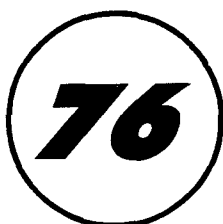


# THE JEYPORE SUGAR COMPANY LIMITED



**ANNUAL REPORT FOR THE PERIOD  
ENDED 30TH SEPTEMBER, 2012**



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**THE JEYPORE SUGAR COMPANY LIMITED**  
**(INCORPORATED IN 1936)**

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**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 &**

**COMPANY 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 Sixth Annual General Meeting of the Members of the Company will be held on Monday the 18th of March 2013 at Sathguru Gnananda Hall, Narada Gana Sabha, 314, T.T.K.Road, Alwarpet, Chennai - 600 018 at 10.15 A.M 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 18 months period ended 30th September, 2012, 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 Dr.S.R.K.Prasad, who retires by rotation and being eligible offers himself 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 Smt.M.A.Vedavalli, who retires by rotation and being eligible offers herself 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.

Place : Chennai  
Date : 28.11.2012

(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/ 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.

2. The register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from day of 04.03.2013 TO 18.03.2013 (both days inclusive)
3. Members are requested to notify their change of address, if any.
4. The **Unclaimed Dividend** for the year(s) 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.

**SEVENTY SIXTH ANNUAL REPORT 2011-2012**  
**REPORT OF THE DIRECTORS FOR THE FINANCIAL PERIOD ENDED**  
**30<sup>th</sup> SEPTEMBER 2012**

1. Your Directors have pleasure in presenting their report for the 18 months period ended 30th September, 2012, together with the Balance Sheet as at 30th September, 2012 and the Profit & Loss Account for the period ended on that date.

		Rs.	Rs.
2. <b>PROFIT &amp; LOSS APPROPRIATIONS</b>	Profit before interest, Depreciation And extraordinary items		65,04,73,598
	Less: Interest	46,83,21,302	
	Depreciation	15,56,88,030	62,40,09,332
	<b>Profit before tax</b>		2,64,64,266
	Add : Mat Credit Entitlement	1,50,00,000	
	Deffered tax (Credit)	1,84,79,371	3,34,79,371
			5,99,43,637
	<b>Less: Provision for Mat Tax</b>		1,50,00,000
	<b>Profit after Tax</b>		4,49,43,637
	<b>Add:</b>		
	Balance of profit brought forward From Last year		90,18,971
			5,39,62,608
	Less: Appropriations		
	General Reserve	2,00,00,000	
	Provision for Dividend	1,13,36,320	
	Tax on Dividend	18,39,035	3,31,75,355
	Balance Surplus taken to Balance sheet		2,07,87,253

3. **CAPITAL & RESERVES** The paid up capital at the end of the year stood at Rs.4,53,45,280/- and Reserves at Rs.64,30,72,638/- as against Rs.4,53,45,280/- and 61,13,04,357/- respectively at the beginning of the year.

4. **DIVIDEND** Your Directors recommend payment of dividend @ 25% for the 18 months period ended 30<sup>th</sup> September, 2012



5. **FIXED DEPOSITS** As on 30th September, 2012, there was no Deposit remaining unclaimed .
6. **MANAGEMENT AND DISCUSSION ANALYSIS** The Sugar Industry in India showed improvement in the working of the sugar mills in the season 2011-2012, but the overall situation has not improved much. The prediction in the Global and Indian sugar scenario is increased area of sugarcane cultivation resulting in higher sugar output, in the seasons to come. The development compared to the earlier years are only the quarterly release mechanism in the place of monthly release and allowing export of sugar without quantitative restrictions. The levy mechanism still continues. The uncertainty over the availability of sugarcane and also the increase in sugarcane prices are causing concern to the sugar mills. The Government should come out with a clear cut policy for the sugar industry, which will aim at reasonable sugarcane prices linked to the price of the finished product. Modern methods of farming, mechanization and better hi-breed inputs will help to reduce the cost of cultivation and also the cost of production of sugar to improve the profitability of the industry. A better policy from Government of India on Ethanol also will encourage the sugar mills to optimize the operations of the distilleries leading to increased revenue. The Co-generation units of the sugar mills also can play a lead role in meeting the energy requirements of the country the support of the local and Central Governments.

7. **REVIEW OF OPERATION**

**NEW SUGAR UNIT AT POTHAVARAM**

The unit is complete in all respects, however it could not be made fully operational due to the non availability of the cane

**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, but the capacity is being under-utilised due to competition from cash crops like maize, tobacco, paddy which give a profitable return in a shorter time. Besides it is having sizable co-gen facility and distillation facilities.

**A.SUGAR SEASON**

Sugar	2011-2012	2010-2011
a) Unit: Chagallu	28-11-2011 to 23-03-2012	23-11-2010 to 12-04-2011
<b>Duration</b>		
b) No of days	116	141
c) Cane crushed (Tons)	7,79,068	9,01,949
d) Sugar Produced (Qtls)	8,28,810	9,51,060
e) Recovery (%)	10.53	10.57

**B.FINANCIAL YEAR**

Sugar	2011-2012	2010-2011
1) Duration	28-11-2011 to 23-03-2012	23-11.2010 to 31-03-2011
2) No of days	116	129
3) Cane crushed (Tons)	7,79,068	8,63,170
4) Sugar Produced (Qtls)	8,28,810	9,03,540
5) Recovery (%)	10.53%	10.57%
6) Turnover (Rs in lakhs)	38,836	18,060

**DISTILLERY DIVISION, CHAGALLU AND JANGAREDDYGUDEM**

Both the Distilleries at Chagallu and Jangareddygudem operated at near optimum level of capacity.

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 RS is bright.

**CO-GENERATION**

The Co-generation project has worked continuously and successfully during the season and generated 31546 MW of power. We have offered to generate power using coal as raw material to A.P. Government. (who are very short of power and buying from other states). The Government is not willing to increase the price for the units to be supplied, hence we are keeping our generation capacity idle for almost six months

**8. CONSERVATION  
OF ENERGY**

Form A (Rule 2) enclosed.

**9. SAFETY &  
POLLUTION  
CONTROL**

**SAFETY:**

The safety record has improved considerably by taking appropriate steps to reduce the accidents, hazards and other unwanted incidents.

**Air & Water Pollution:**

In both air and water all the norms as stipulated by Pollution Control Board have been achieved. BOD & COD levels of our effluent are much below the prescribed norms. Similarly the air emissions are maintained within the stipulated standards

**10. SUBSIDIARY  
COMPANY**

1. Name of the  
Subsidiary

JEYPORE SUGAR FINANCE AND INVESTMENT CORPORATION LTD.,

2. Financial year

Year ended 31-03-2012





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 Loss for the current financial year is Rs.14,638/- and adding against the loss in profit & loss account of previous year of Rs.86,57,995/- the balance of loss comes to Rs.86,72,633/- is taken as deficit in profit and loss account.
5. Profit/Loss of subsidiary dealt with in Holding Company's A/c	Nil
11. <b>DIRECTORS</b>	<p>The following Directors retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-election.</p> <ol style="list-style-type: none"><li>1. Dr.S.R.K.Prasad</li><li>2. Sri.Boppana Ramalingeswara Rao</li><li>3. Smt.M.A.Vedavalli</li></ol>
12. <b>MANAGEMENT STAFF</b>	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 in a separate annexure to this board of Directors report.
13. <b>STAFF RELATIONS</b>	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.
14. <b>AUDITORS</b>	<ol style="list-style-type: none"><li>a) M/s.Brahmayya &amp; Co, Chartered Accountants, Vijayawada' retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.</li><li>b) Aruna Prasad , Cost Accountants, Chennai has been appointed as Statutory Cost Auditor for the sugar unit of the Company</li></ol>
15. <b>AUDITORS OBSERVATION</b>	<p>The Directors offer the following explanations with reference to the observations made by the auditors in their report.</p> <ol style="list-style-type: none"><li>1) With regard to the observations of the auditors in respect of amounts outstanding of Rs.37.47 lakhs due to the bank as overdue, the company has made arrangements to settle the same immediately.</li><li>2) As far as the observations of the auditors regarding the utilization of short term funds for long term purposes over a period of time the same had to be resorted to in view of the business exigencies and circumstances. The company has taken note of the same.</li></ol>

<b>16. DIRECTORS' RESPONSIBILITY STATEMENT</b>	<p>As required under Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that</p> <ol style="list-style-type: none"> <li>in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures ;</li> <li>the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period ;</li> <li>the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and</li> <li>the Directors have prepared the annual accounts on a going concern basis.</li> </ol>
<b>17. CORPORATE GOVERNANCE</b>	<p>The Corporate Governance and Management Discussion and analysis Reports form an integral part of this Report and are set out as separate to this Report. The Certificate from the Auditors of the Company certifying compliance of the Listing Agreement with Madras Stock Exchange Ltd. is also annexed to the Report on Corporate Governance.</p>
<b>18. CONSOLIDATED FINANCIAL STATEMENT</b>	<p>Consolidated Financial statement has been prepared as required in AS21 and attached with Annual Report.</p>
<b>19. LISTING OF STOCK EXCHANGES</b>	<p>Your Company's shares are listed on the Madras Stock Exchange Ltd., and the annual listing fees for the financial year 2012-2013 was paid. Indo next segment trading of shares in Bombay Stock Exchange Ltd.</p>
<b>20. DEMAT ISIN NUMBER</b>	<p>INEI80E01014</p>
<b>21. ACKNOWLEDGEMENT</b>	<p>The Directors wish to place on record their appreciation and thank the Company's Bankers, Financial Institutions and various departments of Central and State Governments and the shareholders for the valuable support received from them. The Board also places on record their appreciation for the co-operation being extended by the cane growers in the Chagallu area to increase the sugarcane supply to the factory to meet the requirements of the expanded capacity.</p>

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

Place : Chennai  
Date : 28.11.2012