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THE JEYPORE SUGAR COMPANY LIMITED



ANNUAL REPORT 2001-2002



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THE JEYPORE SUGAR COMPANY LIMITED
(INCORPORATED IN 1936)

CHAIRMAN	Sri.P.R.RAMAKRISHNAN, M.Sc.,(M.I.T), F.I.E.
MANAGING DIRECTOR	Smt.RAJESWARY RAMAKRISHNAN, B.A.,
BOARD OF DIRECTORS	Dr. S. R. K. PRASAD, B.TECH., P.G.D.O.R., MORSI, MORSS,D.Sc., Smt. M.A. VEDAVALLI Smt. ANITA PRABHU, B.Com Sri. BOPPANA RAMALINGESWARA RAO, M.A.,L.L.B. Sri. K. MUNESWARA RAO Sri. NISSAR AHMED MECCA, F.C.A., Nominee Director I C I C I Bank Sri. G.S. RAJU, M.A., L.L.M (London)
SECRETARY	Sri. E. RAMAKRISHNAN
BANKERS	BANK OF INDIA INDIAN OVERSEAS BANK BANK OF BARODA THE SOUTH INDIAN BANK LTD ANDHRA BANK THE DISTRICT CO-OP CENTRAL BANK LTD
AUDITORS	MESSRS.BRAHMAYYA & CO., Chartered Accountants, VIJAYAWADA.
REGISTERED OFFICE	239, ANNA SALAI, CHENNAI - 600 006 TAMILNADU

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NOTICE OF THE SIXTY SIXTH ANNUAL GENERAL MEETING

The Sixty Sixth Annual General Meeting of THE JEYPORE SUGAR COMPANY LTD., will be held as scheduled below :

Date	:	Monday, 9th September, 2002
Time	:	10.14 A.M
Place	:	Taj Connemara Hotel Binny Road, Chennai - 600 002.

The **Agenda** for the meeting will be as follows :

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2002, the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To declare dividends.
3. To elect Directors, in the place of :
 - a) **Sri.P.R.Ramakrishnan**
 - b) **Smt.Anita Prabhu**

A brief resume of the Directors appointed / eligible for re-appointment is as follows :

Sri.P.R.Ramakrishnan, Chairman was appointed during the year 1999 in the present post. His contribution to the Company has been substantial both in achieving maximum productivity and implementation of the projects till date. The Company has been benefited by decades of his experience. He is now retiring and offering himself for re-election.

Smt.Anita Prabhu, Director was appointed during the year 1999 in the present post. Her contribution to the Company has been substantial. She is now retiring and offering herself for re-election.

4. To appoint Auditors and fix their remuneration. M/s.Brahmayya & Co, Chartered Accountants, Vijayawada, the retiring auditors are eligible for reappointment.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification the following resolution as a **Special resolution**.

“Resolved that pursuant to the provisions of Sections 198, 269, 390 and 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, and subject to such other approvals including that of the Central Government, if so required and as may be necessary, Smt.Rajeswary Ramakrishnan be and is hereby re-appointed as

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the Managing Director of the company for a period of three years from 3rd September 2002, during which term of office she shall not be liable to retirement by rotation, on the terms and conditions as to remuneration as hereunder :

- i. SALARY Not exceeding Rs.3,50,000 (Rupees three lakhs fifty thousand) per month or Rs.42,00,000 (Rupees forty two lakhs) per annum, to be paid to her at such intervals during the year as may be mutually agreed upon by her and the Board of Directors.
- ii. OTHERS Contribution to Provident Fund, as applicable to her in accordance with the rules of the company to the extent it is not taxable under the Income Tax Act, 1961

Encashment of accumulated leave if any at the end of her tenure in accordance with the company's rules applicable to her.

Gratuity payable at a rate not exceeding half month's salary for each completed year of service

The Managing Director shall be allowed the use of one or more cars of the company for use in connection with her employment in the company. She will also be allowed the use of one or more telephones of the company from her residence for use in connection with her employment in the company.
- iii. COMMISSION She shall be entitled to receive remuneration by way of commission on net profits in addition to the above salary and others such that the amount of salary and commission in the aggregate is subject to an overall ceiling of 5% of the net profits of the company in a particular financial year as laid down in Section 198 and 309 read with Section 349 of the Companies Act, 1956.
- iv. MINIMUM REMUNERATION Notwithstanding anything to the contrary herein contained, where in any financial year during her said tenure, the company has no profits or its profits are inadequate, the company will pay her as minimum remuneration the amounts determined under items (i) and (ii) as stated above and she shall not be entitled to any commission. If the Managing Director is a managerial person in another company also, she shall draw remuneration pursuant the provisions of Section III of Part II of the Schedule XIII of the Companies Act, 1956 which stipulates that the aggregate remuneration drawn from both the Companies shall not exceed the higher maximum limit admissible from any one of the Companies in which she is a managerial person. The payment of the above remuneration shall be within the limits specified under Section II and III of Part II of Schedule XIII of the Companies Act, 1956 as applicable to her.

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Resolved further that in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII of the Companies Act, 1956, the Board of Directors be and are hereby authorised to vary or increase the remuneration including the salary and others within the prescribed limits.

Resolved further that the Board of Directors be and are hereby authorised to take all such steps as may be deemed expedient or desirable to give effect to this resolution."

6. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"Resolved that consent of the company be and is hereby accorded under sections 293 (1)(d) of the Companies Act, 1956 to the Board of Directors of the company for borrowing from time to time all such sums of money as they deem requisite for the purpose of the business of the company notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up capital of the company and its free reserves provided that the total amount upto which such monies may be borrowed by the Board of Directors shall not exceed a sum of Rs.300 Crores at any time."

(By Order of the Board)
for THE JEYPORE SUGAR CO.LTD.,
(Sd.) P.R. RAMAKRISHNAN

Chairman

Place : Chennai

Date : 27-6-2002

The Register of Members of the company will be closed from 26th August, 2002 to 9th September, 2002 (both days inclusive) during which period, transfer of shares will not be effected.

NOTE :

1. Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member.
2. Members are requested to notify their change of address, if any.
3. Dividend Mandates received at the Registered Office, later than the date of the General Meeting cannot be given effect to.
4. The dividends recommended by the Board, if approved by the General Meeting, will be paid by 'A/c Payee' warrants only.

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5. **Dividend on equity shares**, as recommended by the Board, when declared at the Meeting will be paid, subject however to the provisions of Section 206A of the Companies Act, 1956:
 - a. to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 9-9-2002.
Or
 - b. in respect of shares held in electronic form, to those "Deemed Members" whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd., (NSDL) and the Central Depository Services (India) Ltd., (CDSL) as at the end of business hours on 09-09-2002.
6. M/s. Cameo Corporate Services Limited, "Subramanian Building" No. 1, Club House Road, Chennai - 600 002 are the Depository Registrars of the Company.
7. In case your mailing address mentioned on this Annual Report is without the Pin Code, then you are requested to **kindly inform your Pin Code** immediately to the Company.
8. Members holding shares in dematerialised form, may please note that while opening a depository account with participants, they may have given **their bank account details**, which will be printed on their dividend warrants. However, if members want to change/correct the bank details, they should send the same immediately to the concerned Depository participants. Members are also requested to give MICR code of their bank to their Depository participant. **The Company will not entertain any direct request from members for deletion/change in bank account details furnished by Depository participants to the Company.**
9. Members who are holding shares in identical order of names in more than one folio are requested to send to the company the details of all such folios together with the Share certificates for **consolidation of their holdings into a single folio.**
10. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the **nomination facility** by filling the **Nomination Form available in Shares Department of the Company.** Members holding shares in dematerialised form, may please contact their Depository participants for recording nomination in respect of their shares.
11. **The Unclaimed Dividend** for the year(s) 1996-97; 1997-98; 1998-99; 1999-2000; and 2000-2001 are held in separate bank Accounts and Shareholders who have not received the dividend/encashed the said warrants, are in their own interest advised to write to the Company immediately with complete details.

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THE JEWELRY REPAIRING COMPANY LIMITED
Explanatory Statement under Section 173 of the Companies Act, 1956

Item No.5

Smt.Rajeswary Ramakrishnan was appointed as Managing Director of the Company for a period of 5 years from 3rd September, 1997 and her appointment as well as salary and perquisites were approved at the 61st Annual General Meeting of the Company held on 25th September, 1997.

The Board of Directors at their Meeting held on 27th June, 2002 have reappointed Smt.Rajeswary Ramakrishnan as Managing Director for a period of 3 years from 3rd September, 2002 and the proposed salary, Perquisites and applicable terms and conditions are set out in the text of the resolution as approved by the Remuneration Committee of the Board of Directors.

Since the proposed appointment, remuneration/ and perquisites conform to the requirements of schedule XIII of the Companies Act, 1956 the approval of the Central Government is not required.

Part III of schedule XIII of the Companies Act, 1956 requires the appointment and remuneration to be approved by a Resolution of the Shareholders in General Meeting. Accordingly the Resolution under Item No.5 is recommended by the Board of Directors for approval of the General Meeting.

Smt.Rajeswary Ramakrishnan, the proposed appointee as Managing Director and Sri.P.R.Ramakrishnan, Dr.S.R.K.Prasad and Smt.Anita Prabhu, Directors of the Company, as relatives of Smt.Rajeswary Ramakrishnan are interested in the proposed resolution. No other Director of the Company is concerned or interested in the proposed resolution.

The particulars required to be furnished in terms of clause (iv) of Sub paragraph (B) of paragraph 1 of Part II of Schedule XIII are given below :

I. General Information :

- 1) Nature of industry
Sugar industry
- 2) Date or expected date of commencement of commercial production
Existing unit
- 3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus
Not Applicable
- 4) Financial performance based on given indicators
Satisfactory
- 5) Export performance and net foreign exchange collaborations
No export made during the year ended 31.3.2002
- 6) Foreign investments or collaborators, if any.
No collaborators

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II. Information about the appointee :

1) Background details

Presently Managing Director of the Company since 1967.

2) Past remuneration

Rs.1,50,000/- per month plus perquisites.

3) Recognition awards

Smt.Rajeswary Ramakrishnan is a recipient of the Pride of Asia International Award and Gold Medal for being a leading lady industrialist in a world dominated by men at Singapore on 11-01-1992.

She was bestowed the "Shakkara Prapurna" Award during 1988-89 season by the Andhra Agricultural University, Anakapalle.

She received the Award from FICCI LADIES ORGANISATION in 1995-1996 for "Outstanding Woman Entrepreneur".

During April 2002, she received an award from AWAKE (Association of Women Entrepreneurs of Karnataka) for her entrepreneurial spirit and initiative in the BIO-TECHNOLOGY FIELD.

4) Job profile and her suitability

Managing the affairs of the Company for the last 35 years in the same capacity under the supervision of Board of Directors.

5) Remuneration proposed

Rs.3,50,000/- per month, plus perquisites

6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)

The proposed appointee is one of the seniormost Managing Director in the Sugar industry. The total remuneration package offered to her would be comparable to that paid to others of the standing and experience in the industry.

7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.

None other than the proposed remuneration and the interest paid on her deposits with the company at the same rate as the public deposit. She is not related to any other Managerial personnel.

III. Other information :

1) Reasons of loss or inadequate profits

Company has not incurred any loss during the last three years. Inadequacy of profits is because of excess of expenses brought forward u/s.349 (1) (L) from earlier years.

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2) Steps taken or proposed to be taken for improvement

Expansion of existing unit is being undertaken to increase the crushing capacity and to improve the quality of sugar. Distillery unit acquired during the year is expected to augment future profits.

3) Expected increase in productivity and profits in measurable terms

Due to the announcement of decontrol by Govt. of India the sales realisation has come down by about Rs.0.75 per Kg. However due to increased crushing capacity during 2002-2003 sugar season the Fixed cost will get reduced and the profit is expected to remain as at present.

III. Disclosures :

Particulars of the remuneration package proposed to be paid to the Managing Director are furnished in the Notice to shareholders containing the resolution for the reappointment of Managing Director and her remuneration .

Item No.6

The Board of Directors of the company was empowered to borrow upto a limit of Rs.200 Crores at the Annual General Meeting held on 4th September, 1998. In view of increase in cane crushing capacity of the sugar unit and for further development activities it is thought fit to increase the said borrowing limits to Rs.300 Crores. Accordingly, the above resolution is proposed. None of the Directors is interested in the above resolution.



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SIXTY SIXTH ANNUAL REPORT 2001-2002 REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 2002

1. Your Directors have pleasure in presenting their report for the year ended 31st March, 2002, together with the Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date.

		Rs.	Rs.
2. PROFIT AND LOSS APPROPRIATIONS	Profit before interest and Depreciation		32,65,16,011
	Less : Interest	21,15,40,129	
	Depreciation	<u>4,94,36,816</u>	
			<u>26,09,76,945</u>
	Profit before tax		6,55,39,066
	Less : Provision for taxation		90,00,000
	Provision for Deferred tax		<u>95,27,958</u>
	Profit after tax		<u>4,70,11,108</u>
	Add : Surplus brought forward from last year		<u>2,83,87,286</u>
			<u>7,53,98,394</u>
	Less : Transfer to General Reserve	55,71,685	
	Proposed Dividend	<u>1,36,03,584</u>	
			<u>1,91,75,269</u>
	Surplus taken to Balance Sheet		<u><u>5,62,23,125</u></u>
3. DIVIDEND	Your Directors recommend payment of dividend at the rate of 30% for the year ended 31 st March, 2002 and deduction of tax at source.		
4. CAPITAL & RESERVES	The Paid up Capital at the end of the year stood at Rs.4,53,45,280/- and Reserves at Rs.28,09,31,555/- as against Rs.4,53,45,280/- and Rs.29,10,95,716/- respectively at the beginning of the year.		
5. FIXED DEPOSITS	As on 31 st March, 2002, there were 37 deposits matured and remaining unclaimed amounting to Rs.20,23,000/-.		