

**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 &  
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 | 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<br><br>Encashment of accumulated leave if any at the end of her tenure in accordance with the company's rules applicable to her.<br><br>Gratuity payable at a rate not exceeding half month's salary for each completed year of service. |

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

### 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**

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

#### **B. FINANCIAL YEAR**

|                            |                                     |                             |
|----------------------------|-------------------------------------|-----------------------------|
| 1) Duration                | <b>23-11-2010 to<br/>31-03-2011</b> | 24-11-2009 to<br>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              | <b>Mrs.Rajeswary Ramakrishnan, Managing Director</b>      |  |                             |
| Qualification & Experience         | B.A., : 49 Years  |  |                             |
| Date of Employment                 | 3-9-1967  |  |                             |
| Age                                | 83 years  |  |                             |
| Remuneration                       | Gross Salary  |  | <b>Rs. 45,46,667</b>        |
|                                    | P.F   |  | <b>Rs. 5,45,600</b>         |
|                                    |   |  | <b><u>Rs. 50,92,267</u></b> |
| Particulars of Previous Employment | Managing Director<br>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 ;

b) 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 ;

c) 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

d) the Directors have prepared the annual accounts on a going concern basis.

#### **16. CORPORATE GOVERNANCE**

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 Stock Exchange is also annexed to the Report on Corporate Governance.

#### **17. CONSOLIDATED FINANCIAL STATEMENT**

Consolidated Financial statement has been prepared as required in AS21 and attached with Annual Report.

#### **18. LISTING OF STOCK EXCHANGES**

Your Company's shares are listed on the Madras Stock Exchange Ltd., and the annual listing fees for the financial year 2011-2012 has been paid. Indo next segment trading of shares in Bombay Stock Exchange Ltd.

#### **19. DEMAT ISIN NUMBER**

INEI80E01014

#### **20. ACKNOWLEDGEMENT**

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.

Place : Chennai  
Date : 31.05.2011

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



## **PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988**

### **A. CONSERVATION OF ENERGY**

#### **OWN GENERATION THROUGH DIESEL GENERATOR**

There was increase of consumption by 3.3 MW diesel generator by about 17,103 units. This is due to running of diesel set when co-gen T.G. set was stopped, while attending to repairs to B&W boiler. The unit rate of power generated by diesel set was more due to increase in purchase cost of HSD oil and lubricating oils.

The power consumption has come down by 0.9 units per ton of cane compared to last season, which is much below the norms.

### **ANNEXURE**

#### **FORM "A"**

(See Rule 2)

#### **FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY**

| <b>POWER &amp; FUEL CONSUMPTION</b>      |                     |                      |
|--|---------------------|----------------------|
|  | <b>CURRENT YEAR</b> | <b>PREVIOUS YEAR</b> |
| <b>A. Electricity</b>                    |                     |                      |
| Purchased Units K W H                    | <b>20,39,864</b>    | 21,92,727            |
| Total Amount Rs.                         | <b>1,07,03,322</b>  | 1,01,07,633          |
| Rate/per Unit Rs.                        | <b>5.25</b>         | 4.61                 |
| <b>B. Purchased from Co-generation</b>   |                     |                      |
| No. of units                             | <b>80,19,760</b>    | 60,92,160            |
| Total amount Rs.                         | <b>2,55,73,592</b>  | 1,98,60,442          |
| Unit Rate                                | <b>3.19</b>         | 3.26                 |
| <b>C. Own Generation Unit K W H</b>      |                     |                      |
| Through Diesel Generator                 | <b>92,548</b>       | 75,445               |
| Total Amount Rs.                         | <b>15,79,680</b>    | 11,56,486            |
| Rate/per Unit Rs.                        | <b>17.07</b>        | 15.33                |
| Average purchase cost of HSD Oil per lit | <b>39.61</b>        | 34.20                |

**THE JEYPORE SUGAR COMPANY LIMITED**

|  |                    |           |
|--|--------------------|-----------|
| <b>D. Through steam no. of units</b>         | <b>1,17,73,170</b> | 72,49,980 |
| <b>1. FURNACE OIL</b>                        |                    |           |
| i) Quantity - lits                           | <b>NIL</b>         | NIL       |
| ii) Total cost (Rs.)                         | —                  | —         |
| iii) Average rate per lit (Rs.)              | —                  | —         |
| <b>2. Consumption per unit of production</b> |                    |           |
| Electricity per M.T / Cane                   | <b>25.40</b>       | 26.30     |
| Cane crushed - M.T                           | <b>8,63,170</b>    | 5,93,633  |
| Electricity units per qtl                    | <b>24.27</b>       | 25.35     |
| Sugar bagged - qtls                          | <b>9,03,540</b>    | 6,15,700  |

**B. TECHNOLOGY ABSORPTION**

**Form 'B' – Form of Disclosure of Particulars with Respect to Research And Development (R&D):**

**1. Specific areas in which R&D is carried out by the company**

- a) Raw sugar process equipment along with Melt Clarifier system is introduced. The sugar colour and ICUMSA will be improved by melt clarifier.
- b) Lorry Tipper and Auxillary carrier for feeding cane into the cane carrier is installed to No.II Mill
- c) Furnace modification of B&W Boiler is completed by introduction of Travelling Grate.
- d) Electronic Governor is introduced for Co-gen Turbine

**2. Benefits derived from the above R&D efforts**

- a) As the Raw sugar processing is not economical for the present, the raw sugar processing system is not commissioned though the system is completely tested and tried.
- b) By introduction of Lorry Tipper and Auxillary Cane Carrier for No.II Mill, 25% of manual loading has been eliminated.
- c) By introduction of Traveling Grate for B&W Boiler, the capacity is enhanced to 85 Tonnes from 80 Tonnes and combustion efficiency is increased.
- d) Electronic Governor enables the smooth operation of co-gen Turbine and export of power is stabilized.

**3. Future course of action**

One more Lorry Tipper with Auxillary cane carrier will be introduced for Mill No.I. After introduction of this 50% of the manual loading will be eliminated. This will solve labour problem with cane feeding.

**4. Specific areas**

Purchase of 1 No. boiler of 120 TPH, 66 Ata with Multi Fuel Firing System and ESP with all accessories to generate more power is being processed.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

**Foreign Exchange Earnings - Nil**

**Foreign Exchange Outgo - Nil**



**Annexure to Directors Report**

**MANAGEMENT STAFF**

**ANNEXURE I TO DIRECTORS REPORT**

**Statement under sub section 2(A) of section 217 of the Companies Act, 1956**

| S.No. | Name of the Employee              | Designation                             | Remuneration For the year 2010-2011 | Qualification & Experience | Date of commencement of Employment | Age | Last employment  |
|-------|-----------------------------------|---|-------------------------------------|----------------------------|------------------------------------|-----|--|
| 1     | <b>Smt.Rajeswary Ramakrishnan</b> | Chairman<br>Cum<br>Managing<br>Director | 50,92,267                           | B.A<br>49 Years            | 03-09-1967                         | 83  | R.S.Industrial<br>Corpn. P.Ltd.,<br>Managing<br>Director |

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARARAO**  
**Directors**

**(Sd.) P.S. KRISHNAMOORTHY**  
**Secretary**

for and on behalf of the Board.  
**(Sd.) RAJESWARY RAMAKRISHNAN**  
**Chairman cum Managing Director**

Place : Chennai  
Date : 31-5-2011

**STATEMENT REGARDING SUBSIDIARY COMPANY**

**STATEMENT PURSUANT TO SECTION 212(1) & (3) OF THE COMPANIES ACT, 1956.**

**JEYPORE SUGAR FINANCE & INVESTMENT CORPORATION LIMITED**

Holding Company's Interest : 4,10,000/- Equity Shares of Rs.10/- each fully paid up, being 99.89% of total subscribed and paid up Share Capital of the Company.

Net aggregate amount of the Subsidiary's Profit not dealt with in the Holding Company's accounts for the Subsidiary's financial year ended 31<sup>st</sup> March, 2011 of Rs.85,862/-.

Net aggregate amount of the Subsidiary's Profit / (Losses) dealt with in the Holding Company's Accounts - Nil

(Sd.) Dr. S.R.K. PRASAD  
(Sd.) K. MUNESWARA RAO  
**Directors**

(Sd.) P.S. KRISHNAMOORTHY  
**Secretary**

for and on behalf of the Board.  
(Sd.) RAJESWARY RAMAKRISHNAN  
**Chairman cum Managing Director**

Place : Chennai  
Date : 31-5-2011

## CERTIFICATE

**To the Members**

### **THE JEYPORE SUGAR COMPANY LIMITED**

We have examined the compliance of conditions of Corporate Governance by The Jeypore Sugar Company Limited for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Madras Stock Exchange Limited, where the company's shares are listed.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2011, no investor grievances are pending against the company as per the records maintained by the company and presented to the Investor Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No. 000513S  
**(Sd.) K. RAJAJ**  
ICAI Membership No. 202309  
Partner

Place: Chennai  
Date : 31-05-2011

### **DECLARATION BY THE MANAGING DIRECTOR**

To  
The members of  
The Jeypore sugar Company Limited

In compliance with the requirements of clause 49 of the Listing Agreement with the Stock Exchange relating to Corporate Governance, I confirm that, on the basis of confirmations/declarations received, all the Directors and senior management personnel of the company have complied with the Code of conduct framed by the company.

for **The Jeypore Sugar Co Ltd**  
**(Sd.)RAJESWARY RAMAKRISHNAN**  
**Chairman cum Managing Director**

Place : Chennai  
Date : 31.5.2011





**REPORT ON CORPORATE GOVERNANCE  
FOR THE PERIOD APRIL 1,2010 TO MARCH 31, 2011  
ANNEXURE TO THE DIRECTORS' REPORT**

**1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes that

Corporate Governance is an essential component for a successful enterprise. Value addition and compliance of standards, improve the organizational skills to achieve better results and disclosures to shareholders, ensure adequate information to assess the performance of the Company.

The Company makes disclosures of its operations and performance to public through the Annual Report, quarterly financial results, and timely press releases. The Company has implemented the mandatory requirements of the 'Code of Governance' as mentioned in Clause 49 of the Listing Agreement in force for the time being.

The Report on Corporate Governance covers the following.

- |                              |                             |
|------------------------------|-----------------------------|
| I. Board of Directors        | II. Committees of the Board |
| III. Shareholder information | IV. Other disclosures       |

**1. BOARD OF DIRECTORS**

a. COMPOSITION OF BOARD AND ATTENDANCE PARTICULARS:

As at 31st March, 2011 the strength of the Board of Directors is nine (9), its composition being as given below:

|                                     |   |
|-------------------------------------|---|
| Executive Promoter Directors        | 2 |
| Non Executive Promoter Directors    | 2 |
| Non Executive Independent Directors | 5 |

b. BOARD MEETINGS AND RELATED INFORMATION

During the year Seven meetings of the Board of Directors were held on 28th May, 2010, 14th June, 2010, 12th August,2010, 27th August, 2010, 11th November, 2010, 22nd November, 2010 and 14th February 2011.

**THE JEYPORE SUGAR COMPANY LIMITED**

The attendance particulars of each Director at the Board Meetings and last Annual General Meeting.

| <b>Directors</b>                           | <b>No of Board meetings attended during the year</b> | <b>Attendance At last AGM 27-8-2010</b> | <b>No of other Companies in which they are Director</b> | <b>No of other Committees (other than this company) in which Chairman / Members</b> |
|--|--|---|---|---|
| <b>Executive Promoter Directors</b>        |  |   |   |   |
| Smt.Rajeswary Ramakrishnan                 | 7  | Yes                                     | 7   | —   |
| Smt.Anita Prabhu                           | 6  | Yes                                     | 2   | —   |
| <b>Non-Executive Promoter Directors</b>    |  |   |   |   |
| Dr.S.R.K.Prasad                            | 3  | Yes                                     | 7   | —   |
| Sri.R.Prabhu                               | 6  | Yes                                     | 3   | —   |
| <b>Non-Executive Independent Directors</b> |  |   |   |   |
| Sri.R.Kannan                               | 7  | Yes                                     | 6   | 5   |
| Sri.Boppana Ramalingeswara Rao             | 5  | Yes                                     | Nil   | —   |
| Sri.K.Muneswara Rao                        | 5  | Yes                                     | Nil   | —   |
| Smt.M.A.Vedavalli                          | 2  | Yes                                     | Nil   | —   |
| Sri.K.Subramanian                          | 7  | Yes                                     | 3   | 6   |

- c. Brief resumes of the Directors coming up for appointment / re-appointment at the Annual General Meeting are circulated along with the Notice of the ensuing Annual General Meeting.

The Board of Directors has laid down a code of conduct to be generally followed by the Directors and other senior officers of the Company. An affirmation by the Managing Director, of compliance by all concerned with the said code of conduct, has been published as part of the Annual report for the year.

A certificate duly signed by the Managing Director and General Manager Finance and Company Secretary relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in amended Clause 49 of the Listing Agreement was placed before the Board, who took the same on record.



## II. COMMITTEES OF THE BOARD

### 1. AUDIT COMMITTEE

Composition and terms of reference.

The Audit Committee has four members; Sri.R.Kannan, who chaired the committee while they were in office and Dr.S.R.K.Prasad, Mr.Boppana Ramalingeswara Rao and Sri.K.Subrahmanian. Sri.R.Kannan was a former senior executive in a Public financial Institution and has considerable accounting and financial Management expertise. All the other members are financially literates.

The terms of reference of the Committee broadly comprise, among others

- i. Overall review of the Company's periodical financial statements; financial reporting process; disclosure policies and ensuring that they are appropriate, accurate and credible.
- ii. Recommending the appointments and removal of external auditor, fixation of audit fee and also approval for payment for other services.
- iii. Periodic reviewing of the adequacy of the internal audit; internal controls and discussions with the external auditors thereon.

Meetings and Attendance during the year.

During the year the committee met on 28-5-2010, 12-8-2010, 11-11-2010 and 14-02-2011

| Name of the Director  | No of Meetings Attended |
|---|-------------------------|
| Sri.R.Kannan, Independent Non-Executive Director                    | 4                       |
| Dr.S.R.K.Prasad, Non-Executive Promoter Director                    | 2                       |
| Sri.Bopanna Ramalingeswara Rao, Independent Non- Executive Director | 4                       |
| Sri.K.Subramanian, Independent Non-Executive Director               | 4                       |

Smt.Anita Prabhu was invited to attend Audit committee meetings as an Executive Director of the Company.

### 2. REMUNERATION COMMITTEE

The Board of Directors has set up a Remuneration Committee under the Chairmanship of Sri.Boppana Ramalingeswara Rao. The other members of the Committee are Smt.M.A.Vedavalli and Sri.K.Muneswara Rao. The terms of reference of the committee among others are to review, assess and recommend the appointment and remuneration of the Managing Director and whole time Directors.

During the year the committee met on 30-5-2011

| Name of the Director   | No of Meetings Attended |
|--|-------------------------|
| Sri.Bopanna Ramalingeswara Rao, Independent Non-Executive Director | 1                       |
| Smt.M.A.Vedavalli, Independent Non Executive Director              | -                       |
| Sri.K.Muneswara Rao, Independent Non Executive Director            | 1                       |

It is the policy of the Company to remunerate the Managing Director / wholetime directors in accordance with the guidelines fixed by the Government from time to time, and the rules if any fixed by the company.

## THE JEYPORE SUGAR COMPANY LIMITED

Details of remuneration, and Commission and Sitting fees paid to all the Directors for the year ended 31st March, 2011.

| Directors                      | Salary & Allowance Perquisites including P.F. Rs. | Commission Rs. | Sitting Fees Rs. | Total Rs. |
|--------------------------------|---|----------------|------------------|-----------|
| Smt.Rajeswary Ramakrishnan     | 50,92,267   | -              | -                | 50,92,267 |
| Sri.Boppana Ramalingeswara Rao | -   | -              | 2,00,000         | 2,00,000  |
| Dr.S.R.K.Prasad                | -   | -              | 1,00,000         | 1,00,000  |
| Sri.K.Muneswara Rao            | -   | -              | 1,20,000         | 1,20,000  |
| Smt.M.A.Vedavalli              | -   | -              | 60,000           | 60,000    |
| Smt.Anita prabhu               | -   | -              | -                | -         |
| Sri.R.Prabhu                   | -   | -              | 1,20,000         | 1,20,000  |
| Sri.R.Kannan                   | -   | -              | 3,40,000         | 3,40,000  |
| Sri.K.Subrahmanian             | -   | -              | 3,40,000         | 3,40,000  |
| Total                          | 50,92,267   | -              | 12,80,000        | 63,72,267 |

### 3. SHARE TRANSFER COMMITTEE

The Board of Directors has set up a Share Transfer Committee under the Chairmanship of Executive Promoter Director Smt.Anita Prabhu, the other members of the Committee being Sri.R.Kannan and Sri.K.Subramanian.

During the year the committee met after reconstituted of the share transfer committee on 19-4-2010, 30-6-2010, 14-9-2010, 11-11-2010, 15-12-2010 and 19-1-2011. The terms of reference of the committee are to ensure prompt transfer, transmission etc of the shares. The Compliance Officer of the Company is Sri.P.S.Krishnamurthy, General Manager Finance & Company Secretary.

### 4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

This Committee was constituted under the Chairmanship of Smt.M.A.Vedavalli and the other members of the Committee are Smt.Anita Prabhu, Sri.Boppana Ramalingeswara Rao and Sri.K.Muneswara Rao. The terms of reference of the Committee are to handle and redress the grievances / complaints of the shareholders. The Committee did not meet during the year 2010-2011.



### III. SHAREHOLDER INFORMATION

- 1) General Body Meetings
- a) Location and time of Annual General Meetings held in last 3 years

| Year | AGM      | Location  | Date       | Time       | Special resolution | Results |
|------|----------|---|------------|------------|--------------------|---------|
| 2008 | 72nd AGM | New Woodlands Hotel<br>72-75, Dr.Radhakrishnan Salai<br>Mylapore, Chennai - 600 004                                       | 10-09-2008 | 11.00A.M.  | Nil                | Nil     |
| 2009 | 73rd AGM | New Woodlands Hotel<br>72-75, Dr.Radhakrishnan Salai<br>Mylapore, Chennai - 600 004                                       | 11-09-2009 | 12.01P.M.  | Yes                | Passed  |
| 2010 | 74th AGM | "GRT Grand Southern Crown"<br>(Main Building)No.120,<br>Sir Thyagaraya Road<br>Pondy Bazar, T.Nagar<br>Chennai - 600 017. | 27-08-2010 | 12.05 P.M. | Yes                | Passed  |

- c) There were no Special Resolutions that were required to be put through Postal Ballot during the last year and there are no such resolutions proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

### IV. Disclosures

- a) Transactions with the related parties are disclosed in Note No.21of Schedule L to the accounts in the Annual Report.

The Board is of the bona - fide belief that there are no materially significant related party transactions made by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.

## THE JEYPORE SUGAR COMPANY LIMITED

- b) During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c) The company has not established a whistle blower policy.
- d) The company has complied with all the mandatory disclosure requirements under clause 49 of the Listing agreement and also makes efforts to make the non- mandatory disclosures to the extent they arise and are considered significant

### Means of Communication

- a. The Company does not follow the practice of sending half yearly reports to each household of shareholders.
- b. The quarterly reports in the prescribed format were published in the News papers ( 'The Financial Express' 'News Today' - English and, 'Makkal Kural' - Tamil ) as required by the Listing Agreements with the Madras Stock Exchange Ltd.,
- c. The Company does not have any website.
- d. There were no presentations made to institutional investors or analysts, during the year.
- e. The Management Discussion and Analysis Report forms part of the Annual Report for the year.

### GENERAL SHAREHOLDER INFORMATION

- a. Annual General Meeting : 75th Annual General Meeting  
Date & Time : 8th September, 2011 at 12.00 Noon  
Venue : New Woodlands Hotel  
74-75, Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004.
- b. Financial Year : i. 1st April to 31st March  
Tentative Calendar : ii. First Quarter results - July 2011.  
iii. Half -yearly results - October 2011.  
iv. Third Quarter results - January 2012.  
v. Results for the year ending 31-3-2012 by May 2012.



- c. Date of Book Closure : 1st September 2011 to 8th September 2011 (both days inclusive)
- d. Listing of Stock Exchange : 1) Madras Stock Exchange Limited  
The annual listing fee for the period  
1st April 2011 to 31st March 2012 has been paid.  
2) Bombay Stock Exchange Ltd.,  
25th Floor, P.J.Towers  
Dalal Street, Mumbai - 400 001.
- e. Stock Code - Physical : "JEYSUG" on Madras Stock Exchange Ltd.,  
**Bombay Stock Exchange Ltd.,**  
"JEYPORESUGAR" , CODE: 590054

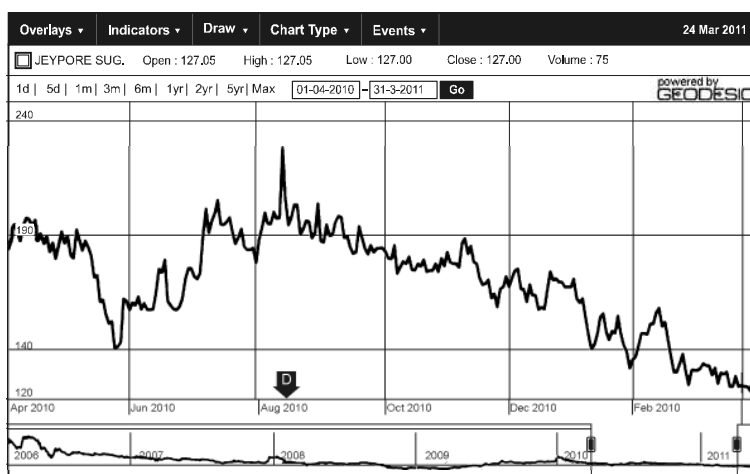
The Equity shares of the Company are listed on the Madras Stock Exchange Ltd., and are permitted to be traded in the "BSE Indo Next" Segment of the Bombay Stock Exchange Ltd., which is a single trading platform for the eligible scrip listed at various regional stock exchanges. Under the said arrangement the said shares are not traded now on the Madras Stock Exchange Ltd., The prescribed listing fees have been paid to Madras Stock Exchange for the year.

**f. High / Low of market price**

| S.No | Month          | High Price (Rs.) | Low Price (Rs.) | Close Price (Rs.) |
|------|----------------|------------------|-----------------|-------------------|
| 1    | April 2010     | 211.00           | 182.00          | 188.85            |
| 2    | May 2010       | 197.40           | 141.25          | 164.00            |
| 3    | June 2010      | 185.00           | 160.00          | 178.05            |
| 4    | July 2010      | 220.35           | 167.00          | 180.30            |
| 5    | August 2010    | 239.50           | 179.00          | 189.80            |
| 6    | September 2010 | 205.00           | 178.30          | 186.80            |
| 7    | October 2010   | 209.00           | 171.10          | 179.05            |
| 8    | November 2010  | 197.30           | 159.00          | 174.50            |
| 9    | December 2010  | 184.65           | 156.00          | 170.00            |
| 10   | January 2011   | 173.45           | 134.95          | 134.95            |
| 11   | February 2011  | 164.00           | 127.70          | 127.70            |
| 12   | March 2011     | 138.00           | 121.90          | 131.25            |

## THE JEYPORE SUGAR COMPANY LIMITED

### The Jeypore Sugar Company Limited share price movement with BSE Sensex



- h. Depository Cum Share Transfer Registrars : Cameo Corporate Services Limited  
"Subramanian Building"  
No.1, Club House Road  
Chennai - 600 002.  
Tel: 28460390 : Fax: 28460129
- i. Share Transfer System : Share Transfer in physical form is normally effected within a maximum period of 30 days of receipt of the documents, if found in order. The share Transfer Committee approves all Share Transfers.

All requests for dematerialisation of shares are processed and the confirmation is given to the respective depositories i.e.National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with in 15 days.

#### j. Distribution of Shareholding as on March 31, 2011.

| S.No | Category         | No.of Holders | No of Shares | % of shareholding |
|------|------------------|---------------|--------------|-------------------|
| 1    | Upto - 5000      | 4060          | 354772       | 7.82              |
| 2    | 5001 - 10000     | 150           | 106428       | 2.35              |
| 3    | 10001 - 20000    | 59            | 85870        | 1.89              |
| 4    | 20001 - 30000    | 22            | 55592        | 1.23              |
| 5    | 30001 - 40000    | 12            | 42470        | 0.94              |
| 6    | 40001 - 50000    | 7             | 31508        | 0.69              |
| 7    | 50001 - 100000   | 13            | 91543        | 2.02              |
| 8    | 100001 and above | 31            | 3766345      | 83.06             |
|      | Total            | 4354          | 4534528      | 100.00            |





**k. Category of Shareholding as on March 31, 2011**

| Category                        | No of shareholders | No of shares | % of Shareholding |
|---------------------------------|--------------------|--------------|-------------------|
| Indian Promoters                | 18                 | 2031133      | 44.79             |
| Banks & Financial Institutions  | 3                  | 501          | 0.01              |
| Insurance Companies             | 1                  | 30431        | 0.67              |
| Private Corporate Bodies        | 100                | 118265       | 2.61              |
| Overseas Corporate Bodies / NRI | 15                 | 1500751      | 33.10             |
| Others (HUF)                    | 77                 | 10013        | 0.22              |
| Indian Public                   | 4140               | 843434       | 18.60             |
| Total                           | 4354               | 4534528      | 100.00            |

**l. Dematerialisation of shares and liquidity:**

The Company shares were dematerialised as on 31st March, 2011, 16.29% of the paid-up Capital has been dematerialised.

m. Demat ISIN Number : INE180E01014.

n. The Company has never issued any GDRs/ADRs Warrants or any other convertible instruments

**o. Plant Locations**

**Products**

|   |   |
|---|---|
| VVS Sugars, Chagallu, West Godavari Dist. A.P.                | - Sugar                                   |
| VRK Sugars, Pothavaram, W.G. Dist. A.P.                       | - Sugar                                   |
| UNIT - II   |   |
| Distillery Division, Chagallu, W.G. Dist. A.P.                | - Rectified Spirit and Ethanol            |
| Distillery Unit, Jangareddygudem                              | - Rectified Spirit, Extra Neutral Alcohol |
| Distillery Unit, Rayagada, Orissa                             | - Rectified Spirit and IMFL               |
| Co-Generation unit at VRK Sugars, Pothavaram, W.G. Dist. A.P. | - Power                                   |
| Co-Generation unit, Chagallu, W.G. Dist. A.P.                 | - Power                                   |
| E M Division, Rayagada, Orissa                                | - Ferro Chrome/ Ferro Manganese           |

**p. Address for Correspondence**

Shareholders' correspondence should be addressed to our Share Transfer Registrars.

Cameo Corporate Services Limited  
"Subramanian Building"  
No.1, Club House Road  
Chennai - 600 002.  
Tel: 28460390 : Fax: 28460129

**THE JEYPORE SUGAR COMPANY LIMITED**

**AUDITORS' REPORT**

**TO  
THE SHAREHOLDERS OF  
THE JEYPORE SUGAR COMPANY LIMITED  
CHENNAI**

We have audited the attached Balance Sheet of THE JEYPORE SUGAR COMPANY LIMITED, as at 31st March 2011, its Profit and Loss Account for the year ended on that date annexed thereto, and its cash-flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books;
- c. The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Profit and Loss account and the Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011,
  - ii. In the case of the Profit and Loss Account, of the Loss for the year ended on that date,
  - iii. In the case of the cash-flow statement, of the cash-flows of the company for the year ended on that date

Place: Chennai  
Date: 31.5.2011

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd) K. RAJAJ**  
ICAI Memb. No.202309  
Partner



**Annexure referred to in paragraph 3 of our report of even date,**

- 1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except at its Rayagada units.
  - 1.1 According to the information and explanations furnished to us, the company has physically verified its fixed assets at VVS Sugars and Distillery units in Chagallu during the year. We have been informed that the company has adopted a phased programme of verification of its fixed assets which in our opinion is reasonable having regard to the size of the company and nature of its assets.
  - 1.2 According to the information and explanations furnished to us, the company has not disposed of a substantial part of its fixed assets during the year, as to affect the going concern assumption in preparing the financial statements under report.
  - 2.1 According to the information and explanations furnished to us, the company has under a perpetual inventory verification programme, physically verified its inventories at VVS Sugars and Distillery units in Chagallu during the year. In our opinion, the frequency and extent of such verification is reasonable.
  - 2.2 In our opinion, the procedures of physical verification of inventories followed by the management, to the extent of the verification carried out, are reasonable and adequate in relation to the size of the company and the nature of its business.
  - 2.3 According to the information furnished to us, the company is maintaining proper records of its inventory, and the discrepancies noticed on verification between the physical stocks, to the extent verified during the year, and the book records were not material, and have been properly dealt with in the books of account.
  - 3.1 According to the information and explanations furnished to us, the company has not granted any loans to any parties covered by the register maintained under Section 301 of the Companies Act 1956, and consequently reporting under sub-clauses b, c and d of clause 4(iii) of the Order does not arise during the year.
  - 3.2 According to the information and explanations furnished to us, the company has accepted deposits in terms of Section 58A of the Companies Act 1956 aggregating to Rs.7,69,50,000/- from 6 directors and Rs.1,44,15,000/- from 3 relatives of directors and Rs.93,63,000/- from 2 companies controlled by the key managerial personnel, covered by the register maintained under Section 301 of the Companies Act 1956.
  - 3.3 In our opinion, the rate of interest and other terms and conditions on which loans have been taken by the company from companies, firms or other parties covered by the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
  - 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated, on the loans taken by it from the persons covered by the register maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Further, during the course of our audit, we have not come across any instances of major weaknesses in internal control that require correction and have so continued without correction.
- 5.1 Based on the information and explanations given to us, we are of the opinion that the transactions that are required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- 5.2 In our opinion and according to the information and explanations given to us, the transactions which have been entered into, pursuant to contracts that have been entered in the register maintained under Section 301 of the Companies Act 1956, have been made at prices and terms which are reasonable

**THE JEYPORE SUGAR COMPANY LIMITED**

having regard to prevailing market prices at the relevant time, and other terms and conditions in the context of such transactions.

6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 58A and 58AA and other applicable provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A and 58AA of the Companies Act 1956.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the company at its sugar, Distillery and Electric power co-generation units pursuant to the Rules made by the Central Government for the maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out a detailed audit of the same.
- 9.1 According to the information furnished to us, the company has been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it; and the following undisputed statutory dues were in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

| Name of the statute                          | Nature of the dues        | Amount Rs. | Period to which the amount relates | Due date                | Date of payment |
|--|---------------------------|------------|------------------------------------|-------------------------|-----------------|
| A.P.Non-Agricultural Land Assessment Tax Act | Non-Agricultural Land Tax | 2,72,115   | 1978-79 to 1987-88                 | 30th June, of each year | -               |

- 9.2 According to the information furnished to us, the following amounts of Sales Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, Service Tax have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report

| S.No | Nature of the dues and period to which dispute relates | Name of Statute           | Disputed Amount (amount paid under protest)   | Pending before     |
|------|--|---------------------------|---|--------------------|
| 1    | Sales Tax 1995-96                                      | Orissa Sales Tax Act.1947 | 2,00,21,670<br>(80,00,000 paid under protest) | High Court, Orissa |
| 2    | Sales Tax 1995-96 & 1996-97                            | Orissa Sales Tax Act.1947 | 3,11,662<br>(2,10,000 paid under protest)     | STAT, Orissa       |
| 3    | Income Tax Asst Yr 2006-07                             | Income Tax Act, 1961      | 15,66,243(15,66,243 paid under protest)       | High Court of AP   |
| 4    | Income Tax Asst Yr 2007-08                             | Income Tax Act, 1961      | 44,74,986<br>(44,74,986 paid under protest)   | ITAT, Vizag        |



- 10 According to the information and explanations furnished to us, the company had no accumulated losses at the end of the financial year under report. However, the company incurred cash losses during the financial year under report.
- 11 According to the information and explanations furnished to us by the company, the company made considerable delays during the year in repayment of its dues to banks. However, the company made default in repayment of amounts aggregating to Rs.3.61 crores which are pending for remittance as on 31.3.2011. Against the said dues, an amount of Rs.82.34 lacs was paid subsequently till the date of our report.
- 12 According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
- 13 In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
- 14 According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15 In our opinion based on the information furnished to us, the guarantees given by the company for loans taken by its cane-growers from banks are not prima-facie prejudicial to the interests of the company.
- 16 In our opinion, and according to the information and explanations furnished to us, the term loans taken by the company have been applied for the purposes for which they were raised.
- 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, and the pattern of application of funds considering the internal accruals of the company, we report that no funds raised on short term basis have been used for long term investment.
- 18 According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, or to any others.
- 19 According to the information and explanations given to us, the company has not issued any debentures during the year under report.
- 20 The company has not raised any moneys through public issue of its securities during the year, and the question of end use of such moneys does not arise during the year.
- 21 During the course of our examination of the accounts of the company in accordance with the generally accepted auditing practices, we have not come across any instances of fraud on or by the company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

Place: Chennai  
Date: 31.05.2011

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For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd) K. RAJAJ**  
ICAI Memb. No.202309  
Partner

**THE JEYPORE SUGAR COMPANY LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2011**

| <b>PARTICULARS</b>                                   | <b>SCHEDULE</b> | <b>31-03-2011<br/>Rs.</b> | <b>31-03-2010<br/>Rs.</b> |
|--|-----------------|---------------------------|---------------------------|
| <b>I. SOURCES OF FUNDS</b>                           |                 |                           |                           |
| <b>1. Shareholders' funds:</b>                       |                 |                           |                           |
| a) Capital   | A               | <b>4,53,45,280</b>        | 4,53,45,280               |
| b) Reserves and Surplus                              | B               | <b>61,13,04,358</b>       | 70,38,25,966              |
|  |                 | <b>65,66,49,638</b>       | 74,91,71,246              |
| <b>2. Loan funds:</b>                                |                 |                           |                           |
| a) Secured Loans                                     | C               | <b>293,61,75,403</b>      | 270,61,13,659             |
| b) Unsecured Loans                                   | D               | <b>23,14,67,600</b>       | 17,14,40,800              |
|  |                 | <b>316,76,43,003</b>      | 287,75,54,459             |
| <b>3. Deferred tax (See Note No.19)</b>              |                 |                           |                           |
| a) Liability   |                 | <b>11,92,87,732</b>       | 13,67,51,636              |
| b) Less: Asset                                       |                 | <b>2,42,95,656</b>        | 1,92,89,342               |
|  |                 | <b>9,49,92,076</b>        | 11,74,62,294              |
| <b>TOTAL</b>   |                 | <b>391,92,84,717</b>      | 374,41,87,999             |
| <b>II. APPLICATION OF FUNDS</b>                      |                 |                           |                           |
| <b>1. Fixed assets :</b>                             |                 |                           |                           |
| a) Gross Block                                       | E               | <b>251,48,39,064</b>      | 248,00,69,768             |
| b) Less : Depreciation                               |                 | <b>125,78,12,136</b>      | 114,61,95,370             |
| c) Net Block   |                 | <b>125,70,26,928</b>      | 133,38,74,398             |
| d) Capital Work-in-progress                          |                 | <b>177,25,72,175</b>      | 161,67,41,884             |
| e) Unallocated Capital expenditure (See Note No. 17) |                 | <b>81,29,79,256</b>       | 57,26,04,564              |
|  |                 | <b>384,25,78,359</b>      | 352,32,20,846             |
| <b>2. Investments</b>                                | F               | <b>19,66,482</b>          | 19,66,482                 |
| <b>3. Current Assets, Loans and Advances</b>         |                 |                           |                           |
| a) Inventories                                       | G-1             | <b>207,72,47,698</b>      | 157,40,06,998             |
| b) Sundry Debtors                                    | G-2             | <b>12,96,81,316</b>       | 3,77,06,527               |
| c) Cash and Bank Balances                            | G-3             | <b>18,69,51,751</b>       | 12,39,25,645              |
| d) Other Current Assets                              | G-4             | <b>9,83,152</b>           | 4,23,493                  |
| e) Loans & Advances                                  | H               | <b>61,06,04,118</b>       | 52,60,13,580              |
|  |                 | <b>300,54,68,035</b>      | 226,20,76,243             |
| <b>Less : Current Liabilities and Provisions</b>     |                 |                           |                           |
| a) Liabilities                                       | I-1             | <b>279,71,85,782</b>      | 188,47,06,594             |
| b) Provisions  | I-2             | <b>13,35,42,377</b>       | 15,83,68,978              |
|  |                 | <b>293,07,28,159</b>      | 204,30,75,572             |
| <b>NET CURRENT ASSETS</b>                            |                 | <b>7,47,39,876</b>        | 21,90,00,671              |
| <b>TOTAL</b>   |                 | <b>391,92,84,717</b>      | 374,41,87,999             |
| Statement on Accounting Policies                     | J               |                           |                           |
| Notes forming part of the Balance Sheet              | K               |                           |                           |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.5.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARAY RAMAKRISHNAN**  
Chairman cum Managing Director



## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

| PARTICULARS  | SCHEDULE | 2010-11<br>Rs.         | 2009-10<br>Rs.        |
|--|----------|------------------------|-----------------------|
| <b>INCOME :</b>  |          |                        |                       |
| Sale of Products - Gross   |          | 217,39,77,492          | 247,34,70,154         |
| Less: Excise Duty Collected  |          | <u>6,95,63,942</u>     | <u>8,59,30,236</u>    |
| Sale of Products - Net   |          | 210,44,13,550          | 238,75,39,918         |
| Other Income   | 1        | 83,47,798              | 78,59,206             |
| Increase/(Decrease) in Stocks  | 2        | <u>49,55,64,210</u>    | <u>(-)9,14,62,554</u> |
|  |          | <u>260,83,25,558</u>   | <u>230,39,36,570</u>  |
| <b>EXPENDITURE :</b>   |          |                        |                       |
| Raw Materials Consumed   |          | 161,23,56,595          | 110,69,61,031         |
| Payments and Benefits to employees   | 3        | 19,96,21,197           | 18,97,00,561          |
| Manufacturing and other expenses   | 4        | 48,99,67,317           | 34,24,52,279          |
| Rates and Taxes  | 5        | 6,16,41,134            | 4,60,19,947           |
| Interest   |          | 24,89,02,185           | 23,33,44,180          |
| Depreciation   |          | 11,08,42,090           | 11,09,28,885          |
|  |          | <u>272,33,30,518</u>   | <u>202,94,06,883</u>  |
| <b>Profit/(Loss) for the year</b>  |          | <b>(-)11,50,04,959</b> | 27,45,29,687          |
| Less: Provision for Income-tax   |          | <u>-</u>               | <u>9,00,00,000</u>    |
|  |          | <b>(-)11,50,04,959</b> | 18,45,29,687          |
| Add: Excess provision of Income-tax of earlier years                                 |          | 13,133                 | -                     |
| Deferred Tax (Credit)  |          | <u>2,24,70,218</u>     | <u>79,62,520</u>      |
| Profit/(Loss) after Tax  |          | <b>(-)9,25,21,608</b>  | 19,24,92,207          |
| Add: Balance of profit brought forward from last year                                |          | <u>10,15,40,581</u>    | <u>3,54,86,656</u>    |
| Net Profit available for appropriation   |          | <b>90,18,973</b>       | 22,79,78,863          |
| <b>APPROPRIATIONS :</b>  |          |                        |                       |
| Transfer to General Reserve  |          | -                      | 10,00,00,000          |
| Proposed Dividend  |          | -                      | 2,26,72,640           |
| Tax on Dividend  |          | <u>-</u>               | <u>37,65,642</u>      |
| <b>Surplus carried forward to Balance Sheet</b>                                      |          | <b>90,18,973</b>       | 10,15,40,581          |
| Basic and Diluted Earning Per Share<br>(Profit/(Loss) after tax/No.of equity shares) |          | <b>(-)20.40</b>        | 42.45                 |
| Statement on Accounting Policies   | J        |                        |                       |
| Notes forming part of Profit and Loss Account  | K        |                        |                       |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.5.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

**THE JEYPORE SUGAR COMPANY LIMITED**

**Schedules annexed to and forming part of the Balance Sheet as at 31 st March, 2011**

**SHARE CAPITAL** **SCHEDULE "A"**

| PARTICULARS  | AS AT<br>31-03-2011<br>Rs. | AS AT<br>31-03-2010<br>Rs. |
|--|----------------------------|----------------------------|
| <b>Authorised :</b>  |                            |                            |
| 3,00,000 - 15% Cumulative Preference Shares of Rs.100/- each | 3,00,00,000                | 3,00,00,000                |
| 70,00,000 - Equity Shares of Rs.10/- each                    | <u>7,00,00,000</u>         | <u>7,00,00,000</u>         |
|  | <u>10,00,00,000</u>        | <u>10,00,00,000</u>        |
| <b>Issued :</b>  |                            |                            |
| 45,47,256 - Equity Shares of Rs.10/- each                    | <u>4,54,72,560</u>         | <u>4,54,72,560</u>         |
| <b>Subscribed and Paid up :</b>                              |                            |                            |
| 45,34,528 - Equity Shares of Rs.10/- each                    | <u>4,53,45,280</u>         | <u>4,53,45,280</u>         |
| See Note No.1 of Notes forming part of accounts              |                            |                            |

**RESERVES AND SURPLUS** **SCHEDULE "B"**

| PARTICULARS                                      | 31-03-2010<br>Rs.   | Added / Adjusted<br>During<br>The Year<br>Rs. | Withdrawals/<br>Adjustments<br>during the year<br>Rs. | 31-03-2011<br>Rs.   |
|--|---------------------|---|---|---------------------|
| Depreciation Reserve                             | 29,89,342           | -   | -   | 29,89,342           |
| Investment Allowance Reserver(Utilised)          | 32,35,000           | -   | -   | 32,35,000           |
| General Reserve                                  | 48,43,18,663        | -   | -   | 48,43,18,663        |
| Capital Reserve - State Investment Subsidy       | 8,08,292            | -   | -   | 8,08,292            |
| Capital Reserve - Subsidy for Bio Gas            |                     |   |   |                     |
| Power Plant At Distillery                        | 80,00,000           | -   | -   | 80,00,000           |
| Capital Redemption Reserve                       | 14,45,000           | -   | -   | 14,45,000           |
| Capital Reserve - Profit on Forfeiture of Shares | 65,917              | -   | -   | 65,917              |
| Revaluation Reserve                              | 3,01,466            | -   | -   | 3,01,466            |
| Share Premium                                    | 10,11,21,705        | -   | -   | 10,11,21,705        |
| Surplus in Profit and Loss Account               | <u>10,15,40,581</u> | -   | -   | <u>90,18,973</u>    |
|  | <u>70,38,25,966</u> |   |   | <u>61,13,04,358</u> |




**SECURED LOANS**
**SCHEDULE 'C'**

| PARTICULARS  | 31-03-2011<br>Rs.           | 31-03-2010<br>Rs.           |
|--|-----------------------------|-----------------------------|
| <b>I. TERM LOANS (LONG TERM):</b>  |                             |                             |
| 1) Term Loans from Banks   |                             |                             |
| a) For financing New Sugar Plant at Pothavaram   | <b>172,31,74,579</b>        | 162,10,89,956               |
| b) Term Loans from Banks against hypothecation of specific assets purchased thereunder       | -                           | 11,96,865                   |
| c) Under "Scheme for Extending Financial Assistance to Sugar Units 2007"                     | <b>9,63,08,435</b>          | 17,62,97,432                |
| <b>II. SHORT TERM LOANS:</b>   |                             |                             |
| a) Working Capital Loans from Banks  | <b>86,66,60,479</b>         | 90,74,97,496                |
| b) Term Loan from a bank   | <b>25,00,00,000</b>         | -                           |
| <b>III. OTHER LOANS:</b>   |                             |                             |
| a) From the Orissa State Government on the mortgage of Industrial Housing Colony at Rayagada | <b>31,910</b>               | 31,910                      |
|  | <b><u>293,61,75,403</u></b> | <b><u>270,61,13,659</u></b> |

Note :

- i) The Loan under I (a) is secured by first charge on the fixed assets of the company both present and future (Excluding assets of the Chagallu distillery and land at Chennai, Tudyalur, Coimbatore and Rayagada) charged on pari-passu basis with participating lenders and proportionate share on the escrow amount receivable from APTRANSCO, both present and future.
- ii) The Loan under I (c) is secured by way of hypothecation of Stocks of Sugar, Molasses, Stores and Spares and is collaterally secured by second paripassu charge on block of assets of Chagallu Unit.
- iii) Loans under II (a) above are secured by way of hypothecation of inventories and second paripassu charge on fixed assets of chagallu units amongst the working capital consortium lenders to chagallu sugar division.
- iv) Loan under II (b) is secured by way of equitable mortgage of land situated at Rayagada and further collaterally secured on land belonging to Chairman cum Managing Director.
- v) All the above loans are guaranteed, jointly and severally, by the Chairman cum Managing Director and Executive Director in their individual capacities.
- vi) Long term loans includes amount of Rs.4811 lakhs due for repayment in next year.

**THE JEYPORE SUGAR COMPANY LIMITED**

**UNSECURED LOANS**

**SCHEDULE 'D'**

| <b>PARTICULARS</b>  | <b>31-03-2011<br/>Rs.</b> | <b>31-03-2010<br/>Rs.</b> |
|---|---------------------------|---------------------------|
| <b>1. Fixed deposits</b>                                      |                           |                           |
| a) From Directors   | <b>7,69,50,000</b>        | 5,89,50,000               |
| b) From Others  | <b>5,97,97,000</b>        | 5,65,95,000               |
| c) Inter Corporate Deposits                                   | <b>93,63,000</b>          | 93,63,000                 |
|   | <b>14,61,10,000</b>       | 12,49,08,000              |
| 2. Term loan from Govt.of India out of Sugar development Fund | <b>4,37,50,000</b>        | -                         |
| 3. Trade Deposits   | <b>4,16,07,600</b>        | 4,65,32,800               |
|   | <b>23,14,67,600</b>       | 17,14,40,800              |

Note: The above includes Rs.622 lakhs due for repayment in next year.



| Schedule of Fixed Assets annexed to and forming part of the Balance Sheet as at 31st March, 2011 |   |                        |                               |                                |                        |                                  |                                      |                                |                                      |                      |                      |              |  |
|--|---|------------------------|-------------------------------|--------------------------------|------------------------|----------------------------------|--------------------------------------|--------------------------------|--------------------------------------|----------------------|----------------------|--------------|--|
| "SCHEDULE - E"   |   |                        |                               |                                |                        |                                  |                                      |                                |                                      |                      |                      |              |  |
| DEPRECIATION   |   |                        |                               |                                |                        |                                  |                                      |                                |                                      |                      |                      |              |  |
| SL. No   | NAME OF THE ASSET   | GROSS BLOCK            |                               |                                |                        |                                  |                                      | DEPRECIATION                   |                                      |                      |                      | NET BLOCK    |  |
|  |   | COST UPTO 31-03-10 Rs. | ADDITIONS DURING THE YEAR Rs. | DEDUCTIONS DURING THE YEAR Rs. | COST UPTO 31-03-11 Rs. | DEPRECIATION UPTO 31-03-2010 Rs. | DEPRECIATION FOR THE YEAR NORMAL Rs. | DEPRECIATION ON DEDUCTIONS Rs. | TOTAL DEPRECIATION UPTO 31-03-11 Rs. | AS AT 31-03-2011 Rs. | AS AT 31-03-2010 Rs. |              |  |
| 1  | INTANGIBLE ASSETS   | 5,74,58,900            | -                             | -                              | 5,74,58,900            | 5,32,13,580                      | 42,45,320                            | -                              | 5,74,58,900                          | -                    | -                    | 42,45,320    |  |
| 2  | LANDS   | 29,43,54,845           | -                             | -                              | 29,43,54,845           | -                                | -                                    | -                              | -                                    | -                    | 29,43,54,845         | 29,43,54,845 |  |
| 3  | FACTORY BUILDINGS   | 11,23,46,810           | 48,93,298                     | -                              | 11,72,40,108           | 5,55,85,014                      | 58,55,779                            | -                              | 6,14,40,793                          | 5,57,99,315          | 5,67,61,796          |              |  |
| 4  | NON-FACTORY BUILDINGS   | 10,92,89,906           | 33,018                        | -                              | 10,93,22,924           | 4,07,87,168                      | 34,58,156                            | -                              | 4,42,45,324                          | 6,50,77,600          | 6,85,02,737          |              |  |
| 5  | PLANT & MACHINERY   | 1,76,20,55,220         | 1,98,51,340                   | -                              | 1,78,19,06,560         | 88,87,67,767                     | 8,88,52,729                          | -                              | 97,76,16,996                         | 80,42,89,564         | 87,32,90,902         |              |  |
| 6  | TEMPORARY STRUCTURES  | 12,19,459              | -                             | -                              | 12,19,459              | 12,19,459                        | -                                    | -                              | 12,19,459                            | -                    | -                    |              |  |
| 7  | RAILWAY SIDINGS   | 1,85,094               | -                             | -                              | 1,85,094               | 1,84,681                         | 57                                   | -                              | 1,84,738                             | 356                  | 413                  |              |  |
| 8  | WEIGHBRIDGES & SCALES   | 60,29,675              | -                             | -                              | 60,29,675              | 30,07,203                        | 4,20,429                             | -                              | 34,27,630                            | 26,02,045            | 30,22,473            |              |  |
| 9  | WATER WORKS   | 2,36,85,460            | -                             | -                              | 2,36,85,460            | 2,05,93,249                      | 4,70,249                             | -                              | 2,19,63,498                          | 26,21,962            | 30,92,211            |              |  |
| 10   | WORKSHOP EQUIPMENTS   | 37,87,101              | -                             | -                              | 37,87,101              | 34,62,002                        | 48,656                               | -                              | 35,10,658                            | 2,76,443             | 3,25,098             |              |  |
| 11   | COMPUTER EQUIPMENTS   | 1,68,39,317            | 24,44,777                     | -                              | 1,92,84,094            | 1,40,38,678                      | 13,64,667                            | -                              | 1,54,03,345                          | 38,80,749            | 28,00,639            |              |  |
| 12   | TRANSPORT EQUIPMENTS  | 6,03,04,550            | -                             | -                              | 6,03,04,550            | 4,08,01,897                      | 53,85,931                            | -                              | 4,61,87,828                          | 1,41,16,722          | 1,95,02,653          |              |  |
| 13   | LIBRARY   | 36,867                 | -                             | -                              | 36,867                 | 36,806                           | 7                                    | -                              | 36,813                               | 55                   | 62                   |              |  |
| 14   | LABORATORY EQUIPMENTS   | 25,75,574              | -                             | 45,717                         | 25,29,857              | 13,63,163                        | 1,68,645                             | 39,485                         | 14,92,323                            | 10,37,534            | 12,12,410            |              |  |
| 15   | FURNITURES & FITTINGS   | 1,84,23,750            | 3,57,373                      | 34,400                         | 1,87,46,723            | 1,28,62,352                      | 8,78,109                             | 31,296                         | 1,37,09,165                          | 50,37,558            | 55,57,949            |              |  |
| 16   | MOLASSES TANKS  | 29,45,035              | -                             | -                              | 29,45,035              | 26,52,313                        | 44,874                               | -                              | 26,97,187                            | 2,47,848             | 2,92,722             |              |  |
| 17   | LIVE STOCK  | 5,221                  | -                             | -                              | 5,221                  | -                                | -                                    | -                              | -                                    | 5,221                | 5,221                |              |  |
| 18   | AGRICULTURAL IMPLEMENTS                                       | 13,53,093              | 72,69,650                     | -                              | 86,22,743              | 4,89,154                         | 4,83,044                             | -                              | 9,72,198                             | 76,50,545            | 8,63,938             |              |  |
| 19   | AGRICULTURAL FARMS  | 7,003                  | -                             | -                              | 7,003                  | -                                | -                                    | -                              | -                                    | 7,003                | 7,003                |              |  |
| 20   | Y2K COMPLIANT COMPUTERS SYSTEM INCLUDING APPLICATION SOFTWARE | 71,66,889              | -                             | -                              | 71,66,889              | 71,30,884                        | 14,402                               | -                              | 71,45,286                            | 21,603               | 36,005               |              |  |
|  | TOTAL   | 248,00,69,768          | 3,48,49,456                   | 80,117                         | 251,48,39,064          | 114,61,95,370                    | 11,16,91,054                         | 70,781                         | 125,78,12,136                        | 125,70,26,928        | 133,38,74,398        |              |  |
|  | LESS : DEPRECIATION CAPITALISED                               |                        |                               |                                |                        |                                  |                                      |                                |                                      |                      |                      |              |  |
|  | Total   |                        | 3,48,49,456                   | 80,117                         |                        | 114,61,95,370                    | 8,48,957                             | 70,781                         |                                      |                      |                      |              |  |
|  | PREVIOUS YEAR   | 242,77,31,904          | 5,34,81,545                   | 11,43,682                      | 248,00,69,768          | 103,47,84,988                    | 11,09,28,885                         | 6,35,495                       | 114,61,95,370                        | 133,38,74,398        | 139,29,46,946        |              |  |

**THE JEYPORE SUGAR COMPANY LIMITED**

| <b>INVESTMENTS</b>  | <b>SCHEDULE 'F'</b> |                   |
|---|---------------------|-------------------|
|   | <b>31-03-2011</b>   | <b>31-03-2010</b> |
| <b>PARTICULARS</b>  | <b>Rs.</b>          | <b>Rs.</b>        |
| <b>INVESTMENTS (AT COST)</b>  |                     |                   |
| <b>QUOTED</b>   |                     |                   |
| <b>(I) TRADE INVESTMENTS</b>  |                     |                   |
| <b>(a) SHARES IN COMPANIES</b>  |                     |                   |
| i) 2,78,370 Equity Shares of Rs.1/- each fully paid up in The K.C.P Ltd                             | <b>32,569</b>       | 32,569            |
| ii) 25,498 Equity Shares of Rs.10/- each fully paid up in Krishna Industrial Corporation Ltd        | <b>1,59,288</b>     | 1,59,288          |
| <b>II NON - TRADE INVESTMENTS</b>   |                     |                   |
| <b>(a) SHARES IN COMPANIES</b>  |                     |                   |
| i) 2,78,370 Equity Shares of Rs.1/ each fully paid up in K.C.P.Sugar and Industries Corporation Ltd | <b>32,568</b>       | 32,568            |
| ii) 100 Equity shares of Rs.10/- each fully paid up in Sakthi Sugars Limited                        | <b>935</b>          | 935               |
| iii) 100 Equity Shares of Rs. 10/- each fully paid up in Rajshree Sugars & Chmeicals Ltd            | <b>696</b>          | 696               |
| iv) 100 Equity Shares of Rs.10/-each fully paid up in Andhra Sugars Ltd.,                           | <b>2,725</b>        | 2,725             |
| v) 100 Equity Shares of Rs.10/-each fully paid up in Bannari Amman Sugars Ltd.,                     | <b>7,425</b>        | 7,425             |
| vi) 100 Equity Shares of Rs.10/-each fully paid up in Thiru Arooran Sugars Ltd.,                    | <b>5,567</b>        | 5,567             |
| vii) 1000 Equity Shares of Rs.1/-each fully paid up in Balrampur Chini Mills Ltd.,                  | <b>8,825</b>        | 8,825             |
| viii) 500 Equity Shares of Rs.10/- each fully paid up in Bank of Baroda                             | <b>42,500</b>       | 42,500            |



|   |                  |           |
|---|------------------|-----------|
| ix) 35,900 Equity Shares of Rs.10/- each fully paid up in Bank of India   | <b>16,15,500</b> | 16,15,500 |
| x) 1,800 Equity Shares of 10/- each fully paid up in Indian Overseas Bank | <b>18,000</b>    | 18,000    |

#### **UNQUOTED**

#### **NON-TRADE INVESTMENTS**

##### **(I) SHARES IN SUBSIDIARIES:**

|   |                  |           |
|---|------------------|-----------|
| 4,10,000/- Equity Shares of Rs. 10/- each fully paid-up in Jeypore Sugar Finance and Investment Corporation Ltd., | <b>41,00,000</b> | 41,00,000 |
|---|------------------|-----------|

##### **Others**

|  |                         |                  |
|--|-------------------------|------------------|
| i) National savings certificates   | <b>20,650</b>           | 20,650           |
| ii) 95 Shares of Rs.200/- each fully paid up in Nagavali Lift Irrigation Cooperative Society Ltd | <b>19,234</b>           | 19,234           |
|  | <b><u>60,66,482</u></b> | <u>60,66,482</u> |
| Less: Provision for diminution in Value  | <b>41,00,000</b>        | 41,00,000        |
|  | <b><u>19,66,482</u></b> | <u>19,66,482</u> |

#### **Note :**

|                                       |                    |             |
|---------------------------------------|--------------------|-------------|
| i. Aggregate of Quoted Investments    |                    |             |
| Cost                                  | <b>19,26,598</b>   | 19,26,598   |
| Market Value                          | <b>3,01,45,530</b> | 2,71,18,586 |
| ii. Aggregate of unquoted investments |                    |             |
| Cost                                  | <b>41,39,884</b>   | 41,39,884   |

**THE JEYPORE SUGAR COMPANY LIMITED**

**INVENTORIES (as certified by the management) SCHEDULE 'G-1'**

| <b>PARTICULARS</b>                    | <b>31-03-2011<br/>Rs.</b>   | <b>31-03-2010<br/>Rs.</b> |
|---------------------------------------|-----------------------------|---------------------------|
| Finished Goods                        | <b>181,25,65,629</b>        | 131,31,01,681             |
| Work-in-process                       | <b>3,85,11,570</b>          | 1,88,02,374               |
| Raw Materials                         | <b>1,51,78,798</b>          | 65,90,190                 |
| Stores and Spares                     | <b>9,37,68,807</b>          | 7,72,61,024               |
| Capital Stores                        | <b>11,39,28,485</b>         | 15,31,53,526              |
| Stores & Raw Materials in Transit     | <b>15,69,006</b>            | 36,03,644                 |
| Loose Tools                           | <b>3,13,127</b>             | 6,50,969                  |
| Crops under cultivation               | <b>11,07,384</b>            | 6,01,696                  |
| Stock of hundies, postage stamps etc. | <b>1,050</b>                | 2,022                     |
| Stock of Stationery                   | <b>3,03,842</b>             | 2,39,872                  |
|                                       | <b><u>207,72,47,698</u></b> | <u>157,40,06,998</u>      |

**SUNDRY DEBTORS SCHEDULE 'G-2'**

| <b>PARTICULARS</b>                                 | <b>31-03-2011<br/>Rs.</b>  | <b>31-03-2010<br/>Rs.</b> |
|--|----------------------------|---------------------------|
| Sundry Debtors (Unsecured, Considered good)        |                            |                           |
| a) Outstanding for a period exceeding six months : | <b>2,14,07,877</b>         | 1,90,66,805               |
| b) Other debts                                     | <b>10,82,73,439</b>        | 1,86,39,722               |
|  | <b><u>12,96,81,316</u></b> | <u>3,77,06,527</u>        |

**CASH AND BANK BALANCES SCHEDULE 'G-3'**

| <b>PARTICULARS</b>                              | <b>31-03-2011<br/>Rs.</b>  | <b>31-03-2010<br/>Rs.</b> |
|---|----------------------------|---------------------------|
| Cash on hand                                    | <b>9,17,312</b>            | 10,50,814                 |
| Balances with scheduled Banks : (See Note No 5) | <b>17,60,85,711</b>        | 11,47,38,261              |
| Cheques on hand                                 | <b>99,48,728</b>           | 81,36,570                 |
|   | <b><u>18,69,51,751</u></b> | <u>12,39,25,645</u>       |

**OTHER CURRENT ASSETS SCHEDULE 'G-4'**

| <b>PARTICULARS</b>                      | <b>31-03-2011<br/>Rs.</b> | <b>31-03-2010<br/>Rs.</b> |
|---|---------------------------|---------------------------|
| Interest accrued on Deposits with Banks | <b>9,83,152</b>           | 4,23,493                  |
|   | <b><u>9,83,152</u></b>    | <u>4,23,493</u>           |


**LOANS AND ADVANCES**
**SCHEDULE 'H'**

| PARTICULARS  | 31-03-2011<br>Rs.   | 31-03-2010<br>Rs.   |
|--|---------------------|---------------------|
| Advances (considered good, recoverable in cash or in kind or for value to be received) |                     |                     |
| Secured  | 55,865              | 55,865              |
| Unsecured  | 29,21,31,338        | 28,92,45,760        |
| (includes <b>Rs.62,750/-</b> (Rs.55,750/-) due from Subsidiary Company)                |                     |                     |
| Prepaid Expenses   | 1,11,93,479         | 97,83,105           |
| Deposits recoverable   | 1,46,24,528         | 1,17,43,182         |
| Income tax paid under protest  | 49,37,618           | 15,66,243           |
| Income tax deducted at source  | 8,19,371            | 6,23,719            |
| Income tax refund receivable   | 88,78,190           | 21,11,439           |
| Advance payment of Income tax  | 8,07,29,719         | 2,09,08,431         |
| Advance payment of Fringe Benefit Tax  | -                   | 16,02,801           |
| Sales tax paid under protest   | 1,17,056            | 1,17,056            |
| Advance payment of Value Added Tax   | 51,72,009           | 49,34,331           |
| Excise duty paid in advance  | 19,15,34,394        | 18,29,11,097        |
| Claims receivable  | 4,10,551            | 4,10,551            |
|  | <u>61,06,04,118</u> | <u>52,60,13,580</u> |

**CURRENT LIABILITIES**
**SCHEDULE - I - I**

| PARTICULARS                                       | 31-03-2011<br>Rs.    | 31-03-2010<br>Rs.    |
|---|----------------------|----------------------|
| Sundry Creditors:                                 |                      |                      |
| Due to Micro & Small Enterprises (See Note No.18) | 21,41,729            | 20,234               |
| Others  | 275,87,70,174        | 184,28,92,315        |
| Advances received against sales                   | 2,64,88,531          | 1,82,86,370          |
| Due to Managing Director & Executive Director     | -                    | 1,36,16,294          |
| Due to Other Directors                            | -                    | 12,25,000            |
| Unclaimed dividends*                              | 54,69,335            | 49,20,901            |
| Unclaimed Fixed Deposits                          | -                    | 75,000               |
| Unclaimed Interest on Fixed Deposits              | -                    | 22,953               |
| Interest accrued but not due on loans             | 43,16,013            | 36,47,527            |
|   | <u>279,71,85,782</u> | <u>188,47,06,594</u> |

\* None of these amounts is due to be credited to the Investor Education & Protection Fund

**THE JEYPORE SUGAR COMPANY LIMITED**

**PROVISIONS**

**SCHEDULE - I - 2**

| <b>PARTICULARS</b>                             | <b>31-03-2011<br/>Rs.</b>  | <b>31-03-2010<br/>Rs.</b>  |
|--|----------------------------|----------------------------|
| 1. Provsion for Income-Tax                     | <b>9,42,35,316</b>         | 9,51,56,600                |
| 2. Proposed dividend                           | -                          | 2,26,72,640                |
| 3. Provision for Tax on dividend               | -                          | 37,65,642                  |
| 4. Provision for Leave Encashment              | <b>1,03,78,396</b>         | 1,15,96,826                |
| 5. Provision for Gratuity (Net of Plan Assets) | <b>2,89,28,665</b>         | 2,51,77,270                |
|  | <b><u>13,35,42,377</u></b> | <b><u>15,83,68,978</u></b> |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)  
Place : Chennai  
Date : 31.5.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director





**SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT & LOSS ACCOUNT**

| <b>OTHER INCOME</b>                                     | <b>SCHEDULE '1'</b>     |                         |
|---|-------------------------|-------------------------|
| <b>Particulars</b>                                      | <b>2010-11<br/>Rs.</b>  | <b>2009-10<br/>Rs.</b>  |
| Rents received  | <b>7,61,844</b>         | 5,55,532                |
| Lease on Agricultural Lands                             | <b>1,63,550</b>         | 2,77,500                |
| Transport Charges Collected                             | <b>1,95,372</b>         | 2,11,500                |
| Interest Received                                       | <b>30,82,870</b>        | 30,61,986               |
| (TDS <b>Rs.1,95,652/-</b> -Previous Year Rs.2,88,326/-) |                         |                         |
| Dividends received from : Trade Investments             | <b>2,78,370</b>         | 3,03,868                |
| Others  | <b>4,75,678</b>         | 5,31,984                |
| Miscellaneous receipts                                  | <b>21,60,981</b>        | 18,54,203               |
| Profit on sale of assets                                | -                       | 12,080                  |
| Credit balances written back                            | <b>2,90,172</b>         | 8,63,371                |
| Claims Received   | <b>8,82,332</b>         | 1,51,208                |
| Provisions no longer required, credited back            | <b>56,629</b>           | 35,974                  |
|   | <b><u>83,47,798</u></b> | <b><u>78,59,206</u></b> |

**THE JEYPORE SUGAR COMPANY LIMITED**

**INCREASE / (DECREASE) IN STOCKS**

**SCHEDULE '2'**

| Particulars  | 2010-2011<br>Rs.     | 2009-2010<br>Rs.      |
|--|----------------------|-----------------------|
| <b>A) OPENING STOCK</b>                                      |                      |                       |
| Crops under cultivation                                      | 6,01,696             | 5,33,818              |
| Work in process  | 1,88,02,374          | 1,52,16,703           |
| Finished goods   | 131,31,01,681        | 143,82,95,157         |
|  | <u>133,25,05,751</u> | <u>145,40,45,678</u>  |
| <b>B) CLOSING STOCK</b>                                      |                      |                       |
| Crops under cultivation                                      | 11,07,384            | 6,01,696              |
| Work in process  | 3,85,11,570          | 1,88,02,374           |
| Finished goods   | 181,25,65,629        | 131,31,01,681         |
|  | <u>185,21,84,583</u> | <u>133,25,05,751</u>  |
| Increase/ (Decrease) of stocks before excise duty adjustment | 51,96,78,832         | (-)12,15,39,927       |
| Add/less: Variation of excise duty in stocks                 | (-)2,41,14,622       | 3,00,77,373           |
| Increase/ (Decrease) of stocks after excise duty adjustment  | <u>49,55,64,210</u>  | <u>(-)9,14,62,554</u> |

**PAYMENTS AND BENEFITS TO EMPLOYEES**

**SCHEDULE '3'**

| Particulars                                  | 2010-2011<br>Rs.    | 2009-2010<br>Rs.    |
|--|---------------------|---------------------|
| Salaries, Wages and Bonus                    | 16,43,40,911        | 15,50,86,482        |
| Company's contribution to P.F & E.P.F        | 1,24,72,105         | 1,17,02,613         |
| Workmen and Staff Welfare Expenses           | 1,08,21,129         | 88,43,501           |
| Incremental liability towards group gratuity | 1,19,87,052         | 82,35,657           |
| Voluntary Retirement Compensation amortised  | -                   | 58,32,308           |
|  | <u>19,96,21,197</u> | <u>18,97,00,561</u> |

**MANUFACTURING EXPENSES****SCHEDULE '4'**

| <b>Particulars</b>  | <b>2010-2011<br/>Rs.</b> | <b>2009-2010<br/>Rs.</b> |
|---|--------------------------|--------------------------|
| <b>MANUFACTURING EXPENSES</b>                             |                          |                          |
| Stores & Spares (including packing material)              | 11,26,54,986             | 6,81,93,307              |
| Power & Fuel  | 5,41,17,366              | 3,45,53,886              |
| Insurance   | 53,85,509                | 57,93,218                |
| Cane Development expenses                                 | 14,38,31,223             | 8,26,43,315              |
| Tools Written Off   | 3,40,514                 | 3,87,305                 |
| Repairs to Buildings                                      | 28,95,539                | 27,41,494                |
| Repairs to Machinery                                      | 9,19,67,842              | 6,85,95,880              |
| Repairs to Other Assets                                   | 83,23,960                | 73,61,033                |
| <b>(A)</b>  | <b>41,95,16,939</b>      | <b>27,02,69,438</b>      |
| <b>OTHER EXPENSES :</b>                                   |                          |                          |
| Cultivation Expenses                                      | 40,30,384                | 35,32,898                |
| Advertisement   | 10,35,924                | 5,15,662                 |
| Transport, freight, handling and other sale expenses      | 81,74,058                | 89,40,376                |
| Commission and Rebate on sales                            | 13,10,189                | 28,09,451                |
| Sampling and Analysis charges                             | 74,933                   | 41,100                   |
| Rent  | 5,81,850                 | 5,57,995                 |
| Directors' Sitting fee                                    | 12,80,000                | 12,40,000                |
| Remuneration to Managerial Personnel (Refer Note No. 7)   | 50,92,267                | 1,99,73,645              |
| Commission to Non Whole Time Directors (Refer Note No. 7) | -                        | 12,25,000                |
| Payments to Auditors (Refer Note No 8 )                   | 6,47,049                 | 6,42,146                 |
| Prior period adjustments                                  | 1,58,311                 | -                        |
| Miscellaneous expenses                                    | 4,77,34,809              | 3,20,50,419              |
| Loss on Sale of Assets                                    | 604                      | -                        |
| Assets Written Off  | -                        | 3,518                    |
| Donations   | 3,30,000                 | -                        |
| Bad Debts and irrecoverable advances written off          | -                        | 6,50,631                 |
| <b>(B)</b>  | <b>7,04,50,378</b>       | <b>7,21,82,841</b>       |
| <b>(A+B)</b>  | <b>48,99,67,317</b>      | <b>34,24,52,279</b>      |

**THE JEYPORE SUGAR COMPANY LIMITED**

| <b>Taxes and Duties</b>   | <b>Schedule '5'</b>       |                           |
|---------------------------|---------------------------|---------------------------|
| <b>Particulars</b>        | <b>31-03-2011<br/>Rs.</b> | <b>31-03-2010<br/>Rs.</b> |
| Purchase tax on Sugarcane | <b>5,17,92,503</b>        | 3,56,02,825               |
| Rates and Taxes           | <b>98,48,631</b>          | 1,04,17,122               |
|                           | <b><u>6,16,41,134</u></b> | <u>4,60,19,947</u>        |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)  
Place : Chennai  
Date : 31.5.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director



## SCHEDULE 'K'

### STATEMENT ON ACCOUNTING POLICIES

#### 1. GENERAL :

Financial statements are prepared under the historical cost convention and in accordance with the generally accepted accounting practices.

#### 2. FIXED ASSETS :

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, incidental expenses relating to the cost of acquisition, and the cost of installation/erection as applicable and interest on borrowings till date of the commissioning of the Assets.

MODVAT availed, if any during the year on fixed assets is reduced from the cost of such fixed assets capitalised during the year.

#### 3. BORROWING COSTS :

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are capitalized as part of cost of such assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 4. DEPRECIATION :

Depreciation is written off in accordance with the provisions of schedule XIV of the Companies Act, 1956, read with Circular No.1 of 1986 dated 21-5-1986 issued by the Company Law Board. Depreciation in respect of Plant & Machinery at Cogeneration unit, VVS Sugars, Chagallu and Distillery Division at Chagallu is written off under straight-line method and in respect of all other assets under written down value method.

Intangibles arising on acquisition of Chagallu Distillery are written off over a period of 10 years.

#### 5. INVENTORIES :

- a) Finished goods are valued at lower of cost or market value, product wise.
- b) Molasses, a by-product, is valued at the ruling market price.
- c) Work-in-progress, Raw materials, Stores and Spares, Materials in transit are valued at cost except where net realizable value of the finished goods they are used in is less than the cost of finished goods and in such an event, if the replacement cost of such materials etc., is less than book values, they are valued at replacement cost.
- d) Scrap is valued at estimated realizable price.
- e) Agricultural produce is valued at market price.
- f) The Additional Cane Price payable for a season on the basis of "L" factor will be accounted for in the year in which the "L" factor is announced by the Central Government.

## **THE JEYPORE SUGAR COMPANY LIMITED**

### **6. INVESTMENTS:**

Investments unless otherwise stated are long term holdings and are stated at cost. Income from dividend if any thereon is accounted for accrual.

### **7. SALES :**

- a) Sales are inclusive of Excise Duty recovered and net of discounts and rebates.
- b) Sales tax collected from customers and remitted to the authorities is not reflected in the Profit & Loss Account. On completion of the sales tax assessments, the net liability, if any, payable by the company, is charged to the Profit and Loss Account.

### **8. EMPLOYEE BENEFITS:**

- a) Company's contributions to Employee's Provident fund and Employee State Insurance are made under a Defined Contribution Plan, and are accounted for at actual cost in the year of accrual.
- b) The company's liability to gratuity on retirement of its eligible employees is funded with the Life Insurance Corporation of India through an approved trust, under a Defined Benefit Plan. The incremental expense thereon for each year is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which the employee has rendered service.
- c) Expense on account of unutilized \ unencashed leave is arrived at as per actuarial valuation and is recognized and charged to the Profit and Loss Account in the year in which employee has rendered services in lieu of such leave.
- d) Gains \ losses arrived at in the above actuarial valuations are charged to the Profit and Loss account immediately in each year.

### **9. FOREIGN EXCHANGE TRANSACTIONS :**

- a) Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction, and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year.
- b) At each Balance Sheet date
  - 1 foreign currency monetary items are reported using the rate of exchange on that date
  - 1 foreign currency non-monetary items are reported using the exchange rate at which they were initially recognized
- c) In respect of forward exchange contracts in the nature of hedges
  - 1 Premium or discount on the contract is amortized over the term of the contract,
  - 1 Exchange differences on the contract are recognized as profit or loss in the period in which they arise



## **10. IMPAIRMENT OF ASSETS**

At the date of each Balance Sheet, the company evaluates internally, indications of the impairment if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

## **11. CONTINGENT LIABILITIES**

Contingent liabilities are not recognized in the accounts, but are disclosed after a careful evaluation of the concerned facts and legal issues involved.

## **12. TAXATION**

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation as per tax laws are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realization.

**NOTES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT**

1. Out of the Subscribed and Paid up Capital of 45,34,528 Equity shares, 45,452 shares were allotted as fully paid up pursuant to a contract without payment being received in cash, and 9,05,286 shares were allotted as fully paid up by way of Bonus shares by capitalisation of reserves.
2. Under the provisions of the Orissa Land Reforms Act, 1960, the Revenue Officer has declared the agricultural lands owned by company to an extent of Acres 488.76 as surplus under sec.44(1) of the said Act. No provision is made in the accounts for the probable loss in this matter, pending final legal decision in the appeal preferred by the company against the said declaration.

**3. CONTINGENT LIABILITIES**

- a) No provision has been made in the Accounts towards demands raised on the company's Ferromanganese unit at Rayagada by the ORISSA STATE ELECTRICITY BOARD as the said demands are pending in dispute before the Grievance Redresal Forum constituted under the Indian Electricity Act, in respect of the following periods.

1979-80 to 1983-84

**Rs.10,87,318**

July'91 to Sep'91

**Rs.71,90,737**

In addition to the above, the Electricity Board also demanded Delayed payment surcharge on the above arrears, amounting to Rs.8,30,945/- which is also under dispute and hence not provided for. Of the said amount, an amount of Rs.50,93,079/- is paid under protest and grouped under Loans and advances.

- b) The company has received demands from the Orissa State Sales tax department for Rs.2,00,21,670/- towards sales tax on some of its assets sold in the year ending 31st March, 1996. As per the contract, the above sales tax liability is to be borne by the buyer. Hence no provision is considered necessary in the books of the company for the said demand. As per the directions of the High Court, the buyer has paid a sum of Rs.50.00 lakhs under protest and the company(seller) was directed to pay under protest an additional sum of Rs.50 lakhs in instalments. Accordingly the company has so far paid a sum of Rs. 30 lakhs and the same is included under loans and advances.
- c) Contracts remaining to be executed on capital account and not provided for Rs.658.55 lakhs (Rs.1224.69 lakhs)
- d) Claims against the company not acknowledged as debts towards:

|   | <b>31/03/11</b>    | <b>31/03/10</b> |
|---|--------------------|-----------------|
|   | <b>Rs.</b>         | <b>Rs.</b>      |
| i) Differential cane price                                  | <b>8,30,81,082</b> | 8,30,81,082     |
| ii) Electricity Duty etc (Rs.2,75,000/- paid under protest) | <b>3,43,85,046</b> | 3,00,50,169     |
| iii) Income-tax   | <b>44,74,986</b>   | 4,32,26,352     |
| iv) Salestax (Rs.6,92,492/- paid under protest)             | -                  | 6,92,492        |
| v) Others (Rs. 57,000/- paid under protest)                 | <b>2,43,555</b>    | 2,43,555        |





The above amounts paid under protest pursuant to the orders of the Appellate Authorities have been included in Loans and Advances.

4. Guarantees worth **Rs.7,63,45,600/-** (Rs.7,82,52,245/-) executed by Banks on behalf of the company are secured by counter guarantees given to them by the company and its Managing Director and Executive director in their individual capacities.
5. Balances with Scheduled Banks comprise Deposits :

|  | <b>31-03-2011</b>          | 31-03-2010          |
|--|----------------------------|---------------------|
|  | <b>Rs.</b>                 | Rs.                 |
| a) Towards Unclaimed Dividends   | <b>54,82,806</b>           | 49,34,372           |
| b) Earmarked under Companies<br>(Acceptance of Deposits) Rules 1975  | <b>51,52,946</b>           | 48,49,150           |
| c) In margin deposit accounts, receipts relating<br>to which are lodged with the bankers as security<br>against guarantees issued by them. | <b>1,31,17,120</b>         | 6,01,88,850         |
| d) In Current Accounts   | <b>15,23,32,839</b>        | 4,47,65,889         |
|  | <b><u>17,60,85,711</u></b> | <u>11,47,38,261</u> |

- 6) Balances in various parties' accounts as per the books of the company are subject to confirmation by and reconciliation with the concerned parties. In the opinion of Board of Directors, the current assets, loans and advances have a value on realisation in the ordinary course of business atleast equal to the amount at which these are stated.

**THE JEYPORE SUGAR COMPANY LIMITED**

**7. Details of Remuneration to Directors :**

**COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 349 OF THE COMPANIES ACT, 1956.**

|   | Rs.              | Rs.                 |
|---|------------------|---------------------|
| <b>Net Loss for the year as per Profit and Loss Account</b> |                  | <b>11,50,04,959</b> |
| <b>Less : Remuneration to Director</b>                      | <b>50,92,267</b> |                     |
| <b>Directors sitting fee</b>                                | <b>12,80,000</b> | <b>63,72,267</b>    |
| <b>Net loss carried forward to next year</b>                |                  | <b>10,86,32,692</b> |

**Details of Remuneration to Managing Director and Executive Director  
(As minimum remuneration for this year)**

|                                | Managing director |             | Executive director |           |
|--------------------------------|-------------------|-------------|--------------------|-----------|
|                                | 31.3.2011         | 31.3.2010   | 31.3.2011          | 31.3.2010 |
| Salary                         | 45,46,667         | 42,00,000   | -                  | 24,00,000 |
| Contribution to Provident Fund | 5,45,600          | 5,04,000    | -                  | 2,88,000  |
| Commission                     | -                 | 77,79,528   | -                  | 48,02,117 |
|                                | <b>50,92,267</b>  | 1,24,83,528 | -                  | 74,90,117 |

Note: a) In the absence of adequate profits u/s 349, only minimum remuneration has been paid to the Managing Director as per the terms of appointment and thereby no commission arises. Further in the absence of profit, no commission arises to non-whole time directors.

b) In view of delays in repayment of dues to banks during the financial year 2008-09, being the year prior to the date of appointment of executive director and in the absence of approval of Central government, remuneration has not been drawn during the financial year 2010-2011.



### 8. Payments to auditors Comprise:

| Particulars  | This year<br>Rs. | Previous year<br>Rs. |
|--|------------------|----------------------|
| a. For Statutory Audit   | 2,20,600         | 2,20,600             |
| b. For Tax Audit and other Tax matters                           | 88,240           | 1,37,875             |
| c. For Certification of Statements, including limited review etc | 2,97,810         | 2,48,175             |
| d. Reimbursement of out of pocket expenses                       | 14,899           | 20,496               |
| e. Audit Fee to Cost Auditor                                     | 15,000           | 15,000               |
| f. Certification fees to cost auditor                            | 10,500           | -                    |
|  | <u>6,47,049</u>  | <u>6,42,146</u>      |

### 9. Interest paid includes :

|  |                     |              |
|--|---------------------|--------------|
| i) On fixed loans excluding <b>Rs.20,02,10,655/-</b> (Rs.18,74,76,915/-)<br>Capitalised to Capital- work in progress | <b>14,88,87,193</b> | 17,47,63,956 |
| ii) To Wholetime Directors on Fixed Deposits   | <b>53,86,339</b>    | 40,37,414    |

### 10. TURNOVER

|                                    | Quantity    | This year<br>Rs.     | Quantity    | Previous year<br>Rs. |
|------------------------------------|-------------|----------------------|-------------|----------------------|
| Sugar (M.T)                        | 67,925      | 179,25,80,936        | 81,646      | 218,28,52,174        |
| Molasses (M.T)                     | 3,169       | 1,25,45,570          | 7,433       | 4,94,06,326          |
| Industrial Alcohol (B.Ltrs)        | 39,89,328   | 8,78,43,969          | 31,85,520   | 9,83,99,404          |
| Extra Neutral Alcohol(B.Ltrs)      | 5,34,000    | 1,71,77,000          | 10,14,000   | 3,50,10,000          |
| Ethanol (B.Ltrs)                   | 47,12,000   | 15,30,43,740         | 8,55,000    | 2,39,80,000          |
| Power (Units)                      | 1,67,02,370 | 5,33,48,910          | 1,42,00,000 | 4,48,41,264          |
| Indian Made Foreign Liquor(B.Ltrs) | 16,578      | 10,43,300            | 1,33,783    | 65,33,054            |
| Fusel Oil                          | -           | -                    | 5,000       | 40,000               |
| Impure Spirit                      | 8,10,824    | 1,41,23,603          | 6,11,774    | 98,09,457            |
| Ferro Manganese (Slag Dumpings)    | 14,941      | 1,81,23,567          | 10,081      | 1,09,43,707          |
| Others                             |             | 2,41,46,897          | -           | 1,16,54,768          |
|                                    |             | <u>217,39,77,492</u> |             | <u>247,34,70,154</u> |

**THE JEYPORE SUGAR COMPANY LIMITED**

Note : (1) Excise duty recovered and included in the above turnover - **Rs.6,95,63,942/-** (Rs.8,59,30,236/-)

(2) The above sales do not include the following internal divisional transfers.

(a) **38,463 MT** (21,760 MT) of Molasses at the value of **Rs.11,45,10,301/-** (Rs.7,31,66,057) transferred to Distillery units at Chagallu and Jangareddigudem from V.V.S Sugars, Chagallu.

(b) **1,08,437 MT**(81,098MT) of Bagassed at the value of **Rs.8,13,27,750/-** (Rs.6,08,23,500) transferred to Co-generation unit at Chagallu from V V S Sugars, Chagallu.

(c) Electricity - **80,19,760** (60,92,160) units at the value of **Rs.2,55,73,592/-** (Rs.1,98,60,442/-) Co-generation Division to V V S Sugars, Chagallu.

(d) **1,35,374 MTs** (99,407 MTs) of Steam at the value of **Rs.6,30,96,468/-**(Rs.4,51,12,885/-) from Co-generation Division to V V S Sugars, Chagallu.

(e) **54,47,116 BL** ( 1053729 BL) of Rectified Spirit issued for Ethanol manufacturing in Chagallu Distillery.

(3) The above does not include misappropriation of sugar stocks Mts. Nil (Pr. Year MT. 379) costing Rs.Nil (Pr. Year Rs.73,86,247/-) by some of the employees of the company.

**11. RAW MATERIALS CONSUMED**

| Particulars                                 | Quantity | This year<br>Rs.     | Quantity | Previous year<br>Rs. |
|---|----------|----------------------|----------|----------------------|
| Sugarcane (M.T)                             | 8,63,170 | 160,36,77,028        | 5,93,633 | 110,26,81,506        |
| Molasses (M.T)                              | 38,463   | 12,14,54,670         | 21,760   | 7,48,37,055          |
| Bagasse for Co-generation of Power          | 1,08,437 | 8,13,27,750          | 81,098   | 6,08,23,500          |
| Filter Cake                                 | 38,291   | 48,22,233            | 12,807   | 9,60,519             |
| Extra Neutral Alcohol                       | 8,971    | 3,09,499             | 11,972   | 26,08,527            |
|   |          | <u>181,15,91,180</u> |          | <u>124,19,11,107</u> |
| Less: Inter Divisional Transfers : Molasses |          | 11,45,10,301         |          | 7,31,66,057          |
| Bagasse                                     |          | 8,13,27,750          |          | 6,08,23,500          |
| Filter Cake                                 |          | 33,96,534            |          | 9,60,519             |
|   |          | <u>161,23,56,595</u> |          | <u>110,69,61,031</u> |



## 12. OPENING AND CLOSING STOCKS OF FINISHED GOODS:

### (a) OPENING STOCKS :

| Particulars                         | This year | Value<br>Rs.         | Previous year | Value<br>Rs.         |
|-------------------------------------|-----------|----------------------|---------------|----------------------|
| Sugar (M.T)                         | 47,826    | 118,31,06,391        | 68,281        | 130,76,63,077        |
| Molasses (M.T)                      | 22,441    | 7,85,44,819          | 24,331        | 7,96,24,319          |
| Industrial Alcohol (B.Ltrs)         | 11,19,697 | 2,50,50,633          | 15,87,513     | 3,05,19,733          |
| Extra Neutral Alcohol(B.Ltrs)       | 2,624     | 84,834               | 16,385        | 3,87,505             |
| Ethanol(B.Ltrs)                     | 1,52,035  | 39,16,422            | 26,847        | 6,31,228             |
| Indian made Foreign Liquor (B.Ltrs) | 40,070    | 18,22,485            | 15,207        | 2,86,987             |
| Fusel Oil (B.Ltrs)                  | 250       | 1,353                | 3,510         | 18,996               |
| Ferro Manganese (Slag dumpings)     | 17,359    | 39,57,846            | 27,440        | 62,56,294            |
| Bio compost                         | -         | 1,51,22,363          | -             | 1,23,62,629          |
| Filter Cake                         | 19,927    | 14,94,535            | 10,888        | 5,44,389             |
|                                     |           | <u>131,31,01,681</u> |               | <u>143,82,95,157</u> |

### (b) CLOSING STOCKS :

| Particulars                         | This year | Value<br>Rs.         | Previous year | Value<br>Rs.         |
|-------------------------------------|-----------|----------------------|---------------|----------------------|
| Sugar (M.T)                         | 70,255    | 172,00,67,973        | 47,826        | 118,31,06,391        |
| Molasses (M.T)                      | 17,344    | 4,33,62,098          | 22,441        | 7,85,44,819          |
| Industrial Alcohol (B.Ltrs)         | 5,78,939  | 1,17,17,498          | 11,19,697     | 2,50,50,633          |
| Extra Neutral Alcohol (B.Ltrs)      | 2,17,083  | 67,70,819            | 2,624         | 84,834               |
| Ethanol (B.Ltrs)                    | 5,03,946  | 1,36,95,237          | 1,52,035      | 39,16,422            |
| Indian made Foreign Liquor (B.Ltrs) | 43,303    | 21,37,485            | 40,070        | 18,22,485            |
| Fusel Oil (B.Ltrs)                  | 1,740     | 9,596                | 250           | 1,353                |
| Ferro Manganese (Slag dumpings)     | 11,242    | 38,36,607            | 17,359        | 39,57,846            |
| Filter cake                         | 21,009    | 21,00,950            | 19,927        | 14,94,535            |
| Bio compost                         | -         | 88,67,366            | -             | 1,51,22,363          |
|                                     |           | <u>181,25,65,629</u> |               | <u>131,31,01,681</u> |

13. C I F Value of materials imported during the year **Rs.-NIL-** (Rs. NIL)

14. There was no consumption of imported raw materials or components or spares during the year.

**THE JEYPORE SUGAR COMPANY LIMITED**

**15. CAPACITIES AND PRODUCTION**

|  | <b>Units</b> | <b>Licensed Capacity</b> | <b>Installed Capacity</b> | <b>Actual Production</b> |
|--|--------------|--------------------------|---------------------------|--------------------------|
| 1. V V S Sugars, Chagallu*                 |              |                          |                           |                          |
| Sugar                                      | M Ts         |                          | <b>8500 TCD</b>           | <b>90,354</b>            |
|  |              |                          | (8500) TCD                | (61,570)                 |
| Molasses - By Product                      | M Ts         |                          |                           | <b>36,535</b>            |
|  |              |                          |                           | (27,303)                 |
| 2. Industrial Alcohol - Chagallu           | BLs          | <b>1,20,00,000</b>       | <b>1,20,00,000</b>        | <b>76,36,694</b>         |
|  | (per annum)  | (1,20,00,000)            | (1,20,00,000)             | (39,11,103)              |
| Industrial Alcohol - Jangareddigudem       | BLs          | <b>50,00,000</b>         | <b>50,00,000</b>          | <b>12,58,992</b>         |
|  | (per annum)  | (50,00,000)              | (50,00,000)               | (4,14,614)               |
| Industrial Alcohol - Rayagada              | BLs          | <b>9,00,000</b>          | <b>9,00,000</b>           | -                        |
|  | (per annum)  | (9,00,000)               | (9,00,000)                | -                        |
| 3. Extra Natural Alcohol - Jangareddigudem | BLs          | <b>30,00,000</b>         | <b>30,00,000</b>          | <b>7,48,459</b>          |
|  | (per annum)  | (30,00,000)              | (30,00,000)               | (10,00,239)              |
| 4. Ethanol - Chagallu                      | BLs          | <b>1,80,00,000</b>       | <b>90,00,000</b>          | <b>50,63,911</b>         |
|  | (per annum)  | (1,80,00,000)            | (90,00,000)               | (9,80,188)               |
| 5. Fusel Oil - By Product - Chagallu       |              |                          |                           | -                        |
|  |              |                          |                           | (-)                      |
| Fusel Oil - By Product - Janagareddigudem  |              |                          |                           | <b>1,490</b>             |
|  |              |                          |                           | (1,740)                  |
| Indian Made Foreign Liquor - Rayagada      |              |                          |                           | <b>19,818</b>            |
|  |              |                          |                           | (1,58,646)               |
| 6. Ferromanganese/Ferrochrome              | M Ts         | <b>24,000</b>            | <b>18,000</b>             | -                        |
|  | (per annum)  | (24,000)                 | (18,000)                  | -                        |
| 7. Power (Electricity) - Chagallu          | MW           | <b>27</b>                | <b>12</b>                 | <b>29,250</b>            |
|  | (Per Hour)   | 27                       | 12                        | (23,916)                 |

\* Sugar industry has been delicensed with effect from 31.08.98 as per press note no 12(1998 series)  
 Out of the above Power generated, **43,45,940** (35,38,040 ) units was Consumed for auxillaries in the same unit and transmission loss of **1,82,030** units (85,600) was incurred.



16. Details of expenditure incurred in Foreign Currency :

|                                       | This year<br>(Rs.) | Previous year<br>(Rs.) |
|---------------------------------------|--------------------|------------------------|
| Travelling Expenses excluding tickets | -                  | 18,520                 |

17. Details of expenses included under Unallocated capital expenditure incurred and pending allocation as on the date of Balance Sheet.

|   | As on<br>31-03-10<br>Rs. | During the<br>year<br>Rs. | Capitalised<br>during the year<br>Rs. | Balance as<br>on 31-03-2011<br>Rs. |
|---|--------------------------|---------------------------|---------------------------------------|------------------------------------|
| Staff Cost  | 5,10,69,546              | <b>1,52,72,459</b>        | -                                     | <b>6,63,42,005</b>                 |
| Power and Fuel  | 54,35,985                | <b>18,21,514</b>          | -                                     | <b>72,57,499</b>                   |
| Repairs and maintenance                                   | 82,25,302                | <b>7,18,633</b>           | -                                     | <b>89,43,935</b>                   |
| Cane development expenses                                 | 25,60,493                | <b>11,09,519</b>          | -                                     | <b>36,70,012</b>                   |
| Insurance   | 13,98,778                | <b>16,08,433</b>          | -                                     | <b>30,07,211</b>                   |
| Rates and Taxes   | 43,94,706                | <b>8,28,969</b>           | -                                     | <b>52,23,675</b>                   |
| Interest (Borrowing costs as per AS-16)                   | 45,88,54,372             | <b>20,02,10,655</b>       | -                                     | <b>65,90,65,027</b>                |
| Advertisement charges                                     | 44,000                   | -                         | -                                     | <b>44,000</b>                      |
| Miscellaneous Expenses                                    | 3,65,33,973              | <b>79,12,923</b>          | -                                     | <b>4,44,46,896</b>                 |
| Depreciation written off                                  | 91,25,085                | <b>8,48,957</b>           | -                                     | <b>99,74,042</b>                   |
|   | <b>57,76,42,241</b>      | <b>23,03,32,062</b>       | -                                     | <b>80,79,74,302</b>                |
| <b>Less :</b>   |                          |                           |                                       |                                    |
| Interest received   | 11,32,634                | <b>65,784</b>             | -                                     | <b>11,98,418</b>                   |
| VAT input credit  | 17,85,087                | -                         | -                                     | <b>17,85,087</b>                   |
| Miscellaneous income                                      | 21,19,956                | <b>8,01,314</b>           | -                                     | <b>29,21,270</b>                   |
|   | <b>57,26,04,564</b>      | <b>22,94,64,964</b>       | -                                     | <b>80,20,69,527</b>                |
| <b>Add:</b> Expenditure incurred on trial run of crushing |                          |                           |                                       |                                    |
| Running of boiler   | -                        | <b>1,09,09,729</b>        | -                                     | <b>1,09,09,729</b>                 |
|   | <b>57,26,04,564</b>      | <b>24,03,74,693</b>       | -                                     | <b>81,29,79,256</b>                |

**THE JEYPORE SUGAR COMPANY LIMITED**

18 Disclosures on payments and dues to “suppliers” as defined in Micro, Small and Medium Enterprises development Act,2006

| <b>Particulars</b>   | <b>This year<br/>Rs.</b> | <b>Previous year<br/>Rs.</b> |
|--|--------------------------|------------------------------|
| 1. Amount remaining unpaid, beyond the appointed / agreed day at the end of the year.  |                          |                              |
| (a) Principal amount of bills to be paid   | <b>20,92,466</b>         | 20,234                       |
| (b) Interest due thereon   | <b>1,07,135</b>          | 3,642                        |
| 2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed date   | <b>1,41,08,686</b>       | 32,32,035                    |
| Interest thereon in terms of Sec 16 of the Act   | <b>2,86,704</b>          |                              |
| (b) Interest paid along with such payments during the year   | -                        | -                            |
| (c) Interest due and payable at the end of the year on such payments made during the year.   | <b>2,86,704</b>          | 96,961                       |
| 3. Amount of interest for the year u/s 16 of the Act, accrued and remaining un paid at the end of the year.                              | <b>3,93,839</b>          | 1,00,603                     |
| 4. Total amount of interest u/s 16 of the Act, including that arising in earlier years, accrued and remaining unpaid at end of the year. | <b>6,19,422</b>          | 2,25,583                     |

For the purpose of the above details the Status of the 'Suppliers' under the Act has been determined to the extent of and based on the information furnished by the respective parties, and has accordingly been relied upon by the company and its auditors.

19. Major components of deferred tax assets and liabilities arising on account of timing differences as at the date of Balance Sheet.

|  | <b>Assets<br/>Rs.</b> | <b>Liabilities<br/>Rs.</b> |
|--|-----------------------|----------------------------|
| 1. Depreciation                                  |                       | <b>11,92,87,732</b>        |
| 2. Disallowances u/s. 43B of Income tax Act,1961 | <b>2,04,06,457</b>    |                            |
| 3. Provision for Gratuity                        | <b>38,89,199</b>      |                            |
|  | <b>2,42,95,656</b>    | <b>11,92,87,732</b>        |
| 'Net Deferred Tax Liability as on 31.3.2011      |                       | <b>9,49,92,076</b>         |





## 20) DISCLOSURES REQUIRED BY ACCOUNTING STANDARD-15 (REVISED) - EMPLOYEE BENEFITS

|   | GRATUITY    |             | LEAVE ENCASHMENT |             |
|---|-------------|-------------|------------------|-------------|
|   | 31-3-2011   | 31-3-2010   | 31-3-2011        | 31-3-2010   |
| <b>a) Reconciliation for present value of obligations</b>           |             |             |                  |             |
| Present value of obligations as at beginning of year                | 5,93,53,380 | 5,19,17,872 | 1,15,96,826      | 1,03,42,015 |
| Interest Cost   | 47,48,270   | 41,53,430   | 9,27,745         | 6,42,861    |
| Current Service Cost  | 27,63,142   | 24,39,512   | 3,63,089         | 21,28,121   |
| Benefits paid   | 1,19,58,596 | 38,41,632   | 55,33,122        | 46,12,489   |
| Actuarial loss on obligation  | 76,26,880   | 46,84,198   | 30,23,867        | 30,96,318   |
| Present value of obligations as at end of year                      | 6,25,33,076 | 5,93,53,380 | 1,03,78,405      | 1,15,96,826 |
| <b>b) Reconciliation for Fair Value of Plan Assets</b>              |             |             |                  |             |
| Fair value of plan assets at beginning of year                      | 3,41,76,110 | 3,49,76,259 | -                | -           |
| Expected return on plan assets                                      | 31,51,240   | 30,41,483   | -                | -           |
| Contributions   | 82,35,657   | -           | -                | -           |
| Benefits paid   | 1,19,58,596 | 38,41,632   | -                | -           |
| Fair value of plan assets at the end of year                        | 3,36,04,411 | 3,41,76,110 | -                | -           |
| <b>c) Expenses Recognised in statement of Profit &amp; loss a/c</b> |             |             |                  |             |
| Current Service cost  | 27,63,142   | 24,39,512   | 3,63,089         | 21,28,121   |
| Interest Cost   | 47,48,270   | 41,53,430   | 9,27,745         | 6,42,861    |
| Expected return on plan assets                                      | 31,51,240   | 30,41,483   | -                | -           |
| Net Actuarial loss recognized in the year                           | 76,26,880   | 46,84,198   | 30,23,867        | 30,96,318   |
| Expenses to be recognised in the profit & loss                      | 1,19,87,052 | 82,35,657   | 43,14,701        | 58,67,300   |
| <b>d) Net Liability Recognised in the Balance Sheet</b>             |             |             |                  |             |
| Present value of obligations as at the end of year                  | 6,25,33,076 | 5,93,53,380 | 1,03,78,405      | 1,15,96,826 |
| Fair value of plan assets as at the end of the year                 | 3,36,04,411 | 3,41,76,110 | -                | -           |
| Funded status   | 2,89,28,665 | 2,51,77,270 | -                | -           |
| Net Liability Recognized in the Balance Sheet                       | 2,89,28,665 | 2,51,77,270 | 1,03,78,405      | 1,15,96,826 |
| <b>e) Actuarial Assumptions</b>                                     |             |             |                  |             |
| Assumptions   |             |             |                  |             |
| Discount Rate   | 8.00%       | 8.00%       | 8.00%            | 8.00%       |
| Salary Escalation   | 5.00%       | 5.00%       | 6.00%            | 6.00%       |
| Attrition rate  | 1.00%       | 1.00%       | 1.00%            | 1.00%       |
| Expected return on plan assets                                      | 8.00%       | 8.00%       | 0.00%            | 0.00%       |

**THE JEYPORE SUGAR COMPANY LIMITED**

**21. Disclosure pursuant to “AS-18” Related Party Disclosures:**

| Nature of transaction  | Subsidiary<br>Company | Companies<br>controlled by<br>Key Managerial<br>personnel | Key<br>Managerial<br>personnel | Relatives of<br>Key<br>Managerial<br>personnel |
|--|-----------------------|---|--------------------------------|--|
|  | Rs.                   | Rs.   | Rs.                            | Rs.  |
| <b>I. Details of transactions :</b>                          |                       |   |                                |  |
| a) Purchase of goods/services/ fixed assets from             |                       |   |                                |  |
| - Krishna Industrial Corporation Limited                     |                       | <b>1,04,96,951</b>  |                                |  |
| b) Sale of goods/services to                                 |                       |   |                                |  |
| - Krishna Industrial Corporation Limited                     |                       | <b>41,45,243</b>  |                                |  |
| c) Interest paid   |                       |   |                                |  |
| - R.S.Industrial Corporation pvt Limited                     |                       | <b>8,26,875</b>   |                                |  |
| - Ramakrishna Machinery Corporation Pvt Ltd.                 |                       | <b>1,56,240</b>   |                                |  |
| - Smt. Rajeswary Ramakrishnan                                |                       |   | <b>44,98,613</b>               |  |
| - Smt. Anita Prabhu  |                       |   | <b>8,87,726</b>                |  |
| - Shri R.Prabhu  |                       |   |                                | <b>14,78,560</b>                               |
| - Dr. S.R.K Prasad   |                       |   |                                | <b>52,500</b>                                  |
| - Mr. Vikram Ramakrishna                                     |                       |   |                                | <b>5,70,976</b>                                |
| - Mr. Rajiv Rangaswamy                                       |                       |   |                                | <b>4,48,355</b>                                |
| - Ms. Nandita  |                       |   |                                | <b>3,30,228</b>                                |
| d) Remuneration paid to                                      |                       |   |                                |  |
| - Smt Rajeswary Ramakrishna                                  |                       |   | <b>50,92,267</b>               |  |
| e) Directors Sitting Fee paid to                             |                       |   |                                |  |
| - Shri R.Prabhu  |                       |   |                                | <b>1,20,000</b>                                |
| - Dr. S.R.K Prasad   |                       |   |                                | <b>1,00,000</b>                                |
| <b>II. Balances outstanding :</b>                            |                       |   |                                |  |
| a) Amount due to   | -                     | -   | -                              | -  |
| - Krishna Industrial Corporation Limited                     |                       | <b>22,42,873</b>  |                                |  |
| b) Amount due from   |                       |   |                                |  |
| - Krishna Industrial Corporation Limited                     |                       | <b>1,61,43,328</b>  |                                |  |
| - Jeypore Sugar Finance and Investment<br>Corpoation Limited | <b>62,750</b>         |   |                                |  |
| c) Investment in equity shares of                            |                       |   |                                |  |
| - Jeypore Sugar Finance and Investment<br>Corpoation Limited | <b>41,00,000</b>      |   |                                |  |
| - Krishna Industrial Corporation Limited                     |                       | <b>1,59,288</b>   |                                |  |



|   |                  |                    |
|---|------------------|--------------------|
| d) Fixed deposits with company held by  |                  |                    |
| - R.S.Industrial Corporation pvt Limited  | <b>78,75,000</b> |                    |
| - Ramakrishna Machinery Corporation pvt Limited                                       | <b>14,88,000</b> |                    |
| - Smt. Rajeswary Ramakrishnan   |                  | <b>4,65,00,000</b> |
| - Smt. Anita Prabhu   |                  | <b>1,17,00,000</b> |
| - Shri R.Prabhu   |                  | <b>1,50,00,000</b> |
| - Dr. S.R.K Prasad  |                  | <b>5,00,000</b>    |
| - Mr. Vikram Ramakrishna  |                  | <b>70,00,000</b>   |
| - Mr. Rajiv Rangaswamy  |                  | <b>42,70,000</b>   |
| - Ms. Nandita   |                  | <b>31,45,000</b>   |
| e) Share capital held by  |                  |                    |
| - Krishna Industrial Corporation Limited  | <b>8,46,180</b>  |                    |
| - R.S.Industrial Corporation Pvt Limited  | <b>16,28,780</b> |                    |
| - Ramakrishna Machinery Corporation Pvt Limited                                       | <b>3,11,620</b>  |                    |
| - V.R.K.Grandsons Investment Pvt Limited  | <b>4,96,540</b>  |                    |
| - Smt. Rajeswary Ramakrishnan   |                  | <b>41,96,640</b>   |
| - Smt. Anita Prabhu   |                  | <b>32,47,180</b>   |
| - Shri R.Prabhu   |                  | <b>42,53,320</b>   |
| - Dr. S.R.K Prasad  |                  | <b>5,92,300</b>    |
| - Mr. Vikram Ramakrishna  |                  | <b>39,07,710</b>   |
| - Mr. Rajiv Rangaswamy  |                  | <b>2,06,520</b>    |
| f) Provision for dimunition investments in  |                  |                    |
| - Jeypore Sugar Finance and Investment<br>Corpoation Limited                          | <b>41,00,000</b> |                    |
| III. Names of the related parties with whom there were transactions during the year : |                  |                    |
| 1. Subsidiary Companies :   |                  |                    |
| Jeypore Sugar Finance & Investment Corpn Ltd  |                  |                    |
| 2. Companies controlled by key managerial personnel :                                 |                  |                    |
| a) Krishna Industrial Corporation Limited   |                  |                    |
| b) RS Industrial Corporation (P) Limited  |                  |                    |
| c) VRK Grandsons Investment (P) Limited   |                  |                    |
| d) Ramakrishna Machinery Corporation (P) Limited                                      |                  |                    |
| 3. Key managerial personnel   |                  |                    |
| a) Smt.Rajeswary Ramakrishnan, Managing Director                                      |                  |                    |
| b) Smt.Anita Prabhu, Executive Director   |                  |                    |

4. Relatives of key managrial personnel their relation
- a) Sri.R.Prabhu, Son of Smt.Rajeswary Ramakrishnan
  - b) Dr.S.R.K.Prasad, Son of Smt.Rajeswary Ramakrishnan
  - c) Sri Vikram Ramakrishna, Son of Smt.Anita Prabhu
  - d) Sri.Rajiv Rangaswamy, Grand Son of Smt.Rajeswary Ramakrishnan
  - e) Ms.S.Nandita, Grand Daughter of Smt.Rajeswary Ramakrishnan
22. The company has received an order from Andhra Pradesh Electricity Regulatory Commission fixing the purchase price of power sold to it by the company at Rs.2.74 per unit with effect from 01.04.04, and further revised to Rs.3.19 based on the variable cost, instead of Rs. 3.48 per unit fixed in the Power Purchase Agreement.
- The Company contested the said order in the High Court of Andhra Pradesh along with the other members of South Indian Sugar Mills Association. The High Court issued an interim order asking A P Transco to pay 50% of the differential between the revised rate and the previous rate in force. The court further directed the company to approach the Central power appellate tribunal. On a petition by the company, the said tribunal gave a verdict that the company should be paid Rs.3.48 per unit. The government has gone on appeal to the Supreme court against the said verdict of the Tribunal. Pending final orders of Supreme court the company has recognized as income only the revised rate of Rs.3.19 per unit and balance of Rs.47,75,338/- has not been recognised as income during the year.
23. Figures for the previous year have been regrouped wherever required.
24. Paise have been rounded off to the nearest rupee.
25. Figures in brackets indicate those for the previous year.

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Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.5.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

**THE JEYPORE SUGAR COMPANY LIMITED**

The Board of Directors,  
The Jeypore Sugar Co.Ltd.,  
Chennai.

We have examined the attached Cash Flow Statement of the Jeypore Sugar Co. Ltd., Chennai for the year ended 31st March,2011. The Statement has been prepared by the Company in accordance with the listing agreement clause 32 with Chennai Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company

for BRAHMAYYA & COMPANY  
Chartered Accountants,  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31-05-2011

**CASH FLOW STATEMENT IN PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

| PARTICULARS                                     | 31-03-2011             |                     | 31-03-2010      |              |
|---|------------------------|---------------------|-----------------|--------------|
|   | DETAILS<br>Rs.         | Rs.                 | DETAILS<br>Rs.  | Rs.          |
| <b>I. CASH FROM OPERATING ACTIVITIES</b>        |                        |                     |                 |              |
| Net Profit as per Profit & Loss account         | <b>(-)11,50,04,959</b> |                     | 27,45,29,687    |              |
| Add/Less:-                                      |                        |                     |                 |              |
| Adjustments for                                 |                        |                     |                 |              |
| a) Depreciation                                 | <b>11,08,42,090</b>    |                     | 11,09,28,885    |              |
| b) Profit on sale of assets                     | -                      |                     | (-)12,080       |              |
| c) Interest paid                                | <b>24,89,02,185</b>    |                     | 23,33,44,180    |              |
| d) Interest received                            | <b>(-)30,82,870</b>    |                     | (-)30,61,986    |              |
| e) Dividends received                           | <b>(-)7,54,048</b>     |                     | (-)8,35,852     |              |
| f) Loss on sale of Assets/Assets written off    | -                      |                     | 3,518           |              |
| g) Misc Expen-Staff Voluntary retirement cost   | -                      |                     | 58,32,308       |              |
| Operating profit before Working Capital changes | <b>24,09,02,398</b>    |                     | 62,07,28,660    |              |
| Add/Less:-                                      |                        |                     |                 |              |
| Adjustments for Working capital :               |                        |                     |                 |              |
| a) Inventories                                  | <b>(-)50,32,40,700</b> |                     | 13,47,39,393    |              |
| b) Trade & other receivables                    | <b>(-)10,85,72,720</b> |                     | 4,78,90,748     |              |
| c) Trade Payables                               | <b>91,50,12,153</b>    |                     | (-)51,31,10,352 |              |
| Cash generated from operations                  | <b>54,41,01,131</b>    |                     | 29,02,48,449    |              |
| Less:-  |                        |                     |                 |              |
| Direct taxes paid (Net of refunds)              | <b>(-)6,94,60,416</b>  |                     | (-)2,29,03,774  |              |
| <b>CASH FROM OPERATING ACTIVITIES (A) —</b>     |                        | <b>47,46,40,714</b> |                 | 26,73,44,675 |



## II. CASH FROM INVESTING ACTIVITIES

|  |                               |                         |
|--|-------------------------------|-------------------------|
| a) Purchase of fixed assets including capital work in progress | <b>(-)<u>43,02,05,484</u></b> | (-) <u>39,33,95,687</u> |
| b) Sale of fixed assets  | <b>5,878</b>                  | 5,16,749                |
| c) Interest received   | <b>30,82,870</b>              | 30,61,986               |
| d) Investment  | <b>-</b>                      | (-) <u>3,150</u>        |
| e) Dividends received  | <b><u>7,54,048</u></b>        | <u>8,35,852</u>         |

**CASH USED IN INVESTING ACTIVITIES (B) -** **(-)42,63,62,689** **(-)38,89,84,250**

## III. CASH FROM FINANCING ACTIVITIES

|  |                               |                         |
|--|-------------------------------|-------------------------|
| a) Increase in borrowings              | <b>29,00,88,544</b>           | 41,30,90,477            |
| b) Dividend paid                       | <b>(-)<u>2,26,72,640</u></b>  | (-) <u>45,34,528</u>    |
| c) Tax paid on distribution of profits | <b>(-)<u>37,65,642</u></b>    | (-) <u>7,70,643</u>     |
| d) Interest paid                       | <b>(-)<u>24,89,02,185</u></b> | (-) <u>23,33,44,180</u> |

**CASH FROM FINANCING ACTIVITIES (C)—** **14,78,077** **17,44,41,126**

**NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)—** **6,30,26,103** **5,28,01,551**

OPENING BALANCE OF CASH AND CASH EQUIVALENTS **12,39,25,645** **7,11,24,094**

CLOSING BALANCE OF CASH AND CASH EQUIVALENTS **18,69,51,752** **12,39,25,645**

**6,30,26,103** **5,28,01,551**

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

(By Order of the Board)  
**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

**THE JEYPORE SUGAR COMPANY LIMITED**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

|  |                       |
|--|-----------------------|
| <b>1. REGISTRATION DETAILS</b>   |                       |
| a) Registration No.  | 11632                 |
| b) State Code  | 18                    |
| c) Balance Sheet Date  | 31.03.2011            |
|  | (Rupees in Thousands) |
| <b>2. CAPITAL RAISED DURING THE YEAR</b>   |                       |
| a) Public Issue  | -                     |
| b) Rights Issue  | -                     |
| c) Bonus Issue   | -                     |
| d) Private Placement/Preferential  | -                     |
| <b>3. POSITION OF MOBILISATION &amp; DEPLOYMENT OF FUNDS</b>   |                       |
| a) Total Assets  | 68,50,013             |
| b) Total Liabilities   | 68,50,013             |
| <b>SOURCES OF FUNDS :</b>  |                       |
| a) Paid-Up Capital   | 45,345                |
| b) Reserves & Surplus  | 6,11,305              |
| c) Secured Loans   | 29,36,175             |
| d) Unsecured Loans   | 2,31,468              |
| e) Net Deffered tax  | 94,992                |
| <b>TOTAL</b>   | <b>39,19,285</b>      |
| <b>APPLICATION OF FUNDS :</b>  |                       |
| a) Net Fixed Assets  | 38,42,579             |
| b) Investments   | 1,966                 |
| c) Net Current Assets  | 74,740                |
| <b>TOTAL</b>   | <b>39,19,285</b>      |
| <b>4. PERFORMANCE OF THE COMPANY</b>   |                       |
| a) Turnover  | 21,04,414             |
| b) Other Income  | 8,348                 |
| c) Total Expenditure   | 22,27,767             |
| d) Profit before Tax   | (-)1,15,005           |
| e) Profit After Tax  | (-)92,522             |
| f) Earnings Per Share of Rs.10(diluted)  | (-)20.40              |
| <b>5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY</b><br>( as per monetary terms ) |                       |
| 1. Item Code No. (ITC Code)  | 1,70,111.09           |
| Product Description  | Sugar                 |
| 2. Item Code No. (ITC Code)  | 7,20,241.00           |
| Product Description  | Ferro Chrome          |
| 3. Item Code No. (ITC Code)  | 2,20,720.00           |
| Product Description  | Rectified Spirit      |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

(Sd.) K. RAJAJ  
Partner  
(ICAI Memb. No.202309)

Place: Chennai  
Date : 31.5.2011

(Sd.) Dr. S.R.K. PRASAD  
(Sd.) K. MUNESWARA RAO

Directors

(Sd.) P.S. KRISHNAMOORTHY  
Secretary

(Sd.) RAJESWARY RAMAKRISHNAN  
Chairman cum Managing Director





SUBSIDIARY COMPANY

**JEYPORE SUGAR FINANCE AND  
INVESTMENT CORPORATION LIMITED**

CHENNAI

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*ANNUAL REPORT FOR THE YEAR ENDED 31ST MARCH 2011*

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**22**



**SUBSIDIARY COMPANY**  
**JEYPORE SUGAR FINANCE & INVESTMENT CORPORATION LIMITED**  
**CHENNAI**

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|                          |   |
|--------------------------|---|
| <b>DIRECTORS</b>         | SMT.RAJESWARY RAMAKRISHNAN,B.A.,<br>DR.S.R.K. PRASAD, D.Sc. (U.S.A)<br>SMT. ANITA PRABHU, B.Com., |
| <b>BANKERS</b>           | BANK OF INDIA<br>INDIAN OVERSEAS BANK   |
| <b>AUDITORS</b>          | MESSRS. BRAHMAYYA & CO.,<br>Chartered Accountants<br>Vijayawada                                   |
| <b>REGISTERED OFFICE</b> | 239, ANNA SALAI<br>CHENNAI – 600 006.<br>TAMILNADU  |

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

**NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of Jeypore Sugar Finance & Investment Corporation Limited, will be held at Hotel New Woodlands, 72-75, Dr.Radhakrishnan Salai, Mylapore, Chennai – 600 004 on 8th Septemeber, 2011 to transact the following business:

- 1) To adopt the Balance Sheet as at 31st March,2011 and the Profit and Loss Account for the year ended on that date of the company, together with the Directors' Report and Auditors' Report thereon.
- 2) To elect Director in the place of Smt. Rajeswary Ramakrishnan retires by rotation at the Meeting and being eligible, offer herself for re-election.
- 3) To appoint Auditors and fix their remuneration, M/s Brahmayya & Co., Chartered Accountants, Vijayawada, the present auditors retire at this Meeting and are eligible for re-appointment.

(By Order of the Board)  
for JEYPORE SUGAR FINANCE & INVESTMENT  
CORPORATION LIMITED

**(Sd.) RAJESWARY RAMAKRISHNAN**  
**Director**

Place: Chennai.  
Date: 31.05.11

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2011

Your Directors have pleasure in presenting hereunder their TWENTY SECOND Annual Report together with the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date.

|   |                         |
|---|-------------------------|
| 1. Financial Results:                                   | <b>Rs.</b>              |
| The Accompanying accounts shows a Net Profit            |                         |
| After providing depreciation of Rs.2296/-               | <b>85,862</b>           |
| TO WHICH IS ADDED                                       |                         |
| Balance of loss brought forward from previous year      | <b>87,43,857</b>        |
| After providing Statutory Reserve for the year 2009-10  |                         |
| Rs.30700/- and 2010-11 Rs.17200/- and adjusting General |                         |
| Reserve for Rs.25000/-                                  |                         |
| Balance of Loss carried over to next year               | <b><u>86,57,995</u></b> |

### 2. Operations:

During the year the company has not accepted any deposit from Public. The aggregate of deposits from public on 31st March, 2011 was NIL.

The company continued its Hire Purchase business during the year, resulting in the Loss as shown in the accounts.

3. There were no employees during the year who were in receipt of remuneration in excess of the amounts specified in Sec.217(2A) of the Companies Act, 1956.

### 4. Directors :

Smt. Rajeswary Ramakrishnan , retire by rotation at the close of the forthcoming Annual General Meeting and being eligible, offer herself for re-election.

### 5. DIRECTORS'RESPONSIBILITY STATEMENT:

The Directors confirm:

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures:
- b) that they have selected such accounting policies and applied them consistently and made judgments 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:

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

- c) that they 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
- d) that they have prepared the annual accounts on a going concern basis
- e) Though the net worth of the company has become negative as at the date of the Balance Sheet, it is proposed to infuse necessary funds to restore the net worth to the required levels. Accordingly, the accounts have been prepared as Going Concern.

**6. Secretarial Compliance Certificate:**

The Secretarial Compliance Certificate in terms of the amended Section 383A of the companies Act 1956 is attached with the Report.

**7. Auditors:**

M/s Brahmayya & Co, Chartered Accountants, Vijayawada, the present Auditors retire at the close of the forthcoming Annual General Meeting and are eligible for Re-appointment.

Place: Chennai  
Date: 31.05.2011

(By Order of the Board)  
for JEYPORE SUGAR FINANCE & INVESTMENT  
CORPORATION LIMITED  
**(Sd.) RAJESWARY RAMAKRISHNAN**  
**Director**

## **SECRETARIAL COMPLIANCE CERTIFICATE**

**To**

**The Members**

**JEYPORE SUGAR FINANCE & INVESTMENT CORPORATION LIMITED**

I have examined the registers, records, books and papers of JEYPORE SUGAR FINANCE & INVESTMENT CORPORATION LIMITED (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2011. In my opinion and best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, the officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate as per the provisions of and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met four times on 28-05-2010, 27-08-2010, 11-11-2010 and 14-02-2011. in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members during the financial year.
6. The annual general meeting for the financial year ended on 31st March 2010 was held on 27-08-2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loan to its directors and/or persons or firms or companies referred in the section 295 of the Act.
9. The Company has not entered into any contract with any companies or firms in which the directors are interested as referred under section 297 of the Act
10. The Company has not entered into any contract required to be entered in the register maintained under section 301 of the Act.
11. As there was no instances falling within the purview of section 314 of the companies Act, 1956 the Company was not required to obtain any approval from the Board of Directors, members and the previous approval of the Central Government as the case may be.

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

12. The company has not issued any duplicate certificates during the financial year.
13. The Company has:
  - (i) neither made any allotment of securities nor received any securities for transfer/transmission or for any other purpose, during the financial year covered under this certificate.
  - (ii) not declared any dividend during the year.
  - (iii) no amount is lying in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years.
  - (iv) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. No appointment of Managing Director/Whole-time Director/Manager has been made during the financial year.
16. The Company has not appointed any sole-selling agents.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or such other authorities as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any redeemable preference shares/debentures.
22. There were no transactions necessitating the company to keep in abeyance rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The company has not accepted any deposits from the public under the provisions of sections 58A and 58AA read with Companies (Acceptance of Deposit) Rules, 1975/the applicable directions issued by the Reserve Bank of India/any other authority.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year is/are within the Borrowing power of the company as per section 293(1)(d) of the Act..



25. The company has not made any loans and investments or given guarantees or provided securities to other bodies corporate.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year .
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. No prosecution was initiated against and no show cause notices was received by the company for alleged offenses under the Act and also no fines and penalties or any other punishment imposed on the company.
32. The company has not received any amount as security from its employees during the year under certification.
33. According to the information given by the company, the company has been regular in depositing both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

Place : Chennai  
Date : 31-05-2011

**R. ALAGAR**  
**C.P.No.3913**

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

**ANNEXURE A**

Registers as maintained by the Company

1. Members Register u/s 150
2. Share Transfer Register u/s 108
3. Register of Directors u/s 303
4. Register of Directors' Shareholding u/s 307
5. Register of contracts u/s 301
6. Register of Investment u/s 372
7. Application & Allotment Register
8. Minutes Book for Board Meetings and General Meetings.
9. Books of Accounts u/s 209

**ANNEXURE B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional director, Central Government or other authorities during the financial year ending on 31st March 2011.

**Registrar of Companies**

1. Balance Sheet as on 31-3-2010 and Profit & Loss Account for the period ended 31-3-2010 along with Schedule, Director's Report and Auditor's Report u/s 220 filed on 24-09-2010.
2. Secretarial Compliance Certificate for the year 2009-2010 filed on 27-09-2010.
3. Annual Return in Schedule V for the period 2009-2010 u/s 159 filed on 25-10-2010.

**Regional director, Central Government or other authorities - NIL**

Place : Chennai  
Date : 31-05-2011

**R. ALAGAR**  
**C.P.No.3913**

## AUDITORS' REPORT

**TO  
THE SHAREHOLDERS OF  
JEYPORE SUGAR FINANCE AND INVESTMENT CORPORATION LIMITED  
CHENNAI**

We have audited the attached Balance Sheet of JEYPORE SUGAR FINANCE AND INVESTMENT CORPORATION LIMITED, as at 31st March 2011, its Profit and Loss Account, and its cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003 issued by the Government of India in terms of sub-Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- 1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2 In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books;
- 3 The Balance Sheet and Profit and Loss Account and Cash-flow Statement dealt with by this report are in agreement with the books of account;
- 4 In our opinion, the Balance Sheet and Profit and Loss account and the Cash-flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- 5 On the basis of written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- 6 In our opinion and to the best of our information and according to the explanations given to us, and read with note No.5 on the reason for preparing the accounts under the "going concern assumption" and other notes thereon the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011,
  - ii. In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
  - iii. In the case of the cash-flow statement, of the cash-flows of the company for the year ended on that date.

Place : Chennai  
Date : 31st May 2011

For BRAHMAYYA & CO  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

## JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED

### **Annexure referred to in paragraph 3 of our report of even date,**

- 1.1 According to the information and explanations furnished to us, the company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except its furniture and fixtures.
- 1.2 According to the information and explanations furnished to us, the company has not physically verified its fixed assets during the year.
- 1.3 During the year under report, the Company has not disposed of any of its fixed assets.
2. According to the information and explanations furnished to us, as the company has no inventories during the year and hence the reporting under clause (ii) of the Order does not arise.
- 3.1 According to the information and explanations furnished to us, the company has not granted any loans to the parties covered by the register maintained under Section 301 of the Companies Act, 1956 and hence the reporting requirement under sub Clauses (b),(c) & (d) of Clause (iii) of the order does not arise.
- 3.2 According to the information and explanations furnished to us, the company has taken unsecured loans, aggregating to Rs.47,45,072/- from a director covered in the register maintained under Section 301 of the Companies Act 1956.
- 3.3 In our opinion, the rate of interest and other terms and conditions, on which the company has taken loans from parties covered in the register maintained u/s 301 of the Companies Act 1956 are not, prejudicial to the interest of the company.
- 3.4 According to the information and explanations furnished to us, the company has been regular in repaying the principal and interest amounts as stipulated on the loans taken by it from the persons covered in the registers maintained under Section 301 of the Companies Act 1956.
4. According to the information and explanations given to us, there were no purchases of inventory, fixed assets and Sale of goods/services. Hence reporting under Clause 4 of Paragraph 4 of the Order does not arise.
5. Based on the information and explanations given to us, there were no transactions during the year under report that are required to be entered in the register maintained under section 301 of the Companies Act, 1956. Consequently reporting under sub-clause (b) of clause (v) of paragraph 4 of the Order does not arise.
6. According to the information and explanations given to us, the company has not accepted any deposits covered under the directives issued by the Reserve bank of India and the provisions of section 58A and 58AA of the Companies Act, 1956. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 58A and 58AA of the Companies Act 1956, or the Rules made thereunder.
7. The company did not have an internal audit system during the year under report.
8. The Provisions of Section 209(1)(d) of the Companies Act 1956, relating to maintenance of cost records are not applicable to the company as it is engaged in the business of Non-Banking Financial Institution.
- 9.1 According to the information furnished to us, the company has been regular in depositing with the appropriate authorities, the undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, and there were no undisputed statutory dues in arrears, as at the date of the Balance Sheet under report, for a period of more than six months from the date they became payable.

9.2 According to the information furnished to us, the following amounts of Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess, Income Tax, Wealth Tax, have been disputed by the company, and hence, were not remitted to the concerned authorities at the date of the Balance Sheet under report.

| S.No | Nature of the dues             | Name of Statute        | Amount      | Pending before                 |
|------|--------------------------------|------------------------|-------------|--------------------------------|
| 1    | Income Tax and related demands | Income Tax Act, 1961   | Rs.10,018   | Commissioner of Income Tax     |
| 2    | Penalty under Interest tax Act | Interest Tax Act, 1974 | Rs.1,72,568 | Commissioner of Income Tax (A) |

10. According to the information and explanations furnished to us, the accumulated losses of the company at the end of the financial year exceeded 50% of its net worth, and it incurred cash losses during the year covered by this report and in the immediate preceding financial year.
11. In our opinion and according to the information and explanations furnished to us by the company, the company did not avail of any loans from financial institutions, banks or debenture-holders during the year under report.
12. According to the information furnished to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures, and other securities.
13. In our opinion and according to the information and explanations furnished to us, the company is not a chit fund or a nidhi / mutual benefit fund/ society and hence, the requirements of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company during the year under report.
14. According to the information furnished to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the requirements of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information furnished to us, the company has not given any guarantees for loans taken by others from any banks or financial institutions.
16. In our opinion, and according to the information and explanations furnished to us, the company did not avail of any term loans during the year under report.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that the company has not raised any short term funds during the year under report and hence the question of their application does not arise.
18. According to the information and explanations furnished to us, the company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act, or to any others.
19. According to the information and explanations given to us, the company has not issued any debentures during the year under report.
20. The company has not raised any monies through public issue of its securities during the year, and the question of end use of such moneys did not arise during the year.
21. During the course of our examination of the accounts of the company in accordance with generally accepted auditing practices, we have not come across any instances of fraud on or by the company, nor have we been informed by the management, of any such instance being noticed or reported during the year.

Place : Chennai  
Date : 31st May, 2011

For BRAHMAYYA & CO  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

**BALANCE SHEET AS AT**

| 31-03-2010<br>Rs. | LIABILITIES  | DETAILS<br>Rs.   | TOTAL<br>Rs.       |
|-------------------|--|------------------|--------------------|
|                   | <b><u>SHARE CAPITAL</u></b>  |                  |                    |
|                   | <b><u>AUTHORISED</u></b>   |                  |                    |
|                   | 990000 Equity shares of  |                  |                    |
| 99,00,000         | Rs.10/- each   | <b>99,00,000</b> |                    |
|                   | 1000 11% Redeemable cumulative   |                  |                    |
| 1,00,000          | Preference shares of Rs.100/- each   | <b>1,00,000</b>  | <b>1,00,00,000</b> |
|                   | <b><u>ISSUED, SUBSCRIBED &amp; PAIDUP</u></b>  |                  |                    |
|                   | 410470 Equity Shares of  |                  |                    |
|                   | Rs.10/- each fully paid up (out of   |                  |                    |
| 41,04,700         | which 410000 shares are held by the<br>Holding Company)  |                  | <b>41,04,700</b>   |
|                   | <b><u>RESERVES AND SURPLUS</u></b>   |                  |                    |
| 25,000            | General Reserve: Balance As per Last Balance Sheet   | <b>25,000</b>    |                    |
|                   | Less: Shown as deduction from balance in Profit and Loss<br>account as per contra  | <b>25,000</b>    | -                  |
| 6,50,000          | Statutory Reserve Balance As per Last Balance Sheet  | <b>6,50,000</b>  |                    |
|                   | Add: Transferred from P & L A/c for the year 2009-10   | <b>30,700</b>    |                    |
|                   | Transferred from P & L A/c for this year   | <b>17,200</b>    | <b>6,97,900</b>    |
|                   | <b><u>UNSECURED LOANS</u></b>  |                  |                    |
| 54,50,595         | Deposits from Directors  |                  | <b>47,45,072</b>   |
|                   | <b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>   |                  |                    |
|                   | <b><u>A. CURRENT LIABILITIES</u></b>   |                  |                    |
| 2,83,863          | Sundry Creditors - other than Micro & Small Enterprises<br>[Including amount due to Holding Company<br>Rs.62,750/-.(P.Y.Rs.55,750/-) and Directors Rs.39,000/-<br>(P.Y.Rs.39,000)] |                  | <b>3,07,408</b>    |
| 1,05,14,158       | <b>TOTAL</b>   |                  | <b>98,55,080</b>   |

Place : Chennai  
Date : 31-05-2011

Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

**31ST MARCH 2011**

| <b>31-03-2010</b>  | <b>ASSETS</b>   | <b>DETAILS</b>   | <b>TOTAL</b>     |
|--------------------|---|------------------|------------------|
| <b>Rs.</b>         |   | <b>Rs.</b>       | <b>Rs.</b>       |
|                    | <b>FIXED ASSETS (AS PER SCHEDULE ANNEXED)</b>   |                  |                  |
| 1,78,882           | GROSS COST  | <b>1,78,882</b>  |                  |
| <u>1,65,598</u>    | Less Depreciation   | <b>1,67,894</b>  | <b>10,988</b>    |
| 13,284             |   |                  |                  |
|                    | <b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>  |                  |                  |
|                    | <b><u>A) CURRENT ASSETS</u></b>   |                  |                  |
|                    | <b><u>CASH AND BANK BALANCES</u></b>  |                  |                  |
| 1,13,963           | At Scheduled Banks in current Account   |                  | <b>2,32,167</b>  |
|                    | <b><u>B) LOANS AND ADVANCES</u></b>   |                  |                  |
|                    | (Recoverable in cash or in kind or for value to be received,<br>considered good, unsecured unless otherwise stated) |                  |                  |
| 33,800             | Deposit recoverable   | <b>33,800</b>    |                  |
| 14,95,101          | Personal Loans - Individuals  | <b>7,83,077</b>  |                  |
| 95,897             | Income Tax Refund Receivable  | <b>95,897</b>    |                  |
| 41,156             | Income Tax Paid under Protest   | <b>41,156</b>    |                  |
|                    |   |                  | <b>9,53,930</b>  |
| 87,20,957          | Balance in Profit and Loss Account  | <b>86,82,995</b> |                  |
|                    | Less: Shown as deduction from balance in Profit and Loss<br>account as per contra                                   | <b>25,000</b>    | <b>86,57,995</b> |
| <u>1,05,14,158</u> | <b>TOTAL</b>  |                  | <b>98,55,080</b> |

(Sd.) RAJESWARY RAMAKRISHNAN  
(Sd.) ANITA PRABHU  
Directors

JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE

| Previous<br>Year Rs. | Particulars  | Details<br>Rs. | Total<br>Rs.     |
|----------------------|--|----------------|------------------|
|                      | <b><u>PAYMENTS &amp; BENEFITS TO EMPLOYEES</u></b> |                |                  |
| 10,191               | Miscellaneous Expenses                             | 5,700          |                  |
| 5,500                | Directors' Sitting Fee                             | 5,500          |                  |
| 16,545               | Payment to Auditors - Statutory Audit Fee          | 16,545         |                  |
|                      |  |                | 27,745           |
| 3,798                | Depreciation                                       |                | 2,296            |
| 1,53,405             | Profit for the year                                |                | 85,862           |
| <u>1,89,439</u>      | TOTAL  |                | <u>1,15,903</u>  |
| 88,73,326            | Balance of Loss brought forward from previous year |                | 87,20,957        |
|                      | <b>TRANSFER TO RESERVE :-</b>                      |                |                  |
|                      | Statutory Reserve - 2009-10                        | 30,700         |                  |
|                      | Statutory Reserve - 2010-11                        | 17,200         | 47,900           |
| 1,036                | Fringe benefit tax                                 |                |                  |
| <u>88,74,362</u>     | TOTAL  |                | <u>87,68,857</u> |

Place : Chennai  
Date : 30th May 2011

Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner



**YEAR ENDED 31ST MARCH'2011**

| <b>Previous<br/>Year Rs.</b> | <b>Particulars</b>             | <b>Details<br/>Rs.</b> | <b>Total<br/>Rs.</b>    |
|------------------------------|--------------------------------|------------------------|-------------------------|
| 1,88,650                     | Interest earned                |                        | <b>1,15,903</b>         |
| 789                          | Profit on Sales of Assets      |                        | -                       |
| <u>1,89,439</u>              | TOTAL                          |                        | <u><b>1,15,903</b></u>  |
| 1,53,405                     | Profit for the year            |                        | <b>85,862</b>           |
| 87,20,957                    | Balance Taken to Balance Sheet |                        | <b>86,82,995</b>        |
| <u>88,74,362</u>             | TOTAL                          |                        | <u><b>87,68,857</b></u> |

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(Sd.) RAJESWARY RAMAKRISHNAN  
(Sd.) ANITA PRABHU  
Directors

JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED

SCHEDULE OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31.3.2011

| PARTICULARS          | COST BLOCK               |  |   | DEPRECIATION BLOCK       |                           |                        |                              | NET BLOCK                 |                                     |                                     |
|----------------------|--------------------------|--|---|--------------------------|---------------------------|------------------------|------------------------------|---------------------------|-------------------------------------|-------------------------------------|
|                      | AS ON<br>31-03-10<br>Rs. | ADDITIONS<br>DURING<br>THE YEAR<br>Rs. | DEDUCTIONS<br>DURING<br>THE YEAR<br>Rs. | AS ON<br>31-03-11<br>Rs. | UPTO<br>31-03-2010<br>Rs. | FOR<br>THE YEAR<br>Rs. | ON<br>DEDUCT-<br>IONS<br>Rs. | UPTO<br>31-03-2011<br>Rs. | W.D.V<br>AS AT<br>31-03-2010<br>Rs. | W.D.V<br>AS AT<br>31-03-2011<br>Rs. |
| FURNITURE & FITTINGS | 14,165                   | -                                      | -                                       | 14,165                   | 13,881                    | 51                     | -                            | 13,932                    | 284                                 | 233                                 |
| AIR CONDITIONER      | 64,717                   | -                                      | -                                       | 64,717                   | 53,391                    | 1,575                  | -                            | 54,966                    | 11,326                              | 9,751                               |
| COMPUTER EQUIPMENTS  | 1,00,000                 | -                                      | -                                       | 1,00,000                 | 98,326                    | 670                    | -                            | 98,996                    | 1,674                               | 1,004                               |
| TOTAL                | 1,78,882                 | -                                      | -                                       | 1,78,882                 | 1,65,598                  | 2,296                  | -                            | 1,67,894                  | 13,284                              | 10,988                              |
| PREVIOUS YEAR        | 2,00,882                 | -                                      | 22,000                                  | 1,78,882                 | 1,78,499                  | 3,798                  | 16,699                       | 1,65,598                  | 13,284                              | 22,383                              |

Place : Chennai  
Date : 30-5-2011

Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
(Sd.) K. RAJAJ  
(ICAI Memb. No.202309)  
Partner

(Sd.) RAJESWARAY RAMAKRISHNAN  
(Sd.) ANITA PRABHU  
Directors

Notes forming part of the accounts for the year ended 31st March 2011 and annexed thereto.

Statement on significant accounting policies:

- a) Accounts are prepared under the historical cost convention, in accordance with the generally accepted accounting practices.
- b) (i) In respect of Finance business, income is recognized in the accounts in accordance with the applicable norms prescribed in the Directions issued by the Reserve Bank of India from time to time. Finance charges in respect of Hire purchase transactions are apportioned over the period of the contract on even-spread method.  
(ii) Sales are excluding Sales Tax and net of discounts, if any.
- c) Assets repossessed from defaulting hirers are stated at the principal value at which they were carried in the books of the company on the date of repossession. The Surplus/Deficit on disposal of such assets is recognized on realization.
- d) Fixed Assets and Depreciation:  
Fixed Assets are carried at historical cost less accumulated depreciation which is computed under the written down value method in accordance with Schedule XIV of the Companies Act, 1956.
- e) Employee benefits:  
The company has defined contribution plan of provident fund and the contributions to the fund is made monthly at pre-determined rate and charged to the Profit and Loss Account in the year in which the employees render service. .
- f) TAXATION  
Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income Tax Act, 1961.
  - Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax.
  - Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation are recognized only when there is virtual certainty supported by convincing evidence that such assets will be realized. Deferred tax assets arising on other temporary timing differences are recognized only if there is a reasonable certainty of realisation.

| <b>1. Miscellaneous expenses comprise:</b> | <b>This Year</b>    | Previous Year |
|--|---------------------|---------------|
|  | <b>Rs.</b>          | Rs.           |
| i) Traveling and Conveyance                | -                   | 557           |
| ii) Others                                 | <b>5,600</b>        | 9,634         |
|  | <u><b>5,600</b></u> | <u>10,191</u> |

2. No provision has been made in the accounts in respect of Income Tax demanded by Income Tax Department for the assessment years 1998-99 and 1999-2000 amounting to Rs.10,018/- and Rs.41,156/- respectively. Against the said demands, amount paid under protest/ adjusted by the Income Tax Department amounting to Rs.41,156/- has been shown under "Loans & Advances"

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

3. The Company has not recognized in the books the deferred tax asset arising on timing differences as at the date of Balance Sheet as there is no virtual certainty as to the availability of future taxable profits against which the deferred tax asset can be realized.
4. The company received the demand for Rs.1,72,568/- from the Income Tax Department levying the penalty on late payment of disputed Interest Tax for the year 1997-98. The company filed the appeal before the higher authorities which is pending for disposal. Meanwhile provision is made therefor in the accounts.
5. The net worth of the company has become negative as at 31.03.2007. It is proposed to infuse necessary funds to restore the net worth of the company to enable it to carry on its business as an NBFC. Accordingly the accounts for the year have been prepared under the Going Concern assumption.
6. The other matters specified in Part II of Schedule VI to the Companies Act, 1956, do not arise in the case of the company during the year.

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Place : Chennai  
Date : 31-05-2011

Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

**(Sd.) RAJESWARY RAMAKRISHNAN**  
**(Sd.) ANITA PRABHU**  
Directors

The Board of Directors,  
The Jeypore Sugar Finance & Investment Corporation Ltd.,  
Chennai.

We have examined the attached Cash Flow Statement of the Jeypore Sugar Finance & Investment Corporation Ltd., Chennai for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the listing agreement clause 32 with Chennai Stock Exchange and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company

for BRAHMAYYA & COMPANY  
Chartered Accountants,  
**(Sd.) K. RAJAJ**  
Partner

Place : Chennai  
Date : 31-05-2011

### CASH FLOW STATEMENT FOR THE YEAR ENDED

| PARTICULARS                                     | 31-03-2011      |                 | 31-03-2010     |               |
|---|-----------------|-----------------|----------------|---------------|
|   | DETAILS<br>Rs.  | AMOUNT<br>Rs.   | DETAILS<br>Rs. | AMOUNT<br>Rs. |
| <b>I CASH FROM OPERATING ACTIVITIES</b>         |                 |                 |                |               |
| Net Profit as per Profit & Loss Account         |                 | <b>85,862</b>   |                | 1,53,405      |
| Add/Less: Adjustments for                       |                 |                 |                |               |
| a) Depreciation                                 | <b>2,296</b>    |                 | 3,798          |               |
| b) Interest Paid                                | -               |                 | -              |               |
| c) Profit on Sale of Assets                     | -               | 2,296           | (-)789         |               |
| Operating Profit before Working Capital changes |                 | 88,158          |                | 1,56,414      |
| Add/Less: Adjustments for working capital       |                 |                 |                |               |
| a) Decrease in Trade & other receivables        | <b>7,12,024</b> |                 | 4,55,361       |               |
| b) Increase in Trade Payables                   | <b>23,545</b>   |                 | (-)29,473      |               |
|   |                 | <b>7,35,569</b> |                | 4,25,888      |
|   |                 | <b>8,23,727</b> |                | 5,82,302      |
| d) Taxes paid (FBT)                             |                 | -               |                | 1,036         |
| Cash generated from Operations                  |                 | <b>8,23,747</b> |                | 5,81,266      |
| CASH USED IN OPERATING ACTIVITIES (A)           |                 | <b>8,23,747</b> |                | 5,81,266      |

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

**II CASH FROM INVESTING ACTIVITIES**

Sale of Fixed Assets 6,090

**III CASH FROM FINANCING ACTIVITIES**

|  |                   |                    |
|--|-------------------|--------------------|
| a) Increase/Decrease in funds borrowed | <b>(-7,05,523</b> | <b>(-)8,00,000</b> |
| b) Interest Paid                       | <b>-</b>          | <b>-</b>           |
|  | <b>(-)705523</b>  | <b>(-)8,00,000</b> |

**CASH USED IN FINANCING ACTIVITIES (C)**

|   |                 |                    |
|---|-----------------|--------------------|
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | <b>1,18,204</b> | <b>(-)2,12,644</b> |
| OPENING BALANCE OF CASH AND CASH EQUIVALENTS      | <b>1,13,963</b> | 3,26,607           |
| CLOSING BALANCE OF CASH AND CASH EQUIVALENTS      | <b>2,32,167</b> | 1,13,963           |
|   | <b>1,18,204</b> | <b>(-)2,12,644</b> |

Place : Chennai  
Date : 31-05-2011

Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

**(Sd.) RAJESWARY RAMAKRISHNAN**  
**(Sd.) ANITA PRABHU**  
Directors

**SCHEDULE TO THE BALANCE SHEET AS AT 31.3.2011**

(Rs. In Lakhs)

| Particulars   | Amount<br>Outstanding<br>Rs | Amount<br>Overdue<br>Rs |
|---|-----------------------------|-------------------------|
| Liabilities side;   |                             |                         |
| (1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:                   |                             |                         |
| (a) Debentures  |                             |                         |
| — Secured   | NIL                         | NIL                     |
| — Unsecured (other than falling within the meaning of public deposits*)   | NIL                         | NIL                     |
| (b) Deferred credits  |                             |                         |
| (c) Term Loans  | NIL                         | NIL                     |
| (d) Inter-corporate loans and borrowings  | NIL                         | NIL                     |
| (e) Commercial paper  | NIL                         | NIL                     |
| (f) Public Deposits   | NIL                         | NIL                     |
| (g) Other loans (specify nature) Deposits from Directors  | 47.45                       | NIL                     |
| * Please see Note 1 below   |                             |                         |
| (2) Breakup of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):     |                             |                         |
| (a) In the form of unsecured debentures   | NIL                         | NIL                     |
| (b) In the form of partly secured debentures i.e., debentures where there is a shortfall in the value of Security | NIL                         | NIL                     |
| (c) Others Public deposits  | NIL                         | NIL                     |

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

| Assets Side  | Amount Outstanding |
|--|--------------------|
| (3) Break-up of loans and advances including bills receivable<br>(other than those included in (4) below):   |                    |
| (a) Secured  | NIL                |
| (b) Unsecured  | 7.83               |
| (4) Break up of leased assets and stock on hire and hypothication<br>loans counting towards EL/HP activities |                    |
| (i) Leases assets including lease rentals under sundry<br>debtors:   |                    |
| (a) Financial lease  | NIL                |
| (b) Operating lease  | NIL                |
| (ii) Stock on hire including hire-charges under Sundry<br>debtors:   |                    |
| (a) Assets on hire   | NIL                |
| (b) Repossessed assets   | NIL                |
| (iii) Hypothecation loans counting towards EL/HP activities  | -                  |
| (a) Loans where assets have been repossessed   | -                  |
| (b) Loans other than (a) above   | -                  |
| (5) Break-up of Investments:<br>current Investments:   |                    |
| <b>1. Quoted:</b>  |                    |
| (i) Shares   |                    |
| (a) Equity   | NIL                |
| (b) Preference   | NIL                |
| (ii) Debentures and bonds  | NIL                |
| (iii) Units of mutual funds  | NIL                |
| (iv) Government securities   | NIL                |
| (v) Others (Plase Specify)   | NIL                |
| <b>2. Unquoted:</b>  |                    |
| (i) Shares   |                    |
| (a) Equity   | NIL                |
| (b) Preference   | NIL                |
| (ii) Debentures and bonds  | NIL                |
| (iii) Units of mutual funds  | NIL                |



|                            |     |
|----------------------------|-----|
| (iv) Government securities | NIL |
| (v) Others (Plase Specify) | NIL |

**Long-term Investments:**

**1. Quoted:**

|                             |     |
|-----------------------------|-----|
| (I) Shares                  |     |
| (a) Equity                  | NIL |
| (b) Preference              | NIL |
| (ii) Debentures and bonds   | NIL |
| (iii) Units of mutual funds | NIL |
| (iv) Government securities  | NIL |
| (v) Others (Plase Specify)  | NIL |

**2. Unquoted:**

|                             |     |
|-----------------------------|-----|
| (I) Shares                  |     |
| (a) Equity                  | NIL |
| (b) Preference              | NIL |
| (ii) Debentures and bonds   | NIL |
| (iii) Units of mutual funds | NIL |
| (iv) Government securities  | NIL |
| (v) Others (Plase Specify)  | NIL |

(6) Borrowing group-wise classification of all leased assets, stock-on-hire and loans and advances

| Category                       | Amount net of provisions |           |
|--------------------------------|--------------------------|-----------|
|                                | Secured                  | Unsecured |
| 1. Related Parties**           |                          |           |
| a) Subsidiaries                |                          |           |
| b) Companies in the same group | NIL                      |           |
| c) Other related parties       |                          |           |
| 2. Other than related parties  | NIL                      | 7.83      |
| Total                          |                          |           |

**JEYPORE SUGAR FINANCE AND INVESTMENT CORPN. LIMITED**

- (7) Investor group-wise classification of all investments (current and long-term) in shares and securities(both quoted and un-quoted):  
Please see note 3 below

| Category                        | Market value/<br>break-up or fair<br>value of NAV | Book value<br>(net of provisions) |
|---------------------------------|---|-----------------------------------|
| 1. Related Parties**            |   |                                   |
| a) Subsidiaries                 | NIL   | NIL                               |
| b) Com[panies in the same group | NIL   | NIL                               |
| c) Other related parties        | NIL   | NIL                               |
| 2. Other than related parties   | NIL   | NIL                               |
| Total NIL                       | NIL   |                                   |

\*\* As per Accounting Standard of ICAI(Please see note 3)

- (8) Other information

Particulars

|   |     |     |
|---|-----|-----|
| (I) Gross non-performing assets               |     |     |
| (a) Related Parties                           | NIL | NIL |
| (b) Other than related parties                | NIL | NIL |
| (ii) Net non-performing assets                |     |     |
| (a) Related Parties                           | NIL | NIL |
| (b) Other than related parties                | NIL | NIL |
| (iii) Assets acquired in satisfaction of debt | NIL | NIL |

Notes:

- (1) As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank Directions, 1998).
- (2) Provisioning norms shall be applicable as prescribed in (Reserve Bank) Directions, 1998.
- (3) All accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However market value in respect of quoted investments and break-up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column(5)above.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****1. REGISTRATION DETAILS**

|                     |       |
|---------------------|-------|
| a) Registration No. | 17898 |
| b) State Code       | 18    |

31.3.2011

(Amount in Rs. '000)

**2. CAPITAL RAISED DURING THE YEAR**

NIL

**3. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS**

|                      |      |
|----------------------|------|
| a) Total Liabilities | 9855 |
| b) Total Assets      | 9855 |

**Sources of Funds:**

|                                 |      |
|---------------------------------|------|
| a) Paid-Up Capital              | 4105 |
| b) Reserves & Surplus           | 698  |
| c) Secured Loans                | -    |
| d) Unsecured Loans              | 4745 |
| e) Current Liabilities          | 307  |
| f) Deferred Tax Liability (Net) | -    |

**TOTAL**9855**Application of Funds:**

|                       |      |
|-----------------------|------|
| a) Net Fixed Assets   | 11   |
| b) Investments        | -    |
| c) Net Current Assets | 1186 |
| d) Profit & Loss A/c  | 8658 |

**TOTAL**9855**4. PERFORMANCE OF THE COMPANY**

|                             |      |
|-----------------------------|------|
| a) Turnover                 | 116  |
| b) Other Income             | -    |
| c) Total Expenditure        | 30   |
| d) Profit Before Tax        | 86   |
| e) Profit After Tax         | 86   |
| f) Earnings Per Share (Rs.) | 0.21 |
| g) Dividends Rate (%)       | Nil  |

**5. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**

( as per monetary terms )

|                        |                      |
|------------------------|----------------------|
| 1. Item Code No.       | -                    |
| 2. ITC Code No.        | -                    |
| 3. Product Description | Hirepurchase Finance |

Place : Chennai  
Date : 31-05-2011Per Our report annexed  
For Brahmayya & Co.,  
Chartered Accountants  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner**(Sd.) RAJESWARY RAMAKRISHNAN**  
**(Sd.) ANITA PRABHU**  
Directors



**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

**CONSOLIDATED FINANCIAL STATEMENTS**





**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE JEYPORE SUGAR COMPANY LIMITED AND ITS SUBSIDIARY**

We have examined the attached consolidated Balance Sheet of THE JEYPORE SUGAR COMPANY LIMITED and its subsidiary as at 31st March, 2011, their consolidated Profit and Loss Account and their Cash flow statement for the year then ended. These financial statements are the responsibility of THE JEYPORE SUGAR COMPANY LTD's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of "Accounting Standard 21- Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of The Jeypore Sugar Company Ltd., and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of THE JEYPORE SUGAR COMPANY LTD. and its aforesaid subsidiary, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of THE JEYPORE SUGAR COMPANY LTD. and its subsidiary as at 31st March, 2011; and
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of THE JEYPORE SUGAR COMPANY LTD., and its subsidiary for the year then ended.
- c) the consolidated Cash flow statement gives a true and fair view of the consolidated cash flows of THE JEYPORE SUGAR COMPANY LIMITED and its subsidiary for the year ended on that date.

Place : Chennai  
Date : 31st May,2011

for BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
(ICAI Memb.No. 202309)  
Partner

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

The Board of Directors,  
The Jeypore Sugar Co.Ltd.,  
Chennai.

We have examined the attached Consolidated Cash Flow Statement of The Jeypore Sugar Co. Ltd., Group, Chennai for the year ended 31st March,2011. The Statement has been prepared by the Company in accordance with the listing agreement clause 32 with Madras Stock Exchange Ltd. and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company

Place :Chennai  
Date :31-05-2011

for BRAHMAYYA & COMPANY  
Chartered Accountants,  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

**CASH FLOW STATEMENT IN PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

| PARTICULARS  | DETAILS 31-03-2011     |                     | DETAILS 31-03-2010 |              |
|--|------------------------|---------------------|--------------------|--------------|
|  | Rs.                    | Rs.                 | Rs.                | Rs.          |
| <b>I. CASH FROM OPERATING ACTIVITIES</b>               |                        |                     |                    |              |
| Net Profit as per Profit and Loss account              | <b>(-11,49,19,097)</b> |                     | 27,46,83,092       |              |
| Add/Less:-   |                        |                     |                    |              |
| Adjustments for  |                        |                     |                    |              |
| a) Depreciation  | <b>11,08,44,386</b>    |                     | 11,09,32,683       |              |
| b) Profit on sale of assets                            | -                      |                     | (-)12,869          |              |
| c) Assets Written off                                  | -                      |                     | 3,518              |              |
| d) Interest paid                                       | <b>24,89,02,185</b>    |                     | 23,33,44,180       |              |
| e) Interest received                                   | <b>(-30,82,870)</b>    |                     | (-)30,61,986       |              |
| f) Dividends received                                  | <b>(-7,54,048)</b>     |                     | (-)8,35,852        |              |
| g) Voluntary Retirement Cost Written Off               | -                      |                     | 58,32,306          |              |
| <b>Operating profit before Working Capital changes</b> | <b>24,09,90,556</b>    |                     | 62,08,85,072       |              |
| Add/Less:-   |                        |                     |                    |              |
| Adjustments for Working capital                        |                        |                     |                    |              |
| a) Inventories   | <b>(-50,25,28,676)</b> |                     | 13,47,39,393       |              |
| b) Trade and other receivables                         | <b>(-10,85,49,175)</b> |                     | 4,83,46,109        |              |
| c) Trade Payables                                      | <b>91,50,12,153</b>    |                     | (-)51,31,39,825    |              |
| Cash generated from operations                         | <b>54,49,24,858</b>    |                     | 29,08,30,749       |              |
| Less: Direct Taxes paid                                | <b>(-6,94,60,416)</b>  |                     | (-)2,29,04,810     |              |
| <b>CASH FROM OPERATING ACTIVITIES (A) —</b>            |                        | <b>47,54,64,442</b> |                    | 26,79,25,939 |





## II. CASH FROM INVESTING ACTIVITIES

|   |                        |                        |
|---|------------------------|------------------------|
| a) Purchase of fixed assets including<br>capital work in progress | <b>(-43,02,05,484</b>  | <b>(-)39,33,95,687</b> |
| b) Sale of fixed assets   | <b>5,878</b>           | <b>5,22,839</b>        |
| c) Interest received  | <b>30,82,870</b>       | <b>30,61,986</b>       |
| d) Investment   | <b>-</b>               | <b>(-)3,150</b>        |
| e) Dividends received   | <b>7,54,048</b>        | <b>8,35,852</b>        |
| <b>CASH USED IN INVESTING ACTIVITIES (B) -</b>                    | <b>(-)42,63,62,688</b> | <b>(-)38,89,78,160</b> |

## III. CASH FROM FINANCING ACTIVITIES

|   |                        |                        |
|---|------------------------|------------------------|
| a) Increase in funds borrowed                                 | <b>28,93,83,023</b>    | <b>41,22,90,479</b>    |
| b) Dividend paid  | <b>(-)2,26,72,640</b>  | <b>(-)45,34,528</b>    |
| c) Tax paid on distribution of profits                        | <b>(-)37,65,642</b>    | <b>(-)7,70,643</b>     |
| d) Interest paid  | <b>(-)24,89,02,185</b> | <b>(-)23,33,44,180</b> |
| <b>CASH FROM FINANCING ACTIVITIES (C)—</b>                    | <b>1,40,42,556</b>     | <b>17,36,41,128</b>    |
| <b>NET INCREASE IN CASH AND<br/>CASH EQUIVALENTS (A+B+C)—</b> | <b>6,31,44,310</b>     | <b>5,25,88,907</b>     |
| <b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>           | <b>12,40,39,608</b>    | <b>7,14,50,701</b>     |
| <b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>           | <b>18,71,83,918</b>    | <b>12,40,39,608</b>    |
|   | <b>6,31,44,310</b>     | <b>5,25,88,907</b>     |

Per our Report of even date for BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
(ICAI Memb. No.202309)  
Partner

(By Order of the Board)  
**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

THE JEYPORE SUGAR COMPANY LIMITED GROUP, CHENNAI

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011

|   | SCHEDULE<br>No. | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|---|-----------------|--------------------------|--------------------------|
| <b>I. SOURCES OF FUNDS :</b>                      |                 |                          |                          |
| <b>1) SHARE HOLDERS' FUNDS:</b>                   |                 |                          |                          |
| a) Capital  | A               | 4,53,45,280              | 4,53,45,280              |
| b) Reserves and Surplus                           | B               | 60,74,48,958             | 69,98,84,706             |
|   |                 | <u>65,27,94,238</u>      | <u>74,52,29,986</u>      |
| <b>2) MINORITY INTEREST</b>                       | C               | -                        | -                        |
| <b>3) LOAN FUNDS:</b>                             |                 |                          |                          |
| a) Secured Loans                                  | D               | 293,61,75,403            | 270,61,13,659            |
| b) Unsecured loans                                | E               | 23,62,12,672             | 17,68,91,395             |
|   |                 | <u>317,23,88,075</u>     | <u>288,30,05,054</u>     |
| <b>4) DEFERRED TAX:</b>                           |                 |                          |                          |
| a) Liability                                      |                 | 11,92,87,732             | 13,67,51,636             |
| b) less: Asset                                    |                 | 2,42,95,656              | 1,92,89,342              |
|   |                 | <u>9,49,92,076</u>       | <u>11,74,62,294</u>      |
| TOTAL   |                 | <u>392,01,74,389</u>     | <u>374,56,97,334</u>     |
| <b>II APPLICATION OF FUNDS :</b>                  |                 |                          |                          |
| <b>1) FIXED ASSETS:</b>                           |                 |                          |                          |
| a) Gross block                                    | F               | 251,50,17,989            | 248,02,48,650            |
| b) Less: Depreciation                             |                 | 125,79,80,073            | 114,63,60,968            |
| c) Net Block                                      |                 | 125,70,37,916            | 133,38,87,682            |
| d) Capital Work-in-progress                       |                 | 177,25,72,175            | 161,67,41,882            |
| e) Unallocated capital expenditure                |                 | 81,29,79,256             | 57,26,04,564             |
|   |                 | <u>384,25,89,347</u>     | <u>352,32,34,128</u>     |
| <b>2) INVESTMENTS:</b>                            | G               | 19,66,482                | 19,66,482                |
| <b>3) CURRENT ASSETS, LOANS AND ADVANCES:</b>     |                 |                          |                          |
| a) Inventories                                    | H               | 207,72,47,699            | 157,40,06,999            |
| b) Sundry Debtors                                 | I               | 12,96,81,316             | 3,77,06,527              |
| c) Cash and Bank balances                         | J               | 18,71,83,918             | 12,40,39,608             |
| d) Other Current Assets                           | K               | 9,83,152                 | 4,23,493                 |
| e) Loans and Advances                             | L               | 61,15,02,296             | 52,76,23,782             |
|   |                 | <u>300,65,98,381</u>     | <u>226,38,00,409</u>     |
| <b>LESS:CURRENT LIABILITIES &amp; PROVISIONS:</b> |                 |                          |                          |
| a) Liabilities                                    | M               | 279,74,37,444            | 188,49,34,707            |
| b) Provisions                                     | N               | 13,35,42,377             | 15,83,68,978             |
|   |                 | <u>293,09,79,821</u>     | <u>204,33,03,685</u>     |
| <b>NET CURRENT ASSETS</b>                         |                 | <u>7,56,18,560</u>       | <u>22,04,96,724</u>      |
|   |                 | <u>392,01,74,389</u>     | <u>374,56,97,334</u>     |

Note: The schedules and notes form an integral part of the Consolidated Balance Sheet.

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.05.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**

Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director



**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

| PARTICULARS                                      | SCHEDULE       | 2010-2011<br>Rs.       | 2009-2010<br>Rs.      |
|--|----------------|------------------------|-----------------------|
| <b>INCOME:</b>                                   |                |                        |                       |
| Sales  |                | 210,44,13,550          | 238,75,39,918         |
| Others   | 1              | 84,63,701              | 80,48,644             |
| Increase/(Decrease) in Stocks                    | 2              | <u>49,55,64,210</u>    | <u>(-)9,14,62,554</u> |
|  |                | <u>260,84,41,461</u>   | <u>230,41,26,008</u>  |
| <b>EXPENDITURE:</b>                              |                |                        |                       |
| Raw Materials consumed                           |                | 161,23,56,595          | 110,69,61,031         |
| Payments & Benefits to Employees                 | 3              | 19,96,21,197           | 18,97,00,560          |
| Manufacturing and other expenses                 | 4              | 48,99,95,062           | 34,24,84,515          |
| Excise Duty and Taxes                            | 5              | 6,16,41,134            | 4,60,19,947           |
| Interest   |                | 24,89,02,185           | 23,33,44,180          |
| Depreciation                                     |                | <u>11,08,44,386</u>    | <u>11,09,32,683</u>   |
|  |                | <u>272,33,60,559</u>   | <u>202,94,42,916</u>  |
| Profit / Loss for the year                       |                | (-)11,49,19,098        | 27,46,83,092          |
| Add/Less : Provision - Income Tax and Wealth Tax |                | -                      | 9,00,00,000           |
| - Fringe Benefit Tax                             |                | -                      | 1,036                 |
| - Deferred tax                                   |                | -                      | -                     |
|  |                | <u>(-)11,49,19,098</u> | <u>18,46,82,056</u>   |
| Add : Deferred Tax (Credit)                      |                | 2,24,70,218            | 79,62,520             |
| Excess Provision of I.T. in earlier years(Net)   |                | <u>13,133</u>          | -                     |
| Profit after tax                                 |                | <u>(-)9,24,35,747</u>  | <u>19,26,44,576</u>   |
| - Concern Share                                  | (-)9,24,35,845 |                        | 19,26,44,400          |
| - Minority Share                                 | <u>98</u>      |                        | 176                   |
| Balance brought forward from last year           |                | <u>9,28,19,621</u>     | <u>2,66,13,327</u>    |
| Profit available for appropriation               |                | <u>3,83,874</u>        | <u>21,92,57,903</u>   |
| <b>APPROPRIATIONS:</b>                           |                |                        |                       |
| Transfer to General Reserve                      |                | -                      | 10,00,00,000          |
| Transfer to Statutory Reserve                    |                | 47,900                 | -                     |
| Proposed dividend                                |                | -                      | 2,26,72,640           |
| Provision for Tax on dividend                    |                | -                      | 37,65,642             |
| Balance carried forward to next year             |                | <u>3,35,974</u>        | <u>9,28,19,621</u>    |
| Basic and diluted Earning Per Share - Concern    |                | <u>(-)20.38</u>        | <u>42.48</u>          |
| (See Note No. 2)                                 | Minority       | <u>0.21</u>            | <u>0.37</u>           |

Note: The schedules & notes form an integral part of the consolidated Profit and Loss Account.

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.05.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**

Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

**SCHEDULES ANNEXED TO CONSOLIDATED BALANCE SHEET**

**SHARE CAPITAL**

**SCHEDULE "A"**

| PARTICULARS   | AS AT<br>31-03-11<br>Rs.   | AS AT<br>31-03-10<br>Rs. |
|---|----------------------------|--------------------------|
| <b>Authorised :</b>                                       |                            |                          |
| 300000 - 15% Cumulative Preference Shares of Rs. 100 each | <b>3,00,00,000</b>         | 3,00,00,000              |
| 7000000 - Equity Shares of Rs. 10 each                    | <b>7,00,00,000</b>         | 7,00,00,000              |
|   | <b><u>10,00,00,000</u></b> | <u>10,00,00,000</u>      |
| <b>Issued :</b>   |                            |                          |
| 4547256 - Equity Shares of Rs. 10 each                    | <b><u>4,54,72,560</u></b>  | <u>4,54,72,560</u>       |
| <b>Subscribed and Paid-up :</b>                           |                            |                          |
| 4534528 Equity Shares of Rs.10 each                       | <b><u>4,53,45,280</u></b>  | <u>4,53,45,280</u>       |
|   | <b><u>4,53,45,280</u></b>  | <u>4,53,45,280</u>       |

**RESERVES AND SURPLUS**

**SCHEDULE "B"**

| PARTICULARS   | AS AT<br>01-04-10<br>Rs.   | ADDED DURING<br>THE YEAR<br>Rs. | WITHDRAWALS<br>Rs. | AS AT<br>31-03-11<br>Rs.   |
|---|----------------------------|---------------------------------|--------------------|----------------------------|
| Depreciation Reserve  | 29,89,342                  |                                 |                    | <b>29,89,342</b>           |
| Investment Allowance Reserve  | 32,35,000                  |                                 |                    | <b>32,35,000</b>           |
| General Reserve   | 48,43,43,663               | -                               | -                  | <b>48,43,43,663</b>        |
| Investment Subsidy  | 8,08,292                   |                                 |                    | <b>8,08,292</b>            |
| Capital Reserve - Subsidy for Bio Gas<br>Power Plant at Distillery                        | 80,00,000                  | -                               |                    | <b>80,00,000</b>           |
| Capital Redemption Reserve  | 14,45,000                  |                                 |                    | <b>14,45,000</b>           |
| Capital Reserve - Profit on Forfeiture of Shares  | 65,917                     |                                 |                    | <b>65,917</b>              |
| Revaluation Reserve   | 3,01,466                   |                                 |                    | <b>3,01,466</b>            |
| Statutory Reserve   | 6,50,000                   | <b>47,900</b>                   | -                  | <b>6,97,900</b>            |
| Share Premium   | 10,11,21,705               |                                 |                    | <b>10,11,21,705</b>        |
| Surplus i.e., Balance in Profit & Loss Account  | 9,28,19,621                |                                 |                    | <b>3,35,974</b>            |
| Capital Reserve   | <u>41,00,000</u>           |                                 |                    | <b><u>41,00,000</u></b>    |
|   | 69,98,80,006               | <b>47,900</b>                   | -                  | <b>60,74,44,259</b>        |
| (Add:)/Less: Minority interest in reserves<br>and surplus/(Deficit) in Subsidiary Company | <u>9,213</u>               |                                 |                    | <b><u>9,115</u></b>        |
|   | 69,98,89,219               |                                 |                    | <b>60,74,53,373</b>        |
| Less : Minority Share of Loss adjusted*   | <u>4,513</u>               |                                 |                    | <b><u>4,415</u></b>        |
|   | <b><u>69,98,84,706</u></b> |                                 |                    | <b><u>60,74,48,958</u></b> |

\*Being the difference between the carrying cost of investments in, and the parent's share in the equity of, the subsidiary company.


**MINORITY INTEREST**
**SCHEDULE "C"**

| PARTICULARS  | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|--|--------------------------|--------------------------|
| Share Capital                                      | 4,700                    | 4,700                    |
| Reserves and Surplus/(-) Deficit                   | (-)9,115                 | (-)9,213                 |
|  | <u>(-4,415)</u>          | <u>(-4,513)</u>          |
| Less: Shown as adjustment in the majority interest | 4,415                    | 4,513                    |
|  | <u>-</u>                 | <u>-</u>                 |

**SECURED LOANS**
**SCHEDULE "D"**

| PARTICULARS   | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|---|--------------------------|--------------------------|
| Term Loans from Financial Institutions and banks                                      | 206,94,83,014            | 179,85,84,253            |
| Cash Credit Accounts from Banks   | 86,66,60,479             | 90,74,97,496             |
| From the Orissa State Govt. on the mortgage of Industrial Housing Colony at Rayagada. | 31,910                   | 31,910                   |
| From a Company/Bank under hire purchase/hypothecation                                 | -                        | -                        |
|   | <u>293,61,75,403</u>     | <u>270,61,13,659</u>     |

**UNSECURED LOANS**
**SCHEDULE "E"**

| PARTICULARS                           | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|---------------------------------------|--------------------------|--------------------------|
| <b>1. Fixed deposits</b>              |                          |                          |
| a) From Public & Shareholders         | 5,97,97,000              | 5,65,95,000              |
| b) From Directors                     | 8,16,95,072              | 6,44,00,595              |
| c) Intercompany deposits              | 93,63,000                | 93,63,000                |
| d) Interest accrued and due on above  | -                        | -                        |
| <b>2. Other loans :</b>               |                          |                          |
| Term Loan From Sugar Development Fund | 4,37,50,000              | -                        |
| Trade Deposits                        | 4,16,07,600              | 4,65,32,800              |
|                                       | <u>23,62,12,672</u>      | <u>17,68,91,395</u>      |

THE JEYPORE SUGAR COMPANY LIMITED GROUP

| FIXED ASSETS - GROUP CONSOLIDATION |   |                    | GROSS BLOCK               |                            |                    |                            |                                  | DEPRECIATION               |                            |                  |                  |  | NET BLOCK |  |
|------------------------------------|---|--------------------|---------------------------|----------------------------|--------------------|----------------------------|----------------------------------|----------------------------|----------------------------|------------------|------------------|--|-----------|--|
| SL. No                             | NAME OF THE ASSET   | COST UPTO 31-03-10 | ADDITIONS DURING THE YEAR | DEDUCTIONS DURING THE YEAR | COST UPTO 31-03-11 | DEPRECIATION UPTO 31-03-10 | DEPRECIATION FOR THE YEAR NORMAL | DEPRECIATION ON DEDUCTIONS | DEPRECIATION UPTO 31-03-11 | AS AT 31-03-2011 | AS AT 31-03-2010 |  |           |  |
|                                    |   | Rs.                | Rs.                       | Rs.                        | Rs.                | Rs.                        | Rs.                              | Rs.                        | Rs.                        | Rs.              | Rs.              |  |           |  |
| 1.                                 | INTANGIBLE ASSETS   | 574,58,900         | -                         | -                          | 574,58,900         | 5,32,13,550                | 42,45,320                        | -                          | 5,74,58,900                | -                | 42,46,320        |  |           |  |
| 2.                                 | LANDS   | 29,43,54,845       | -                         | -                          | 29,43,54,845       | -                          | -                                | -                          | -                          | 29,43,54,845     | 29,43,54,845     |  |           |  |
| 3.                                 | FACTORY BUILDINGS   | 11,23,46,810       | 48,93,298                 | -                          | 11,72,40,108       | 5,55,85,014                | 98,55,779                        | -                          | 6,14,40,794                | 5,57,99,314      | 5,67,61,796      |  |           |  |
| 4.                                 | NON-FACTORY BUILDINGS   | 10,92,89,906       | 33,018                    | -                          | 10,93,22,924       | 4,07,87,168                | 34,58,156                        | -                          | 4,42,45,325                | 6,50,77,589      | 6,85,02,738      |  |           |  |
| 5.                                 | PLANT & MACHINERY   | 176,20,55,219      | 1,98,51,340               | -                          | 178,19,06,559      | 88,87,67,767               | 8,88,52,729                      | -                          | 97,76,20,495               | 80,42,86,064     | 87,32,87,452     |  |           |  |
| 6.                                 | TEMPORARY STRUCTURES  | 12,19,469          | -                         | -                          | 12,19,469          | 12,19,458                  | -                                | -                          | 12,19,458                  | 1                | 1                |  |           |  |
| 7.                                 | RAILWAY SIDINGS   | 1,85,094           | -                         | -                          | 1,85,094           | 1,84,681                   | 57                               | -                          | 1,84,738                   | 356              | 443              |  |           |  |
| 8.                                 | WEIGHBRIDGES & SCALES   | 60,29,675          | -                         | -                          | 60,29,675          | 30,07,203                  | 4,20,429                         | -                          | 34,27,632                  | 26,02,043        | 30,22,472        |  |           |  |
| 9.                                 | WATERWORKS  | 2,36,85,460        | -                         | -                          | 2,36,85,460        | 2,05,93,247                | 4,70,249                         | -                          | 2,10,63,495                | 26,21,965        | 30,92,213        |  |           |  |
| 10.                                | WORKSHOP EQUIPMENTS   | 37,87,101          | -                         | -                          | 37,87,101          | 34,62,003                  | 48,656                           | -                          | 35,10,659                  | 2,76,442         | 3,25,098         |  |           |  |
| 11.                                | COMPUTER EQUIPMENTS   | 1,69,39,317        | 24,44,777                 | -                          | 1,93,84,094        | 1,41,37,003                | 13,65,337                        | -                          | 1,55,02,339                | 39,81,755        | 28,02,314        |  |           |  |
| 12.                                | TRANSPORTEQUIPMENTS   | 6,03,04,550        | -                         | -                          | 6,03,04,550        | 4,08,01,885                | 53,85,931                        | -                          | 4,61,87,825                | 1,41,16,726      | 1,95,02,655      |  |           |  |
| 13.                                | LIBRARY   | 36,867             | -                         | -                          | 36,867             | 36,806                     | 7                                | -                          | 36,813                     | 54               | 61               |  |           |  |
| 14.                                | LABORATORY EQUIPMENTS   | 25,75,574          | -                         | 45,717                     | 25,29,857          | 13,63,164                  | 1,68,645                         | 39,465                     | 14,92,325                  | 10,37,531        | 12,12,408        |  |           |  |
| 15.                                | FURNITURES & FITTINGS   | 1,85,02,632        | 3,57,373                  | 34,400                     | 1,88,25,605        | 1,29,29,624                | 8,79,735                         | 31,266                     | 1,37,78,063                | 50,47,542        | 55,73,008        |  |           |  |
| 16.                                | MOLASSES TANKS  | 29,45,035          | -                         | -                          | 29,45,035          | 26,52,313                  | 44,874                           | -                          | 26,97,187                  | 2,47,848         | 2,92,722         |  |           |  |
| 17.                                | LIVE STOCK  | 5,221              | -                         | -                          | 5,221              | -                          | -                                | -                          | -                          | 5,221            | 5,221            |  |           |  |
| 18.                                | AGRICULTURAL IMPLEMENTS                                       | 13,53,093          | 72,69,650                 | -                          | 86,22,743          | 4,89,154                   | 4,83,044                         | -                          | 9,72,198                   | 76,50,545        | 8,63,939         |  |           |  |
| 19.                                | AGRICULTURAL FARMS  | 7,003              | -                         | -                          | 7,003              | -                          | -                                | -                          | -                          | 7,003            | 7,003            |  |           |  |
| 20.                                | Y2K COMPLIANT COMPUTERS SYSTEM INCLUDING APPLICATION SOFTWARE | 71,66,889          | -                         | -                          | 71,66,889          | 71,30,883                  | 14,402                           | -                          | 71,45,284                  | 21,603           | 36,006           |  |           |  |
|                                    | TOTAL   | 246,02,48,650      | 3,48,49,456               | 80,117                     | 251,50,17,989      | 114,63,60,963              | 11,16,93,350                     | 70,781                     | 1,25,79,83,530             | 1,25,70,34,457   | 1,33,38,87,686   |  |           |  |
|                                    | LESS: INTERNAL TRANSFERS ELIMINATED                           | -                  | -                         | -                          | -                  | -                          | -                                | -                          | -                          | -                | -                |  |           |  |
|                                    | LESS: DEPRECIATION CAPITALISED                                | -                  | -                         | -                          | -                  | -                          | 8,48,957                         | -                          | -                          | -                | -                |  |           |  |
|                                    |   | 246,02,48,650      | 3,48,49,456               | 80,117                     | 251,50,17,989      | 114,63,60,963              | 11,08,44,393                     | 70,781                     | 1,25,79,83,530             | 1,25,70,34,457   | 1,33,38,87,686   |  |           |  |



**“INVESTMENTS”**

**SCHEDULE “G”**

| PARTICULARS                       | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|-----------------------------------|--------------------------|--------------------------|
| <b>INVESTMENTS AT COST</b>        |                          |                          |
| <b>QUOTED:</b>                    | Rs.                      | Rs.                      |
| <b>Equity Shares in Companies</b> |                          |                          |
| I) Trade Investments              | 2,24,425                 | 2,24,425                 |
| II) Non - Trade investments       | 17,02,173                | 17,02,173                |
| <b>UNQUOTED:</b>                  |                          |                          |
| Non - Trade investments : Others  | 39,884                   | 39,884                   |
|                                   | <u>19,66,482</u>         | <u>19,66,482</u>         |

**“INVENTORIES”(as certified by management)**

**SCHEDULE “H”**

| PARTICULARS                            | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|--|--------------------------|--------------------------|
| Stores and Spares                      | 9,37,68,808              | 7,72,61,025              |
| Capital Stores                         | 11,39,28,485             | 15,31,53,526             |
| Stores and Raw Materials in Transit    | 15,69,006                | 36,03,644                |
| Loose Tools                            | 3,13,127                 | 6,50,969                 |
| Finished Goods                         | 181,25,65,629            | 131,31,01,681            |
| Raw Materials                          | 1,51,78,798              | 65,90,190                |
| Work-in-process                        | 3,85,11,570              | 1,88,02,374              |
| Crops under cultivation                | 11,07,384                | 6,01,696                 |
| Stock of hundies, postage stamps etc., | 1,050                    | 2,022                    |
| Stock of Stationery                    | 3,03,842                 | 2,39,872                 |
|  | <u>207,72,47,699</u>     | <u>157,40,06,999</u>     |

**“SUNDRY DEBTORS” (Unsecured and considered good)**

**SCHEDULE “I”**

| PARTICULARS  | AS AT<br>31-03-11<br>Rs. | AS AT<br>31-03-10<br>Rs. |
|--|--------------------------|--------------------------|
| a) Debts, Outstanding for a period exceeding six months: | 2,14,07,877              | 1,90,66,805              |
| b) Others  | 10,82,73,439             | 1,86,39,722              |
|  | <u>12,96,81,316</u>      | <u>3,77,06,527</u>       |

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

**“CASH AND BANK BALANCES”** **SCHEDULE “J”**

| <b>PARTICULARS</b>                | <b>AS AT<br/>31-03-11<br/>Rs.</b> | <b>AS AT<br/>31-03-10<br/>Rs.</b> |
|-----------------------------------|-----------------------------------|-----------------------------------|
| Cash on hand                      | <b>9,17,312</b>                   | 10,50,814                         |
| Balances with Scheduled Banks in: |                                   |                                   |
| Current accounts                  | <b>16,25,13,734</b>               | 5,30,16,422                       |
| Fixed and Margin Money Deposits   | <b>2,37,52,872</b>                | 6,99,72,372                       |
|                                   | <b><u>18,71,83,918</u></b>        | <u>12,40,39,608</u>               |

**“OTHER CURRENT ASSETS”** **SCHEDULE “K”**

| <b>PARTICULARS</b> | <b>AS AT<br/>31-03-11<br/>Rs.</b> | <b>AS AT<br/>31-03-10<br/>Rs.</b> |
|--------------------|-----------------------------------|-----------------------------------|
| Interest accrued   | <b>9,83,152</b>                   | 4,23,493                          |
|                    | <b><u>9,83,152</u></b>            | <u>4,23,493</u>                   |

**“LOANS AND ADVANCES”** **SCHEDULE “L”**

| <b>PARTICULARS</b>   | <b>AS AT<br/>31-03-11<br/>Rs.</b> | <b>AS AT<br/>31-03-10<br/>Rs.</b> |
|--|-----------------------------------|-----------------------------------|
| Advances fully secured   | <b>55,865</b>                     | 55,865                            |
| Advances unsecured considered good, recoverable<br>in cash or kind or for value to be received | <b>29,28,58,664</b>               | 29,06,85,110                      |
| Prepaid Expenses   | <b>1,11,93,479</b>                | 97,83,105                         |
| Deposits recoverable   | <b>1,46,58,327</b>                | 1,17,76,981                       |
| Prepaid taxes and duties   | <b>28,73,46,636</b>               | 21,33,04,771                      |
| Taxes and duties paid under protest  | <b>49,78,774</b>                  | 16,07,399                         |
| Claims recoverable   | <b>4,10,551</b>                   | 4,10,551                          |
|  | <b><u>61,15,02,296</u></b>        | <u>52,76,23,782</u>               |



**“CURRENT LIABILITIES”****SCHEDULE “M”**

| <b>PARTICULARS</b>                               | <b>AS AT<br/>31-03-11<br/>Rs.</b> | <b>AS AT<br/>31-03-10<br/>Rs.</b> |
|--|-----------------------------------|-----------------------------------|
| Sundry Creditors                                 |                                   |                                   |
| Due to Micro & Small Enterprises                 | <b>21,41,729</b>                  | 20,234                            |
| Due to Others                                    | <b>275,90,21,836</b>              | 184,31,20,428                     |
| Advances received against sales                  | <b>2,64,88,531</b>                | 1,82,86,370                       |
| Due to Managing Director and whole Time Director | -                                 | 1,36,16,294                       |
| Due to Non Whole Time Director                   | -                                 | 12,25,000                         |
| Unclaimed dividends                              | <b>54,69,335</b>                  | 49,20,901                         |
| Unclaimed fixed deposits                         | -                                 | 75,000                            |
| Unclaimed interest of fixed deposits             | -                                 | 22,953                            |
| Interest accrued but not due on loans            | <b>43,16,013</b>                  | 36,47,527                         |
|  | <b><u>279,74,37,444</u></b>       | <b><u>188,49,34,707</u></b>       |

**“PROVISIONS”****SCHEDULE “N”**

| <b>PARTICULARS</b>                       | <b>AS AT<br/>31-03-11<br/>Rs.</b> | <b>AS AT<br/>31-03-10<br/>Rs.</b> |
|--|-----------------------------------|-----------------------------------|
| Provision for Income Tax/Wealth Tax      | <b>9,42,35,316</b>                | 9,51,56,600                       |
| Proposed Dividends                       | -                                 | 2,26,72,640                       |
| Provision for Tax on Distributed Profits | -                                 | 37,65,642                         |
| Provision for Gratuity                   | <b>2,89,28,665</b>                | 2,51,77,270                       |
| Provision for Leave Encashment           | <b>1,03,78,396</b>                | 1,15,96,826                       |
|  | <b><u>13,35,42,377</u></b>        | <b><u>15,83,68,978</u></b>        |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S

**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

Place : Chennai  
Date : 31.05.2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

**SCHEDULES ANNEXED TO CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**OTHER INCOME**

**SCHEDULE - 1**

| <b>PARTICULARS</b>                          | <b>THIS YEAR<br/>Rs.</b> | <b>PREVIOUS YEAR<br/>Rs.</b> |
|---|--------------------------|------------------------------|
| Interest Received                           | 31,98,773                | 32,50,635                    |
| Rents received                              | 7,61,844                 | 5,55,532                     |
| Transport charges collected                 | 1,95,372                 | 2,11,500                     |
| Lease on Agricultural Lands                 | 1,63,550                 | 2,77,500                     |
| Dividends Received on investments           | 7,54,048                 | 8,35,852                     |
| Miscellaneous receipts                      | 21,60,981                | 18,54,203                    |
| Claims received                             | 8,82,332                 | 1,51,208                     |
| Profit on sale of assets                    | -                        | 12,869                       |
| Credit balances written back                | 2,90,172                 | 8,63,371                     |
| Provisions no longer required credited back | 56,629                   | 35,974                       |
|   | <u>84,63,701</u>         | <u>80,48,644</u>             |

**INCREASE(-)/DECREASE IN STOCKS**

**SCHEDULE - 2**

| <b>PARTICULARS</b>  | <b>THIS YEAR<br/>Rs.</b> | <b>PREVIOUS YEAR<br/>Rs.</b> |
|---|--------------------------|------------------------------|
| <b>Opening Stocks:</b>  |                          |                              |
| Crops Under Cultivation                                       | 6,01,697                 | 5,33,818                     |
| Work-in-process   | 1,88,02,375              | 1,52,16,704                  |
| Finished goods  | <u>131,31,01,681</u>     | <u>143,82,95,157</u>         |
|   | <b>133,25,05,753</b>     | <b>145,40,45,679</b>         |
| <b>Closing Stock:</b>   |                          |                              |
| Crops Under Cultivation                                       | 11,07,384                | 6,01,696                     |
| Work-in-process   | 3,85,11,571              | 1,88,02,374                  |
| Finished goods  | <u>181,25,65,629</u>     | <u>131,31,01,681</u>         |
|   | <b>185,21,84,584</b>     | <b>133,25,05,752</b>         |
| Increase / (decrease) of Stocks before excise duty adjustment | <u>51,96,78,831</u>      | (-)12,15,39,927              |
| Add / Less - variation of excise duty in stocks               | (-)2,41,14,621           | 3,00,77,373                  |
| Increase / (decrease) of stocks after excise duty adjustment  | <u>49,55,64,210</u>      | (-)9,14,62,554               |

**PAYMENTS AND BENEFITS TO EMPLOYEES**

**SCHEDULE - 3**

| <b>PARTICULARS</b>                        | <b>THIS YEAR<br/>Rs.</b> | <b>PREVIOUS YEAR<br/>Rs.</b> |
|---|--------------------------|------------------------------|
| Salaries, Wages and Bonus                 | 16,43,40,911             | 15,50,86,482                 |
| Contribution to Provident and other funds | 1,24,72,105              | 1,17,02,613                  |
| Workmen and Staff welfare expenses        | 1,08,21,129              | 88,43,500                    |
| Voluntary Retirement Compensation         | -                        | 58,32,308                    |
| Contribution to approved gratuity fund    | <u>1,19,87,052</u>       | <u>82,35,657</u>             |
|   | <b>19,96,21,197</b>      | <b>18,97,00,560</b>          |

**MANUFACTURING AND OTHER EXPENSES****SCHEDULE - 4**

| <b>PARTICULARS</b>                                     | <b>THIS YEAR<br/>Rs.</b>   | <b>PREVIOUS YEAR<br/>Rs.</b> |
|--|----------------------------|------------------------------|
| Cultivation Expenses                                   | <b>40,30,384</b>           | 35,32,898                    |
| Stores & Spares consumed (including packing materials) | <b>11,26,54,986</b>        | 6,81,93,307                  |
| Power and Fuel   | <b>5,41,17,366</b>         | 3,45,53,886                  |
| Insurance  | <b>53,85,509</b>           | 57,93,218                    |
| Sugarcane Development Expenses                         | <b>14,38,31,223</b>        | 8,26,43,315                  |
| Tools written off                                      | <b>3,40,514</b>            | 3,87,305                     |
| Repairs to Buildings                                   | <b>28,95,539</b>           | 27,41,495                    |
| Repairs to Machinery                                   | <b>9,19,67,842</b>         | 6,85,95,881                  |
| Repairs to Other Assets                                | <b>83,23,960</b>           | 73,61,033                    |
| Rent (including on Leased assets)                      | <b>5,81,850</b>            | 5,57,995                     |
| Advertisement and Sales Promotion                      | <b>10,35,924</b>           | 5,15,662                     |
| Handling, Transport and Expenses at Sales Depots       | <b>81,74,058</b>           | 89,40,376                    |
| Commission on Sales                                    | <b>13,10,189</b>           | 28,09,451                    |
| Sampling and Analysis Charges                          | <b>74,933</b>              | 41,100                       |
| Directors' Sitting Fee                                 | <b>12,85,500</b>           | 12,45,500                    |
| Managerial Remuneration                                | <b>50,92,267</b>           | 1,99,73,645                  |
| Commission to Non Whole Time Directors                 | -                          | 12,25,000                    |
| Payments to Auditors                                   | <b>6,63,594</b>            | 6,58,691                     |
| Miscellaneous expenses                                 | <b>4,77,40,509</b>         | 3,20,60,609                  |
| Donations  | <b>3,30,000</b>            | -                            |
| Loss on sale of Assets                                 | <b>604</b>                 | 3,518                        |
| Bad debts written off                                  | -                          | 6,50,630                     |
| Prior Period Adjustments                               | <b>1,58,311</b>            |                              |
|  | <b><u>48,99,95,062</u></b> | <b><u>34,24,84,515</u></b>   |

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

**EXCISE DUTY & TAXES**

**SCHEDULE - 5**

| <b>PARTICULARS</b>        | <b>THIS YEAR<br/>Rs.</b> | <b>PREVIOUS YEAR<br/>Rs.</b> |
|---------------------------|--------------------------|------------------------------|
| Purchase tax on sugarcane | <b>5,17,92,503</b>       | 3,56,02,825                  |
| Rates and Taxes           | <b>98,48,631</b>         | 1,04,17,122                  |
|                           | <b>6,16,41,134</b>       | 4,60,19,947                  |

Per our report annexed  
for BRAHMAYYA & CO.,  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)  
Place : Chennai  
Date : 31-05-2011

**(Sd.) Dr. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors

**(Sd.) P.S. KRISHNAMOORTHY**  
Secretary

**(Sd.) RAJESWARY RAMAKRISHNAN**  
Chairman cum Managing Director



**NOTES FORMING PART OF THE CONSOLIDATED BALANCESHEET & PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31st MARCH ,2011**

**1. SIGNIFICANT ACCOUNTING POLICIES**

(i) Principles of consolidation

- (a) The financial statements of The Jeypore Sugar Company Limited, referred to as "Company" and its subsidiary company, Jeypore Sugar Finance and Investment Corporation Limited, are combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- (b) Minority interest's share of net profit of consolidated subsidiaries is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- (c) Minority interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- (d) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

**(ii) Other significant accounting policies**

These are set out under "Significant Accounting Policies" as given in the separate Financial Statements of The Jeypore Sugar Company Limited and its subsidiary Company.

**2. CONTINGENT LIABILITIES**

- a) Under the provisions of the Orissa Land Reforms Act, 1960, the Revenue Officer has declared the agricultural lands owned by The Jeypore Sugar Company Ltd to an extent of Acres 488.76 as surplus under Sec.44(1) of the said Act. No provision is made in the accounts for the probable loss in this matter, pending final legal decision in the appeal preferred by the Company against the said declaration.
- b) Demands from the Income Tax department on a Subsidiary company aggregating to Rs.51,174/- have been disputed by the respective company. No provision has been made therefor in the respective books of account. Against the said demands amounts aggregating to Rs.41,156/- have been paid / adjusted under protest and shown under "Loans and Advances".

**THE JEYPORE SUGAR COMPANY LIMITED GROUP**

- c) No provision has been made in the Accounts towards demands raised on The Jeypore Sugar Company Ltd's Ferro Manganese unit at Rayagada by the ORISSA STATE ELECTRICITY BOARD as the said demands are pending in dispute before the Grievance Redresal Forum constituted under the Indian Electricity Act, in respect of the following periods.

| <b>Rs.</b>         |   |                  |
|--------------------|---|------------------|
| 1979-80 to 1983-84 | = | <b>10,87,318</b> |
| July'91 to Sept'91 | = | <b>71,90,737</b> |

In addition to the above, the Electricity Board also demanded Delayed Payment Surcharge on the above arrears, amounting to Rs.8,30,945/- which is also under dispute and hence not provided for.

- d) The Jeypore Sugar Company Ltd has received demands from the Orissa State Sales tax department for Rs.2,00,21,670/- towards sales tax on some of its assets sold in the year ending 31st March, 1996. As per the contract the above sales tax liability is to be borne by the buyer. Hence no provision is considered necessary in the accounts of the Company for the said demand. The company has disputed the said demand before appropriate authority. As per the directions of the High Court of Orissa, the buyer amount of Rs.50 lakhs paid under protest and the company (Seller) was directed to pay under protest an additional sum of Rs 50 Lakhs in installments. Accordingly, the company has so far paid a sum of Rs. 30 Lakhs and the same is included under loans and advances.
- e) Contracts remaining to be executed on capital works and not provided for Rs.658.55 Lakhs(Rs.1224.69 lakhs)
- f) Claims against the company not acknowledged as debts Rs.1221.85 Lakhs (Rs.1572.94Lakhs). Against this an amount of Rs.54.99 lakhs has been paid under protest pursuant to the orders of the Appellate Authorities and included in Loans and Advances.

4. Earnings per share - The numerators and denominators used to Calculate Basic and Diluted earnings per share.

|   |     | <b>2010-2011<br/>Rs.</b> | 2009-2010<br>Rs. |
|---|-----|--------------------------|------------------|
| Nominal value of Equity Shares          |     | <b>10.00</b>             | 10.00            |
| Basic/Diluted earnings per share        | A/B | <b>-20.38</b>            | 42.48            |
| <b>B) Minority</b>                      |     |                          |                  |
| Profit attributable to the Shareholders | A   | <b>98</b>                | 176              |
| Basic/weighted average number of Equity |     |                          |                  |



|                                    |     |       |       |
|------------------------------------|-----|-------|-------|
| Shares outstanding during the year | B   | 470   | 470   |
| Nominal value of Equity Shares     |     | 10.00 | 10.00 |
| Basic/Diluted earnings per share   | A/B | 0.21  | 0.37  |

#### 5. RELATED PARTY DISCLOSURES:

| Name of Transaction                    | Key Managerial Personnel | Relatives of Key Managerial Personnel | Companies Controlled by Key Managerial Personnel |
|--|--------------------------|---------------------------------------|--|
|  | Rs.                      | Rs.                                   | Rs.  |
| <b>1. Details of transactions:</b>     |                          |                                       |  |
| a) Purchase of goods/services          |                          |                                       | 1,04,96,951                                      |
| b) Sale of goods/services              |                          |                                       | 41,45,243  |
| c) Interest Paid                       | 53,86,339                | 28,80,619                             | 9,83,115   |
| d) Remuneration paid                   | 50,92,267                |                                       |  |
| e) Sitting fees                        |                          | 2,20,000                              |  |
| <b>II. Balances Outstanding:</b>       |                          |                                       |  |
| a) Amount due to                       |                          |                                       |  |
| b) Amount due from                     |                          |                                       | 1,39,00,455                                      |
| c) Investment in equity shares of      |                          |                                       | 1,59,288   |
| d) Fixed deposits with company held by | 5,82,00,000              | 2,99,15,000                           | 93,63,000  |
| e) Share Capital held by               | 74,43,820                | 89,59,850                             | 32,83,120  |

## THE JEYPORE SUGAR COMPANY LIMITED GROUP

- 1) Key Managerial personnel:
  - a) Smt.Rajeswary Ramakrishnan - Chairman-cum-Managing Director, The Jeypore Sugar Co. Ltd.,
  - b) Smt. Anita Prabhu - Executive Director, The Jeypore Sugar Co Ltd.,
- 2) Relatives of Key Managerial Personnel:
  - a) Sri.R.Prabhu - S/o. Smt Rajeswary Ramakrishnan
  - b) Dr.S.R.K.Prasad - S/o. Smt Rajeswart Ramakrishnan
  - c) Mr Vikram Ramakrishnan - S/o Smt Anita Prabhu
  - d) Mr Rajiv Rangaswamy, Grand Son of Smt. Rajeswary Ramakrishnan
  - e) Ms. S Nandita, Grand Daughter of Smt. Rajeswary Ramakrishnan
- 3) Companies controlled by key managerial personnel:
  - a) Krishna Industrial Corporation Ltd.
  - b) R.S. Industrial Corporation (P) Ltd.
  - c) V.R.K. Grandsons Investment (P) Ltd.
  - d) Ramakrishna Machinery Corporation (P) Ltd.
6. Figures for the previous year have been regrouped wherever required.

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Per our report annexed  
For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn. No.000513S  
**(Sd.) K. RAJAJ**  
Partner  
(ICAI Memb. No.202309)

**(Sd.) Dr. S R K Prasad**  
**(Sd.) K Muneswara Rao**  
Directors

**(Sd.) P S Krishna Moorthy**  
Secretary

**(Sd.) Rajeswary Ramakrishnan**  
Chairman-cum-Managing Director



4) INFORMATION ABOUT BUSINESS SEGMENTS OF THE JEYPORE SUGAR COMPANY LTD., GROUP FOR THE YEAR ENDING AS AT 31.3.2011  
(All amounts in Rupees)

|   | Sugar         |               | Industrial/Chemicals |                | Ferro Chrome |               | Power        |               | Others       |               | Total          |                | Eliminations |               | Consolidated Total |                |
|---|---------------|---------------|----------------------|----------------|--------------|---------------|--------------|---------------|--------------|---------------|----------------|----------------|--------------|---------------|--------------------|----------------|
|   | Current Year  | Previous Year | Current Year         | Previous Year  | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year   | Previous Year  | Current Year | Previous Year | Current Year       | Previous Year  |
| <b>REVENUE</b>                            |               |               |                      |                |              |               |              |               |              |               |                |                |              |               |                    |                |
| External Sales                            | 174,02,17,993 | 214,93,50,385 | 29,09,71,466         | 17,92,22,955   | 1,64,31,067  | 1,00,81,200   | 5,33,48,910  | 4,48,41,264   | 34,44,114    | 34,44,114     | 210,44,13,550  | 238,75,39,918  | -            | -             | 210,44,13,550      | 238,75,39,918  |
| Intra-segment sales                       | 20,58,70,027  | 13,49,50,077  | -                    | -              | -            | -             | 88,67,00,600 | 6,49,73,327   | -            | -             | 29,45,40,087   | 19,99,23,404   | 29,45,40,087 | 19,99,23,404  | -                  | -              |
| Total Revenue                             | 194,60,88,020 | 228,43,00,462 | 29,09,71,466         | 17,92,22,955   | 1,64,31,067  | 1,00,81,200   | 14,21,18,970 | 10,98,14,591  | 34,44,114    | 34,44,114     | 239,89,53,637  | 258,74,63,322  | 29,45,40,087 | 19,99,23,404  | 210,44,13,550      | 238,75,39,918  |
| <b>RESULT</b>                             |               |               |                      |                |              |               |              |               |              |               |                |                |              |               |                    |                |
| Segment result                            | 853,45,238    | 51,61,65,992  | 2,48,56,530          | 1,17,92,96,283 | 4,07,4,867   | 1,25,14,166   | 1,95,30,024  | 1,01,47,836   | 1,91,14,521  | 13,09,431     | 13,28,92,139   | 50,78,12,829   | -            | -             | 13,28,92,139       | 50,78,12,829   |
| Unallocated corporate expenses/income     |               |               |                      |                |              |               |              |               |              |               |                | 585,788        |              |               | -                  | 5,85,788       |
| Operating profit                          |               |               |                      |                |              |               |              |               |              |               | 13,28,92,139   | 50,78,12,829   |              |               | 13,28,92,139       | 50,78,12,829   |
| Interest expense                          |               |               |                      |                |              |               |              |               |              |               | 25,17,84,056   | 23,54,16,037   |              |               | 25,17,84,056       | 23,54,16,037   |
| Interest income                           |               |               |                      |                |              |               |              |               |              |               | 31,98,772      | 14,50,448      |              |               | 31,98,772          | 14,50,448      |
| Dividend income                           |               |               |                      |                |              |               |              |               |              |               | 7,54,048       | 8,35,852       |              |               | 7,54,048           | 8,35,852       |
| Net profit                                |               |               |                      |                |              |               |              |               |              |               | (11,48,19,097) | 27,46,83,083   |              |               | (11,48,19,097)     | 27,46,83,083   |
| Tax Expense                               |               |               |                      |                |              |               |              |               |              |               |                |                |              |               | 2,24,83,351        | 2,00,90,537    |
| Profit after tax                          |               |               |                      |                |              |               |              |               |              |               |                |                |              |               | 9,24,35,747        | 29,47,73,630   |
| <b>OTHER INFORMATION</b>                  |               |               |                      |                |              |               |              |               |              |               |                |                |              |               |                    |                |
| Segment assets                            | 575,11,84,426 | 476,63,57,086 | 40,43,46,936         | 41,87,20,027   | 22,08,66,644 | 22,20,76,576  | 34,23,13,272 | 2,51,17,120   | 24,45,654    | 33,97,234     | 67,41,15,633   | 5,63,62,69,043 | 55,750       | 55,750        | 67,41,15,633       | 5,63,62,69,043 |
| Unallocated corporate assets              |               |               |                      |                |              |               |              |               |              |               | 13,41,34,908   | 6,85,49,075    | 41,00,000    | 41,00,000     | 13,00,34,908       | 6,44,49,075    |
| Total assets                              | 577,00,31,444 | 483,70,68,151 | 40,43,46,936         | 41,87,20,027   | 22,08,66,644 | 22,20,76,576  | 34,23,13,272 | 2,51,17,120   | 24,45,654    | 33,97,234     | 80,82,581,941  | 6,92,18,76,118 | 41,55,750    | 41,55,750     | 80,82,581,941      | 6,92,18,76,118 |
| Segment liabilities                       | 577,00,31,444 | 483,70,68,151 | 3,42,22,795          | 2,67,21,806    | 81,96,992    | 62,31,236     | 60,28,287    | 60,42,521     | 49,39,973    | 58,88,817     | 592,34,19,481  | 4,63,19,52,531 | 55,750       | 55,750        | 592,34,19,481      | 4,63,19,52,531 |
| Unallocated corporate liabilities         |               |               |                      |                |              |               |              |               |              |               |                |                |              |               | 39,29,13,060       | 29,97,93,315   |
| Total liabilities                         | 577,00,31,444 | 483,70,68,151 | 3,42,22,795          | 2,67,21,806    | 81,96,992    | 62,31,236     | 60,28,287    | 60,42,521     | 49,39,973    | 58,88,817     | 592,34,19,481  | 4,63,19,52,531 | 55,750       | 55,750        | 592,34,19,481      | 4,63,19,52,531 |
| Capital expenditure                       | 13,26,83,398  | 17,45,36,942  | 1,31,30,915          | 5,181,586      | -            | 8,100         | 5,46,39,007  | 61,94,628     | 2,76,910     | 2,03,153      | 20,07,30,230   | 1,61,124,407   | 55,750       | 55,750        | 20,07,30,230       | 1,61,124,407   |
| Depreciation                              | 5,96,25,104   | 5,78,70,356   | 2,71,46,304          | 2,82,89,571    | 11,66,171    | 15,54,147     | 2,17,13,358  | 2,17,92,702   | 11,92,648    | 14,95,907     | 11,08,43,585   | 11,09,32,693   |              |               | 11,08,43,585       | 11,09,32,693   |
| Non-cash expenses other than depreciation | -             | 45,01,637     | -                    | 4,82,751       | -            | 847,919       | -            | -             | -            | -             | -              | 49,84,388      |              |               | -                  | 49,84,388      |

Note : 1) The group carries on its activities in the above business segments, being its primary segments.  
2) The group operations are carried on entirely in India, and also there are no earnings from exports. As such there are no secondary segments.





## ADMISSION SLIP

### THE JEYPORE SUGAR COMPANY LIMITED

Regd. Office : "Ramakrishna Buildings", 239, Anna Salai, Chennai-600 006.

| NAME AND ADDRESS | NO. OF SHARES | FOLIO |
|------------------|---------------|-------|
|                  |               |       |

**75TH ANNUAL  
GENERAL MEETING ON 8TH SEPTEMBER 2011  
AT 12.00 NOON  
"NEW WOODLANDS HOTEL",  
72-75, DR.RADHAKRISHNAN SALAI,  
MYLAPORE, CHENNAI - 600 004**

- A Member / Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at the entrance.
- If you intend to appoint a Proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office 48 hours before the meeting. Please ensure that the Proxy brings this Admission Slip with him/her for the meeting.

|   |                             |
|---|-----------------------------|
| NAME OF PROXY (IF ANY) IN BLOCK LETTERS | SIGNATURE OF MEMBER / PROXY |
|   |                             |



## PROXY

### THE JEYPORE SUGAR COMPANY LIMITED

Regd. Office : "Ramakrishna Buildings", 239, Anna Salai, Chennai-600 006.

| NO. OF SHARES | FOLIO |
|---------------|-------|
|               |       |

| SERIAL NO. | RECEIVED ON | TIME | CODE |
|------------|-------------|------|------|
|            |             |      |      |

I/We..... of ..... in the district of  
 ..... being a member/members of the above named Company hereby appoint  
 ..... of ..... in the district of  
 ..... or failing him/her  
 ..... of ..... in the district of  
 ..... as my/our proxy  
 to vote for me/us on my/our behalf at the 75th Annual General Meeting of the Company to be held on 8th September, 2011 and at any adjournment thereof.

As witness my (our) hand(s) this.....day of.....2011.

Signed by the said.....



**\* This Proxy Form must be duly completed and received at the Company's Registered Office 48 hours before the meeting**

**PRINTED MATTER  
BOOK - POST**



If undelivered, please return to :  
**THE JEYPORE SUGAR COMPANY LIMITED**  
"Ramakrishna Buildings",  
239, Anna Salai, P.B. NO. 703,  
Chennai-600 006.

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# THE JEYPORE SUGAR CO LTD



**ANNUAL REPORT FOR THE YEAR  
ENDED 31ST MARCH 2011**

