



Jayshree Chemicals Ltd.



## Greener Horizons

Annual Report 2013-2014

# Corporate Information

## BOARD OF DIRECTORS

Shri S. K. Bangur  
Chairman

Shri Virendraa Bangur  
Managing Director

Shri D. D. Kothari  
Director

Shri Prabir Chakravarti  
Director

Shri Satish Kapur  
Director

Smt. Sindhubala Choudhury  
Director

Shri B .K. Mishra  
Director (IDCOL Nominee)

Shri Prabhu Nath Ojha  
*Executive Director*

## COMPANY SECRETARY

Shri Raj Kishore Gupta

## CHIEF FINANCIAL OFFICER

Shri Pawan Kumar Gupta

## BANKERS

State Bank of India  
State Bank of Bikaner and Jaipur  
Indian Overseas Bank  
United Bank of India

## AUDITORS

Messrs. K. N. Gutgutia & Company  
Chartered Accountants  
6C, Middleton Street, Kolkata – 700071

## REGISTERED OFFICE & WORKS

P.O. Jayshree - 761025  
District : Ganjam (Odisha)  
Phone : (06811) 254319 / 329  
Fax : (06811) 254384  
CIN : L24119OR1962PLC007123

## CORPORATE OFFICE

31, Chowringhee Road  
Kolkata - 700016  
Phone : (033) 2265 6271 (8 Lines)  
Fax : (033) 22263257  
E-mail : jcl@jayshreechemicals.com  
Website : www.jayshreechemicals.com

## REGISTRARS & SHARE TRANSFER AGENT

Niche Technologies Private Ltd.  
D-511, Bagree Market  
71, B. R. B. Basu Road, Kolkata – 700001  
Phone : (033) 2235 7270-71  
Fax : (033) 2215 6823  
E-mail : nichetechpl@nichetechpl.com

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# 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, 2014.

## FINANCIAL RESULTS

Particulars	31-3-2014 ₹	31-3-2013 ₹
Profit/(Loss) for the year	(21,67,38,377)	1,49,46,007
Less/(Add) : Provision for Taxation :		
- Current Tax	-	29,90,000
- Deferred Tax (Net)	(3,61,42,000)	62,89,000
- MAT Credit Entitlement	-	(29,90,000)
- Income Tax/FBT for earlier years	37,197	-
	<b>(18,06,33,574)</b>	<b>86,57,007</b>
Add : Credit Balance brought forward	10,81,67,770	9,95,10,763
Balance carried forward to next year	<b>(7,24,65,804)</b>	<b>10,81,67,770</b>

## DIVIDEND

The Board has not recommended any dividend for the financial year ended 31st March, 2014.

## OPERATING RESULTS

During the year under review, your Company has achieved production of 44,609 M.T. of Caustic Soda, generated Wind Power of 24,20,464 kwh and earned Commission of ₹ 50.41 Lacs in its Trading Division.

The lease of salt fields being No. 2 and 3 at Pundi granted by the Government of India in favour of Shri Gopinath Gajapathy Narayan Deo and Shri Sarbgyan Jagannath Gajapathy Narayan Deo expired on 31st December, 2013. Consequently the sub-lease of the above salt fields granted by the above Lessees in favour of the Company also expired on 31st December, 2013. The Company is taking required steps to get the lease of salt fields as per the new guidelines of the Government of India.

There was a severe cyclone Phailin which hit the State of Odisha in the night of 11th October, 2013. Due to this, extensive damage was done to the boundary walls, sheds, buildings, equipments, tanks, pipelines and furniture etc. in the Company's Plant. Besides this, huge quantity of salt was washed away and several trees were uprooted. The power supply was also cut off from the Grid. In view of this, the Company's Plant was shut for 8 days from 12th October, 2013 to 19th October, 2013. Immediately after the above Cyclone, there was a flood in the adjacent Rishikulya River on 24th /25th October, 2013 due to which there was further loss of production.

## CURRENT OUTLOOK

Future of Chlor Alkali Industry is good. Demand of caustic

soda in the State of Odisha has been good. Besides consuming our production, caustic soda from other states also comes to Odisha in huge quantity to meet the ever growing need of alumina/aluminium industry. It is also used by paper, steel, power, pharmaceuticals, textiles, soaps and detergents industries.

Chlorine consumption in the State of Odisha has been always lower due to lack of consuming industries. The ancillary units of CPW have been major consumers besides paper mills, pharmaceuticals and water treatment sector. Demand for Hydrochloric Acid has shown upward trend with addition of some HCL consuming industries in Odisha and nearby Andhra Pradesh.

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

## INDUSTRIAL RELATIONS

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

## GENERAL

The Company has already been accredited with ISO 9001-2008 and ISO 14001-2004 certifications by DNV and these certifications are being renewed as per procedures. The Company is further in advance stage of acquiring ISO-18000 certification by DNV which is expected by 2nd quarter.

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

# Directors' Report

The Company's Shares are listed on the Bombay Stock Exchange Ltd. and the Listing Fees for the year ended 31st March, 2014 has been paid.

The Company's Shares are available for dematerialisation both at National Securities Depository Ltd. and Central Depository Services (India) Ltd. The ISIN No. is INE693E01016.

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

## SAFETY

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

## ENVIRONMENT

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

## SUBSIDIARY COMPANY

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

As required under Section 212 of the Companies Act, 1956, the Board of Directors of the Company has by a resolution given consent for not attaching the balance sheet of ECPL for the year ended 31st March, 2014. Accordingly, the annual Accounts of the ECPL are not annexed to the Accounts of the Company. However, the same for the above year and the related detailed information including a hard copy thereof shall be made available at any point of time to those shareholders of the Company who seek the same. Annual Accounts of ECPL shall also be kept for inspection by any shareholder at the Registered Office of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Particulars prescribed under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure

of Particulars in the Report of the Board of Directors) Rules, 1988, to the extent applicable, forming part of this Report, are as per annexure.

## PARTICULARS OF EMPLOYEES

The Company had no employee drawing remuneration specified under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, during the year under review. Accordingly, the particulars required under the above Section have not been given.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

## CORPORATE GOVERNANCE

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

## DIRECTORS

The Industrial Development Corporation of Orissa Limited (IDCOL) has nominated Shri Binaya Kumar Mishra, Head

## Directors' Report

(Mines & Tech) of IDCOL on the Board of Directors of the Company in place of Shri Prasanta Kumar Mishra with effect from 3rd March, 2014. The Directors place on record their appreciation for the valuable services rendered by Shri Prasanta Kumar Mishra during his tenure of office as a Director of the Company.

Shri Virendraa Bangur retire by rotation and being eligible offers himself for re-appointment.

### AUDITORS

#### Statutory Auditors

M/s. K. N. Gutgutia & Co., Chartered Accountants, Auditors

of the Company, retire and are eligible for re-appointment.

#### Cost Auditor

Shri S. P. S. Dangi of 339, Saket Nagar, Indore (M.P.), who is a Fellow Member of the Institute of Cost & Works Accountants of India having Membership No. 752 was appointed as the Cost Auditor for audit of the Cost Accounts maintained by the Company relating to Caustic Soda for the year ended 31st March, 2013. The subject Cost Audit Report was duly filed on 30th September, 2013. Shri Dangi was re-appointed as such Cost Auditor for the year ending 31st March, 2014.

On behalf of the Board

Place : Kolkata

Date : 15th May, 2014

**S. K. Bangur**  
Chairman

## Annexure to the Directors' Report

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

### A) Conservation of Energy

#### a) Energy conservation measures taken :

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

- i. Implementation of VFD for chilled water pump.
- ii. Implementation of VFD for lean brine pump.
- iii. Replacement of new vacuum Pump with lower rating motor of 22KW instead of existing 30KW at caustic evaporation unit.
- iv. By taking various technical measures, power factor is improved from 0.9940 to 0.9950 to restrict maximum demand.

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

- i. Provision for conversion from CFL technology to LED for Plant and office lighting.
- ii. Provision for lighting and other small equipment through solar power system.
- iii. Commissioning of VFD for boiler FD fan motor.

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

- i. In view of the measures taken at (a) above overall power consumption was reduced from 30500 KWH/ day to 29949 KWH/Day and fuel oil was reduced from 9.92 Kg/MT of caustic to 6.27 Kg/ MT of caustic production in year 2013-14
- ii. In view of the measures to be taken at (b) above the trial run of said FD fan motor in boiler with VFD completed and actual saving figures is being taken 198 KWH/ day.

# Annexure to the Directors' Report

## FORM A

### Form for Disclosure of Particulars with respect to Conservation of Energy

Particulars		2013-14	2012-13
<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>		
<b>1.</b>	<b>Electricity</b>		
	a) Purchased :		
	Unit (In Million Units)	120.01	125.99
	Total Amount (₹ in Lacs)	6,353.52	5,713.94
	Average Rate (₹/Unit)	5.29	4.53
	Own Generation :		
	i) Through Diesel Generator		
	Units	-	-
	Units per Ltr. of Diesel Oil	-	-
	Cost / Unit	-	-
	ii) Through Steam Turbine/Generator :		
	Units	-	-
	Units per Ltr. of Fuel Oil/Gas	-	-
	Cost / Unit	-	-
<b>2.</b>	<b>Coal (Specify quality and where used)</b>		
	Quantity (M.T.)	-	-
	Total Cost	-	-
	Average Rate	-	-
<b>3.</b>	<b>Furnance Oil</b>		
	Quantity (K. Ltrs.)	280.17	493.99
	Total Amount (₹ in Lacs)	127.51	215.31
	Average Rate (₹/K.Ltrs.)	45,509.61	43,586.14
<b>4.</b>	<b>Others / Internal Generation</b>		
	Quantity	-	-
	Total Cost	-	-
	Rate/Unit	-	-
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	Caustic Soda :		
	Electricity (Kwh/M.T.) – With Membrane Cell	2,690.00	2,531.00
	Furnance Oil (Ltrs/M.T.)	6.28	9.92
	Coal (Specify Quality)	-	-
	Others (Specify)	-	-

## Annexure to the Directors' Report

### FORM B

#### C. TECHNOLOGY ABSORPTION Research & Development (R & D) :

Sl. No.	Particulars	2013-14	2012-13
1.	Specific areas in which R & D carried out by the Company.	<ol style="list-style-type: none"> <li>To reduce Iodide impurities in feed brine from 80 ppb to less than 50 by maintaining the free chlorine up to 10 ppm in saturator outlet brine.</li> <li>Maintain the sodium chlorate in feed brine between 4-5 gpl.</li> </ol>	<ol style="list-style-type: none"> <li>To control TOC, we studied characteristics of organic compounds in salt &amp; by maintaining free chlorine in saturator upto 10 ppm, TOC being maintained below 12 ppm.</li> <li>To reduce the cellulose consumption by increase of filtration cycle, we are maintaining the stand by filter in wet condition by filling with DM water.</li> <li>Using RO reject water for floor washing, lime solution preparation, toilets &amp; for fire hydrant.</li> </ol>
2.	Benefits derived as a result of the above R & D.	<ol style="list-style-type: none"> <li>Reduce the chances of the deposition of Barium paraperiodate on membrane. Increased the life of membrane to some extent.</li> <li>The chlorate level (&lt;12 ppm) and nickel content (&lt;1.0 ppm) in final product (CS lye) will come down and the corrosion rate also come down in evaporation plant. Finally the customer will get satisfied.</li> </ol>	<ol style="list-style-type: none"> <li>Membrane life was increased to some extent by maintaining the TOC below 12 ppm.</li> <li>Cellulose consumption reduced from 0.120 KG/MT of caustic production to 0.060 Kg/MT of caustic production.</li> <li>Raw water consumption reduced from 10.0 M3/MT of caustic production to 8.5 M3/MT of production.</li> </ol>
3.	Future plan of Action.	<ol style="list-style-type: none"> <li>OHSAS 18001: Safety Management System Implementation</li> <li>Energy Management System (ISO 50001) Implementation</li> </ol>	Removal of magnesium from bittern brine and utilization of brine in the system.
4.	Expenditure on R & D Technology Absorption, Adaption and Innovation.	-	-

## Annexure to the Directors' Report

### D. FOREIGN EXCHANGE EARNINGS & OUTGO :

Sl. No.	Particulars	2013-14	2012-13
1.	Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans.	There is no export potential of the company's products due to logistic constraints.	There is no export potential of the Company's products due to logistic constraints.
2.	Total Foreign Exchange used and earned :	-	(₹ in Lacs)
Particulars		2013-14	2012-13
Outgo			
Value of imports calculated on CIF Basis :			
Components, Stores & Spares		215.72	28.26
Earnings			
Commission		50.40	27.57

On Behalf of the Board

Kolkata  
Date : 15th May, 2014

**S. K. Bangur**  
Chairman



# Management Discussion and Analysis Report

## a. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

## b. OPPORTUNITIES AND THREATS

During the year under review the international prices of Caustic Soda remained around US\$ 400 per MT in the first half and around US\$ 410 per MT in the second half. Further depreciation of rupee has made imports costly. The selling price of Chlorine and Hydrochloric Acid remained under pressure. Caustic Soda continued to be imported in good quantity. Power tariff for 2014-15 remain unchanged. The Company has been making all efforts to reduce power consumption by adopting various innovations in its Plant.

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

## c. SEGMENTWISE OR PRODUCTWISE PERFORMANCE

The Company incurred a Cash Loss of ₹ 912.46 Lacs from the Caustic Soda segment. The Cash Loss was mainly due to severe cyclone phailin, increase in power and raw material costs.

In the Wind Power segment, the Company earned a Cash Profit of ₹ 33.18 Lacs.

In the Trading Division, the Company earned a Cash Profit of ₹ 16.62 Lacs.

## d. OUTLOOK

During the year, production was lower and we could achieve 83.85% of the rated capacity mainly because of severe cyclone phailin and flood.

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

Your Company continues to be the only producer of caustic soda and chlorine in the State of Odisha.

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

## e. RISKS & CONCERNS

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

## f. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

## g. FINANCIAL & OPERATING PERFORMANCE

This has already been discussed in the Directors' Report.

## h. HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONTS

The Company has cordial relations with its employees as well as unions and all problems are solved across the table in a very congenial atmosphere. Workshops are being organized on a regular basis to impart training to the Company's personnel and also to make them aware of the developments in the Industry. There were 334 employees as on 31st March, 2014 against 354 employees as on 31st March, 2013.

On behalf of the Board

Place : Kolkata  
Date : 15th May, 2014

**S. K. Bangur**  
Chairman

# Report on Corporate Governance

The Company's Report on Corporate Governance for the year ended 31st March, 2014 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, 2014, comprised of eight Directors, consisting of one Managing Director, one Executive Director and six Non-Executive Directors including Nominee and Representative Directors.

During the year 2013-14 four Board Meetings of the Company were held on 10th May, 2013; 13th August, 2013; 1st November, 2013 and 14th February, 2014. 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	3	No	9	–
2	Shri D. D. Kothari	Independent Non-Executive Director	3	No	1	2
3	Smt. Sindhubala Choudhury	Independent Non-Executive Director	4	Yes	–	1
4	Shri P. K. Mishra (***)	Nominee of IDCOL Independent Non-Executive Director	2	No	–	–
5	Shri B. K. Mishra (***)	Nominee of IDCOL Independent Non-Executive Director	–	–	1	–
6	Shri Prabir Chakravarti	Independent Non-Executive Director	4	Yes	8	5
7	Shri Virendraa Bangur	Managing Director - Promoter Group	4	No	6	1
8	Shri Satish Kapur	Independent Non-Executive Director	3	No	2	1
9	Shri Prabhu Nath Ojha	Executive Director	4	Yes	–	1

## Report on Corporate Governance

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

(\*) Excluding Directorships held in Private Limited Companies.

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

(\*\*\*) IDCOL vide letter dated 3rd March, 2014 nominated Shri Binaya Kumar Mishra Head (Mines & Tech) of IDCOL on the Board of Directors of the Company with immediate effect in place of Shri P. K. Mishra whose nomination was withdrawn.

### 3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted on 29th July, 2002. As on 31st March, 2014, the Committee comprised of Shri Prabir Chakravarti, Shri D. D. Kothari, Smt. Sindhubala Choudhury and Shri Satish Kapur, 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 10th May, 2013, 13th August, 2013, 1st November, 2013 and 14th February, 2014. The details of the attendance at the said Meetings are given hereunder :

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

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

The Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') was constituted on 26th July, 2004. As on 31st March, 2014, this Committee comprised of Shri S. K. Bangur, Chairman and Shri Prabir Chakravarti, Smt. Sindhubala Choudhury and Shri Satish Kapur, three Independent Non-Executive Directors. The Committee has power to regulate its Meetings and proceedings.

During the year, two Meetings of the Remuneration Committee were held on 13th August, 2013 and 30th November, 2013. 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 S. K. Bangur	2	2
Smt. Sindhubala Choudhury	2	1
Shri Prabir Chakravarti	2	2
Shri Satish Kapur	2	1

## Report on Corporate Governance

The details of remuneration of the Managing, Executive and Non-Executive Directors during the year ended 31st March, 2014 are as under :

<b>i) Managing Director</b>	
Name	Shri Virendraa Bangur
Description	Managing Director
Salary	₹ 25,63,333/-
<b>Benefits</b>	
Allowances & Perquisites	₹ 10,45,116/-
Bonus	-
Pension	-
<b>Fixed Component</b>	
Contributions to Provident & Superannuation Funds	₹ 6,92,100/-
Performance linked Incentive	-
Service Contract	12th November, 2013 to 11th November, 2016
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	-
<b>TOTAL</b>	<b>₹ 43,00,549/-</b>
<b>ii) Executive Director</b>	
Name	Shri Prabhu Nath Ojha
Description	Executive Director
Salary	₹ 16,51,355/-
<b>Benefits</b>	
Allowances & Perquisites	₹ 9,11,750/-
Bonus	-
Pension	-
<b>Fixed Component</b>	
Contributions to Provident & Superannuation Funds	-
Performance linked Incentive	-
Service Contract	17th August, 2011 to 16th August, 2014
Notice Period	3 Months
Severance Fee	Nil
Stock Options (₹)	-
<b>TOTAL</b>	<b>₹ 25,63,105/-</b>

### iii) Non-Executive Directors

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

## Report on Corporate Governance

The details of sitting fees paid are as under :-

Name of Director	Sitting Fees (₹)
Shri S. K. Bangur	25,000/-
Shri D. D. Kothari	30,000/-
Smt. Sindhubala Choudhury	45,000/-
Shri P. K. Mishra	10,000/-
Shri Prabir Chakravarti	50,000/-
Shri Satish Kapur	35,000/-
<b>TOTAL</b>	<b>1,95,000/-</b>

### 5. INVESTORS GRIEVANCE COMMITTEE

A Share Transfer Committee of the Board was constituted in the year 1981. This Committee was renamed as Investors Grievance Committee on 29th July, 2002 and its scope was enlarged to include the matters specified in Clause 49 of the Listing Agreements with the Stock Exchanges. As on 31st March, 2014 this Committee comprised of Shri Virendraa Bangur, Managing Director, Shri D. D. Kothari, Director and Shri Prabhu Nath Ojha, Executive Director of the Company as its Members with Shri Virendraa Bangur as its Chairman. During the year, one Meeting of the Investors Grievance Committee was held on 29th March, 2014 and the same was attended by Shri Virendraa Bangur, Shri D.D.Kothari and Shri P. N.Ojha.

Shri Raj Kishore Gupta, Company Secretary is the Compliance Officer of the Company. There was one complaint from one Shareholder during the year under review which was duly resolved and no complaint was pending at the end of the financial year.

### 6. (a) ANNUAL GENERAL MEETINGS

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

Financial Year ended	Date	Time	Venue
31-03-2013	20-8-2013	3 P.M.	Registered Office at P. O. Jayshree - 761 025, District Ganjam (Odisha)
31-03-2012	4-8-2012	3 P.M.	Registered Office at P. O. Jayshree - 761 025, District Ganjam (Odisha)
31-03-2011	16-8-2011	3 P.M.	Registered Office at P. O. Jayshree - 761 025, District Ganjam (Odisha)

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

### (b) EXTRA-ORDINARY GENERAL MEETINGS

One Extra-ordinary General Meeting of the Company was held at the Company's Registered Office on 21st October, 2013 for approving the re-appointment of Shri Virendraa Bangur as the Managing Director of the Company for a further period of three years with effect from 12th November, 2013 and the Special Resolution passed for this purpose thereat was not required to be put through Postal Ballot.

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

## 7. DISCLOSURES

### A. Related Party Transactions

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

# Report on Corporate Governance

## B. Compliances by the Company

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

## 8. MEANS OF COMMUNICATION

The quarterly/half yearly financial results during the year under review were published in English in the 'Business Standard' and in Oriya in the 'Orissa Bhaskar', all circulated in Ganjam where the Registered Office of the Company is situated. The results are displayed on the Company's website [www.jayshreechemicals.com](http://www.jayshreechemicals.com) but are not sent individually to the Shareholders. No separate presentations were made to institutional investors or the analysts.

## 9. GENERAL SHAREHOLDER INFORMATION

<b>i) Annual General Meeting</b>							
Date	27th September, 2014						
Time	11.45 A.M.						
Venue	P. O. Jayshree - 761 025, District Ganjam (Odisha)						
<b>ii) (a) Financial year</b>	2014-15						
<b>(b) Financial Calendar</b>	The Financial Calendar for the year 2014-15 (Provisional) is as under :						
a. Results for the first quarter ending 30th June, 2014	By middle of August, 2014						
b. Results for the second quarter ending 30th September, 2014	By middle of November, 2014						
c. Results for the third quarter ending 31st December, 2014	By middle of February, 2015						
d. Results (Audited) for the Financial year ending 31st March, 2015	By end of May, 2015						
e. Annual General Meeting for the year ending 31st March, 2015	By end of August, 2015						
<b>iii) Date of Book Closure</b>	The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September, 2014 to 27th September, 2014 both days inclusive, for the purpose of the Annual General Meeting of the Company to be held on 27th September, 2014.						
<b>iv) Dividend Payment Date</b>	No Dividend is proposed.						
<b>v) Listing on Stock Exchange</b>	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, 2014 has been paid.						
<b>vi) Stock Code :</b>	<table border="1"> <thead> <tr> <th>Name of Stock Exchange</th> <th>Physical</th> <th>Demat ISIN No.</th> </tr> </thead> <tbody> <tr> <td>Bombay Stock Exchange Ltd.</td> <td>5,06,520</td> <td>INE693E01016</td> </tr> </tbody> </table>	Name of Stock Exchange	Physical	Demat ISIN No.	Bombay Stock Exchange Ltd.	5,06,520	INE693E01016
Name of Stock Exchange	Physical	Demat ISIN No.					
Bombay Stock Exchange Ltd.	5,06,520	INE693E01016					

## Report on Corporate Governance

<b>vii) Market Price Data</b>	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 :																																									
	<table border="1"> <thead> <tr> <th rowspan="2">Month</th> <th colspan="2">Price per Share</th> </tr> <tr> <th>High (₹)</th> <th>Low (₹)</th> </tr> </thead> <tbody> <tr> <td>April, 2013</td> <td>8.26</td> <td>7.13</td> </tr> <tr> <td>May, 2013</td> <td>7.50</td> <td>5.66</td> </tr> <tr> <td>June, 2013</td> <td>6.20</td> <td>5.18</td> </tr> <tr> <td>July, 2013</td> <td>6.63</td> <td>5.72</td> </tr> <tr> <td>August, 2013</td> <td>5.80</td> <td>4.50</td> </tr> <tr> <td>September, 2013</td> <td>5.30</td> <td>4.31</td> </tr> <tr> <td>October, 2013</td> <td>6.25</td> <td>5.40</td> </tr> <tr> <td>November, 2013</td> <td>5.75</td> <td>5.05</td> </tr> <tr> <td>December, 2013</td> <td>5.77</td> <td>4.80</td> </tr> <tr> <td>January, 2014</td> <td>6.30</td> <td>4.75</td> </tr> <tr> <td>February, 2014</td> <td>6.30</td> <td>5.29</td> </tr> <tr> <td>March, 2014</td> <td>6.31</td> <td>4.76</td> </tr> </tbody> </table>	Month	Price per Share		High (₹)	Low (₹)	April, 2013	8.26	7.13	May, 2013	7.50	5.66	June, 2013	6.20	5.18	July, 2013	6.63	5.72	August, 2013	5.80	4.50	September, 2013	5.30	4.31	October, 2013	6.25	5.40	November, 2013	5.75	5.05	December, 2013	5.77	4.80	January, 2014	6.30	4.75	February, 2014	6.30	5.29	March, 2014	6.31	4.76
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March, 2014	6.31	4.76																																								
<b>viii) Share price performance in comparison to broad-based Indices</b>	<p>The Company's Share prices at the Bombay Stock Exchange Ltd. (BSE) are given hereunder :</p> <p>On 1st April, 2013 : ₹ 7.81 P. per Share  On 31st March, 2014 : ₹ 5.20P. per Share  Change : (-) 33.42%</p> <p><b>Indices (BSE Sensex)</b>  On 1st April, 2013 : 18,890.81  (Opening)  On 31st March, 2014 : 22386.27  (Closing)  Change : 18.50%</p>																																									
<b>ix) Registrars and Share Transfer Agents</b>	<p>Niche Technologies Private Ltd. are acting as the Registrars of the Company for both physical and dematerialized form of Shares. The address of the above Registrars is given hereunder :</p> <p><b>Niche Technologies Private Ltd.</b>  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 : <a href="mailto:nichetechpl@nichetechpl.com">nichetechpl@nichetechpl.com</a></p>																																									
<b>x) Share Transfer System :</b>	<p>Niche Technologies Private Limited, the Registrars and Share Transfer Agents of the Company, processes transfer, sub-division, consolidation, splitting etc. of Shares in physical form in close co-ordination with the Company and the same are approved by the Investors Grievance Committee of the Company. Share Transfers etc. are registered and returned within a period of 15 days and the Dematerialisation Requests are confirmed within 21 days from the dates of lodgment thereof.</p>																																									

# Report on Corporate Governance

## xi) Distribution of Shareholding

a) Shareholding Pattern as on 31st March, 2014 is as under :

Category	No. of Shares held	Percentage of Shareholding
Promoters	1,43,18,259	48.824
Mutual Funds/UTI	200	0.001
Banks, Financial Institutions and Insurance Companies	9,91,556	3.381
Private Corporate Bodies	12,00,959	4.095
Indian Public	1,23,57,766	42.138
NRIs/OCBs	4,57,517	1.560
Foreign Institutional Investors	200	0.001
ADRs/GDRs	–	–
<b>TOTAL</b>	<b>2,93,26,457</b>	<b>100.00</b>

b) Distribution of Shareholding as on 31st March, 2014 is as under :

No. of Equity Shares held	Shareholders		Shares	
	Nos.	%	Nos.	%
1 to 500	2,302	59.82	4,25,310	1.45
501 to 1000	530	13.77	4,27,694	1.46
1001 to 5000	710	18.45	16,75,273	5.71
5001 to 10000	133	3.46	9,19,105	3.13
10001 to 50000	114	2.96	23,04,883	7.86
50001 to 100000	18	0.47	13,42,502	4.58
100001 and above	41	1.07	2,22,31,690	75.81
<b>TOTAL</b>	<b>3,848</b>	<b>100.00</b>	<b>2,93,26,457</b>	<b>100.00</b>

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

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



## Report on Corporate Governance

xii) Dematerialisation of Shares and Liquidity	As on 31st March, 2014, 99.64% of the Company's total Shares representing 2,92,19,494 Shares were held in dematerialised form and the balance 0.36% representing 1,06,963 Shares were in physical form.
xiii) Outstanding GDR/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDR/ADRs. etc.
xiv) Plant Location	The Company's Plant is located at P. O. Jayshree - 761 025, District Ganjam (Odisha)
xv) Addresses for correspondence	<ol style="list-style-type: none"> <li data-bbox="788 571 1469 634">1. Registered Office : P. O. Jayshree - 761 025, District Ganjam (Odisha)</li> <li data-bbox="788 644 1469 706">2. Kolkata Office : 31, Chowringhee Road, Kolkata - 700 016</li> <li data-bbox="788 716 1469 845">3. Registrars and Share Transfer Agents : Niche Technologies Private Ltd. D-511, Bagree Market, 71, B. R. B. Basu Road Kolkata - 700 001</li> </ol>

### 10. 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 and Mechanism for evaluating non-executive Board Members will be implemented by the Company as and when required and/or deemed necessary by the Board of Directors of the Company.

On behalf of the Board

Place : Kolkata  
Date : 15th May, 2014

**S. K. Bangur**  
Chairman

# Report on Corporate Governance

## TO WHOMSOEVER IT MAY CONCERN

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

Place : Kolkata,  
Date : 14th May, 2014

**Prabhu Nath Ojha**  
*Executive Director*

## AUDITORS' CERTIFICATE

To the Members of  
**Jayshree Chemicals Limited**

We have examined the compliance of the conditions of Corporate Governance by Jayshree Chemicals Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange Ltd.

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

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

We state that there was one complaint from the Shareholder during the year ended 31st March, 2014, which was duly resolved and no complaint was pending at the end of the financial year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Place : Kolkata  
Date : 14th May, 2014

**B. K. Bhutia**  
*Partner*  
Membership No. 059363

# Independent Auditors' Report

To the Members of  
**Jayshree Chemicals Limited**

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statement of **JAYSHREE CHEMICALS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2014 and the Statement of Profit & Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of Statement of Profit & Loss, of the Loss for the year ended on that date; and
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received from the Directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **K. N. Gutgutia & Co.**

*Chartered Accountants*

Firm Registration No.304153E

**B. K. Bhutia**

*Partner*

Membership No. 059363

6C, Middleton Street,  
Kolkata - 700 071  
Date : 14th May, 2014

# Annexure to the Independent Auditors' Report

## Annexure to the Independent Auditors' Report to the Members of Jayshree Chemicals Limited referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date.

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. All the fixed assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off any substantial/major part of fixed assets, so as to affect the going concern status of the Company.
- ii) a. The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii) a. The Company has not given any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and as such the provisions of Clause 4(iii) (b), (c) & (d) are not applicable.
- b. The Company has taken unsecured loan from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Only Seven parties are involved with transactions value of ₹ 1,597.00 Lacs. The rate of interest and other terms and conditions of unsecured loans taken by the Company, are prima facie not prejudicial to the interest of the Company. The payment of the principal amount and interest are regular.
- iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) Based on the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that transactions need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- vi) The Company has not accepted any public deposits during the year.
- vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- ix) a. According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute except the following :

Name of the Statute	Nature of the dues	Amount of Demand (₹)	Amount Deposited (₹)	Period to which amount relates	Forum where dispute is pending
Central Sales Tax Act	Sales Tax	5,57,921	5,07,344	1985-86	High Court of Odisha
Central Sales Tax Act	Sales Tax	2,17,994	1,10,000	1991-92	ACCT Berhampur
Central Sales Tax Act	Sales Tax	1,78,082	1,22,500	1992-93	ACCT Berhampur
Odisha Sales Tax Act	Sales Tax	1,39,584	1,12,926	1986-87	High Court of Odisha

## Annexure to the Independent Auditors' Report

Odisha Entry Tax Act	Odisha Entry Tax	12,54,480	5,00,000	2001-02	High Court of Odisha
Odisha Entry Tax Act	Odisha Entry Tax	9,21,181	4,00,000	2002-03	Sales Tax Tribunal Cuttack
Odisha Entry Tax Act	Odisha Entry Tax	5,04,343	33,650	2005-06 2006-07	Addl. CCT Appeal, Berhampur
Odisha VAT Act	Odisha VAT	26,55,676	4,50,000	2005-06 2006-07	Addl JCCT Appeal, Berhampur
Odisha Irrigation Act, 1959 and Odisha Irrigation Amendment Rules, 1999	Water Tax	1,27,903	25,000	August, 1967 to February, 1993	High Court of Odisha
Odisha Irrigation Act, 1959 and Odisha Irrigation Amendment Rules, 1999	Water Tax	6,48,97,072	1,63,82,280	October, 1994 to March, 2014	High Court of Odisha
Odisha Municipal Tax, 1951	Lighting Tax	10,60,501	1,78,068	Upto 2013-14	Court of ADM, Chatrapur
Service Tax	Service Tax for Services rendered by Goods transporters	6,15,000	–	November, 1997 to June, 1998	High Court of Odisha
Income Tax	Assessment Demand	6,73,629	4,50,000	2007-08	DCIT, Kolkata
West Bengal VAT ACT	W B VAT	6,17,976	2,11,932	2005-06	JCCT, Kolkata(Appeal)

- x) The Company has accumulated losses at the end of the financial year which is less than fifty percent of its net worth. The Company has incurred cash loss during the financial year covered by our audit but has no cash loss during immediately preceding financial year.
- xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks. There are no outstanding dues to a financial institution or debenture holders.
- xii) The Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) According to the information and explanations given to us, the Company has taken term loans during the financial year and applied the same for the purpose for which such loans were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that 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.059363

6C, Middleton Street,  
Kolkata - 700 071  
Date : 14th May, 2014

# Balance Sheet

as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	29,32,64,570	29,32,64,570
(b) Reserves and Surplus	2.2	5,48,02,359	23,54,35,933
		<b>34,80,66,929</b>	<b>52,87,00,503</b>
<b>(2) Non-current Liabilities</b>			
(a) Long-term Borrowings	2.3	51,32,92,605	68,12,06,425
(b) Deferred Tax Liabilities (Net)	2.4	-	3,61,42,000
(c) Long-term Provisions	2.5	50,82,268	51,44,703
		<b>51,83,74,873</b>	<b>72,24,93,128</b>
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	2.6	61,50,33,431	31,49,75,811
(b) Trade Payables	2.7	16,07,77,992	14,18,77,566
(c) Other Current Liabilities	2.8	28,83,36,530	26,93,87,917
(d) Short-term Provisions	2.9	10,62,758	8,54,953
		<b>1,06,52,10,711</b>	<b>72,70,96,247</b>
<b>TOTAL (1+2+3)</b>		<b>1,93,16,52,513</b>	<b>1,97,82,89,878</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible Assets	2.10	1,50,67,67,767	1,54,23,71,581
(ii) Intangible Assets		7,01,847	2,82,239
(iii) Capital Work-in-Progress		1,08,88,674	62,25,318
		<b>1,51,83,58,288</b>	<b>1,54,88,79,138</b>
<b>(b) Non-current Investments</b>	2.11	60,00,000	60,00,000
<b>(c) Long-term Loans and Advances</b>	2.12	10,31,79,289	10,08,07,372
		<b>1,62,75,37,577</b>	<b>1,65,56,86,510</b>
<b>(2) Current Assets</b>			
(a) Inventories	2.13	4,82,92,269	5,99,35,036
(b) Trade Receivables	2.14	17,91,27,789	19,52,62,412
(c) Cash and Bank Balances	2.15	2,83,89,596	2,09,39,167
(d) Short-term Loans and Advances	2.16	3,90,30,332	4,13,48,735
(e) Other Current Assets	2.17	92,74,950	51,18,018
		<b>30,41,14,936</b>	<b>32,26,03,368</b>
<b>TOTAL (1+2)</b>		<b>1,93,16,52,513</b>	<b>1,97,82,89,878</b>

## Significant Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 forming part of the Balance Sheet

In terms of our report on even date attached herewith

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**

Company Secretary

**P. K. Gupta**

Chief Financial Officer

**Prabhu Nath Ojha**

Executive Director

**Virendraa Bangur**

Managing Director

# Statement of Profit & Loss

for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>I. REVENUE FROM OPERATIONS</b>			
Sales (Gross)		1,36,37,47,529	1,50,38,43,271
Less : Excise Duty		15,12,05,480	17,33,48,351
<b>Sales (Net)</b>		<b>1,21,25,42,049</b>	<b>1,33,04,94,920</b>
Other Operating Revenues		66,50,300	46,15,809
		<b>1,21,91,92,349</b>	<b>1,33,51,10,729</b>
II. Other income	2.18	1,69,23,974	2,75,43,782
<b>III. Total Revenue (I + II)</b>		<b>1,23,61,16,323</b>	<b>1,36,26,54,511</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	2.19	26,56,82,735	29,03,00,515
Power and Fuel Expenses		65,18,30,705	59,40,92,370
Changes in Inventories of Finished Goods and Work-in-Progress	2.20	47,27,758	(38,86,337)
Employee Benefits Expense	2.21	12,21,52,644	11,93,80,863
Finance Costs	2.22	19,66,47,773	16,22,19,896
Depreciation and Amortization Expense	2.10	9,43,67,981	9,19,44,169
Other Expenses	2.23	10,63,07,663	9,36,57,028
<b>Total Expenses</b>		<b>1,44,17,17,259</b>	<b>1,34,77,08,504</b>
<b>V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>(20,56,00,936)</b>	<b>1,49,46,007</b>
VI. Exceptional Items		1,11,37,441	–
<b>VII. Profit before extraordinary items and tax (V - VI)</b>		<b>(21,67,38,377)</b>	<b>1,49,46,007</b>
VIII. Extraordinary Items		–	–
<b>IX. Profit before Tax (VII-VIII)</b>		<b>(21,67,38,377)</b>	<b>1,49,46,007</b>
<b>X. Tax expense :</b>			
(1) Current Tax		–	29,90,000
(2) Deferred Tax (Net)		(3,61,42,000)	62,89,000
(3) MAT Credit Entitlement		–	(29,90,000)
(4) Income Tax/FBT provision/payment for earlier year		37,197	–
		<b>(3,61,04,803)</b>	<b>62,89,000</b>
<b>XI. Profit/(Loss) for the period from continuing Operations (IX-X)</b>		<b>(18,06,33,574)</b>	<b>86,57,007</b>
<b>XII. Earnings per Equity Share :</b>	2.34		
Equity Share of par value ₹ 10/- each			
(1) Basic		(6.16)	0.30
(2) Diluted		(6.16)	0.30

## Significant Accounting Policies & Notes on Accounts

1 & 2

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

In terms of our report on even date attached herewith

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**

Company Secretary

**P. K. Gupta**

Chief Financial Officer

**Prabhu Nath Ojha**

Executive Director

**Virendraa Bangur**

Managing Director

# Cash Flow Statement

for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Items	(21,67,38,377)	1,49,46,007
Adjustments for:		
- Depreciation	9,43,67,981	9,19,44,169
- Net Profit/(Loss) on sale of fixed/discarded assets	1,51,492	64,336
- Interest Expenses	19,66,47,773	16,22,19,896
- Interest Income	(97,39,152)	(69,30,537)
<b>Operating Profit Before Working Capital Changes</b>	<b>6,46,89,717</b>	<b>26,22,43,871</b>
Adjustments for:		
- Trade Payables	3,79,95,159	5,24,11,383
- Trade and other Receivables	1,39,12,663	(4,08,65,728)
- Inventories	1,16,42,767	2,62,500
<b>Cash Generated from Operations</b>	<b>12,82,40,306</b>	<b>27,40,52,026</b>
- Direct Taxes Paid	(16,66,256)	(23,04,784)
Net Cash generated from Operating Activities	<b>12,65,74,050</b>	<b>27,17,47,242</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(6,41,22,282)	(5,16,59,738)
Sale of Fixed/Discarded Assets	1,23,659	4,43,802
Loan to Subsidiary	(3,59,427)	(5,52,072)
Interest Received	97,39,152	69,30,537
<b>Net Cash used in Investing Activities</b>	<b>(5,46,18,898)</b>	<b>(4,48,37,471)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	30,00,57,620	1,08,86,326
Repayment of Long Term Borrowings	(16,79,13,820)	(10,31,63,264)
Unclaimed Dividend Paid	(750)	-
Interest Paid	(19,66,47,773)	(16,22,19,896)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>(6,45,04,723)</b>	<b>(25,44,96,834)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>74,50,429</b>	<b>(2,75,87,063)</b>
Opening Cash and Cash Equivalents	2,09,39,167	4,85,26,230
Closing Cash and Cash Equivalents	<b>2,83,89,596</b>	<b>2,09,39,167</b>

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

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**  
Company Secretary

**P. K. Gupta**  
Chief Financial Officer

**Prabhu Nath Ojha**  
Executive Director

**Virendraa Bangur**  
Managing Director



# Accounting Policies & Notes on Account

for the year ended 31st March, 2014

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

## NOTE NO. 1

### A) SIGNIFICANT ACCOUNTING POLICIES :

#### 1) Accounting Concept

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

#### 2) Use of Estimates

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

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

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

#### 3) Fixed Assets

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

#### 4) Depreciation

Depreciation on Fixed Assets is calculated in a manner that amortises the cost of the assets after commissioning over their estimated useful lives.

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

#### 5) Investment

Long-term Investments are valued at cost. Decline in the value of investment, other than temporary

in nature, are provided/charged to the Profit & Loss Account.

#### 6) Inventories

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

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

#### 7) Excise Duty

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

#### 8) Retirement Benefits

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

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

#### 9) Taxation

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

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

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

#### 10) Sales

Sales are inclusive of Excise Duty and Education Cess and exclusive of Sales Tax and net of Brokerage & Commission.

# Accounting Policies & Notes on Account

for the year ended 31st March, 2014

## 11) Recognition of Income & Expenditure

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

## 12) Foreign Currency Transactions

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

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

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

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

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

## 13) Borrowing Costs

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

## 14) Impairment of Assets

Impairment is 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.

## 15) Segment Reporting

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

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

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

## Notes to the Balance Sheet

for the year ended 31st March, 2014

(Amount in ₹)

### 2 NOTES ON ACCOUNTS

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
Equity Share of ₹ 10/- par value		
4,00,00,000 (4,00,00,000) Equity Shares	<b>40,00,00,000</b>	40,00,00,000
<b>Issued, Subscribed and paid-up Capital</b>		
Equity Share of ₹ 10/- par value		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully paid in cash	<b>29,32,64,570</b>	29,32,64,570

#### Notes :

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

## Notes to the Balance Sheet

3. Details of Share holders holding more than 5% of total shares as on 31st March, 2014 :

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

4. The reconciliation of the number of shares outstanding as at 31st March, 2014 is as below :

Particulars	As at 31st March 2014	As at 31st March 2013
Number of shares at the beginning	2,93,26,457	2,93,26,457
Number of shares at the closing	<b>2,93,26,457</b>	<b>2,93,26,457</b>

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.2 RESERVE &amp; SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
As per last Account	30,00,000	30,00,000
<b>Share Premium</b>		
As per last Account	12,10,13,227	12,10,13,227
<b>Investment Allowance Utilised reserve</b>		
As per last Account	8,12,000	8,12,000
<b>General Reserve</b>		
As per last Account	24,42,936	24,42,936
<b>Surplus</b>		
Opening Balance	10,81,67,770	9,95,10,763
Add: Net profit after tax transferred from Statement of Profit & Loss	(18,06,33,574)	86,57,007
	<b>(7,24,65,804)</b>	<b>10,81,67,770</b>
<b>TOTAL (2.2)</b>	<b>5,48,02,359</b>	<b>23,54,35,933</b>

<b>2.3 LONG TERM BORROWINGS</b>		
<b>1. Term Loans-Secured</b>		
a. From Banks	46,80,34,982	63,59,48,802
b. From Govt. of Odisha	1,94,250	1,94,250
	<b>46,82,29,232</b>	<b>63,61,43,052</b>
<b>2. Deferred Payment Liabilities</b>	4,50,63,373	4,50,63,373
<b>TOTAL (2.3)</b>	<b>51,32,92,605</b>	<b>68,12,06,425</b>

Notes :

<b>1. Term Loans - Secured</b>		
a. From Banks		
i Rupee/FCNR(B)/FCTL Term Loan	46,66,48,471	63,35,91,497
ii Car Loan	13,86,511	23,57,305
	<b>46,80,34,982</b>	<b>63,59,48,802</b>
b. From Other Parties		
Govt of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	<b>46,82,29,232</b>	<b>63,61,43,052</b>

# Notes to the Balance Sheet

## Notes :

### Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 12 quarterly instalments of ₹ 18,75,000/- each.

Outstanding Rupee/FCNR(B) Term Loans are repayable in 18 quarterly instalments of ₹ 3,75,00,000/- each.

Outstanding Rupee Term Loans from UBI are repayable in 9 quarterly instalments of ₹ 30,00,000/- each.

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March 2014 in respect of these assets are as under :

(Amount in ₹)

Due	Total Minimum Lease Outstanding as on 31st March, 2014	Interest not due	Present Value minimum lease Payments
Within one year	11,70,012	2,04,933	9,65,079
Last Year	11,65,788	2,99,702	8,66,086
Later than one year and not later than five years	15,73,015	1,86,504	13,86,511
Last year	27,52,286	3,94,981	23,57,305
Total : Current Year	27,43,027	3,91,437	23,51,590
Total : Last Year	39,18,074	6,94,683	32,23,391

### Nature of Security

**For Government of Odisha - Subsidised Housing Scheme :** Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 Acres and Buildings and Structures constructed thereon.

**For Modernisation cum Expansion Project :** Secured by first pari-passu charge inter-se by way of hypothecation of machinery and other fixed assets acquired or to be acquired out of the Term Loans from State Bank of Bikaner and Jaipur, State Bank of India and Indian Overseas Bank, the Term Lenders, and equitable mortgage of all the piece and parcel of factory land and other land aggregating to 140.80 Acres (lease hold land measuring about 107.41 Acres and free hold land measuring about 33.39 Acres) (excluding Wind Mill Land and Wind Mill receivables) situated at Ganjam District, Kalyanpur, Kanchipur, Jarapadar at Jayshree Nagar where the Company's registered office is located together with all buildings and structures, plant & machineries erected thereon, both present and future, and second charge on the current assets of the Company.

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

**For Wind Mill Project :** Exclusively secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be purchased out of the term loans for the wind mill project at Bogampatti Village, Sular Taluk, Tirupur, Coimbatore and Wind Mill receivables in favour of State Bank of Bikaner and Jaipur (SBBJ) and Indian Overseas Bank (IOB) and second charge on the current assets ranking pari-passu with other term lenders and to be further secured by equitable mortgage of Wind Mill project land measuring 2 Acres in favour of SBBJ and IOB on pari-passu basis.

	As at 31.03.2014	As at 31.03.2013
<b>2. DEFERRED PAYMENT LIABILITIES</b>		
Electricity Duty payable	4,50,63,373	4,50,63,373
<b>TOTAL (2.3)</b>	<b>51,32,92,605</b>	<b>68,12,06,425</b>

## Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.4 DEFERRED TAX LIABILITIES</b>		
Deferred Tax Liabilities (Net)	-	<b>3,61,42,000</b>
<b>Notes :</b>		
a) Deferred Tax Liabilities		
Depreciation	-	15,91,07,000
b) Deferred Tax Assets		
Carry forward business loss/depreciation	-	11,63,23,000
Expenses allowable against taxable income in future year	-	66,42,000
	-	<b>12,29,65,000</b>
<b>Total (2.4)</b>	-	<b>3,61,42,000</b>

The company has not recognised the deferred tax (net) assets as there is no reasonable and virtual certainty that these would be realised in immediate future.

<b>2.5 LONG TERM PROVISIONS</b>		
<b>Provision for Employees Benefit</b>		
Leave Liability	50,82,268	51,44,703
<b>Total (2.5)</b>	<b>50,82,268</b>	<b>51,44,703</b>

<b>2.6 SHORT TERM BORROWINGS</b>		
a) <b>Loan Repayable on demand (Secured)</b>		
From Banks :		
- Cash Credit A/c	9,46,33,431	8,09,48,500
b) <b>Loan Repayable on demand (Unsecured)</b>		
From Bodies Corporate	52,04,00,000	23,40,27,311
<b>Total (2.6)</b>	<b>61,50,33,431</b>	<b>31,49,75,811</b>

### Notes :

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

<b>2.7 TRADE PAYABLE</b>		
a) MSME	2,12,740	1,33,998
b) Others	16,05,65,252	14,17,43,568
<b>Total (2.7)</b>	<b>16,07,77,992</b>	<b>14,18,77,566</b>

### Notes :

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2014 ₹ 2,12,740/- (₹ 1,33,998/-).

# Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.8 OTHER CURRENT LIABILITIES</b>		
a. Current Maturities of Long-term Borrowings	19,40,40,079	16,75,66,086
b. Interest Accrued but not due on Borrowings	58,25,745	47,26,902
c. Interest Accrued and Due on Borrowings	66,53,330	32,00,368
d. Unpaid Dividends	2,09,735	2,10,485
e. Others Payble		
i. Amount Payable to Employees	49,10,551	55,22,082
ii. Income Tax and Other Dues Payables to Govt Dept	54,34,537	47,71,234
iii. Provision for Expenses	2,87,72,456	2,02,74,893
iv. Other Payables	1,63,43,027	2,44,67,309
v. Advance from Customers	1,20,07,797	2,51,25,037
vi. Security Deposit from Parties	12,20,131	11,14,147
vii. Provision for Gratuity	1,29,19,142	1,24,09,374
<b>Total (2.8)</b>	<b>28,83,36,530</b>	<b>26,93,87,917</b>
<b>2.9 SHORT TERM PROVISIONS</b>		
<b>Provision for Employees Benefit</b>		
Leave Liability	10,62,758	8,54,953
<b>Total (2.9)</b>	<b>10,62,758</b>	<b>8,54,953</b>

<b>2.10 FIXED ASSETS</b>										
Particulars	Original Cost As on 01/04/2013	Addition during The Year 2013-14	Sold Or Adjustment During 2013-14	Total Cost As on 31/03/2014	Total Deprn. Provided Upto 01/04/2013	Deprn For The Year 2013-14	Sold Or Adjustment During 2013-14	Total Deprn. Up to 31/03/2014	W. D. V. As on 31/03/2014	W. D. V. As on 31/03/2013
<b>Tangible Assets</b>										
Land (Free hold)	26,41,649	7,32,600	-	33,74,249	-	-	-	-	33,74,249	26,41,649
Land (Lease hold)	2,77,589	-	-	2,77,589	1,43,057	4,525	-	1,47,582	1,30,007	1,34,532
Development of Site including Roads	57,42,044	17,36,199	-	74,78,243	44,24,775	46,817	-	44,71,592	30,06,651	13,17,269
Buildings	30,81,45,466	1,21,94,644	-	32,03,40,110	2,80,41,564	99,71,777	-	3,80,13,341	28,23,26,769	28,01,03,902
Plant & Machinery	1,15,43,54,273	3,65,39,487	56,282	1,19,08,37,478	15,32,70,746	6,30,68,384	56,261	21,62,82,869	97,45,54,609	1,00,10,83,527
Railway Siding	15,59,968	-	-	15,59,968	10,45,226	2,39,143	-	12,84,369	2,75,599	5,14,742
Water Supply & Tube Well	2,74,18,720	-	-	2,74,18,720	38,58,967	14,00,007	-	52,58,974	2,21,59,746	2,35,59,753
Furniture & Fittings	27,61,250	1,10,813	-	28,72,063	18,82,512	1,74,379	-	20,56,891	8,15,172	8,78,738
Office Equipments	47,26,441	2,96,554	-	50,22,995	37,81,350	4,73,065	-	42,54,415	7,68,580	9,45,091
Electrical Installation	21,08,64,993	4,52,707	-	21,13,17,700	2,41,55,976	1,10,85,954	-	3,52,41,930	17,60,75,770	18,67,09,017
Motor Car & Vehicles	82,78,152	-	8,30,715	74,47,437	34,19,214	12,19,799	6,60,393	39,78,620	34,68,817	48,58,938
Laboratory Equipments	62,30,078	34,498	-	62,64,576	15,48,638	7,21,939	-	22,70,577	39,93,999	46,81,440
Handling Equipments	6,59,27,258	68,28,070	26,57,268	7,00,98,060	3,09,84,275	58,48,446	25,52,460	3,42,80,261	3,58,17,799	3,49,42,983
	<b>1,79,89,27,881</b>	<b>5,89,25,572</b>	<b>35,44,265</b>	<b>1,85,43,09,188</b>	<b>25,65,56,300</b>	<b>9,42,54,235</b>	<b>32,69,114</b>	<b>34,75,41,421</b>	<b>1,50,67,67,767</b>	<b>1,54,23,71,581</b>
<b>Intangible Assets</b>										
Computer Software	4,62,680	5,33,353	-	9,96,033	1,80,441	1,13,745	-	2,94,186	7,01,847	2,82,239
	<b>1,79,93,90,561</b>	<b>5,94,58,925</b>	<b>35,44,265</b>	<b>1,85,53,05,221</b>	<b>25,67,36,741</b>	<b>9,43,67,980</b>	<b>32,69,114</b>	<b>34,78,35,607</b>	<b>1,50,74,69,614</b>	<b>1,54,26,53,820</b>
Previous Year Figure	1,75,42,23,645	4,70,48,870	18,81,954	1,79,93,90,561	16,61,66,388	9,19,44,169	13,73,816	25,67,36,741	1,54,26,53,820	

## Notes :

- The Company has capitalized ₹ 79,16,483/- (₹ 1,65,89,634/-), being the exchange differences arising on long term foreign currency monetary items at rates different from those at which they were recorded during the period or in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, as per Notification No.G.S.R.225(E) Dt.31st March, 2009 (as amended), issued by the Ministry of Corporate Affairs.
- There is no impairment of Assets during the year and therefore no adjustment has been made thereof.

## Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.11 NON-CURRENT INVESTMENTS</b>		
<b>Other Than Trade (Unquoted)</b>		
Investments In Equity Instruments :		
- In Subsidiary		
6,00,000 (6,00,000) Equity Shares of ₹ 10/- each fully paid-up in East Coast Powers Limited	<b>60,00,000</b>	<b>60,00,000</b>

<b>2.12 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
a. Capital Advances	–	21,90,900
b. Security Deposit	10,09,81,463	9,64,18,646
c. Deposit With Sales Tax	21,97,826	21,97,826
<b>Total (2.12)</b>	<b>10,31,79,289</b>	<b>10,08,07,372</b>

<b>2.13 INVENTORIES</b>		
a. Raw Materials	99,22,534	2,09,20,356
b. Work-in-Progress	23,45,814	20,86,090
c. Finished Goods	41,84,549	91,72,031
d. Stores and Spares	3,18,39,372	2,77,56,559
<b>Total (2.13)</b>	<b>4,82,92,269</b>	<b>5,99,35,036</b>

**Notes :** Inventories are valued at cost or net realisable value, whichever is lower

<b>2.14 TRADE RECEIVABLE</b>		
(Unsecured considered good)		
a. More than 6 months from the due date	1,58,23,168	2,14,64,646
b. Others	16,33,04,621	17,37,97,766
<b>Total (2.14)</b>	<b>17,91,27,789</b>	<b>19,52,62,412</b>

**Notes :** In the opinion of the management, the amounts are good and realisable.

## Notes to the Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.15 CASH AND BANK BALANCES</b>		
<b>a. Cash and Cash equivalents</b>		
i. Balances with Banks :		
- In Current Account	57,89,192	45,47,380
ii. Cash on Hand	5,99,868	2,71,497
iii. Special Term Deposit/Margin Money (Less than 3 months)	–	18,14,982
	<b>63,89,060</b>	<b>66,33,859</b>
<b>b. Others</b>		
i. Unpaid Dividend A/c	2,09,735	2,10,485
ii. Special Term Deposit/Margin Money with Banks	2,17,90,801	1,40,94,823
	<b>2,20,00,536</b>	<b>1,43,05,308</b>
<b>Total (2.15)</b>	<b>2,83,89,596</b>	<b>2,09,39,167</b>

**Notes :** Special Term Deposit (b.ii) includes ₹ 2,17,90,801/- (₹ 1,40,94,823/-) having maturity more than 12 months.

<b>2.16 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
a. Loan to Subsidiary	23,76,192	20,16,765
b. Loan to Employees	10,91,457	21,90,667
c. Other Recoverable Advances	21,00,000	34,91,959
d. Balances With Excise and other Govt. Dept.	96,56,308	81,16,464
e. Advance to Parties	1,10,02,595	1,48,94,096
f. Prepaid Expenses	35,96,899	30,60,962
g. Advance Income Tax (Net of Income Tax Provision)	92,06,881	75,77,822
<b>Total (2.16)</b>	<b>3,90,30,332</b>	<b>4,13,48,735</b>

<b>2.17 OTHER CURRENT ASSETS</b>		
Interest accrued and due on Deposit	92,74,950	51,18,018
<b>Total (2.17)</b>	<b>92,74,950</b>	<b>51,18,018</b>

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



## Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.18 OTHER INCOME</b>		
<b>a. Interest</b>		
From Bank	15,77,052	19,33,287
From Subsidiary	3,06,818	2,53,318
From Other	78,55,282	47,43,932
	<b>97,39,152</b>	<b>69,30,537</b>
<b>b. Other non-operating income</b>		
i. Liabilities no longer required written back	1,59,428	19,92,179
ii. Net Profit on sale of fixed/discarded assets	36,452	–
iii. Miscellaneous Receipts	69,88,942	1,86,21,066
<b>Total (2.18)</b>	<b>1,69,23,974</b>	<b>2,75,43,782</b>

<b>2.19 COST OF MATERIALS CONSUMED</b>		
(Including own production)		
a. Opening Stock of Raw Materials	1,70,11,485	2,33,07,415
b. Add : Raw materials Purchased	25,72,45,246	28,40,04,585
	<b>27,42,56,731</b>	<b>30,73,12,000</b>
c. Less : Closing Stock of Raw Materials	85,73,996	1,70,11,485
<b>Total (2.19)</b>	<b>26,56,82,735</b>	<b>29,03,00,515</b>

**Notes:** Cost of Materials Consumed Includes employee benefits expenses ₹ 27,90,725/- (₹ 26,82,487/-), Power & Fuel ₹ 9,12,679/- (₹ 12,18,657/-), Repairs & Maintenance ₹ 25,92,747/- (₹ 15,47,180/-), Insurance ₹ 7,022/- (₹ 6,777/-) and Rates & Taxes ₹ 3,44,018/- (₹ 3,76,539/-).

<b>2.20 CHANGES IN INVENTORIES</b>		
<b>a. Opening Inventories</b>		
1 Finished Goods	91,72,031	50,27,938
2 Work-in-Progress	20,86,090	23,43,846
	<b>1,12,58,121</b>	<b>73,71,784</b>
<b>b. Less : Closing Inventories</b>		
1. Finished Goods	41,84,549	91,72,031
2. Work-in-Progress	23,45,814	20,86,090
	<b>65,30,363</b>	<b>1,12,58,121</b>
<b>(Increase) / Decrease in Inventories</b>	<b>47,27,758</b>	<b>(38,86,337)</b>

## Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.21 EMPLOYEES BENEFIT EXPENSES</b>		
a. Salaries and Wages	9,57,11,208	9,15,96,098
b. Contribution to provident and other funds (Including Admn. Charges)	1,04,72,200	1,14,47,591
c. Staff Welfare Expenses	1,59,69,236	1,63,37,174
	<b>12,21,52,644</b>	<b>11,93,80,863</b>
<b>Note :</b>		
<b>i. Employees Benefit Expenses includes</b>		
- Provision for Gratuity	47,59,768	79,10,343
- Provision for Leave Encashment	44,13,562	13,44,087
	<b>91,73,330</b>	<b>92,54,430</b>
ii. Employees Benefit Expenses includes managerial remuneration ₹ 68,63,654/- (₹ 58,92,137/-)		
<b>2.22 FINANCE COST</b>		
a. Interest Expenses		
- Bank	9,66,42,882	8,11,99,102
- Others	5,94,30,964	3,93,43,469
	<b>15,60,73,846</b>	<b>12,05,42,571</b>
b. Other Borrowing Costs	4,05,73,927	4,16,77,325
<b>Total (2.22)</b>	<b>19,66,47,773</b>	<b>16,22,19,896</b>

## Notes to the Statement of Profit & Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.23 OTHER EXPENSES</b>		
a. Consumption of stores and spares part	59,69,170	1,09,90,196
b. Rent (Net)	14,05,075	11,45,008
c. Transportation Charges (Net)	32,01,894	93,51,207
d. Repairs & Maintenance	5,12,31,745	3,29,67,113
i) Buildings	38,52,639	44,32,165
ii) Plants & Machineries	2,80,82,862	1,66,16,437
iii) Others	1,92,96,244	1,19,18,511
e. Insurance	19,33,985	15,24,774
f. Rates and Taxes	68,21,230	68,52,578
g. Travelling & Vehicles Expenses	89,30,215	94,68,054
h. Legal Expenses	11,36,344	7,18,275
i. Loss on sale/discard of fixed assets	1,87,944	64,336
j. Bad Debts Written Off	29,96,414	–
k. Difference of excise duty on opening/closing of finished goods stocks	(7,29,228)	4,51,245
l. Director's Sitting Fees	1,95,000	2,15,000
m. Payments to the Auditor	3,65,865	3,81,875
n. CSR Expenses	18,83,920	17,57,992
o. Miscellaneous Expenses	2,07,78,090	1,77,69,375
	<b>10,63,07,663</b>	<b>9,36,57,028</b>
<b>Note :</b>		
<b>1. Rent (Net)</b>		
- Rent Paid	14,94,830	13,95,099
- Rent Received	(89,755)	(2,50,091)
	<b>14,05,075</b>	<b>11,45,008</b>
<b>2. Transportation Charges (Net)</b>		
- Paid	13,00,38,836	13,56,47,570
- Realised	(12,68,36,942)	(12,62,96,363)
	<b>32,01,894</b>	<b>93,51,207</b>
<b>3. Repairs &amp; Maintenance includes consumption of stores and spares part ₹ 2,25,43,880/- (₹ 1,89,25,372/-)</b>		
<b>4. Payments to the Auditor</b>		
a. Auditors' Remuneration	1,25,000	1,25,000
b. For Taxation Matters	50,000	50,000
c. For Other Services	1,33,375	1,56,875
d. For Re-imbursment of Expenses	27,490	20,000
e. Payment to Cost Auditor	30,000	30,000
	<b>3,65,865</b>	<b>3,81,875</b>
5. CSR Expenses includes Donation of ₹ 4,00,000/- (₹ 4,00,000/-).		
<b>2.24 CONTINGENT LIABILITIES AND COMMITMENTS</b>		
a. Contingent Liabilities		
Claims against the Company not Acknowledge as Debt (net of deposit)		
i) Sales Tax Demand under Appeals	45,98,885	45,98,885
ii) Income Tax Demand under Appeals	2,23,629	2,23,629
iii) Others	5,01,15,126	3,38,63,924
Guarantees	5,49,37,640	3,86,86,438
	8,32,08,582	7,57,51,089
	13,81,46,222	11,44,37,527
b. Commitments		
Outstanding Estimated Capital Commitment (Net of Advances)	12,22,539	1,36,67,483

# Notes to the Financial Statements

(Amount in ₹)

Other commitment :

## Derivative Instruments :

- a. The Company uses foreign currency forward contracts to hedge risk associated with foreign currency fluctuations. The Company does not use forward contracts for speculative purposes.

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

As at	No. of Contracts	US Dollar	INR Equivalent	No. of Contracts	Pound Sterling	INR Equivalent
31.03.2014	2	47,62,500	28,18,59,698	–	–	–
31.03.2013	7	1,26,14,592	69,26,31,156	1	3,31,000	2,75,11,396

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

	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
	US Dollar	INR Equivalent	US Dollar	INR Equivalent
Amount Payable in Foreign currency on account of the following :				
Loan Payable	4,34,000	2,60,82,521	3,00,000	1,63,16,790

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.25 DISCLOSURES</b>		
<b>a. Consumption of Raw materials</b>		
Salt	23,99,18,323	26,62,93,185
Barium Carbonate	2,34,04,879	2,01,58,966
Soda Ash	20,29,016	35,48,266
Sodium Bisulphite	3,30,517	3,00,098
<b>Total</b>	<b>26,56,82,735</b>	<b>29,03,00,515</b>
<b>b. Value of goods sold</b>		
<b>Chemicals</b>		
Caustic Soda	1,33,60,89,822	1,49,61,40,600
Liquid Chlorine	(2,44,39,487)	(4,49,84,551)
Hydrochloric Acid	2,55,55,746	2,37,03,726
Sodium Hypochlorite	1,83,68,854	1,89,06,913
	1,35,55,74,935	1,49,37,66,688
Wind Power	81,72,594	1,00,76,583
<b>Total</b>	<b>1,36,37,47,529</b>	<b>1,50,38,43,271</b>
<b>c. Opening Stock</b>		
<b>Chemicals</b>		
Caustic Soda	83,64,563	47,07,084
Liquid Chlorine	5,97,323	1,57,157
Hydrochloric Acid	1,31,687	1,34,446
Sodium Hypochlorite	78,458	29,251
<b>Total</b>	<b>91,72,031</b>	<b>50,27,938</b>
<b>d. Closing Stock</b>		
<b>Chemicals</b>		
Caustic Soda	36,75,234	83,64,563
Liquid Chlorine	2,63,993	5,97,323
Hydrochloric Acid	2,08,456	1,31,687
Sodium Hypochlorite	36,865	78,458
<b>Total</b>	<b>41,84,548</b>	<b>91,72,031</b>

## Notes to the Financial Statements

(Amount in ₹)

	%	₹	%	₹
<b>e. Consumption of Raw materials, spares parts and component consumed</b>				
<b>Imported</b>				
Raw Materials	-	-	-	-
Spares Parts and Component	100.00	829,496	-	-
<b>Total Imported consumption</b>	<b>100.00</b>	<b>829,496</b>	<b>-</b>	<b>-</b>
<b>Indigenous</b>				
Raw Materials	90.56	26,56,82,735	90.66	29,03,00,515
Spares Parts and Component	9.44	2,76,83,554	9.34	2,99,15,568
<b>Total Indigenous consumption</b>	<b>100.00</b>	<b>29,33,66,289</b>	<b>100.00</b>	<b>32,02,16,083</b>
i) Imported Consumption	0.28	8,29,496	-	-
ii) Indigenous Consumption	99.72	29,33,66,289	100.00	32,02,16,083
<b>Total Consumption (i + ii)</b>	<b>100.00</b>	<b>29,41,95,785</b>	<b>100.00</b>	<b>32,02,16,083</b>
Cost of Materials Consumed includes employee benefits expenses ₹ 27,90,725/- (₹ 2,68,2487), Power & Fuel ₹ 9,12,679/- (₹ 12,18,657/-), Repairs & Maintance ₹ 25,92,747/- (₹ 15,47,180/-), Insurance ₹ 7,022/- (₹ 6,777/-) and Rates & Taxes ₹ 344018/- (₹ 3,76,539/-)				

	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.26 VALUE OF IMPORTS CALCULATED ON C.I.F BASIS</b>		
I. Raw materials	-	-
II. Components and spare parts	18,35,397	28,25,867
III. Capital goods	1,97,36,663	-
<b>2.27 EXPENDITURE IN FOREIGN CURRENCY</b>		
a. Royalty	-	-
b. Know-how	-	-
c. Professional and Consultation fees	-	-
d. Interest	-	-
e. Other matters	25,42,863	-
<b>2.28 EARNINGS IN FOREIGN EXCHANGE</b>		
a. Export of goods calculated on F.O.B. basis	-	-
b. Royalty, know-how, professional and consultation fees	-	-
c. Interest and dividend	-	-
d. <b>Other income</b>		
Commission	50,40,828	29,22,274

### 2.29 SEGMENT REPORTING

The company has no reportable business segment as per AS-17 "Segment Reporting" as it mainly deals into the business of chemicals only.

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

# Notes to the Financial Statements

## 2.30 RELATED PARTY DISCLOSURE :

Name of the Related Party	Relationship
<b>A. Name of the related party with whom the Company has transactions during the year</b>	
East Coast Powers Limited	Subsidiary
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd	Control of KMP
Gloster Cables Ltd	Control of KMP
Orbit Udyog Pvt. Ltd.	Control of KMP
B. N. Kapur Pvt. Ltd.	Control of KMP
The Thirumbadi Rubber Co. Ltd.	Control of KMP
Crossley & Towers Pvt. Ltd	Control of KMP
Shree Satyanarayan Investments Co. Ltd.	Control of KMP
The Diamond Company Ltd	Control of KMP
Sri Girija Prasanna Cotton Mills Ltd.	Control of KMP
The Indra Company Ltd.	Control of KMP
Veer Enterprises Ltd.	Control of KMP
Virendraa Bangur	Managing Director
P N Ojha	Executive Director
Smt. Shashi Devi Bangur	Relative of KMP
Bharati Bangur - Executive (Corporate Affairs)	Relative of KMP

**Note :** KMP means Key Managerial Personnel

(Amount in ₹)

Nature of Transactions	2013-14	2012-13
<b>B) Related Party Transactions are as follows :</b>		
Loan given to Subsidiary	83,290	2,10,000
Advance given to Subsidiary	–	16,985
Interest received from Subsidiary	3,06,818	2,53,318
Rent Received from The West Coast Paper Mills Ltd.	1,59,904	1,58,616
Sale of goods to The West Coast Paper Mills Ltd.	39,00,161	8,28,146
Rent & Service Charges paid – Veer Enterprises Ltd.	11,01,128	8,76,408
Donation paid – Shree Ram Trust, Kolkata	4,00,000	4,00,000
Loan received from The Diamond Co. Ltd.	2,00,00,000	–
Loan repayment to The Diamond Co. Ltd.	50,00,000	–
Interest paid to The Diamond Co. Ltd.	2,03,835	–
Loan received from Sri Girija Prasanna Cottons Mills Ltd.	1,52,00,000	–
Loan repayment to Sri Girija Prasanna Cottons Mills Ltd.	–	–
Interest paid to Sri Girija Prasanna Cotton Mills Ltd.	14,19,042	–
Loan received from Shree Satyanarayan Investment Co. Ltd.	3,25,00,000	–

## Notes to the Financial Statements

(Amount in ₹)

Nature of Transactions	2013-14	2012-13
Loan repayment to Shree Satyanarayan Investment Co. Ltd.	1,00,00,000	—
Interest paid to Shree Satyanarayan Investments Co. Ltd.	3,80,068	—
Loan received from Crossley & Towers Pvt Ltd.	1,00,00,000	—
Loan repayment to Crossley & Towers Pvt Ltd.	—	—
Interest Paid to Crossley Towers Pvt Ltd.	12,86,302	—
Loan received from The Thirumbadi Rubber Co. Ltd.	4,00,00,000	—
Loan repayment to The Thirumbadi Rubber Co. Ltd.	4,00,00,000	—
Interest paid to The Thirumbadi Rubber Co. Ltd.	1,82,602	—
Loan received from B.N.Kapur Pvt. Ltd.	20,00,000	—
Loan repayment to B. N. Kapur Pvt. Ltd.	—	—
Interest paid to B. N. Kapur Pvt. Ltd.	1,23,945	—
Loan Received from Veer Enterprises Ltd.	4,00,00,000	—
Loan repayment to Veer Enterprises Ltd.	2,00,00,000	—
Interest paid to Veer Enterprises Ltd.	3,14,247	—
Remuneration paid to Virendraa Bangur	43,00,549	35,07,000
Remuneration paid to P. N. Ojha	25,63,105	23,85,137
Remuneration paid to Bharati Bangur	6,36,821	6,07,598
Professional fees paid to Smt. Shashi Devi Bangur	7,500	—
<b>C) Details of Outstanding Payment to related party</b>		
The West Coast Paper Mills Ltd.	6,56,902	2,67,576
East Coast Powers Limited	23,76,192	20,16,765
Veer Enterprises Ltd	2,01,49,054	—
B.N. Kapur Pvt.Ltd	20,23,671	—
The Diamond Company Ltd.	1,50,95,547	—
Crossley & Towers Pvt. Ltd.	1,03,36,576	—
Shree Satyanarayan Investments Co. Ltd.	2,26,62,431	—
Sri Girija Prasanna Cotton Mills Ltd.	1,52,05,696	—

# Notes to the Financial Statements

(Amount in ₹)

## 2.31 DISCLOSURE AS PER AS-15" EMPLOYEES BENEFITS"

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

	31st March, 2014 Leave		31st March, 2013 Leave	
	Gratuity	Encashment	Gratuity	Encashment
<b>Profit and Loss Account</b>				
Net employees benefit expenses (recognised in employee cost)				
Current Service cost	24,42,822	22,19,646	18,32,758	22,53,097
Interest cost on benefit obligation	24,57,737	4,22,331	32,32,248	4,18,891
Expected return on plan assets	(20,48,268)	–	(31,94,405)	–
Net actuarial loss/(gain) recognised in the year	19,07,477	(10,55,575)	60,39,742	(13,27,901)
Past Service Cost Liability	–	–	–	–
Net benefit Expenses	47,59,768	15,86,402	79,10,343	13,44,087
<b>Balance Sheet</b>				
Defined benefit obligation	4,13,77,546	61,45,026	3,51,67,907	59,99,656
Fair value of plan assets	(2,84,58,404)	–	(2,27,58,533)	–
Net Liability recognised in balance sheet	1,29,19,142	61,45,026	1,24,09,374	59,99,656
Change in present value of the defined benefit obligation are as follows :				
Statement of Profit and Loss:				
Defined benefit obligation as at April 1st, 2013	3,51,67,907	59,99,656	4,23,71,500	58,16,697
Interest Cost	24,57,737	4,22,331	32,32,248	4,18,891
Current service Cost	24,42,822	22,19,646	18,32,758	22,53,097
Benefit paid	(88,92,387)	(14,41,032)	(86,90,113)	(11,61,128)
Actuarial loss/(gain) on obligation	1,02,01,467	(10,55,575)	(35,78,486)	(13,27,901)
Defined benefit obligation as at March 31st, 2014	4,13,77,546	61,45,026	3,51,67,907	59,99,656
Change in present value of the fair value of plan assets are as follows :				
Fair value of plan assets as at April 1, 2013	2,27,58,533	–	3,75,81,239	–
Expected return	20,48,268	–	31,94,405	–
Contribution by the employer	42,50,000	–	2,91,230	–
Benefit paid	(88,92,387)	–	(86,90,113)	–
Actuarial (loss)/gain	82,93,990	–	(96,18,228)	–
Fair value of plan assets as at March 31st, 2014	2,84,58,404	–	2,27,58,533	–
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 and Special Deposit	39.92%		40.45%	
Investment in Mutual Funds	56.07%		53.11%	
Bank Balance	4.01%		6.44%	
	100.00%		100.00%	



## Notes to the Financial Statements

(Amount in ₹)

	31st March, 2014 Leave		31st March, 2013 Leave	
	Gratuity	Encashment	Gratuity	Encashment
The Principal assumption used in determining gratuity benefit obligation for the Company's plan are below :				
Discount rate	8.00%		8.50%	
Expected rate of return on assets	9.00%		8.50%	
Increase in compensation cost	5.00%		2.00%	

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

**2.32** The exceptional items represents losses of raw materials because of cyclone-Phailin and flood.

**2.33** The Company has lost production because of shutdown of plant due to cyclone-Phailin, flood and break down of transformer due to after effect of cyclone.

**2.34** Basis of calculation of Basic and Diluted Earnings Per Share is as under :

Nature of Transactions	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit after Tax (₹)	(180633574)	8657007
Weighted average number of Equity Shares (Nos.)	29326457	29326457
Basic and Diluted Earnings Per Share (₹)	(6.16)	0.30
Nominal Value of Share (Par Value) (₹)	10	10

**2.35** Figures in bracket represent amount related to previous year.

**2.36** Previous year's figures have been rearranged / regrouped wherever necessary.

Signatures to Note Nos. 1 and 2.

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**  
Company Secretary

**P. K. Gupta**  
Chief Financial Officer

**Prabhu Nath Ojha**  
Executive Director

**Virendraa Bangur**  
Managing Director

# Information regarding Subsidiary Company

(Amount in ₹)

## 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, 2014
2	Date from which it became subsidiary Company	31st March, 2008
3	a) Number of shares held by Jayshree Chemicals Limited in the subsidiary at the end of the financial year of the subsidiary	6,00,000 Equity Shares of the par value of ₹ 10/- each, fully paid-up
	b) Extent of interest of holding Company at the end of the financial year of the subsidiary Company	92.31%
4	The net aggregate amount of the subsidiary company's profit (loss) so far as it concerns the members of the holding company.	
	a) Not dealt with the holding company's accounts :	
	i) For the financial year ended 31st March, 2014	₹ (2,58,681/-)
	ii) For the previous financial year of the subsidiary Company since it became the holding company's subsidiary	₹ (62,528/-)
	b) Dealt with in the holding Company's accounts :	
	iii) For the financial year ended 31st March, 2014	Nil
	iv) For the previous financial years of the subsidiary Company since it became the holding company's subsidiary	Nil

## Summary of Financial Information of Subsidiary

NAME OF THE SUBSIDIARY	EAST COAST POWERS LIMITED	
	As at 31.03.2014	As at 31.03.2013
a) Capital	65,00,000	65,00,000
b) Reserves	(58,473)	2,21,765
c) Total Assets	89,18,158	89,07,951
d) Total Liabilities	24,76,631	21,86,186
e) Investments	-	-
f) Turnover	47,634	35,617
g) Profit before Taxation	(2,80,238)	(2,32,400)
h) Provision for Taxation	-	-
i) Profit after Taxation	(2,80,238)	(2,32,400)
j) Proposed Dividend	-	-

Kolkata, 14th May, 2014

**R. K. Gupta**  
Company Secretary

**P. K. Gupta**  
Chief Financial Officer

**Prabhu Nath Ojha**  
Executive Director

**Virendraa Bangur**  
Managing Director

# Independent Auditors' Report

To the Board of Directors of  
**Jayshree Chemicals Limited**

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **JAYSHREE CHEMICALS LIMITED** ("the Company") and its subsidiary, which comprises the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit & Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

## AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion of the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates

made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on the financial statements of the subsidiary as noted below the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of Consolidated Statement of Profit & Loss, of the Loss for the year ended on that date; and
- (c) in the case of Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

## OTHER MATTER

We did not audit the financial statements of the a subsidiary, whose financial statements reflect total assets (net) of ₹ 64,41,527/- as at 31st March, 2014, total revenues amounting to ₹ 47,634/- and net cash outflows amounting to ₹ 36,435/- for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion is based solely on the report of the other auditor. Our opinion is not qualified in respect of this matter.

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

*Chartered Accountants*

Firm Registration No.304153E

6C, Middleton Street

Kolkata - 700 071

Date: 14th May, 2014

**B. K. Bhutia**

*Partner*

Membership No.059363

# Consolidated Balance Sheet

as at 31st March, 2014

(Amount in ₹)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	29,32,64,570	29,32,64,570
(b) Reserves and Surplus	2.2	5,45,74,986	23,54,67,241
		<b>34,78,39,556</b>	<b>52,87,31,811</b>
<b>(2) Minority Interest</b>			
		4,95,502	5,17,059
<b>(3) Non-Current Liabilities</b>			
(a) Long-term Borrowings	2.3	51,32,92,605	68,12,06,425
(b) Deferred Tax Liabilities (Net)	2.4	–	3,61,42,000
(c) Long-term Provisions	2.5	50,82,268	51,44,703
		<b>51,83,74,873</b>	<b>72,24,93,128</b>
<b>(4) Current Liabilities</b>			
(a) Short-term Borrowings	2.6	61,50,33,431	31,49,75,811
(b) Trade Payables	2.7	16,07,77,992	14,18,77,566
(c) Other Current Liabilities	2.8	28,84,36,970	26,95,57,338
(d) Short-term Provisions	2.9	10,62,758	8,54,953
		<b>1,06,53,11,151</b>	<b>72,72,65,668</b>
<b>TOTAL (1+2+3+4)</b>		<b>1,93,20,21,082</b>	<b>1,97,90,07,666</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	2.10	1,50,67,67,767	1,54,23,71,581
(ii) Intangible Assets		7,01,847	2,82,239
(iii) Capital Work-in-Progress		1,08,88,674	62,25,318
		<b>1,51,83,58,288</b>	<b>1,54,88,79,138</b>
(b) Long-term Loans and Advances	2.11	10,31,79,289	10,08,07,372
(c) Other Non-Current Assets	2.12	80,52,319	80,21,150
		<b>1,62,95,89,896</b>	<b>1,65,77,07,660</b>
<b>(2) Current assets</b>			
(a) Inventories	2.13	4,82,92,269	5,99,35,036
(b) Trade Receivables	2.14	17,91,27,789	19,52,62,412
(c) Cash and Bank Balances	2.15	2,90,56,465	2,16,42,471
(d) Short-term Loans and Advances	2.16	3,66,79,713	3,93,42,069
(e) Other Current Assets	2.17	92,74,950	51,18,018
		<b>30,24,31,186</b>	<b>32,13,00,006</b>
<b>TOTAL (1+2)</b>		<b>1,93,20,21,082</b>	<b>1,97,90,07,666</b>

## Significant Accounting Policies & Notes on Accounts

1 & 2

Notes Nos. 1 & 2 forming part of the Balance Sheet

In terms of our report on even date attached herewith

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**

Company Secretary

**P. K. Gupta**

Chief Financial Officer

**Prabhu Nath Ojha**

Executive Director

**Virendraa Bangur**

Managing Director

# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Note No.	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>I. REVENUE FROM OPERATIONS</b>			
Sales (Gross)		1,36,37,47,529	1,50,38,43,271
Less : Excise Duty		15,12,05,480	17,33,48,351
<b>Sales (Net)</b>		<b>1,21,25,42,049</b>	<b>1,33,04,94,920</b>
Other Operating Revenues		66,50,300	46,15,809
		<b>1,21,91,92,349</b>	<b>1,33,51,10,729</b>
II. Other Income	2.18	1,66,64,790	2,73,26,081
<b>III. Total Revenue (I + II)</b>		<b>1,23,58,57,139</b>	<b>1,36,24,36,810</b>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	2.19	26,56,82,735	29,03,00,515
Power and Fuel Expenses		65,18,30,705	59,40,92,370
Changes in Inventories of Finished Goods and Work-in-Progress	2.20	47,27,758	(38,86,337)
Employee Benefits Expense	2.21	12,21,52,644	11,93,80,863
Finance Costs	2.22	19,66,47,773	16,22,19,896
Depreciation and Amortization Expense	2.10	9,43,67,981	9,19,44,169
Other Expenses	2.23	10,63,28,717	9,36,71,727
<b>Total Expenses</b>		<b>1,44,17,38,313</b>	<b>1,34,77,23,203</b>
<b>V. Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>(20,58,81,174)</b>	<b>1,47,13,607</b>
VI. Exceptional Items		1,11,37,441	–
<b>VII. Profit before Extraordinary Items and Tax (V - VI)</b>		<b>(21,70,18,615)</b>	<b>1,47,13,607</b>
VIII. Extraordinary Items		–	–
<b>IX. Profit before Tax (VII-VIII)</b>		<b>(21,70,18,615)</b>	<b>1,47,13,607</b>
<b>X. Tax Expense :</b>			
(1) Current Tax		–	29,90,000
(2) Deferred Tax (Net)		(3,61,42,000)	62,89,000
(3) MAT Credit Entitlement		–	(29,90,000)
(4) Income Tax/FBT provision/payment for earlier year		37,197	–
		<b>(3,61,04,803)</b>	<b>62,89,000</b>
<b>XI. Profit after Tax (IX-X)</b>		<b>(18,09,13,812)</b>	<b>84,24,607</b>
XII. Minority Interest		(21,557)	(17,877)
<b>XIII. Profit/(Loss) for the period from continuing Operations (XI-XII)</b>		<b>(18,08,92,255)</b>	<b>84,42,484</b>
<b>XIV. Earnings per Equity Share :</b>	2.30		
Equity Share of par Value ₹ 10/- each			
(1) Basic		(6.17)	0.29
(2) Diluted		(6.17)	0.29

## Significant Accounting Policies & Notes on Accounts

1 & 2

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

In terms of our report on even date attached herewith

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**

Company Secretary

**P. K. Gupta**

Chief Financial Officer

**Prabhu Nath Ojha**

Executive Director

**Virendraa Bangur**

Managing Director

# Consolidated Cash Flow Statement

for the year ended 31st March, 2014

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra-ordinary Items	(21,70,18,615)	1,47,13,607
Adjustments for :		
- Depreciation	9,43,67,981	9,19,44,169
- Net Profit/(Loss) on sale of fixed/discarded assets	1,51,492	64,336
- Interest Expenses	19,63,40,955	16,22,19,896
- Interest Income	(94,78,016)	(69,66,154)
<b>Operating Profit Before Working Capital Changes</b>	<b>6,43,63,797</b>	<b>26,19,75,854</b>
Adjustments for :		
- Trade Payables	3,76,20,259	5,24,04,514
- Trade and other Receivables	1,38,43,682	(4,14,19,372)
- Inventories	1,16,42,767	2,62,500
<b>Cash Generated from Operations</b>	<b>12,74,70,505</b>	<b>27,32,23,496</b>
- Direct Taxes Paid	(16,66,256)	(23,04,784)
<b>Net Cash generated from Operating Activities</b>	<b>12,58,04,249</b>	<b>27,09,18,712</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(6,41,22,282)	(5,16,59,738)
Sale of Fixed/Discarded Assets	1,23,659	4,43,802
Interest Received	94,78,016	69,66,154
Miscellaneous Expenses	(31,169)	(1,95,098)
<b>Net Cash used in Investing Activities</b>	<b>(5,45,51,776)</b>	<b>(4,44,44,880)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	30,04,17,046	1,13,43,732
Repayment of Long Term Borrowings	(16,79,13,820)	(10,31,63,264)
Unclaimed Dividend Paid	(750)	-
Interest Paid	(19,63,40,955)	(16,22,19,896)
<b>Net Cash generated/(used) in Financing Activities</b>	<b>(6,38,38,479)</b>	<b>(25,40,39,428)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>74,13,994</b>	<b>(2,75,65,596)</b>
Opening Cash and Cash Equivalents	2,16,42,471	4,92,08,067
Closing Cash and Cash Equivalents	<b>2,90,56,465</b>	<b>2,16,42,471</b>

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

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

**B. K. Bhutia**  
Partner

Membership No. 059363  
Kolkata, 14th May, 2014

**R. K. Gupta**  
Company Secretary

**P. K. Gupta**  
Chief Financial Officer

**Prabhu Nath Ojha**  
Executive Director

**Virendraa Bangur**  
Managing Director

# Consolidated Accounting Policies & Notes on Account

for the year ended 31st March, 2014

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

## NOTE NO. 1

### A) SIGNIFICANT ACCOUNTING POLICIES

#### 1) Accounting Concept

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

#### 2) Use of Estimates

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

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

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

#### 3) Fixed Assets

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

#### 4) Depreciation

Depreciation on Fixed Assets is calculated in a manner that amortises the cost of the assets after commissioning over their estimated useful lives.

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

#### 5) Investment

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

#### 6) Inventories

Inventories are valued at cost or net realisable value,

whichever is lower. Cost comprises, for finished goods, cost of purchase and production overheads and valued as per FIFO method.

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

#### 7) Excise Duty

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

#### 8) Retirement Benefits

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

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

#### 9) Taxation

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

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

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

#### 10) Sales

Sales are inclusive of Excise Duty and Education Cess and exclusive of Sales Tax and Net of Brokerage & Commission.

#### 11) Recognition of Income & Expenditure

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

#### 12) Foreign Currency Transactions

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

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

# Consolidated Accounting Policies & Notes on Account

for the year ended 31st March, 2014

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

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

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

## 13) Borrowing Costs

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

## 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.

## 15) Segment Reporting

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

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

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

## Notes to the Consolidated Balance Sheet

as at 31st March, 2014

### 2 NOTES ON ACCOUNTS

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.1 SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
Equity Share of ₹ 10/- par value		
4,00,00,000 (4,00,00,000) Equity Shares	<b>40,00,00,000</b>	<b>40,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
Equity Share of ₹ 10/- par value		
2,93,26,457 (2,93,26,457) Equity Shares of ₹ 10/- each fully Paid Cash	<b>29,32,64,570</b>	<b>29,32,64,570</b>

#### Notes :

- The Company has only one class of shares referred to as equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of shares held by the shareholders.
- Details of Shareholders holding more than 5% of total shares as on 31st March, 2014 :

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

- The reconciliation of the number of shares outstanding as at 31st March, 2014 is as below :

Particulars	As at 31st March 2014	As at 31st March 2013
Number of shares at the beginning	<b>2,93,26,457</b>	2,93,26,457
Number of shares at the closing	<b>2,93,26,457</b>	2,93,26,457



## Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.2 RESERVE &amp; SURPLUS</b>		
<b>Capital Redemption Reserve</b>		
As per last Account	30,00,000	30,00,000
<b>Capital Reserve</b>		
As per last Account	2,67,234	2,67,234
<b>Share Premium</b>		
As per last Account	12,10,13,227	12,10,13,227
<b>Investment Allowance Utilised Reserve</b>		
As per last Account	8,12,000	8,12,000
<b>General Reserve</b>		
As per last Account	24,42,936	24,42,936
<b>Surplus</b>		
Opening Balance	10,79,31,844	9,94,89,360
Add : Net Profit after Tax transferred from Statement of Profit & Loss	(18,08,92,255)	84,42,484
	<b>(7,29,60,411)</b>	<b>10,79,31,844</b>
<b>TOTAL (2.2)</b>	<b>5,45,74,986</b>	<b>23,54,67,241</b>
<b>2.3 LONG TERM BORROWINGS</b>		
<b>1. Term Loans-Secured</b>		
a. From Banks	46,80,34,982	63,59,48,802
b. From Govt. of Odisha	1,94,250	1,94,250
	<b>46,82,29,232</b>	<b>63,61,43,052</b>
<b>2. Deferred Payment Liabilities</b>	4,50,63,373	4,50,63,373
<b>TOTAL (2.3)</b>	<b>51,32,92,605</b>	<b>68,12,06,425</b>
<b>Notes :</b>		
<b>1. Term Loans-Secured</b>		
a. From Banks		
i. Rupee/FCNR(B)/FCTL Term Loan	46,66,48,471	63,35,91,497
ii. Car Loan	13,86,511	23,57,305
	<b>46,80,34,982</b>	<b>63,59,48,802</b>
b. From Other Parties		
Govt of Odisha for Subsidised Housing Scheme	1,94,250	1,94,250
	<b>46,82,29,232</b>	<b>63,61,43,052</b>

### Notes :

#### Terms of Repayment

Outstanding Rupee Term Loan availed for Wind Mill is repayable in 12 quarterly instalments of ₹ 18,75,000/- each.

Outstanding Rupee/FCNR(B) Term Loans are repayable in 18 quarterly instalments of ₹ 3,75,00,000/- each.

Outstanding Rupee Term Loans from UBI are repayable in 9 quarterly instalments of ₹ 30,00,000/- each.

## Notes to the Consolidated Balance Sheet

The Company acquired vehicles under Hire Purchase Scheme, Minimum Lease payment outstanding as at 31st March, 2014 in respect of these assets are as under :

(Amount in ₹)

Due	Total Minimum Lease Outstanding as on 31st March 2014	Interest not due	Present Value minimum lease Payments
Within one year	11,70,012	2,04,933	9,65,079
Last Year	11,65,788	2,99,702	8,66,086
Later than one year and not later than five years	15,73,015	1,86,504	13,86,511
Last year	27,52,286	3,94,981	23,57,305
Total : Current Year	27,43,027	3,91,437	23,51,590
Total : Last Year	39,18,074	6,94,683	32,23,391

### Nature of Security

**For Government of Odisha - Subsidised Housing Scheme :** Secured by legal mortgage upon the Company's Leasehold Land measuring 42.79 Acres and Buildings and Structures constructed thereon.

**For Modernisation cum Expansion Project :** Secured by first pari-passu charge inter-se by way of hypothecation of machinery and other fixed assets acquired or to be acquired out of the Term Loans from State Bank of Bikaner and Jaipur, State Bank of India and Indian Overseas Bank, the Term Lenders, and equitable mortgage of all the piece and parcel of factory land and other land aggregating to 140.80 Acres (lease hold land measuring about 107.41 Acres and free hold land measuring about 33.39 Acres) (excluding Wind Mill Land and Wind Mill receivables) situated at Ganjam District, Kalyanpur, Kanchipur, Jarapadar at Jayshree Nagar where the Company's registered office is located together with all buildings and structures, plant & machineries erected thereon, both present and future, and second charge on the current assets of the Company.

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

**For Wind Mill Project :** Exclusively secured by first pari-passu charge by way of hypothecation on the whole movable fixed assets purchased/to be purchased out of the term loans for the wind mill project at Bogampatti Village, Sulur Taluk, Tirupur, Coimbatore and Wind Mill receivables in favour of State Bank of Bikaner and Jaipur (SBBJ) and Indian Overseas Bank (IOB) and second charge on the current assets ranking pari-passu with other term lenders and to be further secured by equitable mortgage of Wind Mill project land measuring 2 Acres in favour of SBBJ and IOB on pari-passu basis.

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2. DEFERRED PAYMENT LIABILITIES</b>		
Electricity Duty payable	4,50,63,373	4,50,63,373
<b>TOTAL (2.3)</b>	<b>51,32,92,605</b>	<b>68,12,06,425</b>
<b>2.4 DEFERRED TAX LIABILITIES (NET)</b>		
<b>Notes :</b>		
a) Deferred Tax Liabilities :		
- Depreciation	-	15,91,07,000
b) Deferred Tax Assets :		
- Carry forward business loss/depreciation	-	11,63,23,000
- Expenses allowable against taxable income in future year	-	66,42,000
	-	<b>12,29,65,000</b>
<b>Total (2.4)</b>	-	<b>3,61,42,000</b>

The Company has not recognised the Deferred Tax (Net) Assets as there is no reasonable and virtual certainty that these would be realised in immediate future.

## Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.5 LONG TERM PROVISIONS</b>		
<b>Provision for Employees Benefit</b>		
Leave Liability	50,82,268	51,44,703
<b>Total (2.5)</b>	<b>50,82,268</b>	<b>51,44,703</b>

<b>2.6 SHORT TERM BORROWINGS</b>		
<b>a. Loan Repayable on Demand (Secured)</b>		
From Banks :		
- Cash Credit A/c	9,46,33,431	8,09,48,500
<b>b. Loan Repayable on demand (Unsecured)</b>		
From Bodies Corporate	52,04,00,000	23,40,27,311
<b>Total (2.6)</b>	<b>61,50,33,431</b>	<b>31,49,75,811</b>

### Notes :

**For Short Term Borrowings :** Secured by hypothecation of stocks of Raw Materials, Stores, Finished Products, Stock-in-Process and Book-Debts by way of first charge on pari-pasu basis (except Wind Mill receivables) with other term lenders and second charge on entire Fixed Assets of the Company, both present and future.

<b>2.7 TRADE PAYABLE</b>		
a) MSME	2,12,740	1,33,998
b) Others	16,05,65,252	14,17,43,568
<b>Total (2.7)</b>	<b>16,07,77,992</b>	<b>14,18,77,566</b>

### Notes :

Disclosure pertaining to Micro, Small and Medium Enterprises (as per information available with the Company : Principal amount Outstanding as at 31st March, 2014 ₹ 2,12,740/- (₹ 1,33,998/-).

<b>2.8 OTHER CURRENT LIABILITIES</b>		
a. Current Maturities of Long-term Borrowings	19,40,40,079	16,75,66,086
b. Interest accrued but not due on Borrowings	58,25,745	47,26,902
c. Interest accrued and due on Borrowings	66,53,330	32,00,368
d. Unpaid Dividends	2,09,735	2,10,485
e. Others Payble		
i. Amount Payable to Employees	49,10,551	55,22,082
ii. Income Tax and Other Dues Payables to Govt. Dept.	54,65,219	48,23,086
iii. Provision for Expenses	2,88,42,214	2,03,92,462
iv. Other Payables	1,63,43,027	2,44,67,309
v. Advance from Customers	1,20,07,797	2,51,25,037
vi. Security Deposit from Parties	12,20,131	11,14,147
vii. Provision for Gratuity	1,29,19,142	1,24,09,374
	<b>8,17,08,081</b>	<b>9,38,53,497</b>
<b>Total (2.8)</b>	<b>28,84,36,970</b>	<b>26,95,57,338</b>

<b>2.9 SHORT TERM PROVISIONS</b>		
<b>Provision for Employees Benefit</b>		
Leave Liability	10,62,758	8,54,953
<b>Total (2.9)</b>	<b>10,62,758</b>	<b>8,54,953</b>

# Notes to the Consolidated Balance Sheet

(Amount in ₹)

2.10 FIXED ASSETS										
Particulars	Original Cost as on 01/04/2013	Addition during the year 2013-14	Sold or adjustment During 2013-14	Total Cost as on 31/03/2014	Total Deprn. Provided Upto 01/04/2013	Deprn. for the year 2013-14	Sold or Adjustment During 2013-14	Total Deprn. upto 31/03/2014	W. D. V. as on 31/03/2014	W. D. V. as on 31/03/2013
<b>Tangible Assets</b>										
Land (Free hold)	26,41,649	7,32,600	-	33,74,249	-	-	-	-	33,74,249	26,41,649
Land (Lease hold)	2,77,589	-	-	2,77,589	1,43,057	4,525	-	1,47,582	1,30,007	1,34,532
Development of Site including Roads	57,42,044	17,36,199	-	74,78,243	44,24,775	46,817	-	44,71,592	30,06,651	13,17,269
Buildings	30,81,45,466	1,21,94,644	-	32,03,40,110	2,80,41,564	99,71,777	-	3,80,13,341	28,23,26,769	28,01,03,902
Plant & Machinery	1,15,43,54,273	3,65,39,487	56,282	1,19,08,37,478	15,32,70,746	6,30,68,384	56,261	21,62,82,869	97,45,54,609	1,00,10,83,527
Railway Siding	15,59,968	-	-	15,59,968	10,45,226	2,39,143	-	12,84,369	2,75,599	5,14,742
Water Supply & Tube Well	2,74,18,720	-	-	2,74,18,720	38,58,967	14,00,007	-	52,58,974	2,21,59,746	2,35,59,753
Furniture & Fittings	27,61,250	1,10,813	-	28,72,063	18,82,512	1,74,379	-	20,56,891	8,15,172	8,78,738
Office Equipments	47,26,441	2,96,554	-	50,22,995	37,81,350	4,73,065	-	42,54,415	7,68,580	9,45,091
Electrical Installation	21,08,64,993	4,52,707	-	21,13,17,700	2,41,55,976	1,10,85,954	-	3,52,41,930	17,60,75,770	18,67,09,017
Motor Car & Vehicles	82,78,152	-	8,30,715	74,47,437	34,19,214	12,19,799	6,60,393	39,78,620	34,68,817	48,58,938
Laboratory Equipments	62,30,078	34,498	-	62,64,576	15,48,638	7,21,939	-	22,70,577	39,93,999	46,81,440
Handling Equipments	6,59,27,258	68,28,070	26,57,268	7,00,98,060	3,09,84,275	58,48,446	25,52,460	3,42,80,261	3,58,17,799	3,49,42,983
	<b>1,79,89,27,881</b>	<b>5,89,25,572</b>	<b>35,44,265</b>	<b>1,85,43,09,188</b>	<b>25,65,56,300</b>	<b>9,42,54,235</b>	<b>32,69,114</b>	<b>34,75,41,421</b>	<b>1,50,67,67,767</b>	<b>1,54,23,71,581</b>
<b>Intangible Assets</b>										
Computer Software	4,62,680	5,33,353	-	9,96,033	1,80,441	1,13,745	-	2,94,186	7,01,847	2,82,239
	<b>1,79,93,90,561</b>	<b>5,94,58,925</b>	<b>35,44,265</b>	<b>1,85,53,05,221</b>	<b>25,67,36,741</b>	<b>9,43,67,980</b>	<b>32,69,114</b>	<b>34,78,35,607</b>	<b>1,50,74,69,614</b>	<b>1,54,26,53,820</b>
Previous Year Figure	1,75,42,23,645	4,70,48,870	18,81,954	1,79,93,90,561	16,61,66,388	9,19,44,169	13,73,816	25,67,36,741	1,54,26,53,820	

## Notes :

- The Company has capitalized ₹ 79,16,483/- (₹ 1,65,89,634/-), being the exchange differences arising on long term foreign currency monetary items at rates different from those at which they were recorded during the period or in previous financial statements, in so far as they relate to the acquisition of depreciable capital assets, as per Notification No.G.S.R.225(E) Dt. 31st March, 2009 (as amended), issued by the Ministry of Corporate Affairs.
- There is no impairment of Assets during the year and therefore no adjustment has been made thereof.

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.11 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured considered good)		
a. Capital Advances	-	21,90,900
b. Security Deposit	10,09,81,463	9,64,18,646
c. Deposit With Sales Tax	21,97,826	21,97,826
<b>Total (2.11)</b>	<b>10,31,79,289</b>	<b>10,08,07,372</b>

2.12 OTHER NON-CURRENT ASSETS		
Others + Preliminary and Pre-operative Expenses	80,52,319	80,21,150
<b>Total (2.12)</b>	<b>80,52,319</b>	<b>80,21,150</b>

2.13 INVENTORIES		
a. Raw materials	99,22,534	2,09,20,356
b. Work-in-Progress	23,45,814	20,86,090
c. Finished Goods	41,84,549	91,72,031
d. Stores and Spares	3,18,39,372	2,77,56,559
<b>Total (2.13)</b>	<b>4,82,92,269</b>	<b>5,99,35,036</b>

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

## Notes to the Consolidated Balance Sheet

(Amount in ₹)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>2.14 TRADE RECEIVABLE</b>		
(Unsecured considered good)		
a. More than 6 Months from the due date	1,58,23,168	2,14,64,646
b. Others	16,33,04,621	17,37,97,766
<b>Total (2.14)</b>	<b>17,91,27,789</b>	<b>19,52,62,412</b>

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

<b>2.15 CASH AND BANK BALANCES</b>		
<b>a. Cash and Cash Equivalents</b>		
i. Balances with Banks :		
- In Current Account	60,01,640	48,38,146
ii. Cash-on-Hand	6,04,325	2,75,954
iii. Special Term Deposit/Margin Money (Less than 3 months)	-	18,14,982
	<b>66,05,965</b>	<b>69,29,082</b>
<b>b. Others</b>		
i. Unpaid Dividend A/c	2,09,735	2,10,485
ii. Special Term Deposit/Margin Money with Banks	2,22,40,765	1,45,02,904
	<b>2,24,50,500</b>	<b>1,47,13,389</b>
<b>Total (2.15)</b>	<b>2,90,56,465</b>	<b>2,16,42,471</b>

**Notes :** Special Term Deposit (b.ii) includes ₹ 2,17,90,801/- (₹ 1,40,94,823/-) having maturity more than 12 months.

<b>2.16 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
a. Loan to Employees	10,91,457	21,90,667
b. Other Recoverable Advances	21,00,000	34,91,959
c. Balances with Excise and other Govt. Dept.	96,56,308	81,16,464
d. Advance to Parties	1,10,02,595	1,48,94,096
e. Prepaid Expenses	36,11,899	30,61,098
f. Advance Income Tax (Net of Income Tax Provision)	92,17,453	75,87,785
<b>Total (2.16)</b>	<b>3,66,79,712</b>	<b>3,93,42,069</b>

<b>2.17 OTHER CURRENT ASSETS</b>		
Interest accrued and due on Deposit	92,74,950	51,18,018
<b>Total (2.17)</b>	<b>92,74,950</b>	<b>51,18,018</b>

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

## Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.18 OTHER INCOME</b>		
<b>a. Interest</b>		
From Bank	16,22,734	19,68,904
From Other	78,55,282	47,43,932
	<b>94,78,016</b>	<b>67,12,836</b>
<b>b. Other Non-Operating Income</b>		
i. Liabilities no longer required written back	1,61,380	19,92,179
ii. Net Profit on sale of fixed/discarded assets	36,452	-
iii. Miscellaneous Receipts	69,88,942	1,86,21,066
<b>Total (2.18)</b>	<b>1,66,64,790</b>	<b>2,73,26,081</b>
<b>2.19 COST OF MATERIALS CONSUMED</b>		
(Including own production)		
<b>a. Opening Stock of Raw Materials</b>	1,70,11,485	2,33,07,415
<b>b. Add : Raw materials Purchased</b>	25,72,45,246	28,40,04,585
	<b>27,42,56,731</b>	<b>30,73,12,000</b>
<b>c. Less : Closing Stock of Raw Materials</b>	85,73,996	1,70,11,485
<b>Total (2.19)</b>	<b>26,56,82,735</b>	<b>29,03,00,515</b>
<b>Notes :</b> Cost of Materials Consumed Includes employee benefits expenses ₹ 27,90,725/- (₹ 26,82,487/-), Power & Fuel ₹ 9,12,679/- (₹ 12,18,657/-), Repairs & Maintenance ₹ 25,92,747/- (₹ 15,47,180/-), Insurance ₹ 7,022/- (₹ 6,777/-) and Rates & Taxes ₹ 3,44,018/- (₹ 3,76,539/-).		
<b>2.20 CHANGES IN INVENTORIES</b>		
<b>a. Opening Inventories</b>		
1. Finished Goods	91,72,031	50,27,938
2. Work-in-Progress	20,86,090	23,43,846
	<b>1,12,58,121</b>	<b>73,71,784</b>
<b>b. Less : Closing Inventories</b>		
1. Finished Goods	41,84,549	91,72,031
2. Work-in-Progress	23,45,814	20,86,090
	<b>65,30,363</b>	<b>1,12,58,121</b>
<b>(Increase) / Decrease in Inventories</b>	<b>47,27,758</b>	<b>(38,86,337)</b>
<b>2.21 EMPLOYEES BENEFIT EXPENSES</b>		
<b>a. Salaries and Wages</b>	9,57,11,208	9,15,96,098
<b>b. Contribution to Provident and Other Funds (Including Admn. Charges)</b>	1,04,72,200	1,14,47,591
<b>c. Staff Welfare Expenses</b>	1,59,69,236	1,63,37,174
	<b>12,21,52,644</b>	<b>11,93,80,863</b>
<b>Note :</b>		
<b>i. Employees Benefit Expenses includes</b>		
- Provision for Gratuity	44,13,562	79,10,343
- Provision for Leave Encashment	91,73,330	13,44,087
	<b>1,35,86,892</b>	<b>92,54,430</b>
<b>ii. Employees Benefit Expenses includes Managerial Remuneration</b>		
₹ 68,63,654/- (₹ 58,92,137/-)		

## Notes to the Consolidated Statement of Profit & Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>2.22 FINANCE COST</b>		
a. Interest Expenses		
- Bank	9,66,42,882	8,11,99,102
- Others	5,94,30,964	3,93,43,469
	<b>15,60,73,846</b>	<b>12,05,42,571</b>
b. Other Borrowing Costs	4,05,73,927	4,16,77,325
<b>Total (2.22)</b>	<b>19,66,47,773</b>	<b>16,22,19,896</b>
<b>2.23 OTHER EXPENSES</b>		
a. Consumption of Stores and Spares Part	59,69,170	1,09,90,196
b. Rent (Net)	14,05,075	11,45,008
c. Transportation Charges (Net)	32,01,894	93,51,207
d. Repairs & Maintenance	5,12,31,745	3,29,67,113
i) Buildings	38,52,639	44,32,165
ii) Plants & Machineries	2,80,82,862	1,66,16,437
iii) Others	1,92,96,244	1,19,18,511
e. Insurance	19,33,985	15,24,774
f. Rates and Taxes	68,21,230	68,52,578
g. Travelling & Vehicles Expenses	89,30,215	94,68,054
h. Legal Expenses	11,42,170	7,22,826
i. Loss on Sale/Discard of Fixed Assets	1,87,944	64,336
j. Bad Debts Written Off	29,96,414	-
k. Difference of Excise Duty on Opening/Closing of Finished Goods Stocks	(7,29,228)	4,51,245
l. Director's Sitting Fees	1,95,000	2,15,000
m. Payments to the Auditor	3,76,672	3,90,493
n. CSR Expenses	18,83,920	17,57,992
o. Miscellaneous Expenses	2,07,82,511	1,77,70,905
	<b>10,63,28,717</b>	<b>9,36,71,727</b>
<b>Notes :</b>		
<b>1. Rent (Net)</b>		
- Rent Paid	14,94,830	13,95,099
- Rent Received	(89,755)	(2,50,091)
	<b>14,05,075</b>	<b>11,45,008</b>
<b>2. Transportation Charges (Net)</b>		
- Paid	13,00,38,836	13,56,47,570
- Realised	(12,68,36,942)	(12,62,96,363)
	<b>32,01,894</b>	<b>93,51,207</b>
<b>3. Repairs &amp; Maintenance includes consumption of stores and spares part ₹ 2,25,43,880/- (₹ 1,89,25,372/-)</b>		
<b>4. Payments to the Auditor</b>		
a. Auditors' Remuneration	1,30,618	1,30,618
b. For Taxation Matters	50,000	50,000
c. For Other Services	1,33,375	1,56,875
d. For Re-imbursement of Expenses	32,679	23,000
e. Payment to Cost Auditor	30,000	30,000
	<b>3,76,672</b>	<b>3,90,493</b>
<b>5. CSR Expenses includes Donation of ₹ 4,00,000/- (₹ 4,00,000/-).</b>		

# Notes to the Consolidated Financial Statements

## 2.24 PRINCIPLES OF CONSOLIDATION

- (i) Consolidated Financial Statements relate to Jayshree Chemicals Limited (The Company) and its subsidiary - East Coast Powers Limited (The Subsidiary).
- (ii) The Financial Statement of the Company and its Subsidiary have been prepared on a line by line consolidation by adding the book values of the like items of assets, liabilities, income and expenses as per the respective audited financial statements of the respective Companies.

The accounts of the Subsidiary have been audited by the auditors qualified to conduct audit.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner the Company's individual financial statements.

Minority Interest consists of the amount of equity attributable to the minority shareholders at the date on which investments have been made by the Company in the Subsidiary Company and further movements in their share in equity subsequent to the date of investments.

Intra Group balances, intra group transactions and resulting unrealized profits have been eliminated.

## 2.25 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>a. Contingent Liabilities</b>		
Claims against the Company not Acknowledge as Debt (Net of Deposit)		
i) Sales Tax Demand under Appeals	45,98,885	45,98,885
ii) Income Tax Demand under Appeals	2,23,629	2,23,629
iii) Others	5,01,15,126	3,38,63,924
	<b>5,49,37,640</b>	<b>3,86,86,438</b>
Guarantees	8,35,08,582	7,60,51,089
<b>Total (2.5)</b>	<b>13,84,46,222</b>	<b>11,47,37,527</b>

## 2.26 SEGMENT REPORTING

The Company has no reportable business segment as per AS-17 "Segment Reporting" as it mainly deals into the business of chemicals only.

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.

## 2.27 RELATED PARTY DISCLOSURE

Name of the Party	Relationship
<b>A) Name of the related party with whom the Company has transactions during the year :</b>	
The West Coast Paper Mills Ltd.	Control of KMP
Shree Ram Trust	Control of KMP
Fort Gloster Industries Ltd.	Control of KMP
Gloster Cables Ltd.	Control of KMP
Orbit Udyog Pvt. Ltd.	Control of KMP
B. N. Kapur Pvt. Ltd.	Control of KMP
The Thirumbadi Rubber Co. Ltd.	Control of KMP



## Notes to the Consolidated Financial Statements

Name of the Party	Relationship
Crossley & Towers Pvt. Ltd.	Control of KMP
Shree Satyanarayan Investments Co. Ltd.	Control of KMP
The Diamond Company Ltd.	Control of KMP
Sri Girija Prasanna Cotton Mills Ltd.	Control of KMP
The Indra Company Ltd.	Control of KMP
Veer Enterprises Ltd.	Control of KMP
Virendraa Bangur	Managing Director
P. N. Ojha	Executive Director
Smt. Shashi Devi Bangur	Relative of KMP
Bharati Bangur - Executive (Corporate Affairs)	Relative of KMP

**Note :** KMP means Key Managerial Personnel

(Amount in ₹)

Nature of Transactions	2013-14	2012-13
<b>B) Related Party Transactions are as follows :</b>		
Rent Received from The West Coast Paper Mills Ltd.	1,59,904	1,58,616
Sale of goods to The West Coast Paper Mills Ltd.	39,00,161	8,28,146
Rent & Service Charges paid - Veer Enterprises Ltd.	11,01,128	8,76,408
Donation paid - Shree Ram Trust, Kolkata	4,00,000	4,00,000
Loan received from The Diamond Co. Ltd.	2,00,00,000	-
Loan repayment to The Diamond Co. Ltd.	50,00,000	-
Interest paid to The Diamond Co. Ltd.	2,03,835	-
Loan received from Sri Girija Prasanna Cottons Mills Ltd.	1,52,00,000	-
Loan repayment to Sri Girija Prasanna Cottons Mills Ltd.	-	-
Interest paid to Sri Girija Prasanna Cotton Mills Ltd.	14,19,042	-
Loan received from Shree Satyanarayan Investment Co. Ltd.	3,25,00,000	-
Loan repayment to Shree Satyanarayan Investment Co. Ltd.	1,00,00,000	-
Interest paid to Shree Satyanarayan Investments Co. Ltd.	3,80,068	-
Loan received from Crossley & Towers Pvt. Ltd.	1,00,00,000	-
Loan repayment to Crossley & Towers Pvt. Ltd.	-	-
Interest Paid to Crossley & Towers Pvt. Ltd.	12,86,302	-
Loan received from The Thirumbadi Rubber Co. Ltd	4,00,00,000	-
Loan repayment to The Thirumbadi Rubber Co. Ltd.	4,00,00,000	-
Interest paid to The Thirumbadi Rubber Co. Ltd.	1,82,602	-
Loan received from B. N. Kapur Pvt. Ltd.	20,00,000	-
Loan repayment to B. N. Kapur Pvt. Ltd.	-	-
Interest paid to B. N. Kapur Pvt. Ltd.	1,23,945	-
Loan Received from Veer Enterprises Ltd.	4,00,00,000	-

# Notes to the Consolidated Financial Statements

(Amount in ₹)

Nature of Transactions	2013-14	2012-13
Loan repayment to Veer Enterprises Ltd.	2,00,00,000	–
Interest paid to Veer Enterprises Ltd.	3,14,247	–
Remuneration paid to Virendraa Bangur	43,00,549	35,07,000
Remuneration paid to P. N. Ojha	25,63,105	23,85,137
Remuneration paid to Bharati Bangur	6,36,821	6,07,598
Professional Fees paid to Smt. Shashi Devi Bangur	7,500	–

Nature of Transactions	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>C) Details of Outstanding Payment to Related Party :</b>		
The West Coast Paper Mills Ltd.	6,56,902	2,67,576
Veer Enterprises Ltd.	2,01,49,054	–
B. N. Kapur Pvt. Ltd	20,23,671	–
The Diamond Company Ltd.	1,50,95,547	–
Crossley & Towers Pvt. Ltd.	1,03,36,576	–
Shree Satyanarayan Investments Co. Ltd.	2,26,62,431	–
Sri Girija Prasanna Cotton Mills Ltd.	1,52,05,696	–

**2.28** The exceptional items represents losses of raw materials because of Cyclone-Phailin and flood.

**2.29** The Company has lost production because of shutdown of plant due to Cyclone-Phailin, flood and break down of transformer due to after effect of cyclone.

**2.30** Basis of calculation of Basic and Diluted Earnings Per Share is as under :

	Year Ended 31.03.2014	Year Ended 31.03.2013
Profit after Tax (₹)	(18,08,92,255)	84,42,484
Weighted average number of Equity Shares	2,93,26,457	2,93,26,457
Basic and Diluted Earnings Per Share (₹)	(6.17)	0.29
Nominal Value of Share (Par Value) (₹)	10	10

**2.31** Figures in bracket represent amount related to previous year.

**2.32** Previous year's figures have been rearranged / regrouped wherever necessary.

Signatures to Notes No. 1 & 2.

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

Chartered Accountants

**B. K. Bhutia**

Partner

Membership No. 059363

Kolkata, 14th May, 2014

**R. K. Gupta**

Company Secretary

**P. K. Gupta**

Chief Financial Officer

**Prabhu Nath Ojha**

Executive Director

**Virendraa Bangur**

Managing Director



**Jayshree Chemicals Limited**

CIN : L24119OR1962PLC007123  
[www.jayshreechemicals.com](http://www.jayshreechemicals.com)