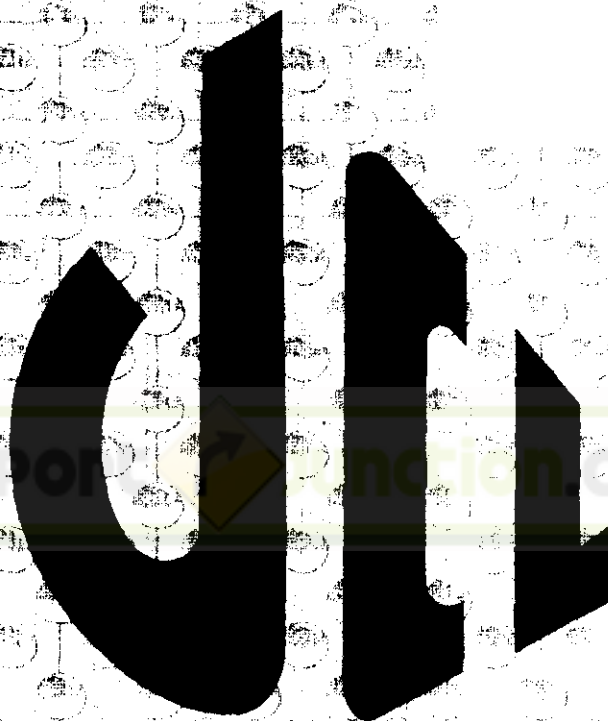


ANNUAL REPORT AND ACCOUNTS 1999-2000



JAYSHREE CHEMICALS LIMITED

Jayshree Chemicals Limited

Directors

Shri S. K. Bangur	(Chairman)
Shri D. D. Kothari	
Shri V. B. Chaturvedi	
Shri N. P. Pandey	(LIC-Representative)
Shri K. M. Mishra	(SBBJ - Nominee)
Shri Byomkes Kar	(IDCOL - Nominee)
Shri D. K. Maheshwari	(Executive Director)

Bankers

State Bank of Bikaner and Jaipur
State Bank of India

Auditors

Messrs. K. N. Gutgutia & Co.
Chartered Accountants

Registered Office

14, Netaji Subhas Road,
Calcutta - 700 001

Works

Ganjam (Orissa)

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Jayshree Chemicals Limited

NOTICE is hereby given that the 38th Annual General Meeting of the Company will be held at M. P. Birla Planetarium (Seminar Hall), 96, Jawaharlal Nehru Road, Calcutta-700 071 on Tuesday, the 26th September, 2000 at 10.30 A.M. to transact the following business :-

1. To receive and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2000 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri S. K. Bangur, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri D. D. Kothari, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint Auditors and to fix their remuneration.

Registered Office :

14, Netaji Subhas Road,
Calcutta - 700 001
Date : 31st July, 2000

By Order of the Board
D. K. Maheshwari
Executive Director

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NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a member of the Company.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th September, 2000 to 26th September, 2000, both days inclusive.
3. Shareholders desiring any information on the Accounts are requested to write to the Company in advance to enable the Company to keep the information ready.

Jayshree Chemicals Limited

DIRECTORS' REPORT T

TO THE MEMBERS

The Directors present herewith their Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

	<u>Rs.</u>
Loss for the year	7,99,18,428
Add : Debit balance brought forward	11,58,49,943
making a total deficit of	<u>19,57,68,371</u>

which is being carried forward to next year.

DIVIDEND

The Directors regret their inability to declare any dividend due to heavy loss.

OPERATING RESULTS

During the year under review, the Company achieved a production of 10,985 M. T. of Caustic Soda in comparison to 13,725 M.T. in the previous year. The production during the year under review was hampered due to super cyclone in Orissa and financial constraints. Flaker Unit continued to remain non-operative throughout the year because of heavy break-down. The overall production by Alkali Industry in India was affected due to low demand and cheap imports. In the first half of the year under review, the Company could not even recover the variable costs but during the later half the variable costs were recovered together with a part of fixed costs. Due to rationalisation of power tariff and restructuring of the demand by the Company the average electricity rate during the year under review came down to Rs. 2.97 per kwh as against Rs.3.17 per kwh during the previous year. The per tonne consumption of electricity also came down to 3,364 kwh from 3,431 kwh in the previous year. Despatches during the year under review were 11,081 M.T. and the closing stock at the end of the year was reduced by 253 M.T. As a result of constant efforts in economising the expenses, the Company not only absorbed the increase in fixed costs but also achieved reduction therein during the year under review.

CURRENT OUTLOOK

In spite of continuous imports, the market for the products of the Company has shown an upward trend in the first quarter of the current year. The Company expects that with the improvement in demand by the user industry, it will be able to better utilise its production capacity.

Brief project reports in respect of the 24.7 MW Small Hydel Power Projects proposed to be set up at Canal Falls of Harbhanga Irrigation Reservoir in Gajpathi district of Orissa have been submitted to the Government of Orissa for technical approval on receipt whereof the Company will approach the Ministry of Non Conventional Energy Sources, Government of India and Indian Renewable Energy Development Agency Ltd. for subsidy and soft loans for implementation of the Projects.

REFERENCE TO BIFR

The Company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) pursuant to Section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 ('SICA'). The BIFR, at the hearing held on 17th January, 2000, declared the Company as a sick industrial company within the meaning of Section 3(1)(o) of the SICA and appointed State Bank of Bikaner And Jaipur (SBBJ) as the Operating Agency. In terms of the above Order of the BIFR, the Company had submitted rehabilitation proposals to SBBJ, who are evaluating the same.

Jayshree Chemicals Limited**INDUSTRIAL RELATIONS**

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

GENERAL

The welfare activities and other community development programmes around the Factory including aid to educational institutions were continued.

There was no adverse effect to the Company's operations processes and functions due to the Year 2000 Issue and the roll over was smooth.

The Company's Shares are listed on the Calcutta, Mumbai and Bhubaneswar Stock Exchanges and the Listing Fees has been paid to the said Stock Exchanges.

The observations in the Auditors' Report are dealt with in the Notes at the appropriate places in the Accounts.

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, Banks and the Local Authorities for their continued co-operation and support.

SAFETY AND ENVIRONMENT

The Company has adequate system for Industrial Safety and provisions for protection of the environment at its Factory. The Company has complied with the statutory requirements of the State Pollution Control Board.

DIRECTORS

Shri Byomkes Kar was nominated on the Board of Directors of the Company ('the Board') by The Industrial Development Corporation of Orissa Ltd. ('IDCOL') with effect from 22nd June, 2000 in place of Shri D. K. Das, whose nomination was withdrawn from the Board by IDCOL with effect from the same date.

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

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

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.

AUDITORS

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

Calcutta

Date : 31st July, 2000

D. D. Kothari
N. P. Pandey
K. M. Mishra
Byomkes Kar
D. K. Maheshwari
Directors

Jayshree Chemicals Limited

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

A) CONSERVATION OF ENERGY :**a) Energy conservation measures taken :**

- i) Regular effective monitoring of Anodes of individual cells being done with the help of D. C. K. A. Tong Tester.
- ii) 2 Nos. of Old Mercury Motors were replaced by energy efficient motors.
- iii) 2 Nos. of Old Motors of various capacities were replaced with energy efficient motors.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

- i) Installation of Voltage Scanner for 17 Cells to optimise power consumption
- ii) Introduction of control panels and energy monitors for Electrolysis Plant and Chlorine Plant for better monitoring and control of energy and Plant Process parameters.
- iii) Replacement of 3 Nos. of Old Mercury Motors by energy efficient motors.
- iv) Replacement of 3 Nos. of Old various capacity Motors by energy efficient motors.

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

As a result of the Energy Conservation measures taken under (a) above, the power consumption per ton of Caustic Soda reduced by 67 KWH/M.T. as compared with that of the previous year and with the measures being implemented under (b) above, the Company expects a further reduction in power consumption.

Jayshree Chemicals Limited

FORM "A"

Form for Disclosure of Particulars with respect to Conservation of Energy

A. <u>POWER AND FUEL CONSUMPTION</u>		<u>1999-2000</u>	<u>1998-99</u>
1. Electricity			
a) Purchased :			
Unit (in Million units)	36.944	47.088	
Total Amount (Rs. in Lacs)	1095.56	1490.94	
Average Rate (Rs./Unit)	2.97	3.17	
b) Own Generation :			
i) Through Diesel Generator :			
Units	—	—	
Units per Ltr. of Diesel Oil	—	—	
Cost/Unit	—	—	
ii) Through Steam Turbine/Generator :			
Units	—	—	
Units per Ltr. of Fuel Oil/Gas	—	—	
Cost/Unit	—	—	
2. Coal (Specify quality and where used) :			
Quantity (M.T.)	—	—	
Total Cost	—	—	
Average Rate	—	—	
3. Furnace Oil :			
Quantity (K.Ltrs.)	—	—	
Total Amount (Rs. in Lacs)	—	—	
Average Rate (Rs./K. Ltrs.)	—	—	
4. Others/Internal generation :			
Quantity	—	—	
Total Cost	—	—	
Rate/Unit	—	—	