

report
2007-08

Shaping the FUTURE



JAYSHREE CHEMICALS LIMITED

Forward-Looking Statement

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

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

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

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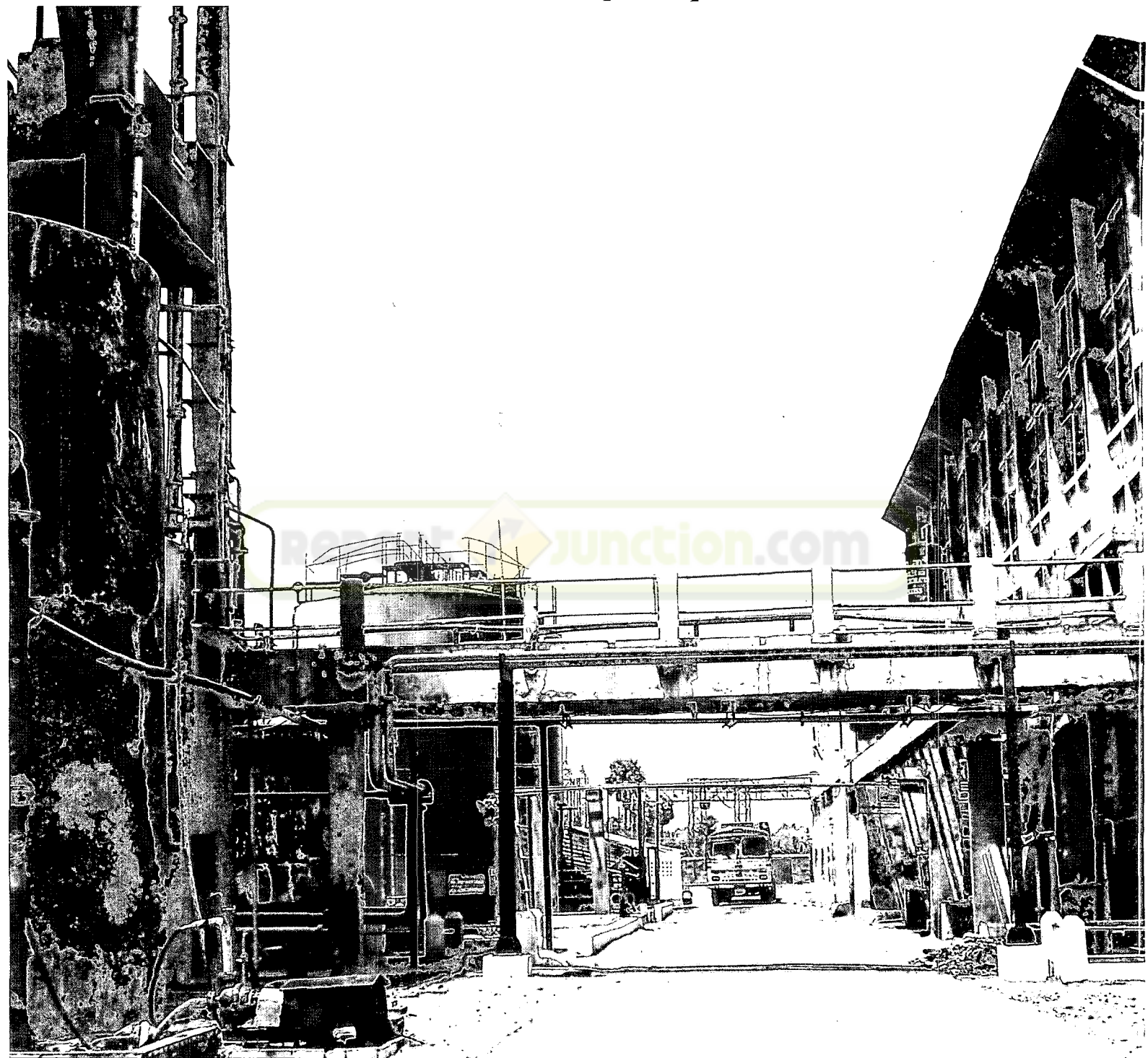


SHAPING THE FUTURE

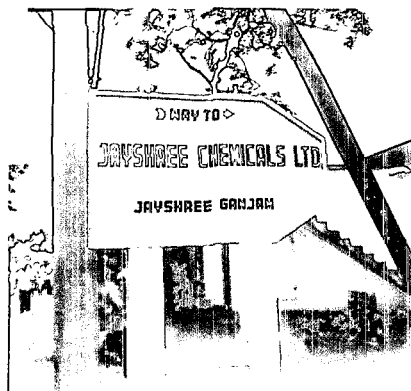
Jayshree Chemicals Limited,
one of the key players in the manufacture
of Caustic Soda, Liquid Chlorine and
Hydrochloric Acid in Eastern India, plans
to ***SHAPE ITS FUTURE*** towards
a ***GREENER TOMORROW*** by
focusing on implementation of the new
technology to improve its production
efficiency, profit margin and overall
environmental and economic
growth of the Company.

VISION AND MISSION

OF THE COMPANY



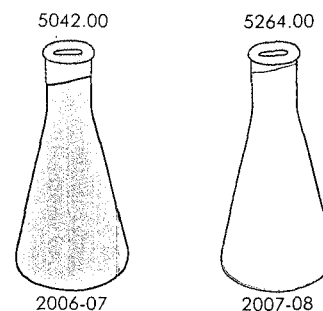
- ⌚ To be the largest producer of Chlor Alkali (Caustic Soda, Liquid Chlorine and Hydrochloric Acid) in the Eastern Region.
- ⌚ To enhance value of the Shareholders.
- ⌚ To make our operations most environment friendly, maintain high levels of safety and addressing social concerns in the region where we operate.
- ⌚ To develop employees and facilitate them to excel in their professional, personal and social lives.



WHO WE ARE

Incorporated during 1962
 Promoted by Bangur Brothers Limited
 Headquartered in Kolkata
 Manufacturing Facility at Ganjam district in Orissa
 Shares listed on The Bombay Stock Exchange Limited

TOTAL REVENUE (Rs. in Lacs)



WHAT WE MANUFACTURE

Caustic Soda with installed capacity of **22,500 MT p.a.** based on Mercury Cell Technology

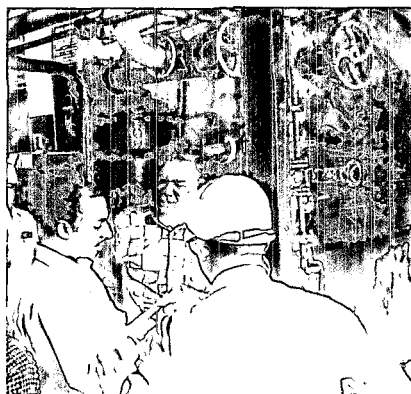
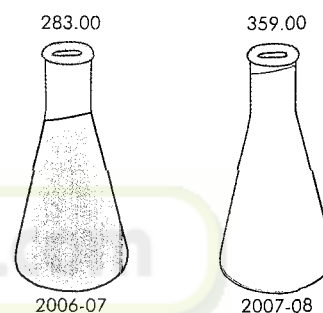
Liquid Chlorine **15,500 MT p.a.**

Hydrochloric Acid **20,000 MT p.a.**

Capacity Utilization – **108%**



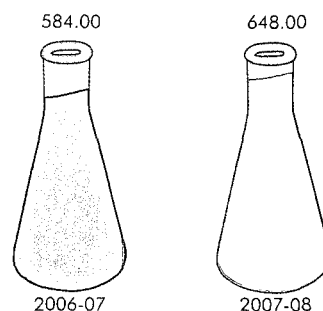
PAT (Rs. in Lacs)



OUR MAJOR CUSTOMERS

HINDALCO
 BALCO
 NALCO
 Vedanta Aluminium
 J K Paper Mills Limited
 Aurobindo Pharma

EBIDTA (Rs. in Lacs)

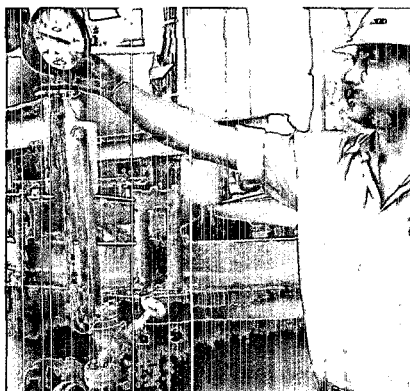


OUR FINANCIALS, 2007-08

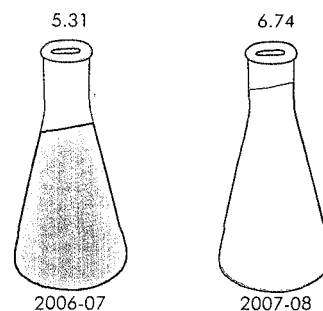
4.4% increase in Total Revenue from Rs.5042 Lacs to Rs. 5264 Lacs

26.85% increase in PAT from Rs.283 Lacs to Rs.359

10.96% increase in EBIDTA from Rs.584 Lacs to Rs.648 Lacs



EPS (Rs.)



CLEAN TECHNOLOGY

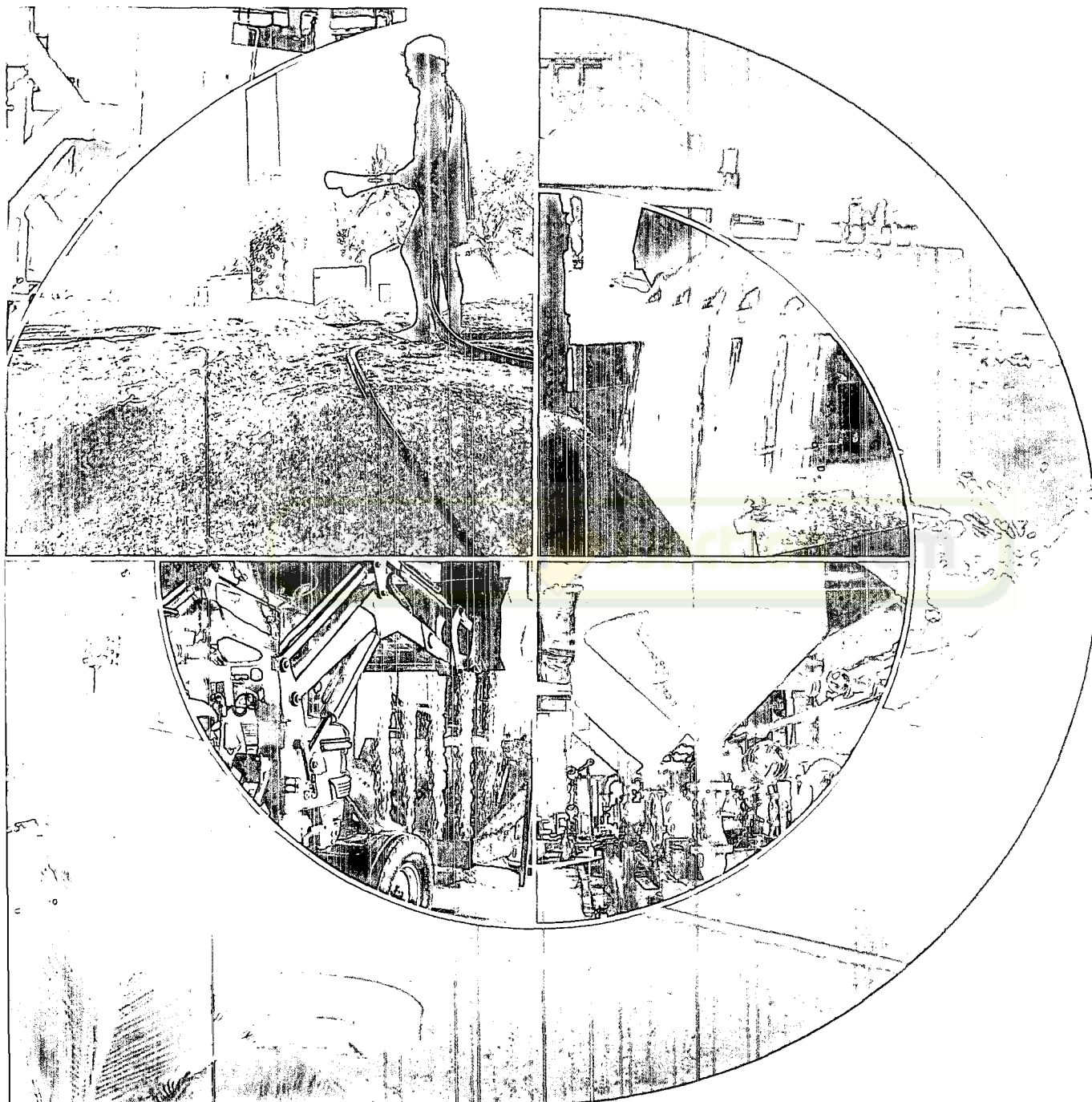


Jayshree Chemicals Limited
aims to modernise and expand its
existing manufacturing capacity

CAUSTIC SODA PLANT

• The company manufactures Caustic Soda by using Mercury Cell Technology. The mercury cell operation utilizes Mercury as the Cathode and activated Titanium as Anode for the electrolytic reaction, Mercury with Sodium from Salt, combine to form Sodium Amalgam and is reacted with de-ionized water to produce Caustic Soda solution or Lye.

GREEN TECHNOLOGY



5

CHLORINE TREATMENT PLANT

⌚ The chlorine gas generated in the primary cell is about 80°C , which is passed through the cooler to make its temperature reduced to $16-17^{\circ}\text{C}$ and passed through Absorption Drying tower to make it dry. Drying media is Sulphuric Acid and is then compressed in Chlorine compressors and passed through Chlorine Liquifier to convert Chlorine to liquid form.

HYDROCHLORIC ACID PLANT

⌚ About 75% of Chlorine Gas is sent to the refrigeration section to convert Chlorine Gas to liquid form and rest 25% of Chlorine and sniff Chlorine Gas is burnt in presence of Hydrogen Gas in Hydrochloric Synthesis unit. As a result Hydrochloric Acid Gas is produced which is absorbed with water to make 33% Hydrochloric Acid.



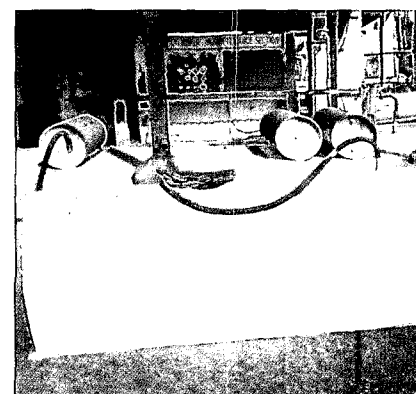
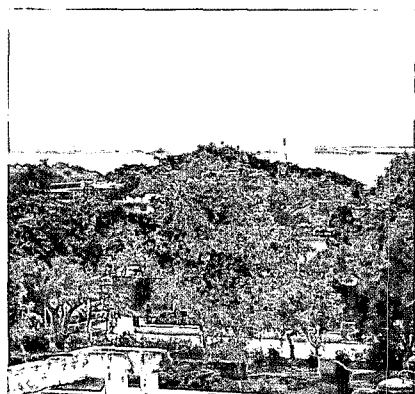
ENVIRONMENTAL PROTECTION MEASURES

- ♻ The company has successfully implemented C-GAS Project to dissolve the Mercury Vapours. The company is further able to reduce consumption of Mercury to 46 gms per MT of caustic Soda.

- ♻ Disposal of Sludge by developing Secured Land Fills.
- ♻ Emergency Chlorine Cylinder Hood & Hypo Section to dissolve Chlorine Gas.

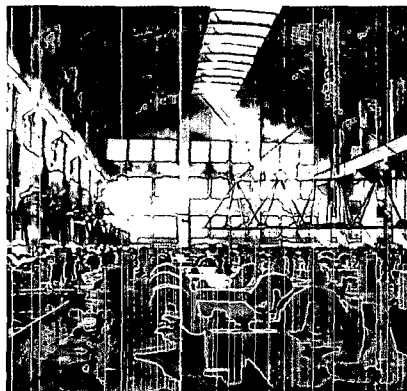
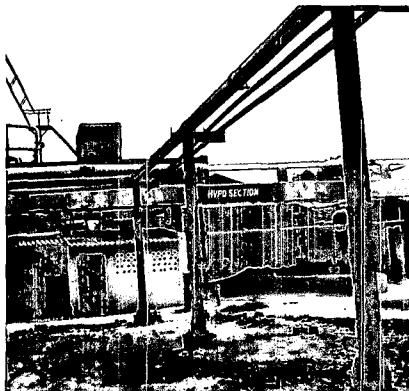
AHEAD WITH GREEN TECHNOLOGY

- ♻ With the dual aim of preserving the environment and



expanding its manufacturing capacity, the company plans to replace existing 22,500 TPY of Caustic Soda capacity based on Mercury Cell Technology by the Eco-Friendly Membrane Cell Technology with an enhanced production capacity of 49,000 TPY.

- ⌚ Membrane Cell Technology does not require mercury, hence makes the technology more environment friendly.
- ⌚ New technology is highly energy efficient.
- ⌚ The proposed expansion will be managed by the existing team except a few recruitments.



ENERGISING *THE FUTURE*



POWER COST

33 KV power supply is drawn from the SOUTHCO, which is fed to the three numbers of Rectifiers to step down from 33 KV to 152 V and rating is 4500 KVA in each Rectifiers. There are three rectifiers of 25 Kamps each, to convert Alternate Current (A.C.) to the Direct Current (D.C.). The Direct Current (D.C.) is then fed to

34 nos. of cells connected in series at the Cell House.

- Power consumption per tonne of Caustic Soda is 3287 units. Presently, power alone accounts for around 50% of total cost.
- The company's plan to replace Mercury Cell Technology by Membrane Cell Technology will enable 30% reduction in power cost.