transfer Agents**
Niche Technologies Private Ltd.
D-511, Bagree Market, 71, B. R. B. Basu Road,
Kolkata - 700 001

11. NON-MANDATORY REQUIREMENTS

- i) The Board of Directors of the Company has not yet decided on maintenance of Chairman's office.
- ii) The Company has a Remuneration Committee as reported in Paragraph 4 of this Report.
- iii) 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.

Place : Kolkata
Date : 29th May, 2010

On behalf of the Board

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

Report on Corporate Governance (Contd.)

TO WHOMSOEVER IT MAY CONCERN

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

Kolkata, 29th May, 2010

D. K. Maheshwari
Executive Director

AUDITORS' CERTIFICATE

To the Members of
Jayshree Chemicals Limited

We have examined the compliance of the conditions of Corporate Governance by Jayshree Chemicals Limited for the year ended 31st March, 2010 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 no investor grievance was received for the year ended 31st march, 2010, as per the records maintained by the Company.

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 : 29th May, 2010

Auditors' Report

To the members of Jayshree Chemicals Limited

1. We have audited the attached Balance Sheet of **JAYSHREE CHEMICALS LIMITED** as at 31 March, 2010, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a Statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.

Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by the Report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March, 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with accounting policies and the Notes thereon and Schedules annexed thereto give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of Profit & Loss Account, of the Profit for the year ended on that date ; and
 - iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

6C, Middleton Street
Kolkata - 700 071
Date : 29th May, 2010

For **K. N. GUTGUTIA & CO.**
Chartered Accountants
Firm Registration No. 304153E
B. K. Bhutia
Partner
Membership No. 59363

Annexure to the Auditors' Report

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

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. All the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off any substantial/major part of fixed assets so as to affect the going concern status of the Company.
- ii) a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. In respect of stock lying with third party, related confirmations have been obtained by the Company.
- b. In our opinion the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii) a. The Company has not given any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of Clause 4(iii) (b), (c) & (d) are not applicable.
- b. The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of Clause 4(iii) (f) & (g) are not applicable.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that 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 the maintenance of cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a. According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31 March, 2010 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

Name of the Statute	Nature of the dues	Amount of Demand (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	5,57,921	5,07,344	1985-86	High Court of Orissa
"	"	14,230	14,230	1986-87	CTO Berhampur
"	"	5,68,547	4,00,000	1988-89	High Court of Orissa
"	"	2,17,994	1,10,000	1991-92	CTO Berhampur
"	"	1,78,082	1,22,500	1992-93	SalesTax Tribunal, Cuttack. (Orissa)
"	"	63,219	35,000	1997-98	CTO Berhampur
Orissa Sales Tax Act	"	1,39,584	1,12,926	1986-87	High Court of Orissa

Auditors' Report

Name of the Statute	Nature of the dues	Amount of Demand (Rs.)	Amount Deposited (Rs.)	Period to which amount relates	Forum where dispute is pending
Orissa Sales Tax Act	Sales Tax	1,42,839	1,42,839	1988-89	CTO Berhampur
"	"	2,33,233	70,000	2004-05	ACCT Berhampur
Orissa Entry Tax Act	Orissa Entry Tax	12,54,480	5,00,000	2001-02	High Court of Orissa
"	"	9,21,181	4,00,000	2002-03	CTO Berhampur
"	"	2,54,248	76,000	2004-05	ACCT Berhampur
Orissa Vat Act	Orissa VAT	8,85,225	4,50,000	2005-06, 2006-07	CCTO, Cuttack
Orissa Irrigation Act, 1959 and Orissa Irrigation Amendment Rules, 1999	Water Tax	1,27,903	25,000	August, 1967 to February, 1993	High Court of Orissa
"	"	5,05,800	2,52,900	October, 1994 to March, 1999	High Court of Orissa
"	"	11,24,000	-	April, 1999 to March, 2007	Executive Engineer Berhampur, (Orissa)
Service Tax	Service Tax for Services rendered by Goods transporters	5,39,949	-	November, 1997 to June, 1998	High Court of Orissa

- x) The Company has no accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and during immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. There are no outstanding dues to a financial institution or debenture holders.
- xii) The Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, the Company has taken term loans during the financial year and applied for the purpose for which loans are obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that 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

B. K. Bhutia
Partner

Membership No. 59363

6C, Middleton Street
Kolkata - 700 071
Date : 29th May, 2010

Balance Sheet as at 31st March, 2010

Particulars	Schedule No.	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	29,32,64,570	5,33,20,830
Reserves & Surplus	2	20,81,72,212	5,07,74,253
		50,14,36,782	10,40,95,083
2. Loan Funds			
Secured Loans	3	32,82,78,605	2,25,82,244
		32,82,78,605	2,25,82,244
3. Deferred Tax Liabilities (Net)			
		3,58,55,000	1,63,02,000
TOTAL		86,55,70,387	14,29,79,327
APPLICATION OF FUNDS			
1. Fixed Assets			
	4		
Gross Block		34,43,24,473	27,36,74,778
Less : Depreciation		19,87,65,946	18,44,76,419
Net Block		14,55,58,527	8,91,98,359
Add : Capital Work-in-Progress		27,11,96,040	1,75,08,299
		41,67,54,567	10,67,06,658
2. Investment			
	5	60,00,000	60,00,000
3. Current Assets, Loans & Advances			
	6		
Inventories		4,07,99,561	1,46,36,770
Sundry Debtors		6,35,85,638	9,18,21,308
Cash & Bank Balances		40,03,12,468	22,84,919
Loans & Advances		6,07,15,029	5,20,83,299
		56,54,12,696	16,08,26,296
Less : Current Liabilities & Provisions	7		
(a) Current Liabilities		11,56,48,308	10,71,15,468
(b) Provisions		69,48,568	2,34,38,159
		12,25,96,876	13,05,53,627
Net Current Assets		44,28,15,820	3,02,72,669
TOTAL		86,55,70,387	14,29,79,327

Accounting Policies & Notes on Accounts

15

Schedule 1 to 7 and 15 forming part of the Balance Sheet
In terms of our report of even date attached herewith

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

B. K. Bhutia
Partner
Membership No. 59363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Profit & Loss Account for the year ended 31st March, 2010

Particulars	Schedule No.	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
INCOME			
Sales (Gross)		54,61,96,206	66,84,90,753
Less : Excise Duty & Education Cess		3,93,06,309	7,33,91,022
		50,68,89,897	59,50,99,731
Increase/(Decrease) in Stock	8	78,23,553	(35,16,154)
Other Income	9	63,57,726	40,74,194
TOTAL		52,10,71,176	59,56,57,771
EXPENDITURE			
Raw Materials Consumed	10	6,36,86,202	11,49,76,277
Manufacturing Expenses	11	23,36,03,102	25,85,65,963
Payment to Employees	12	6,56,17,493	6,96,71,302
Administrative & Sales Expenses	13	6,71,18,151	6,01,39,285
Interest & Finance Charges	14	36,78,956	29,56,193
Depreciation		1,43,15,709	1,26,32,031
TOTAL		44,80,19,613	51,89,41,051
Profit before Tax		7,30,51,563	7,67,16,720
Provision for Taxation			
- Current Tax		1,24,19,000	2,57,00,000
- Fringe Benefit Tax		-	7,50,000
- Deferred Tax		1,95,53,000	14,08,000
- Mat Credit Entitlement		(58,84,000)	-
- Income Tax provision/payment for earlier years		(3,26,100)	-
Profit after Tax		4,72,89,663	4,88,58,720
Add : Balance as per last account		3,98,52,657	27,94,279
TOTAL		8,71,42,320	5,16,52,999
Transferred to General Reserve		-	24,42,936
Interim Dividend		53,32,083	-
Proposed Dividend		-	79,98,125
Tax on Dividend		9,06,188	13,59,281
Balance carried over to Balance Sheet		8,09,04,049	3,98,52,657
Basic and Diluted Earning Per Share (Face Value Rs.10/-)		7.14	7.60

Accounting Policies & Notes on Accounts

15

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

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

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

B. K. Bhutia
Partner
Membership No. 59363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Cash Flow Statement for the year ended 31st March, 2010

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extra-ordinary Items	73,051,563	76,716,720
Adjustments for :		
- Depreciation	14,315,709	12,632,031
- Obsolete Assets Discarded	3	106,402
- Profit/(Loss) on Sale of Fixed Assets	-	41,173
- Interest Expenses	3,678,956	2,956,193
- Interest Income	(2,945,855)	(2,083,786)
Operating Profit before Working Capital Changes	88,100,376	90,368,733
Adjustments for :		
- Trade Payables	3,266,238	(6,198,042)
- Trade and Other receivables	24,359,871	(20,177,402)
- Inventories	(26,162,791)	6,993,450
Cash generated from Operations	89,563,694	70,986,739
Direct Taxes Paid	(12,979,956)	(24,417,371)
Net Cash generated from Operating Activities	76,583,738	46,569,368
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(324,363,621)	(21,780,306)
Sale of Fixed Assets	-	303,001
Interest Received	2,945,855	2,083,786
Net Cash used in Investing Activities	(321,417,766)	(19,393,519)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights issue	359,915,610	-
Right Issue Expenses	(3,625,303)	-
Repayment of Short Term Borrowings	-	(10,775,413)
Proceeds from Short Term Borrowings	6,447,813	1,496,311
Repayment of Long Term Borrowings	(1,075,016)	(5,850,074)
Proceeds from Long Term Borrowings	300,323,564	-
Dividend Paid	(13,180,666)	(5,265,678)
Dividend Tax Paid	(2,265,469)	(906,188)
Interest Paid	(3,678,956)	(7,611,257)
Net Cash generated/(used) in Financing Activities	642,861,577	(28,912,299)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	398,027,549	(1,736,450)
Opening Cash and Cash Equivalents	2,284,919	4,021,369
Closing Cash and Cash Equivalents	400,312,468	2,284,919

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

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

B. K. Bhutia
Partner
Membership No. 59363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Schedules

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 1 : SHARE CAPITAL		
Authorised		
4,00,00,000 (1,50,00,000) Equity Shares of Rs. 10/- each	40,00,00,000	15,00,00,000
	40,00,00,000	15,00,00,000
Issued, Subscribed and Paid-up		
2,93,26,457 (53,32,083) Equity Shares of Rs. 10/- each fully paid in Cash	29,32,64,570	5,33,20,830
TOTAL	29,32,64,570	5,33,20,830
Schedule - 2 : RESERVES AND SURPLUS		
Capital Redemption Reserve		
- As per last Account	30,00,000	30,00,000
Share Premium		
- As per last Account	46,66,660	46,66,660
Add : Received during the year	11,99,71,870	-
Less : Right Issue Expenses	36,25,303	-
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
- As per last Account	8,12,000	8,12,000
General Reserve		
- As per last Account	24,42,936	
- Transferred from Profit & Loss Account	-	24,42,936
Surplus		
- As per Profit & Loss Account annexed	8,09,04,049	3,98,52,657
TOTAL	20,81,72,212	5,07,74,253
Schedule - 3 : SECURED LOANS		
Term Loans		
From Government of Orissa for Subsidised Housing Scheme - Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 acres and Buildings and Structures constructed thereon	1,94,250	1,94,250
Interest accrued and due on above loan	7,60,488	7,34,265
From Bank :		
- State Bank of India	7,25,00,544	-
- State Bank of Bikaner & Jaipur	9,57,93,733	-
- Indian Overseas Bank [Please refer to note no. 25 of Schedule 15(B)]	13,20,03,064	-
Car Loan Account	15,73,451	26,48,467
Others		
State Bank of Bikaner & Jaipur :		
- Cash Credit Account	2,54,53,075	1,90,05,262
TOTAL	32,82,78,605	2,25,82,244
Term Loans include due within one year	86,66,470	10,52,115

Schedules (Contd.)

Schedule - 4 : FIXED ASSETS

Particulars	ORIGINAL COST			DEPRECIATION			NET BLOCK			
	As at 31st March, 2009	Additions during the year	Sales/ Discarded/ Adjustment during the year	As at 31st March, 2010	Upto 31st March, 2009	For the year 2009-10	Adjustment on Assets Sold/ Discarded	Upto 31st March, 2010	As at 31st March, 2009	As at 31st March, 2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Free Hold)	10,30,649	16,11,000	-	26,41,649	-	-	-	-	26,41,649	10,30,649
Land (Lease Hold)	2,77,589	-	-	2,77,589	1,34,007	-	-	1,34,007	1,43,582	1,43,581
Development of Site including Roads	27,20,712	-	-	27,20,712	13,02,960	25,630	-	13,28,590	13,92,122	14,17,753
Buildings	2,04,71,552	5,83,385	-	2,10,54,937	1,15,65,899	4,42,351	-	1,20,08,250	90,46,687	89,05,653
Railway Siding	15,59,968	-	-	15,59,968	5,58,420	1,53,538	-	7,11,958	8,48,010	10,01,548
Plant and Machinery	18,76,90,545	6,69,30,750	26,185	25,45,95,110	13,09,64,710	84,15,535	26,182	13,93,54,063	11,52,41,047	5,67,25,835
Water Supply Installations	29,65,308	-	-	29,65,308	15,74,881	1,07,714	-	16,82,595	12,82,713	13,90,427
Furniture and Fittings	46,68,138	7,16,919	-	53,85,057	37,25,153	4,61,781	-	41,86,934	11,98,123	9,42,985
Electrical Installations	1,64,70,553	5,45,626	-	1,70,16,179	1,14,49,699	5,85,406	-	1,20,35,105	49,81,074	50,20,854
Motor Cars and Vehicles	70,57,265	2,50,000	-	73,07,265	24,42,188	12,43,262	-	36,85,450	36,21,815	46,15,077
Laboratory Equipments	1,81,788	-	-	1,81,788	1,32,327	7,582	-	1,39,909	41,879	49,461
Handling Equipments including Chlorine Tonners	2,85,80,711	38,200	-	2,86,18,911	2,06,26,175	28,72,910	-	2,34,99,085	51,19,826	79,54,536
TOTAL	27,36,74,778	7,06,75,880	26,185	34,43,24,473	18,44,76,419	1,43,15,709	26,182	19,87,65,946	14,55,58,527	8,91,98,359
Figures for Previous Year	27,31,20,857	92,41,205	86,87,284	27,36,74,778	18,00,81,096	1,26,32,031	82,36,708	18,44,76,419	8,91,98,359	-

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

Schedules (Contd.)

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 5 : INVESTMENT (Long Term)		
Trade - Unquoted		
In Subsidiary		
- 6,00,000 Equity Shares of Rs. 10/- each fully paid-up in East Coast Powers Limited	60,00,000	60,00,000
TOTAL	60,00,000	60,00,000
Schedule - 6 : CURRENT ASSETS		
Inventories		
Raw Materials	21,53,348	9,51,867
Stores and Spares including Mercury	2,44,09,524	72,71,767
Finished Goods	1,33,11,494	46,03,175
Work-in-Progress	9,25,195	18,09,961
TOTAL	4,07,99,561	1,46,36,770
Sundry Debtors - Unsecured (Considered Good)		
Debts outstanding for a period exceeding six months	40,19,591	37,21,513
Other Debts	5,95,66,047	8,80,99,795
TOTAL	6,35,85,638	9,18,21,308
Cash & Bank Balance		
Cash-in-Hand	1,37,207	38,821
With Scheduled Banks :		
- In Current Account	37,80,71,065	18,33,674
- Special Term Deposit/Margin Money	1,84,93,464	3,46,019
- Current Account - Right Issue	33,94,785	-
- In Unpaid Dividend Account	2,15,947	66,405
TOTAL	40,03,12,468	22,84,919
Loans & Advances - Unsecured (Considered Good)		
Advance to Subsidiary	60,064	-
Loan to Subsidiary	-	10,75,466
Advances recoverable in cash or kind or for value to be received	89,98,104	55,27,114
Security Deposit	4,04,48,130	3,59,68,949
Deposit with Excise Department	30,96,260	58,01,594
Deposit with other Government Department	25,64,176	37,10,176
Deposit with Income Tax Department (Against Demand Contested in Appeal)	10,00,000	-
Income Tax (Net of Provision)	45,48,295	-
TOTAL	6,07,15,029	5,20,83,299

Schedules (Contd.)

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 7 : CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	7,95,829	6,90,867
- Other than Micro, Small and Medium Enterprises	11,36,44,332	10,16,49,545
- Advance from Customers	9,92,200	47,08,651
Investors' Education and Protection Fund :		
- Unpaid Dividend Account	2,15,947	66,405
	11,56,48,308	10,71,15,468
b) Provisions		
- Gratuity	26,85,609	82,65,165
- Leave Liability	42,62,959	38,00,464
- Proposed Dividend	-	79,98,125
- Tax on Dividend	-	13,59,281
- Income Tax (Net of Advance Tax)	-	20,15,124
	69,48,568	2,34,38,159
TOTAL	12,25,96,876	13,05,53,627
Schedule - 8 : INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished Goods	1,33,11,494	46,03,175
Work-in-Progress	9,25,195	18,09,961
	1,42,36,689	64,13,136
Less : Opening Stock		
- Finished Goods	46,03,175	83,90,195
- Work-in-Progress	18,09,961	15,39,095
	64,13,136	99,29,290
INCREASE/(DECREASE) IN STOCK	78,23,553	(35,16,154)
Schedule - 9 : OTHER INCOME		
Interest [TDS - Rs. 4,60,522/-, (Rs. 4,25,952/-)]	29,45,855	20,83,786
Liability no longer required written back	9,98,953	2,53,030
Profit on Sale of Fixed Assets	-	708
Others	24,12,918	17,36,670
TOTAL	63,57,726	40,74,194

Schedules (Contd.)

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
Schedule - 10 : RAW MATERIAL CONSUMED		
Opening Stock	9,51,867	19,02,448
Add : Purchase (including own production)	6,35,59,474	11,40,25,696
	6,45,11,341	11,59,28,144
Less : Closing Stock	8,25,139	9,51,867
TOTAL	6,36,86,202	11,49,76,277
Schedule - 11 : MANUFACTURING EXPENSES		
Stores & Chemicals etc. consumed	62,66,280	73,39,975
Diesel Oil consumed	1,57,249	86,262
Electricity Charges	20,53,76,826	22,29,87,713
Repairs and Maintenance	2,10,31,068	2,87,18,042
[including Stores consumed - Rs. 1,08,03,581/-, (Rs. 1,82,16,214/-)]		
- Buildings	34,63,127	37,07,029
- Plant and Machinery	1,12,19,911	1,79,25,783
- Others	63,48,030	70,85,230
Difference of Excise Duty on Opening/Closing of Finished Goods Stock	7,71,679	(5,66,029)
TOTAL	23,36,03,102	25,85,65,963
Schedule - 12 : PAYMENTS TO EMPLOYEES		
Salaries, Wages and Bonus	4,62,28,620	4,45,52,570
Contribution to :		
- Gratuity Fund	31,11,213	82,65,165
- Provident & Other Funds (including Administrative charges)	54,21,569	54,46,088
Employees' State Insurance	13,33,374	14,40,622
Workmen and Staff Welfare Expenses	85,54,077	90,38,036
House Rent Allowance	9,68,640	9,28,821
TOTAL	6,56,17,493	6,96,71,302

Schedules (Contd.)

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
Schedule - 13 : ADMINISTRATIVE & SALES EXPENSES		
Insurance Charges	5,90,599	4,96,366
Rent (Net)	3,85,491	3,96,995
Travelling Expenses	21,62,685	27,13,964
Motor Vehicle Expenses	22,28,462	19,60,943
Rates & Taxes	2,75,433	2,92,655
Legal Expenses	8,66,918	3,91,611
Sundry Expenses (Ref. Note 3)	1,09,23,223	81,34,469
Transportation Charges	4,59,97,621	3,99,23,219
Bad Debts written-off	-	26,39,755
Fixed Assets discarded & written off	3	1,06,402
Loss on Sale of Fixed Assets	-	41,881
Directors' Fees	1,05,000	1,00,000
Managerial Remuneration		
- To Executive Director (including perquisites)	19,10,436	16,10,199
Sales Tax	2,01,055	2,32,771
CSR (Including Donation)	14,71,225	10,98,055
TOTAL	6,71,18,151	6,01,39,285
Schedule - 14 : INTEREST & FINANCE CHARGES		
To Bank	16,75,626	24,02,067
To Others	20,03,330	5,54,126
TOTAL	36,78,956	29,56,193

Schedule - 15 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

A) SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concept

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

2. Use of Estimates

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

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

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

Schedules (Contd.)

3. Fixed Assets

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

4. Depreciation

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

5. Investment

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

6. Inventories

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

7. Excise Duty

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

8. Retirement Benefits

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

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

9. Taxation

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

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

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

10. Sales

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

11. Recognition of Income & Expenditure

All items of Income & Expenditure are accounted for on accrual basis, unless otherwise stated.

12. Foreign Currency Transactions

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

13. Borrowing Costs

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

14. Impairment of Assets

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

Schedules (Contd.)

B) NOTES ON ACCOUNTS

1. Outstanding Capital Commitments (Net of Advances) are estimated at Rs. 82,46,93,774/- (Rs. 28,73,95,000/-).

Particulars	31st March, 2010 Rs.	31st March, 2009 Rs.
2. Contingent Liabilities not provided for :		
(a) Claims against the Company not acknowledged as Debts (Net of Deposit)		
Sales Tax Demand under Appeals	43,24,958	23,24,990
Income Tax Demand under Appeals	-	50,39,888
Others (including Excise Duty under Appeals)	1,68,83,578	36,24,364
(b) Guarantees	1,99,18,493	15,93,768
3. Sundry Expenses include :		
(a) Payments to Auditors		
i) Audit Fees	1,00,000	80,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	70,500	38,000
iv) Reimbursement of Expenses	14,700	1,161
(b) Payment to Cost Auditor	20,000	20,000

4. Licensed Capacity

Since delicensed

5. Installed Capacity (as certified by the Company's Technical Expert) :

Particulars	31st March, 2010	31st March, 2009
Caustic Soda	22,500 MT	22,500 MT
Chlorine	15,500 MT	15,500 MT
Hydrochloric Acid (33%)	20,000 MT	20,000 MT
Power (Wind Mill)	1.25 MW	-

Particulars	31st March, 2010		31st March, 2009	
	(MT)	(Rs.)	(MT)	(Rs.)
6. Opening Stock of Finished Goods				
- Caustic Soda	239	42,06,433	465	71,08,662
- Chlorine	210	1,80,564	260	12,04,814
- Hydrochloric Acid (33%)	218	2,16,178	48	76,719
		46,03,175		83,90,195

Schedules (Contd.)

Particulars	31st March, 2010	31st March, 2009
7. (a) Actual Production		
- Caustic Soda	21,994 MT	24,413 MT
- Chlorine	12,883 MT	13,888 MT
- Hydrochloric Acid (33%)	20,552 MT	23,920 MT
- Power (Wind Mill)	4,58,057 KWH	-
(b) Internal Consumption/Losses		
- Caustic Soda	359 MT	331 MT
- Chlorine	-	-
- Hydrochloric Acid (33%)	908 MT	985 MT

Particulars	31st March, 2010		31st March, 2009	
	(Rs.)		(Rs.)	
8. Turnover				
- Caustic Soda	21,074 MT	48,55,86,760	24,308 MT	59,20,63,537
- Chlorine	13,068 MT	2,72,96,886	13,938 MT	4,24,61,340
- Hydrochloric Acid (33%)	19,814 MT	3,17,62,606	22,765 MT	3,39,65,876
		54,46,46,252		66,84,90,753
- Power (Wind Mill)	4,58,057 KWH	15,49,954	-	-
		54,61,96,206		66,84,90,753
9. Closing Stock of Finished Goods				
- Caustic Soda	800 MT	1,31,68,040	239 MT	42,06,433
- Chlorine	25 MT	66,171	210 MT	1,80,564
- Hydrochloric Acid (33%)	48 MT	77,283	218 MT	2,16,178
		1,33,11,494		46,03,175
10. Value of Imports calculated on C.I.F. Basis				
- Components, Stores and Spare Parts		4,66,201		NIL

Particulars	31st March, 2010		31st March, 2009	
	(Rs.)	(%)	(Rs.)	(%)
11. Consumption of :				
i) Raw Materials - Indigenous	6,36,86,202	78.86	11,49,76,276	81.81
ii) Stores, Spare Parts and Components :				
- Imported	-	-	14,51,395	1.03
- Indigenous	1,70,69,861	21.14	2,41,04,794	17.15
	1,70,69,861	21.14	2,55,56,189	18.19
TOTAL	8,07,56,063	100.00	14,05,32,465	100.00

Schedules (Contd.)

Particulars	31st March, 2010		31st March, 2009	
	(MT)	(Rs.)	(MT)	(Rs.)
12. Value of Raw Materials consumed				
(including cost of own manufactured salt)				
- Salt	46,565	5,55,68,381 *	43,434	10,48,48,206
- Soda Ash	150	24,22,397	134	24,49,434
- Barium Carbonate	308	56,95,424	318	76,78,637
		6,36,86,202		11,49,76,276

* Includes payments to and provision for employees Rs. 26,55,153/- (Rs. 25,55,114/-), Power & Fuel Rs. 6,57,405/- (Rs. 5,71,840/-), Repairs & Maintenance Rs. 13,28,212/- (Rs. 9,93,680/-), Insurance Rs. 6,984/- (Rs. 6,552/-) and Rates & Taxes Rs. 2,56,250/- (Rs. 2,37,185/-).

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

14. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2010, Rs. 7,95,829/- (Rs. 6,90,867/-).

15. Segment Reporting

Business segment is primary segment of the Company and comprises chemicals business and wind mill power generation. Wind mill base power generation has come into operation with effect from 30.09.2009

Business Segment	As on 31/03/2010 Amount (Rs.)			As on 31/03/2009 Amount (Rs.)		
	Chemicals	Power	Total	Chemicals	Power	Total
Revenue						
External Sales	50,53,39,943	15,49,954	50,68,89,897	59,50,99,731	-	59,50,99,731
Inter-segment Sales	-	-	-	-	-	-
Total Revenue	50,53,39,943	15,49,954	50,68,89,897	59,50,99,731	-	59,50,99,731
Results						
Segment Results	7,40,22,400	(2,37,736)	7,37,84,664	7,75,89,127	-	7,75,89,127
Un-allocated Expenses			-			-
Operating Profit			7,37,84,664			7,75,89,127
Interest Expenses			36,78,956			29,56,193
Interest Income			29,45,855			20,83,786
Income Tax			2,57,61,900			2,78,58,000
Profit from Ordinary Activities			4,72,89,663			4,88,58,720
Extraordinary items			-			-
Net Profit			4,72,89,663			4,88,58,720

Schedules (Contd.)

Business Segment	As on 31/03/2010 Amount (Rs.)			As on 31/03/2009 Amount (Rs.)		
	Chemicals	Power	Total	Chemicals	Power	Total
Other Information						
Segment Assets	23,29,43,599	6,55,14,718	29,84,58,317	25,00,24,655	–	25,00,24,655
Un-allocated Assets			68,97,08,946			2,35,08,299
Total Assets			98,81,67,263			27,35,32,954
Segment Liabilities	13,32,58,581	4,56,27,702	17,88,86,283	15,31,35,871	–	15,31,35,871
Un-allocated Liabilities			27,19,89,198			–
Total Liabilities			45,08,75,481			15,31,35,871
Capital Expenditure	25,88,03,544	6,55,60,077	32,43,63,621	2,17,80,306	–	2,17,80,306
Depreciation	1,26,31,517	16,84,192	1,43,15,709	1,26,32,031	–	1,26,32,031
Non-cash Expenses other than Depreciation	3	–	3	1,06,402	–	1,06,402

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.

16. Block-in-Progress (New Project) includes Capital Advances Rs. 15,26,39,171/- (Rs. 15,00,000/-) and Pre-operative expenses (pending allocation) as per the details given below :

	As on 31/03/2010		As on 31/03/ 2009	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
As per last Accounts		1,44,39,848		12,36,475
Payment to Employees				
Salary		53,76,352		
Contribution :				
- Provident Fund		6,45,161		
- Employees` State Insurance		16,556		
Staff Welfare Expenses		12,92,645		
House Rent Allowance		2,05,384	75,36,098	–
Insurance			18,54,026	–
Rates & Taxes			6,75,242	–
Upfront Fees paid to Bank			39,75,000	27,75,000
Professional and Consultancy Service Charges (Includes Auditors` Remuneration Rs. 22,000/-)			56,53,040	1,02,94,208
Travelling Expenses			14,10,282	1,03,527
Miscellaneous Expenses				
Vehicle Expenses		6,74,954		30,412
Telephone, Postage & Telegram		61,443		226
Bank Charges		60,760		–
General Expenses		4,97,345	12,94,502	– 30,638
Interest Paid to Bank			42,81,262	–
			4,11,19,300	1,44,39,848

Schedules (Contd.)

17. Right Issue expenses includes Auditors Remuneration Rs. 75,000/-.

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

Particulars	31st March, 2010 Rs.	31st March, 2009 Rs.
Profit after Tax	4,72,89,663	4,88,58,720
Weighted average number of Equity Shares	66,19,207	64,31,025
Basic and Diluted Earnings Per Share	7.14	7.60
Nominal Value of Share	10	10

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

Particulars	31st March, 2010 Rs.	31st March, 2009 Rs.
(A) Deferred Tax Liability		
- Depreciation	3,69,97,000	1,80,24,000
(B) Deferred Tax Assets		
- Expenses allowable against taxable income in future year	11,42,000	17,22,000
Net Deferred Tax Liabilities	3,58,55,000	1,63,02,000

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

21. The Company acquired Vehicles under Hire Purchase Scheme. Minimum lease payment outstanding as at 31st March, 2010 in respect of these assets are as under :

Due	Total minimum lease payments outstanding as on 31st March, 2010 Rs.	Interest not due Rs.	Present value of minimum lease payments Rs.
Within one year	12,82,677	1,16,207	11,66,470
Last Year	12,97,992	2,45,877	10,52,115
Later than one year and not later than five years	5,29,417	1,22,436	4,06,981
Last Year	17,24,853	1,28,501	15,96,352
Total : Current Year	18,12,094	2,38,643	15,73,451
Last Year	30,22,845	3,74,378	26,48,467

22 Related Party Disclosure

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

Name of the related party	Relationship
East Coast Powers Limited	Subsidiary
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd.	Control of KMP
D. K. Maheshwari	Executive Director
Bharti Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel

Schedules (Contd.)

B) Related Party transactions are as follows :

Nature of Transactions	2009-2010 Amount (Rs./Lacs)	2008-2009 Amount (Rs./Lacs)
Loan repayment by Subsidiary	10.15	–
Loan given to Subsidiary	–	10.50
Interest received from Subsidiary	1.73	0.32
Rent received from The West Coast Paper Mills Ltd.	1.59	1.20
Sale of goods to The West Coast Paper Mills Ltd.	4.15	–
Rent & Service Charges paid - Fort Gloster Industries Ltd.	0.72	0.72
Donation paid - Shree Ram Trust, Kolkata	4.05	4.20
Remuneration paid to D. K. Maheshwari	19.10	16.10
Remuneration paid to Bharti Bangur	2.53	–
C) Details of outstanding Payment to related party :		
<i>Outstanding Balance as on 31st March, 2010</i>		
- The West Coast Paper Mills Ltd.	1.43	1.43
- East Coast Powers Limited.	0.60	0.60

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

Amount (Rs./Lacs)

Profit & Loss Account	31st March, 2010		31st March, 2009	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Net employees benefit expenses : (recognised in employee cost)				
- Current service cost	16.98	2.91	16.95	1.92
- Interest cost on benefit obligation	28.53	3.23	26.32	2.65
- Expected return on plan assets	(23.98)	–	(19.75)	–
- Net actuarial loss/(gain) recognised in the year	9.58	1.55	59.13	9.01
- Past Service Cost Liability	–	–	–	–
Net benefit expenses	31.11	7.69	82.65	13.58
Balance Sheet				
- Defined benefit obligation	358.70	42.63	354.63	38.00
- Fair value of plan assets	331.84	–	271.98	–
Net Liability recognised in Balance Sheet	26.86	42.63	82.65	38.00

Schedules (Contd.)

Change in present value of the defined benefit obligation are as follows :

Amount (Rs./Lacs)

Profit & Loss Account	31st March, 2010		31st March, 2009	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Defined benefit obligation as at April 1, 2009	354.63	38.00	303.46	28.38
Interest cost	28.53	3.23	26.32	2.65
Current service cost	16.98	2.91	16.95	1.92
Benefit paid	(43.28)	(3.06)	(46.93)	(3.96)
Actuarial loss/(gain) on obligation	1.84	1.55	54.83	9.01
Defined benefit obligation as at March 31, 2010	358.70	42.63	354.63	38.00

Change in present value of the fair value of plan assets are as follows :

Fair value of plan assets as at April 1, 2009	271.98	–	221.76	–
Expected return	23.98	–	19.75	–
Contribution by the employer	86.90	–	81.70	–
Benefit paid	(43.28)	–	(46.93)	–
Actuarial (loss)/gain	(7.74)	–	(4.30)	–
Fair value of plan assets as at March 31, 2010	331.84	–	271.98	–

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	47.54%	62.09%
Investment in Mutual Funds	48.56%	26.97%
Bank Balance	3.90%	10.94%
	100.00%	100.00%

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

Discount rate	8.00%	8.00%
Expected rate of return on assets	8.00%	8.00%
Increase in compensation cost	5.00%	5.00%

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

24. Unutilised money raised through rights issue has been kept in current account with scheduled banks.

25. Details of security given under Secured Loan

Against Cash Credit -

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

Schedules (Contd.)

Against Modernisation cum Expansion Project -

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

Against Wind Mill -

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

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

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

Signatures to Schedules 1 to 15.

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

B. K. Bhutia
Partner
Membership No. 059363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details

CIN No.

Balance Sheet Date
D D M M Y Y Y Y

State Code

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

Public Issue Right Issue

Bonus Issue Private Placement

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

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability (Net)

Application of Funds

Net Fixed Assets Investment

Net Current Assets Deferred Tax Assets

Miscellaneous Expenditure Accumulated Losses

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

Turnover (Including other Income) Total Expenditure

Profit before Tax Profit after Tax

Earning Per Share Annualised (Rs.) Dividend Rate (%)

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

Item Code No. (ITC Code)
 Product Description

Item Code No. (ITC Code)
 Product Description

Item Code No. (ITC Code)
 Product Description

Prabir Chakravarti
 Director

D. K. Maheshwari
 Executive Director

S. L. Jalan
 Company Secretary

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, 2010
2. Date from which it became subsidiary company	31st March, 2008
3. a) Number of shares held by Jayshree Chemicals Limited in the subsidiary at the end of the financial year of the subsidiary	6,00,000 Equity Shares of the face value of Rs. 10/- each, fully paid-up
b) Extent of interest of holding company at the end of the financial year of the subsidiary company	92.31%
4. The net aggregate amount of the subsidiary company's profit/(loss) so far as it concerns the members of the holding company	
a) Not dealt with in the holding company's accounts :	
i) For the financial year ended 31st March, 2010	Rs. 1,05,960/-
ii) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	Rs. 1,33,260/-
b) Dealt with in the holding company's accounts :	
iii) For the financial year ended 31st March, 2010	NIL
iv) For the previous financial years of the subsidiary company since it became the holding company's subsidiary	NIL

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Directors' Report

To the Members

East Coast Powers Limited

The Directors have pleasure in presenting herewith their Tenth Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2010.

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

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

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

alongwith proper explanation relating to material departures, if any ;

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

DIRECTORS

Shri L. N. Chaturvedi retires by rotation and being eligible offers himself for re-election.

AUDITORS

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

On behalf of the Board

R. C. Kalani

L. N. Chaturvedi

Directors

Place : Kolkata

Date : 28th May, 2010

Compliance Certificate

Under Rule 3 of the Companies (Compliance Certificate) Rules, 2001

CIN No. - U401050R2000PLC006082

Nominal Capital - Rs. 100 Lacs

Paid up Capital - Rs. 65 Lacs

To

The Members

East Coast Powers Limited

A-23, Surya Nagar, Unit - 7

Bhubaneswar - 751 003

I have examined the registers, records, books and papers of **East Coast Powers Limited** as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In my opinion and to the best of my information and according to the examination carried out by me and explanations furnished to me by the Company and its officers, I certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all Registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities, as applicable, within the time prescribed under the Act and the Rules made thereunder.
3. The Company being a Public Limited Company, the restriction clauses as provided in Section 3(1) (iii) of the Companies Act, 1956, are not applicable.
4. The Board of Directors duly met (4) four times on 16.05.2009, 24.09.2009, 19.10.2009 and 16.03.2010 in respect of which meetings proper notices were given and proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members or Debenture holders during the Financial Year.
6. The Annual General Meeting for the Financial Year ended on 31.3.2009 was held on 28.08.2009 after giving due notice to the Members of the Company and Resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-Ordinary General Meeting was held during the Financial Year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company had not entered into any Contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any entries in the Register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.
13. (i) The Company has not made any allotment/transfer/transmission of shares during the Financial Year.
(ii) The Company has not deposited any amount in a separate Bank Account as no Dividend or Interim Dividend was declared during the Financial Year.
(iii) The Company was not required to post Warrants to any member of the Company as no Dividend was declared during the Financial Year.
(iv) The Company has not transferred any amount to Investor Education and Protection Fund as there were no instances requiring such transfer.
(v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional Directors/alternate Directors and Directors to fill casual vacancy during the Financial Year.
15. The Company has not appointed any Managing Director/Whole-time Director/Manager during the Financial Year.
16. The Company has not appointed any Sole Selling Agent during the Financial Year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the Financial Year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
19. The Company has not made any allotment of securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company was not required to redeem any Preference Shares or Debentures during the Financial Year as it has not issued any Preference Shares or Debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights of dividend, rights shares and bonus shares, pending registration of transfer of shares.

Compliance Certificate

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the Financial Year.</p> <p>24. The Company has made borrowings during the financial year under review which are within the borrowing limits of the Company.</p> <p>25. The Company has not made any loans and advances or given guarantees or provided securities to other body corporates during the Financial Year.</p> <p>26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.</p> <p>27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.</p> | <p>28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.</p> <p>29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.</p> <p>30. The Company has not altered its Articles of Association during the year under review.</p> <p>31. I was given to understand by the management that there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the Act.</p> <p>32. The Company has not received any money as security from its employees during the Financial Year.</p> <p>33. The Company has no Provident Fund Scheme during the Financial Year under certification.</p> |
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<p>Place : Kolkata Date : 18th May, 2010</p>	<p>Signature : Sd/- Name of the <i>Company Secretary</i> in practice : Sweety Kapoor C.P. No. : 5738</p>
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Annexure - 'A'

Registers as maintained by the Company

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

Annexure - 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ended 31st March, 2010.

Sl. No.	Form/Return	Filed under Section	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fees paid Yes/No
1.	Annual Return - Form 20B	159	02.09.2009	Yes	N.A.
2.	Balance Sheet - Form 23AC & ACA	220	03.09.2009	Yes	N.A.
5.	Compliance Certificate - Form 66	383A	02.09.2009	Yes	N.A.

Auditors' Report

To
The Shareholders of
East Coast Powers Limited

We have audited the attached Balance Sheet of **East Coast Powers Limited** as at 31st March, 2010 and also the related Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the same based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, of India (the 'Act'), we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we report that :
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account as required by the Companies Act, 1956, have been kept by the Company so far as it appears from our examination of the books.

- iii) The Balance Sheet dealt with by this report is in agreement with the books of account.
- iv) In our opinion, the Balance Sheet dealt with by this report is in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
- v) On the basis of written representations received from the Directors, we report that none of the Directors of the Company is disqualified as on 31st March, 2010, from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Act.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended 31st March, 2010;
 - (c) in the case of Cash Flow Statement of the Cash Flow of the Company for the year ended 31st March, 2010.

Kolkata
Dated : 27th May, 2010

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E
Naresh Lakhotia
Partner
Membership No. 51249

Annexure to the Auditors' Report

Statement referred to in our Report of even date to the shareholders of East Coast Powers Limited on the accounts for the year ended 31st March, 2010 :

- i) The Company does not have any fixed assets and as such clauses 4(i)(a), 4(i)(b) and 4(i)(c) of the Order are not applicable to the Company.
- ii) The Company does not have any inventory and as such clauses 4(ii)(a), 4(ii)(b) and 4(ii)(c) of the Order are not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable. The Company has also not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- iv) According to the records of the Company and information and explanations given to us, the Company's activities during the year do not include purchase of inventory and fixed assets and sale of goods and services and as such clause 4(iv) of the Order is not applicable to the Company.
- v) According to the information and explanations given to us, there have been no transactions exceeding the value of five lakh rupees in respect of any party during the year in pursuance of contracts or arrangements which are required to be entered in the register maintained under Section 301 of the Act. Accordingly, clause 4(v)(b) of the Order is not applicable to the Company.
- vi) The Company has not accepted deposits from the public.
- vii) The Company does not have an internal audit system.
- viii) The Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Act.
- ix) (a) According to the information and explanations given to us and records of the Company examined by us, in our opinion, the Company has been regular in depositing during the year undisputed statutory dues in respect of income tax and other material statutory dues, as applicable, with the appropriate authorities and during the year there are no undisputed statutory dues relating to provident fund, investor education and protection fund, employees' state insurance, sales tax, wealth tax, service tax, custom duty, excise duty and cess.
(b) As at 31st March, 2010 according to the records of the Company and the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess that have not been deposited on account of any dispute.
- x) The Company has neither accumulated losses as at 31st March, 2010 nor it has incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi) According to the records of the Company, it has not taken any loan from any financial institution or bank or against debentures during the year and as such clause 4(xi) of the Order is not applicable to the Company.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to it.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments and as such clause 4(xiv) of the Order is not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the records of the Company there are no term loans outstanding and as such clause 4(xvi) of the Order is not applicable to the Company.
- xvii) On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix) The Company has not issued any debenture and as such clause 4(xix) of the Order is not applicable to the Company.
- xx) The Company has not raised any money by public issue during the year.
- xxi) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the management.

For **LAKHOTIA & CO.**
Chartered Accountants
Firm Registration No. 313149E

Naresh Lakhotia

Partner

Kolkata

Dated : 27th May, 2010

Membership No. 51249

Balance Sheet as at 31st March, 2010

As at 31/03/2009 Rs.	Liabilities	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.	Assets	As at 31/03/2010 Rs.
	SHARE CAPITAL			CURRENT ASSETS, LOANS & ADVANCES	
	Authorised			Current Assets	
1,00,00,000	10,00,000 Equity Shares of Rs. 10/- each	1,00,00,000	5,206	Cash-in-Hand	7,815
	Issued Subscribed & Paid-up			Balances with Schedule Banks	
65,00,000	6,50,000 Equity Shares of Rs. 10/- each fully paid-up in cash (Out of above, 6,00,000 Equity Shares are held by Jayshree Chemicals Ltd., the Holding Company)	65,00,000	1,90,341	- In Current Accounts	5,77,639
			29,68,255	- In Term Deposits - Margin Money	3,25,467
					9,03,106
	RESERVE & SURPLUS			MISCELLANEOUS EXPENSES (To the extent not written off or adjusted)	
4,33,869	Profit & Loss Account	5,31,823		Preliminary Expenses	1,37,683
	UNSECURED LOAN		1,37,683	Pre-operative Expenses	61,50,076
10,75,466	From Holding Company	-	47,65,619		62,87,759
	CURRENT LIABILITIES & PROVISIONS				
	Current Liabilities				
2,000	Sundry Creditors	65,000			
6,606	Other Liabilities	77,404			
	(including Rs. 60,064/- to Holding Company)				
	Provisions				
	Provisions for Taxation (Net of advance) :				
32,813	- Income Tax	24,153			
16,350	- Fringe Benefit Tax	300			
80,67,104		71,98,680	80,67,104		71,98,680

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

Signed in terms of our Report of even date
For **LAKHOTIA & CO.**
Chartered Accountants

Naresh Lakhotia
Partner
Membership No. 51249
Place : Kolkata
Date : 27th May, 2010

R. C. Kalani
L. N. Chaturvedi
Directors

Profit & Loss Account for the year ended 31st March, 2010

Year ended 31/03/2009 Rs.	Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.	Particulars	Year ended 31/03/2010 Rs.
2,500	To Filing Fees 1,500		2,45,366	By Interest on Term Deposits (Gross)	1,66,740
2,000	To Auditors' Remuneration 10,000			(TDS - Rs. 20,660/- Previous year - Rs. 48,846/-)	
1,500	To Legal & Professional Fees 5,336	16,836			
2,39,366	To Profit for the year before Taxation carried down	1,49,904			
2,45,366		1,66,740	2,45,366		1,66,740
	To Provision for Taxation		2,39,366	By Profit for the year before Taxation brought down	1,49,904
81,000	- Income Tax for Current year 50,000		2,89,503	By Balance brought forward from Last year	4,33,869
14,000	- Fringe Benefit Tax for Current year -				
-	- Fringe Benefit Tax for Previous year 1,950	51,950			
4,33,869	To Balance transferred to Balance Sheet	5,31,823			
5,28,869		5,83,773	5,28,869		5,83,773
0.22	Basic & Diluted Earning Per Share	0.15			

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

Signed in terms of our Report of even date
For **LAKHOTIA & CO.**
Chartered Accountants

Naresh Lakhotia
Partner
Membership No. 51249
Place : Kolkata
Date : 27th May, 2010

R. C. Kalani
L. N. Chaturvedi
Directors

Cash Flow Statement for the year ended 31st March, 2010

Particulars	For the year ended 31st March, 2010 Rs.	For the year ended 31st March, 2009 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Tax and Extraordinary items	149,904	239,366
Adjustment for :		
- Interest Income	(166,740)	(245,366)
Operating Profit before Working Capital changes	(16,836)	(6,000)
Adjustment for :		
- Trade Payables	133,798	6,106
Cash generated from Operations	116,962	106
Direct Taxes Paid	(76,660)	(95,496)
Net Cash used in Operating Activities	40,302	95,390
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Miscellaneous Expenses	(1,384,457)	(2,219,050)
Interest Received	166,740	245,366
Net Cash from Investing Activities	(1,217,717)	(1,973,684)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	(1,075,466)	1,075,466
Net Cash from Financing Activities	(1,075,466)	1,075,466
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(2,252,881)	(993,608)
Opening Cash and Cash Equivalents	3,163,802	4,157,410
Closing Cash and Cash Equivalents	910,921	3,163,802

For **LAKHOTIA & CO.**
Chartered Accountants

Naresh Lakhota
Partner
Membership No. 51249
Place : Kolkata
Date : 27th May, 2010

R. C. Kalani
L. N. Chaturvedi
Directors

Schedule - A *Annexed to and forming part of the Accounts for the year ended 31st March, 2010*

Accounting Policies & Notes on Accounts

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

2. Details of Pre-operative Expenditure incurred during the year are following :

Pre-operative Expenses :	31st March, 2010 Rs.	31st March, 2009 Rs.
Salary & Wages	5,52,000	10,80,000
Employees Welfare Expenses	2,55,846	3,74,834
Postage & Telephone Expenses	372	1,075
Travelling & Conveyance	42,812	1,24,510
Car Hire Charges	3,579	58,793
Books & Periodicals	-	500
Service Charges	3,50,849	4,61,693
Bank Charges	780	6,517
Guarantee Commission	1,616	20,680
Printing & Stationery	1,555	27,001
General Expenses	1,650	31,375
Interest to Holding Company	1,73,398	32,072
TOTAL	13,84,457	22,19,050

3. Break-up of Auditor's Remuneration

Audit Fees	5,000	2,000
For Certification	2,000	-
Out of Pocket Expenses	3,000	-
TOTAL	10,000	2,000

4. Contingent Liabilities not provided for

Guarantees Provided by Bank against term deposits	3,00,000	27,80,000
---------------------------------------------------	----------	-----------

5. Earning Per Share

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

	31st March, 2010	31st March, 2009
Net Profit attributable to Equity Shareholders (Rs.)	97,954	1,44,366
No. of Equity Shares at the beginning of the year	6,50,000	6,50,000
No. of Equity Shares allotted during the year	-	-
Weighted Average number of Equity Shares outstanding during the year	6,50,000	6,50,000
Nominal Value of each Equity Share (Rs.)	10.00	10.00
Earning Per Share (weighted average) Basic/Diluted (Rs.)	0.15	0.22

6. Accounting Policies

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

Schedule - A *Contd.*

7. Related Party Disclosure

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

Name of the Related Party	Relationship
Jayshree chemicals Limited	Subsidiary

(Rs./Lacs)

Nature of Transactions	31st March, 2010	31st March, 2009
Loan taken during the year from above	9.00	10.50
Interest on Loan debited to Pre-operative expenses	1.73	0.32
Balance outstanding at the end of the year	0.60	10.75

8. The additional information required under Part-IV of Schedule VI to the Companies Act, 1956, is annexed hereto.
9. Previous year's figures have been re-arranged/re-grouped wherever necessary.

In terms of our attached Report of even date

For **LAKHOTIA & CO.**

Chartered Accountants

Naresh Lakhota

Partner

Membership No. 51249

Place : Kolkata

Date : 27th May, 2010

R. C. Kalani

L. N. Chaturvedi

Directors

Balance Sheet Abstract and Company's General Business Profile

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

I. Registration Details

Registration No.

Balance Sheet Date

Date Month Year

State Code

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

Public Issue

Right Issue

Bonus Issue

Private Placement

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

Total Liabilities

Total Assets

Sources of Funds

Paid-up Capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Investment

Net Current Assets

Miscellaneous Expenditure

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

Turnover
(Including other Income)

Total Expenditure

Profit/(Loss) before Tax

Profit/(Loss) after Tax

Earning Per Share Annualised (Rs.)

Dividend Rate (%)

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

Item Code No. (ITC Code)

Not Applicable

Products Description

Not Applicable

R. C. Kalani
L. N. Chaturvedi
Directors

Consolidated Auditors' Report

Auditors' Report to the Board of Directors of Jayshree Chemicals Limited on the Consolidated Financial Statements including its Subsidiary for the Year Ended 31st March 2010.

1. We have audited the attached Consolidated Balance Sheet of **M/s. Jayshree Chemicals Limited** and its subsidiary Company as at 31st March, 2010, the Consolidated Profit & Loss Account for the year ended as on that date annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of Jayshree Chemicals Limited's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiary viz. East Coast Powers Limited, whose financial statements reflect total assets of Rs. 71,98,680/- as at 31st March, 2010 and total revenue of Rs. 1,66,740/- and net cash outflow amounting to Rs. 22,52,881/- for the year then ended. These financial statements and other information of the subsidiary has been audited by the other auditor whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the reports of other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of Jayshree Chemicals Limited and its subsidiary included in the Consolidated Financial Statements.
5. On the basis of information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of Jayshree Chemicals Limited and its subsidiary in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India :
 - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of Jayshree Chemicals Limited and its subsidiary as at 31st March, 2010;
 - b) in case of the Consolidated Profit & Loss Account, of the profit for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flow for the year ended on that date.

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

6C, Middleton Street
Kolkata - 700 071
Date : 29th May, 2010

B. K. Bhutia
Partner
Membership No. 59363

Consolidated Balance Sheet as at 31st March, 2010

Particulars	Schedule No.	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
SOURCES OF FUNDS			
1. Shareholders' Funds			
Share Capital	1	29,32,64,570	5,33,20,830
Reserves & Surplus	2	20,84,89,728	5,11,74,747
		50,17,54,298	10,44,95,577
2. Minority Interest			
		5,40,909	5,33,375
3. Loan Funds			
Secured Loans	3	32,82,78,605	2,25,82,244
		32,82,78,605	2,25,82,244
4. Deferred Tax Liabilities (Net)			
		3,58,55,000	1,63,02,000
TOTAL		86,64,28,812	14,39,13,196
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	4	34,43,24,473	27,36,74,778
Less : Depreciation		19,87,65,946	18,44,76,419
Net Block		14,55,58,527	8,91,98,359
Add : Capital Work-in-Progress		27,11,96,040	1,75,08,299
		41,67,54,567	10,67,06,658
2. Current Assets, Loans & Advances			
Inventories	5	4,07,99,561	1,46,36,770
Sundry Debtors		6,35,85,638	9,18,21,308
Cash & Bank Balances		40,12,23,389	54,48,721
Loans & Advances		6,06,30,512	5,10,07,833
		56,62,39,100	16,29,14,632
Less : Current Liabilities & Provisions	6		
(a) Current Liabilities		11,57,30,648	10,71,24,074
(b) Provisions		69,48,568	2,34,87,322
		12,26,79,216	13,06,11,396
Net Current Assets		44,35,59,884	3,23,03,236
Miscellaneous Expenses (to the extent not written off)		61,14,361	49,03,302
TOTAL		86,64,28,812	14,39,13,196

Accounting Policies & Notes on Accounts

14

Schedules 1 to 6 and 14 forming part of the Balance Sheet

In terms of our Report of even date attached herewith

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

29th May, 2010

Prabir Chakravarti

Director

D. K. Maheshwari

Executive Director

S. L. Jalan
Company Secretary

Consolidated Profit & Loss Account for the year ended 31st March, 2010

Particulars	Schedule No.	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
INCOME			
Sales (Gross)		54,61,96,206	66,84,90,753
Less : Excise Duty & Education Cess		3,93,06,309	7,33,91,022
		50,68,89,897	59,50,99,731
Increase/(Decrease) in Stock	7	78,23,553	(35,16,154)
Other Income	8	63,51,068	43,19,560
TOTAL		52,10,64,518	59,59,03,137
EXPENDITURE			
Raw Materials Consumed	9	6,36,86,202	11,49,76,277
Manufacturing Expenses	10	23,36,03,102	25,85,65,963
Payment to Employees	11	6,56,17,493	6,96,71,302
Administrative & Sales Expenses	12	6,71,34,987	6,01,45,285
Interest & Finance Charges	13	36,78,956	29,56,193
Depreciation		1,43,15,709	1,26,32,031
TOTAL		44,80,36,449	51,89,47,051
Profit before Tax		7,30,28,069	7,69,56,086
Provision for Taxation			
- Current Tax		1,24,69,000	2,57,81,000
- Fringe Benefit Tax		-	7,64,000
- Deferred Tax		1,95,53,000	14,08,000
- Mat Credit Entitlement		(58,84,000)	-
- Income Tax/FBT provision/payment for earlier years		(3,24,150)	-
Profit after Tax		4,72,14,219	4,90,03,086
Less : Minority Interest		7,534	11,106
Add : Balance as per last account		3,99,85,917	27,94,279
TOTAL		8,71,92,602	5,17,86,259
Transferred to General Reserve		-	24,42,936
Interim Dividend		53,32,083	-
Proposed Dividend		-	79,98,125
Tax on Dividend		9,06,188	13,59,281
Balance carried over to Balance Sheet		8,09,54,331	3,99,85,917
Basic and Diluted Earning Per Share (Face Value Rs.10/-)		7.13	7.62

Accounting Policies & Notes on Accounts

14

Schedules 7 to 14 forming part of the Profit & Loss Account

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

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

Chartered Accountants

B. K. Bhutia

Partner

Membership No. 59363

6C, Middleton Street

Kolkata - 700 071

29th May, 2010

Prabir Chakravarti

Director

D. K. Maheshwari

Executive Director

S. L. Jalan

Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2010

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	73,028,069	76,956,086
Adjustments for :		
- Depreciation	14,315,709	12,632,031
- Obsolete Asssets Discarded	3	106,402
- Profit/(Loss) on Sale of Fixed Assets	-	41,173
- Interest Expenses	3,678,956	2,956,193
- Interest Income	(2,939,197)	(2,329,152)
Operating Profit before Working Capital changes	88,083,540	90,362,733
Adjustments for :		
- Trade Payables	3,339,972	(6,191,936)
- Trade and Other receivables	23,344,469	(19,101,936)
- Inventories	(26,162,791)	6,993,450
Cash generated from Operations	88,605,190	72,062,311
Direct Taxes Paid	(13,056,616)	(24,512,867)
Net Cash generated from Operating Activities	75,548,574	47,549,444
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(324,363,621)	(21,780,306)
Sale of Fixed Assets	-	303,001
Miscellaneous Expenses	(1,211,059)	(2,219,050)
Interest Received	2,939,197	2,329,152
Net Cash used in Investing Activities	(322,635,483)	(21,367,203)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Rights issue	359,915,610	-
Right Issue Expenses	(3,625,303)	-
Repayment of Short Term Borrowings	-	(10,775,413)
Proceeds from Short Term Borrowings	6,447,813	1,496,311
Repayment of Long Term Borrowings	(1,075,016)	(5,850,074)
Proceeds from Long Term Borrowings	300,323,564	-
Dividend Paid	(13,180,666)	(5,265,678)
Dividend Tax Paid	(2,265,469)	(906,188)
Interest Paid	(3,678,956)	(7,611,257)
Net Cash generated/(used) in Financing Activities	642,861,577	(28,912,299)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	395,774,668	(2,730,058)
Opening Cash and Cash Equivalents	5,448,721	8,178,779
Closing Cash and Cash Equivalents	401,223,389	5,448,721

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

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

B. K. Bhutia
Partner
Membership No. 59363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Consolidated Schedules

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 1 : SHARE CAPITAL		
Authorised		
4,00,00,000 (1,50,00,000) Equity Shares of Rs. 10/- each	40,00,00,000	15,00,00,000
	40,00,00,000	15,00,00,000
Issued, Subscribed and Paid-up		
2,93,26,457 (53,32,083) Equity Shares of Rs. 10/- each fully paid in Cash	29,32,64,570	5,33,20,830
TOTAL	29,32,64,570	5,33,20,830
Schedule - 2 : RESERVES AND SURPLUS		
Capital Redemption Reserve		
- As per last Account	30,00,000	30,00,000
Capital Reserve	2,67,234	2,67,234
Share Premium		
- As per last Account	46,66,660	46,66,660
Add : Received during the year	11,99,71,870	-
Less : Right Issue Expenses	36,25,303	-
Investment Allowance Utilised Reserve (Utilised for acquisition of new Plant & Machinery)		
- As per last Account	8,12,000	8,12,000
General Reserve		
- As per last Account	24,42,936	
- Transferred from Profit & Loss Account	-	24,42,936
Surplus		
- As per Profit & Loss Account annexed	8,09,54,331	3,99,85,917
TOTAL	20,84,89,728	5,11,74,747
Schedule - 3 : SECURED LOANS		
Term Loans		
From Government of Orissa for Subsidised Housing Scheme - Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 acres and Buildings and Structures constructed thereon	1,94,250	1,94,250
Interest accrued and due on above loan	7,60,488	7,34,265
From Banks :		
- State Bank of India	7,25,00,544	-
- State Bank of Bikaner & Jaipur	9,57,93,733	-
- Indian Overseas Bank	13,20,03,064	-
Car Loan Account	15,73,451	26,48,467
Others		
State Bank of Bikaner & Jaipur :		
- Cash Credit Account	2,54,53,075	1,90,05,262
TOTAL	32,82,78,605	2,25,82,244
Term Loans include due within one year	86,66,470	10,52,115

Consolidated Schedules (Contd.)

Schedule - 4 : FIXED ASSETS

Particulars	ORIGINAL COST			DEPRECIATION			NET BLOCK			
	As at 31st March, 2009	Additions during the year	Sales/ Discarded/ Adjustment during the year	As at 31st March, 2010	Upto 31st March, 2009	For the year 2009-10	Adjustment on Assets Sold/ Discarded	Upto 31st March, 2010	As at 31st March, 2009	As at 31st March, 2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Free Hold)	10,30,649	16,11,000	-	26,41,649	-	-	-	-	26,41,649	10,30,649
Land (Lease Hold)	2,77,589	-	-	2,77,589	1,34,007	-	-	1,34,007	1,43,582	1,43,581
Development of Site including Roads	27,20,712	-	-	27,20,712	13,02,960	25,630	-	13,28,590	13,92,122	14,17,753
Buildings	2,04,71,552	5,83,385	-	2,10,54,937	1,15,65,899	4,42,351	-	1,20,08,250	90,46,687	89,05,653
Railway Siding	15,59,968	-	-	15,59,968	5,58,420	1,53,538	-	7,11,958	8,48,010	10,01,548
Plant and Machinery	18,76,90,545	6,69,30,750	26,185	25,45,95,110	13,09,64,710	84,15,535	26,182	13,93,54,063	11,52,41,047	5,67,25,835
Water Supply Installations	29,65,308	-	-	29,65,308	15,74,881	1,07,714	-	16,82,595	12,82,713	13,90,427
Furniture and Fittings	46,68,138	7,16,919	-	53,85,057	37,25,153	4,61,781	-	41,86,934	11,98,123	9,42,985
Electrical Installations	1,64,70,553	5,45,626	-	1,70,16,179	1,14,49,699	5,85,406	-	1,20,35,105	49,81,074	50,20,854
Motor Cars and Vehicles	70,57,265	2,50,000	-	73,07,265	24,42,188	12,43,262	-	36,85,450	36,21,815	46,15,077
Laboratory Equipments	1,81,788	-	-	1,81,788	1,32,327	7,582	-	1,39,909	41,879	49,461
Handling Equipments including Chlorine Tonners	2,85,80,711	38,200	-	2,86,18,911	2,06,26,175	28,72,910	-	2,34,99,085	51,19,826	79,54,536
Figures for Previous Year	27,36,74,778	7,06,75,880	26,185	34,43,24,473	18,44,76,419	1,43,15,709	26,182	19,87,65,946	14,55,58,527	8,91,98,359
	27,31,20,857	92,41,205	86,87,284	27,36,74,778	18,00,81,096	1,26,32,031	82,36,708	18,44,76,419	8,91,98,359	-

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

Consolidated Schedules (Contd.)

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 5 : CURRENT ASSETS		
Inventories		
Raw Materials	21,53,348	9,51,867
Stores and Spares including Mercury	2,44,09,524	72,71,767
Finished Goods	1,33,11,494	46,03,175
Work-in-Progress	9,25,195	18,09,961
TOTAL	4,07,99,561	1,46,36,770
Sundry Debtors - Unsecured (Considered Good)		
Debts outstanding for a period exceeding six months	40,19,591	37,21,513
Other Debts	5,95,66,047	8,80,99,795
TOTAL	6,35,85,638	9,18,21,308
Cash & Bank Balance		
Cash-in-Hand	1,45,022	44,027
With Scheduled Banks :		
- In Current Account	37,86,48,704	20,24,015
- Special Term Deposit/Margin Money	1,88,18,931	33,14,274
- Current Account - Right Issue	33,94,785	-
- In Unpaid Dividend Account	2,15,947	66,405
TOTAL	40,12,23,389	54,48,721
Loans & Advances - Unsecured (Considered Good)		
Advances recoverable in cash or kind or for value to be received	89,98,104	55,27,114
Security Deposit	4,04,48,130	3,59,68,949
Deposit with Excise Department	30,96,260	58,01,594
Deposit with other Government Department	25,64,176	37,10,176
Deposit with Income Tax Department (Against Demand Contested in Appeal)	10,00,000	-
Income Tax (Net of Provision)	45,23,842	-
TOTAL	6,06,30,512	5,10,07,833

Consolidated Schedules (Contd.)

Particulars	As at 31/03/2010 Rs.	As at 31/03/2009 Rs.
Schedule - 6 : CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors :		
- Micro, Small and Medium Enterprises	7,95,829	6,90,867
- Other than Micro, Small and Medium Enterprises	11,37,26,672	10,16,58,151
- Advance from Customers	9,92,200	47,08,651
Investors' Education and Protection Fund :		
- Unpaid Dividend Account	2,15,947	66,405
	11,57,30,648	10,71,24,074
b) Provisions		
- Gratuity	26,85,609	82,65,165
- Leave Liability	42,62,959	38,00,464
- Proposed Dividend	-	79,98,125
- Tax on Dividend	-	13,59,281
- Income Tax (Net of Advance Tax)	-	20,64,287
	69,48,568	2,34,87,322
TOTAL	12,26,79,216	13,06,11,396

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
Schedule - 7 : INCREASE/(DECREASE) IN STOCK		
Closing Stock		
- Finished Goods	1,33,11,494	46,03,175
- Work-in-Progress	9,25,195	18,09,961
	1,42,36,689	64,13,136
Less : Opening Stock		
- Finished Goods	46,03,175	83,90,195
- Work-in-Progress	18,09,961	15,39,095
	64,13,136	99,29,290
INCREASE/(DECREASE) IN STOCK	(78,23,553)	(35,16,154)

Consolidated Schedules (Contd.)

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
Schedule - 8 : OTHER INCOME		
Interest [TDS - Rs. 4,80,147/- (Rs. 4,74,798/-)]	29,39,197	23,29,152
Liability no longer required written back	9,98,953	2,53,030
Profit on Sale of Fixed Assets	-	708
Others	24,12,918	17,36,670
TOTAL	63,51,068	43,19,560
Schedule - 9 : RAW MATERIAL CONSUMED		
Opening Stock	9,51,867	19,02,448
Add : Purchase (including own production)	6,35,59,474	11,40,25,696
	6,45,11,341	11,59,28,144
Less : Closing Stock	8,25,139	9,51,867
TOTAL	6,36,86,202	11,49,76,277
Schedule - 10 : MANUFACTURING EXPENSES		
Stores & Chemicals etc. consumed	62,66,280	73,39,975
Diesel Oil consumed	1,57,249	86,262
Electricity charges	20,53,76,826	22,29,87,713
Repairs and Maintenance	2,10,31,068	2,87,18,042
[(including Stores consumed - Rs. 1,08,03,581/-, (Rs. 1,82,16,214/-)]		
- Buildings	34,63,127	37,07,029
- Plant and Machinery	1,12,19,911	1,79,25,783
- Others	63,48,030	70,85,230
Difference of Excise Duty on Opening/Closing of Finished Goods Stock	7,71,679	(5,66,029)
TOTAL	23,36,03,102	25,85,65,963
Schedule - 11 : PAYMENTS TO EMPLOYEES		
Salaries, Wages and Bonus	4,62,28,620	4,45,52,570
Contribution to :		
- Gratuity Fund	31,11,213	82,65,165
- Provident & Other Funds (including Administrative charges)	54,21,569	54,46,088
Employees' State Insurance	13,33,374	14,40,622
Workmen and Staff Welfare Expenses	85,54,077	90,38,036
House Rent Allowance	9,68,640	9,28,821
TOTAL	6,56,17,493	6,96,71,302

Consolidated Schedules (Contd.)

Particulars	Year ended 31/03/2010 Rs.	Year ended 31/03/2009 Rs.
Schedule - 12 : ADMINISTRATIVE & SALES EXPENSES		
Insurance Charges	5,90,599	4,96,366
Rent (Net)	3,85,491	3,96,995
Travelling Expenses	21,62,685	27,13,964
Motor Vehicle Expenses	22,28,462	19,60,943
Rates & Taxes	2,75,433	2,92,655
Legal Expenses	8,72,254	3,93,111
Sundry Expenses (Ref. Note 3)	1,09,34,723	81,38,969
Transportation Charges	4,59,97,621	3,99,23,219
Bad Debts written-off	-	26,39,755
Fixed Assets discarded & written-off	3	1,06,402
Loss on Sale of Fixed Assets	-	41,881
Directors' Fees	1,05,000	1,00,000
Managerial Remuneration		
- To Executive Director (including perquisites)	19,10,436	16,10,199
Sales Tax	2,01,055	2,32,771
CSR (including Donation)	14,71,225	10,98,055
TOTAL	6,71,34,987	6,01,45,285
Schedule - 13 : INTEREST & FINANCE CHARGES		
To Bank	16,75,626	24,02,067
To Others	20,03,330	5,54,126
TOTAL	36,78,956	29,56,193

Schedule - 14 : ACCOUNTING POLICIES & NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

A) SIGNIFICANT ACCOUNTING POLICIES

1. Accounting Concept

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

2. Use of Estimates

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

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

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

3. Fixed Assets

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

Consolidated Schedules (Contd.)

4. Depreciation

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

5. Investment

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

6. Inventories

Inventories are valued on cost or net realisable value, whichever is lower. Cost comprises, for finished goods, cost of purchase and production overhead and valued as per FIFO method.

Work-in-Progress is valued at material cost. All other inventories are valued as per weighted average method.

7. Excise Duty

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

8. Retirement Benefits

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

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

9. Taxation

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

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

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

10. Sales

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

11 Recognition of Income & Expenditure

All items of Income & Expenditure are accounted for on accrual basis, unless otherwise stated.

12. Foreign Currency Transactions

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

13. Borrowing Costs

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

14. Impairment of Assets

Impairment is 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.

B) NOTES ON ACCOUNTS

1. Principles of Consolidation

(i) Consolidated Financial Statements relate to Jayshree Chemicals Limited (The Company), and its subsidiary – East Coast Powers Limited (The Subsidiary).

Consolidated Schedules (Contd.)

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

- The Financial Statement of the Company and its Subsidiary have been prepared on a line by line consolidation by adding the book values of the like items of assets, liabilities, income and expenses as per the respective audited financial statements of the respective Companies.
 - The accounts of the subsidiary have been audited by the auditors qualified to conduct audit.
 - The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner the Company's individual financial statement.
 - Minority Interest consists of the amount of equity attributable to the minority shareholders at the date on which investment has been made by the Company in the subsidiary company and further movements in their share in equity subsequent to the date of investments.
 - Intra-group balances, Intra-group transactions and resulting unrealised profits have been eliminated.
2. Outstanding Capital Commitments (Net of Advances) are estimated at Rs. 82,46,93,774/- (Rs. 28,73,95,000/-).
3. **Contingent Liabilities not provided for :**

	31st March, 2010 Rs.	31st March, 2009 Rs.
(a) Claims against the Company not acknowledged as Debts (Net of Deposit) :		
- Sales Tax Demand under Appeals	43,24,958	23,24,990
- Income Tax Demand under Appeals	-	50,39,888
- Others (including Excise Duty under appeals)	1,68,83,578	36,24,364
(b) Guarantees	2,02,18,493	43,73,768
4. Sundry Expenses include -		
(a) Payments to Auditors		
i) Audit Fees	1,00,000	80,000
ii) Tax Audit Fees	32,000	32,000
iii) Other Services	70,500	38,000
iv) Reimbursement of Expenses	14,700	1,161
(b) Payment to Cost Auditor	20,000	20,000

5. Depreciation has been computed on Straight Line Method under Section 205 (2) (b) of the Companies Act, 1956, except on (i) Furniture & Fittings (ii) Motor Cars & Vehicles (iii) Laboratory Equipments (iv) Railway Siding (v) Weighing Machines and (vi) Fire Extinguishers which are depreciated on written down value basis under Section 205 (2) (a) of the Companies Act, 1956.
6. Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company) :
Principal amount Outstanding as at 31st March, 2010 Rs. 7,95,829/- (Rs. 6,90,867/-)

Consolidated Schedules (Contd.)

7. Segment Reporting

Business segment is primary segment of the company and comprises chemicals business and wind mill power generation. Wind mill base power generation has come into operation with effect from 30.09.2009.

Business Segment	As on 31/03/2010 Amount (Rs.)			As on 31/03/2009 Amount (Rs.)		
	Chemicals	Power	Total	Chemicals	Power	Total
Revenue						
External Sales	50,53,39,943	15,49,954	50,68,89,897	59,50,99,731	–	59,50,99,731
Inter-segment Sales	–	–	–	–	–	–
Total Revenue	50,53,39,943	15,49,954	50,68,89,897	59,50,99,731	–	59,50,99,731
Results						
Segment Results	7,40,05,564	(2,37,736)	7,37,67,828	7,75,83,127	–	7,75,83,127
Un-allocated Expenses			–			–
Operating Profit			7,37,67,828			7,75,83,127
Interest Expenses			36,78,956			29,56,193
Interest Income			29,39,197			23,29,152
Income Tax			2,58,13,850			2,79,53,000
Profit from Ordinary Activities			4,72,14,219			4,90,03,086
Extraordinary items			–			–
Net Profit			4,72,14,219			4,90,03,086
Other Information						
Segment Assets	23,29,43,599	6,55,14,718	29,84,58,317	25,00,24,655	–	25,00,24,655
Un-allocated Assets			69,06,49,711			2,44,99,937
Total Assets			98,91,08,028			27,45,24,592
Segment Liabilities	13,32,58,581	4,56,27,702	17,88,86,283	15,31,35,871	–	15,31,35,871
Un-allocated Liabilities			27,20,71,538			57,769
Total Liabilities			45,09,57,821			15,31,93,640
Capital Expenditure	25,88,03,544	6,55,60,077	32,43,63,621	2,17,80,306	–	2,17,80,306
Depreciation	1,26,31,517	16,84,192	1,43,15,709	1,26,32,031	–	1,26,32,031
Non-cash Expenses other than Depreciation	3	–	3	1,06,402	–	1,06,402

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.

Consolidated Schedules (Contd.)

8. Block-in-Progress (New Project) includes capital advances Rs. 15,26,39,171/- (Rs. 15,00,000/-) and Pre-operative Expenses (pending allocation) as per the details given below :

	As on 31/03/2010 Rs.	As on 31/03/2009 Rs.
As per last accounts	1,44,39,848	12,36,475
Payment to Employees		
Salary	53,76,352	-
Contribution :		
- Provident Fund	6,45,161	-
- Employees` State Insurance	16,556	-
Staff Welfare Expenses	12,92,645	-
House Rent Allowance	2,05,384	75,36,098
Insurance	18,54,026	-
Rates & Taxes	6,75,242	-
Upfront Fees paid to Bank	39,75,000	27,75,000
Professional and Consultancy Service Charges (Includes Auditors Remuneration - Rs. 22,000/-)	56,53,040	1,02,94,208
Travelling Expenses	14,10,282	1,03,527
Miscellaneous Expenses		
Vehicle Expenses	6,74,954	30,412
Telephone, Postage & Telegram	61,443	226
Bank Charges	60,760	-
General Expenses	4,97,345	12,94,502
Interest paid to Bank	42,81,262	-
	4,11,19,300	1,44,39,848

9. Right Issue expenses includes Auditors Remuneration Rs.75,000/-.

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

11. Related Party Disclosure :

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

Name of the related party	Relationship
East Coast Powers Limited	Subsidiary
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd.	Control of KMP
D. K. Maheshwari	Executive Director
Bharti Bangur - Executive (Corporate Affairs)	Relative of KMP

Note : KMP means Key Managerial Personnel

Consolidated Schedules (Contd.)

B) Related Party Transactions are as follows :

Nature of Transactions	2009-2010 Amount (Rs./Lacs)	2008-2009 Amount (Rs./Lacs)
Rent Received from The West Coast Paper Mills Ltd.	1.59	1.20
Sale of goods to The West Coast Paper Mills Ltd.	4.15	-
Rent & Service Charges Paid - Fort Gloster Industries Ltd.	0.72	0.72
Donation Paid - Shree Ram Trust, Kolkata	4.05	4.20
Remuneration Paid to D. K. Maheshwari	19.10	16.10
Remuneration Paid to Bharti Bangur	2.53	-
C) Details of Outstanding Payment to related party		
<i>Outstanding Balance as on 31st March, 2010</i>		
- The West Coast Paper Mills Ltd.	1.43	1.43

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

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

Signatures to Schedules 1 to 14.

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

B. K. Bhutia
Partner
Membership No. 059363
6C, Middleton Street
Kolkata - 700 071
29th May, 2010

Prabir Chakravarti
Director

D. K. Maheshwari
Executive Director

S. L. Jalan
Company Secretary

Corporate Information

Board of Directors

Shri S. K. Bangur

Chairman

Shri Virendra Bangur

Director

Shri D. D. Kothari

Director

Shri Prabir Chakravarti

Director

Shri Satish Kapur

Director

Smt. Sindhubala Choudhury

Director (LIC Representative)

Shri P. C. Mohanta

Director (IDCOL Nominee)

Shri D. K. Maheshwari

Executive Director

Company Secretary

Shri S. L. Jalan

Bankers

State Bank of Bikaner and Jaipur

Auditors

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

Registered Office & Works

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District : Ganjam (Orissa)
Phone : (06811) 254319/329
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