

THE JEYPORE SUGAR COMPANY LIMITED



ANNUAL REPORT 2009- 2010



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THE JEYPORE SUGAR COMPANY LIMITED
(INCORPORATED IN 1936)

CHAIRMAN

Cum

MANAGING DIRECTOR Smt.RAJESWARY RAMAKRISHNAN, B.A.,

EXECUTIVE DIRECTOR Smt.ANITA PRABHU, B.Com

BOARD OF DIRECTORS Sri.R.PRABHU, B.E (Hons), S.M.(MIT)
Smt.M.A.VEDAVALLI
Sri.BOPPANA RAMALINGESWARA RAO, M.A.,L.L.B.
Sri.K.MUNESWARA RAO
Dr.S.R.K.PRASAD, D.Sc., (USA)
Sri.R.KANNAN., M.Tech,
Sri.K.SUBRAMANIAN M.A.B.L

**G.M. FINANCE &
SECRETARY**

Sri.P.S.KRISHNAMOORTHY, B.Sc, M.A, A.C.A, A.C.S

BANKERS

BANK OF INDIA
INDIAN OVERSEAS BANK
BANK OF BARODA
THE SOUTH INDIAN BANK LTD
ANDHRA BANK
THE DISTRICT CO-OP CENTRAL BANK LTD
INDUSTRIAL DEVELOPMENT BANK OF INDIA LTD
STATE BANK OF HYDERABAD

AUDITORS

MESSRS.BRAHMAYYA & CO.,
Chartered Accountants,
VIJAYAWADA.

REGISTERED OFFICE

239, ANNA SALAI,
CHENNAI - 600 006
TAMILNADU

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Fourth Annual General Meeting of the Members of the Company will be held "GRT Grand "Southern Crown" (Main Building), No.120, Sir Thyagaraya Road, Pondy Bazar, T.Nagar, Chennai – 600 017 on 27th August, 2010 at 12.05 P.M. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2010, and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend
3. To appoint a director in the place of Smt.M.A.Vedavalli, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a director in the place of Sri.Boppana Ramalingeswara Rao, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a director in the place of Sri.R.Kannan, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, and to fix their remuneration.

SPECIAL BUSINESS

- 7) 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 310 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, aged 82, be and is hereby re-appointed as the Managing Director of the company for a period of five years from 3rd September 2010, 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.4,00,000/- (Rupees four lakhs) per month or Rs.48,00,000/- (Rupees forty eight 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	<p>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.</p> <p>Encashment of accumulated leave if any at the end of her tenure in accordance with the company's rules applicable to her.</p> <p>Gratuity payable at a rate not exceeding half month's salary for each completed year of service.</p>
iii. CAR & TELEPHONE	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.
iv. 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 others as above 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.
v. 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 for a period not exceeding 3 years and subject to the provisions of schedule XIII of the Companies Act, 1956.

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 authorized 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 authorized to take all such steps as may be deemed expedient or desirable to give effect to this resolution."

8) To consider and if thought fit, to pass with or without modification, the following resolution as an **ordinary Resolution** :

RESOLVED THAT pursuant to Article 102 (d) of the Articles of Association of the company and the provisions of section 309 and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enhancement thereof and subject to such approvals as may be necessary, the Non Whole time Directors of the company other than the Managing and Executive Directors and Nominee Directors be paid as remuneration for each of the five financial years commencing from 1st April, 2010 to 31st March, 2015, an amount not exceeding one percent of the net profits of the Company and computed in the manner as laid down in Section 198, and 349 of the Companies Act, 1956 and to be divided amongst the said Non Whole time Directors aforesaid in such manner as the Board of Directors of the Company may from time to time determine and in default of such determination equally, provided that none of the Directors aforesaid shall receive individually in a financial year a sum not exceeding Rs.1,75,000/- (Rupees one lakh seventy five thousand only) and further that the payment of the sum in the above manner shall be in addition to the sitting fees per meeting of the Board/Committee which each such Director is entitled to receive under the Articles of Association and the approval of the Board of Directors from time to time.

Place : Chennai
Date : 28.05.2010

(By Order of the Board)
for THE JEYPORE SUGAR CO.LTD.,
(Sd.) **RAJESWARY RAMAKRISHNAN**
Chairman cum Managing Director



NOTES :

1. Explanatory statement pursuant to Section 173 of the Companies Act, 1956 and Article 102 (d) of the Articles of Association of the Company in respect of the Special Business, set out in items No.7 and 8 are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER.

The Proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

3. The register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 17th day of August, 2010 to 27th day of August, 2010 (both days inclusive) for the purpose of payment of dividend.
4. Dividend on equity shares, as recommended by the Board, when declared at the Meeting will be paid on or after 30-8-2010 but within the stipulated time, 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 as on 16-8-2010 after giving effect to all valid **Share transfers in physical form** lodged with the Company / Registrars on or before the closure of business hours of 16-8-2010, and
 - 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 16-8-2010.
5. Members are requested to notify their change of address, if any.
6. The **Unclaimed Dividend** for the year(s) 2002-2003; 2004-2005; 2005-2006, 2006-2007, 2007-2008 and 2008-2009 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.
7. M/s.Cameo Corporate Services Limited, "Subramanian Building" No.1, Club House Road, Chennai – 600 002 are the Registrars of Share Transfer Agent and Depository Registrars of the Company for physical / electronic shares and all correspondence with regard to transfer of shares etc may be addressed to them directly.
8. 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**. Members holding shares in dematerialised form, may please contact their Depository participants for recording nomination in respect of their shares.

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9. Additional information on Directors seeking re-appointment at the Seventy Fourth Annual General Meeting as per Clause 49 of the Listing Agreement with Stock Exchanges.

1. Smt.M.A.Vedavalli

Smt.M.A.Vedavalli has been a Director of the Company since 1992. Her contribution to the Company has been substantial. She is having considerable business and commercial background.

2. Sri.Boppana Ramalingeswara Rao

Sri.Boppana Ramalingeswara Rao, A lawyer by profession and having 15 years experience in the High Court of Andhra Pradesh. His contribution to the Company has been substantial. The Company has been benefited by decades of his experience.

3. Sri.R.Kannan

Sri.R.Kannan, is an M.Tech, and an Alumini from Sloan School of Management at Massachusetts Institute of Technology Boston. A Chemical engineer by education and a career banker with extensive experience in structured products and infrastructure financing and technology departments, Mr.R. Kannan has been a valuable resource to the company in managing in financial affairs



ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956.

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO.7

Smt.Rajeswary Ramakrishnan was appointed as Managing Director of the company for a period of 5 years from 3rd September, 2005 and her appointment as well as salary and perquisites were approved at the 69th Annual General Meeting of the company held on 5th September, 2005.

The Board of Directors at their Meeting held on 28th May, 2010 have re-appointed Smt.Rajeswary Ramakrishnan as Managing Director for a period of 5 years from 3rd September, 2010 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 with 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. Further, section II of Part II of Schedule XIII also requires that a special resolution be passed by the members at a general meeting of the company, to enable the company to pay minimum remuneration to the Managing Director, in the event of inadequacy or absence of profits. Accordingly the Special Resolution under item no.7 is recommended by the Board of Directors for approval of the General Meeting.

Smt.Rajeswary Ramakrishnan, being the incumbent, Dr.S.R.K.Prasad, Sri.R.Prabhu and Smt.Anita Prabhu, Directors of the company, as relatives of Smt.Rajeswary Ramakrishnan are interested in the proposed resolution for appointment of Smt.Rajeswary Ramakrishnan as Managing Director. 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 section II 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

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- 4) Financial performance based on given indicators : Satisfactory
- 5) Export performance and net foreign exchange collaborations : No export made during the year ended 31-3-2010
- 6) Foreign investments or collaborators, if any : The company has no foreign investments or foreign collaborators.

II. Information about the appointee :

- 1) Background details

Managing Director of the company since 1967 and Chairman Cum Managing Director w.e.f 10-9-2008.

- 2) Past remuneration

Rs.4,00,000/- per month plus perquisites being contribution to Provident Fund, Leave Encashment and Gratuity.

- 3) Recognition and awards

Smt.Rajeswary Ramakrishnan is a recipient of the Pride of Asia International Award and Gold Medal for being a leading lady industrial 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 48 years in the same capacity under the supervision of Board of Directors.

- 5) Remuneration proposed

Rs.4,00,000/- 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 with reference to the country of his/her origin)

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