

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.BOPANA RAMALINGESWARA RAO, M.A.,L.L.B.
Sri.K.MUNESWARA RAO
Dr.S.R.K.PRASAD, D.Sc., (USA)
Sri.R.KANNAN., B.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

THE JEYPORE SUGAR COMPANY LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Seventy Fifth Annual General Meeting of the Members of the Company will be held at New Woodlands Hotel, 72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai - 600 004 on Thursday, 8th September, 2011 at 12 noon to transact the following business.

ORDINARY BUSINESS:

The **Agenda** for the meeting is as follows :

1. To receive, consider and adopt the Audited Profit and Loss Account for the financial year ended 31st March, 2011, and the Balance Sheet as on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Sri.R.Prabhu, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Sri.K.Subramanian, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a director in the place of Sri.K.Muneswara Rao, who retires by rotation and being eligible offers himself for re-appointment.
5. 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

- 6) 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, 309 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.Anita Prabhu, be and is hereby paid the minimum remuneration as mentioned below during the period from 1-4-2011 to 31-7-2014 in the event of the Company having no profits or profits are inadequate.

i. SALARY	Not exceeding Rs.2,00,000/- (Rupees two lakhs) per month or Rs.24,00,000/- (Rupees twenty four 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>

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."

Place : Chennai
Date : 31.05.2011

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



NOTES :

1. 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 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.

2. The register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 1st day of September, 2011 to 8th day of September, 2011 (both days inclusive)
3. Members are requested to notify their change of address, if any.
4. The **Unclaimed Dividend** for the year(s) 2004-2005; 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010 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.
5. 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.
6. 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.

ITEM 6.

Explanatory Statement under Section 173 of the Companies Act, 1956

Smt.Anita Prabhu, was re-appointed as the Executive Director of the Company for a period of five years from 1-8-2009 at the 73rd Annual General Meeting held on 11th September, 2008.

The resolution as passed at the AGM did not include provision for payment of minimum remuneration in the absence or inadequacy of profits.

In the coming years it is anticipated the company's working may result in inadequate profits and it is necessary to provide for payment of minimum remuneration for the service rendered by the Executive Director. Payment of minimum remuneration has been approved by the Board of Directors on 30-5-2011, subject to the approval of the shareholders in General Meeting and of the Central Government.

Hence the resolution is brought before the shareholders for their approval.

Place : Chennai
Date : 31.05.2011

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31st MARCH 2011

1. Your Directors have pleasure in presenting their report for the year ended 31st March, 2011, together with the Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date.

2. PROFIT & LOSS APPROPRIATIONS

	Rs.	Rs.
Profit before interest, Depreciation And extraordinary items		24,47,39,316
Less: Interest	24,89,02,185	
Depreciation	<u>11,08,42,090</u>	<u>35,97,44,275</u>
Loss before tax		11,50,04,959
Less :		
Excess Provision of Income		
Tax in earlier years	13,133	
Deferred Tax (Credit)	<u>2,24,70,218</u>	<u>2,24,83,351</u>
Loss after tax		9,25,21,608
Add: Balance of profit brought forward from Last year		<u>10,15,40,581</u>
Balance Surplus taken to Balance sheet		<u>90,18,973</u>

3. CAPITAL & RESERVES

The paid up capital at the end of the year stood at Rs.4,53,45,280/- and Reserves at Rs.61,13,04,358/- as against Rs.4,53,45,280/- and 70,38,25,966/-respectively at the beginning of the year.

4. FIXED DEPOSITS

As on 31st March, 2011, there was no Deposit remaining unclaimed .

5. MANAGEMENT AND DISCUSSION ANALYSIS

Sugar Industry :

Though the Sugar supply situation is better compared to 2009-2010 year, the Government policy has not changed much. Instead of liberalizing the controls (like abolishing levy sugar percentage and the monthly allotments etc.), the same old policy is being followed. Besides the above set backs, the Government did not allow export of surplus sugar to the international market though the international price was much more attractive. Because of over supply, the local price has not improved during the current year.

During 2011-2012 season, the production of sugar is expected to be around the same quantum like this year but international market seems to be facing severe shortage. If the Govt. takes an early decision

and allow export of surplus sugar as well as scrapping of the levy sugar quota and making sugar a free commodity, the sugar industry will benefit.

The basic problem is that the cane price is not remunerative to the grower compared to other crops. The cane price cannot be improved unless the sugar price is better. The Govt. is not realizing this basic fact. If it gives freedom to the industry, the Indian Sugar Industry will be in much better position as it can compete in the World market and get much better returns and consequently give more cane price to the cane grower, otherwise the future will be bleak. Decontrol of the sugar industry will be the best solution at this juncture.

NEW SUGAR UNIT AT POTHAVARAM

We are glad to inform the share holders that the company has commenced production of the 5000 TCD Plant at Pothavaram. The process was initiated on 24th March 2011 and the unit became fully operational in the first week of April 2011

VVS SUGARS, CHAGALLU

Our Company - The Jeypore Sugar Co Ltd., with its two units has the largest crushing capacity in A.P. In the present globalised context the size of the factory is most important. Besides it is having sizable co-gen facility and distillation facilities. Year after year, The jeypore Sugar Co Ltd., is crushing maximum quantity of sugarcane compared to other factories in A.P.

6.REVIEW OF OPERATION

A. SUGAR SEASON AT CHAGALLU

Sugar	2010-2011	2009-2010
a) Duration	23-11-2010 to 12-04-2011	24-11-2009 to 24-02-2010
b) No of days	141	93
c) Cane crushed (Tons)	9,01,949	5,93,380
d) Sugar Produced (Qtls)	9,51,060	6,15,700
e) Recovery (%)	10.57	10.40

B. FINANCIAL YEAR

1) Duration	23-11-2010 to 31-03-2011	24-11-2009 to 24-02-2010
2) No of days	129	93
3) Cane crushed (Tons)	8,63,170	5,93,380
4) Sugar Produced (Qtls)	9,03,540	6,15,700
5) Recovery (%)	10.57%	10.40%
6) Turnover (Rs. in lakhs)	18,060	22,332

DISTILLERY DIVISION, CHAGALLU AND JANGAREDDYGUDEM

The overall performance of the distillery units have registered satisfactory performance.

We have procured molasses from the market to keep both the Distilleries to operate continuously. We expect the distilleries to perform better this year as the demand for Ethanol and ENA is bright

CO-GENERATION

The Co-generation project has worked continuously and successfully during the season and generated 29250 MW of power.

7. CONSERVATION OF ENERGY :

Form A (Rule 2) enclosed.

8. A. AGRICULTURAL IN RATOON CROP

1. SINGLE BUD SEEDLINGS FOR DIRECT PLANTATION AND GAP FILLING IN RATOON CROP

Direct plantation with single bud seedlings was introduced . This helped to save the seed, labour and cost of cultivation. Direct plantation with single bud seedlings is being promoted in more areas.

For improving the yields in ratoon crop 26 lakhs single bud seedlings @2000 seedlings per acre were distributed. An yield improvement of 2-3 tonnes per acre is expected.

2. NEW SUGAR RICH VARIETIES UNDER PIPE LINE

Sugar rich varieties with good yields are being developed in our seed cane farm. The New varieties like 2003V46, VSI 434, 99A22, 97A85 are being developed as seed material in our factory area. 84 varietal clones are received from SBI, Coimbatore and the yield aspects are being studied to know the suitability for propagation.

3. SEED VILLAGE PROGRAM FOR JUNE PLANTATION

Certified seed plantation of promising sugar rich varieties is being developed in our factory sufficient for 100 acres. This seed will be completely utilized for general crop plantation by state Government, which will provide subsidy of Rs.6,000/- per one acre of seed plantation.

4. MECHANISED CANE CULTIVATION

Implements like sub-soiler, rotavator, cane planter, mechanical harvester are introduced. The cane growers are getting acquainted to utilize the farm implements to overcome labour shortage problem and also to reduce the cost of cultivation in sugar cane

5. TECHNICAL UPGRADATION

Training programs with Sugarcane Research Station Scientists are conducted to update the knowledge of our agricultural staff and cane growers.

6. TECHNOLOGY IMPROVEMENT

1) As the labour problem is acute, it has been decided to introduce Lorry Tipplers to unload cane from lorries and Tractor Trailers directly in to the carrier

One Tippler was introduced already along with Auxillary Carrier to unload about 1,800 - 2000 tonnes of cane per day this year. For the season 2011-2012 another tippler will be commissioned. Both the tipplers will be able to unload 50% daily cane requirement of the factory.

By introducing the two tipplers, our man power requirement will be reduced in the cane yard by nearly 50% which will be an enormous saving financially. (Each tippler requires only 12 people per day of 3 shifts)

2) B&W boiler has been prepared for coal firing by introducing traveling grate. This will enable the unit to generate power during off season also which can be exported to the Grid, provided the necessary permissions are given by the Govt. of A.P

B. SAFETY & POLLUTION CONTROL

The safety record is being improved by constant vigilance and taking appropriate steps to reduce

(a) Air Pollution

All the norms as stipulated by A.P.Pollution Control Board have been achieved and the factory has run absolutely CLEAN Emissions. A.P. Pollution Control Board was keeping track of the emissions and are highly satisfied with the results.

(b) Water Pollution

Since introduction of U.A.S.B, the BOD and COD levels of effluents are completely brought down below the prescribed norms, besides the factory has achieved the Zero discharge level as the entire effluent is being used for ferti irrigation. As there is no out going effluent, the A.P.Pollution Control Board is satisfied.

9. SUBSIDIARY COMPANY

1. Name of the Subsidiary : JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LTD.,
2. Financial year : Year ended 31-3-2011
3. Holding
Company's Interest : 4,10,000 Equity Shares of Rs.10/- each (99.88% of capital)
4. Net Amount of
Profit /Loss : Net Profit for the current financial year is Rs.85,862/- and adding against the loss in profit & loss account of previous year of Rs.87,20,957/- the balance of loss comes to Rs.86,57,995/- is taken as deficit in profit and loss account.
5. Profit/Loss of
subsidiary dealt
with in Holding
Company's A/c : Nil

10. DIRECTORS

The following Directors retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-election.

- 1.Sri.R.Prabhu
- 2.Sri.K.Subramanian
- 3.Sri.K.Muneswara Rao

11. MANAGEMENT STAFF

Information as required under section 217 (2A) of the Companies Act, 1956 read with the relevant rules thereunder, in respect of particulars of Employees, is given hereunder :

i) Name & Designation	Mrs.Rajeswary Ramakrishnan, Managing Director		
Qualification & Experience	B.A., : 49 Years		
Date of Employment	3-9-1967		
Age	83 years		
Remuneration	Gross Salary		Rs. 45,46,667
	P.F		Rs. 5,45,600
			<u>Rs. 50,92,267</u>
Particulars of Previous Employment	Managing Director R.S.Industrial Corporation (P) Ltd.,		

12. STAFF RELATIONS

The relationship with the staff and workers continued to be cordial during the year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels.

13. AUDITORS

a) M/s.Brahmayya & Co, Chartered Accountants, Vijayawada retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

b) Aruna Prasad , Cost Accountants, Chennai has been appointed as Statutory Cost Auditor for the sugar unit of the Company

14. AUDITORS OBSERVATION

The Directors offer the following explanations with reference to the observations made by the auditors in their report.

1. The Company is in the process of completing and updating its fixed assets at Rayagada units.

15. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that

a) in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures ;