

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

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**BOARD OF DIRECTORS**

**WHOLETIME DIRECTORS**

**Smt.Rajeswary Ramakrishnan**, B.A. (DIN :01385665) - Chairman - cum - Managing Director  
**Smt.Anita Prabhu**, B.COM (DIN : 01502095) - Executive Director

**NON-EXECUTIVE PROMOTOR DIRECTORS:**

**Sri.R.Prabhu**, B.E (HONS), S.M.(MIT) (DIN : 01276679) - Promoter Director  
**Dr.S.R.K.Prasad**, D.SC., (USA) (DIN : 01276634) - Promoter Director

**NON-EXECUTIVE INDEPENDENT DIRECTORS:**

**Sri.Boppana Ramalingeswara Rao**, M.A., L.L.B. (DIN : 01276661)- Independent Director  
**Sri.K.Muneswara Rao** (DIN : 01276731) - Independent Director  
**Sri.R.Kannan**, M.TECH. (DIN : 00380328) - Independent Director  
**Sri.K.Subramanian**, M.A. B.L. (DIN : 00019088) - Independent Director

**G. M. FINANCE & COMPANY SECRETARY**

Sri.P.S.Krishnamoorthy

**AUDITORS**

M/s.Brahmayya & Co.  
Chartered Accountants  
33-25-33/B, Govindarajulu Naidu Street  
Suryaraopeta  
Vijayawada - 520 003  
Krishna Dist. A.P

**COST AUDITOR**

M/s.Aruna Prasad  
Cost Accountant  
Plot No.802/2, 64th Street  
10th Sector, K.K.Nagar  
Chennai - 600 078.

**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

**REGISTERED & CORPORATE OFFICE**

"Ramakrishna Buildings"  
No.239, Anna Salai, Chennai - 600 006  
Ph : 044-42647145, 43520365  
Email : jeyporesugar@gmail.com

**REGISTRARS & SHARE TRANSFER AGENT &  
DEPOSITORY REGISTRARS**

M/s.Cameo Corporate Services Limited  
'Subramanian Building'  
No.1,Club House Road, Chennai - 600 002.  
Ph : 044-28460390



### **NOTICE TO SHAREHOLDERS**

NOTICE is hereby given that the Seventy eighth Annual General Meeting of the Company will be held on Monday the 15th September, 2014 at 11.00 AM at 'Narada Gana Sabha', 314, TTK Road, Alwarpet, Chennai - 600 018 to transact the following business.

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 the profit and Loss Account for the accounting period ended on that date, and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri.R.Prabhu (DIN : 01276679), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr.S.R.K.Prasad (DIN: 01276634), who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors (M/s Brahmayya & Co, Firm Registration No. 000513S Chartered Accountants) to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors.

#### **SPECIAL BUSINESS**

To Consider and it thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

5. "Resolved that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Boppana Ramalingeswara Rao (DIN : 01276661), Director of the Company whose period of office is not liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
6. "Resolved that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Kotharu Muneswara Rao (DIN : 01276731), Director of the Company whose period of office is not liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
7. "Resolved that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.R.Kannan (DIN : 00380328), Director of the Company whose period of office is not liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."
8. "Resolved that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modifications(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.K.Subramanian (DIN : 00019088), Director of the Company whose period of office is not liable to

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determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019."

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

9. "Resolved that pursuant to the provisions of Sections 196, and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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 (DIN : 01502095), be and is hereby appointed as the Executive Director of the company for a period of five years from 1st August 2014, during which term of office she shall not be liable to retirement by rotation, on the terms and conditions as to remuneration as hereunder..

i. Salary	Not exceeding Rs.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 Encashment of accumulated leave if any at the end of her tenure in accordance with the company's rules applicable to her. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
iii. Car and Telephone	The Executive Director shall be allowed the use of one or more cars of the company for use in connection with her employment in the company. She will also be allowed the use of one or more telephones of the company from her residence for use in connection with her employment in the company.
iv. Commission	She shall be entitled to receive remuneration by way of commission on net profits in addition to the above salary and others such that the amount of salary, and others as about and commission, in the aggregate is subject to an overall ceiling of 3% of the net profits of the company in a particular financial year as laid down in Section 197 and 198 of the Companies Act, 2013.
v. Minimum Remuneration	Notwithstanding anything to the contrary herein contained, where in any financial year during her said tenure, the company has no profits or its profits are inadequate, the company will pay her as minimum remuneration the amounts determined under items (i) and (ii) as stated above and she shall not be entitled to any commission. Such minimum remuneration may be paid to her in any of the three financial years during her tenure of appointment of five years aforementioned.

Resolved further that in the event of any statutory amendment or modification or relaxation relating to the payment of remuneration to the managerial persons or to Schedule V of the Companies Act, 2013, 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."

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

- 10) "RESOLVED THAT pursuant to the provisions of Section 180(1) (a) of the Companies Act 2013 and subject to other approvals, if applicable or required under any statute(s) / rule(s) regulation(s) or any law for the time being in force or required from any other concerned authorities and in pursuance of earlier Resolutions passed in this regard under the Companies Act 1956, the Board of Directors of the Company and / or any committee thereof, be and are hereby authorized and shall be deemed to have always been so authorized to create such mortgages / charges / hypothecation and / or other encumbrances, if any created by the Company on all or any part of the immovable and / or movable properties, current and / or fixed assets, tangible or intangible assets, book debts and / or claims of the Company wheresoever situate, present and future, with power to enter upon and take possession of assets of the Company in certain events when so provided in the agreement(s) entered into, such charges to rank either pari-passu with or second, subsequent, sub servient and subordinate to all mortgages, charges, hypothecation and other encumbrances created / to be created by the Company in favour of Indian or Foreign Financial Institutions, Banks and other Lending Institutions and / or to such other persons, if any from whom the Company has / or proposed / proposes to borrow money / sums of money's by way of term loans, cash credits, over drafts, discounting of bills, inter-corporate deposits, commercial papers or such other Financial Instruments permitted to be issued by the appropriate authorities from time to time together with interest, cost, charges and other incidental expenses and other monies in terms of the agreement(s) entered / to be entered into by the Board of Directors / any committee thereof of the Company within the overall borrowing limits of Rs.500 Crores (Five hundred crores only) as fixed pursuant to Section 180 (1) (c) of the Companies Act 2013."
- 11) "Resolved that pursuant to the provisions of Section 180 (1) ( c ) of the Companies Act, 2013 and in pursuance of all earlier Resolutions passed in this regard under the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company and / or any committee thereof, to borrow at its discretion, either from the Company's bank or any other Indian or Foreign Bank (s), / Financial Institutions, and / or any other lending Institutions or persons from time to time such sum(s) of money(s) and the sum(s) to be borrowed together with the money(s) already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers / Financial Institutions in the ordinary course of business) with or without security on such terms and conditions as they may think fit may exceed the aggregate of the paid up capital and free reserves of the Company that is to say, reserves not set apart for any specific purpose, provided that the total amount of borrowing together with the money(s) already borrowed by the Board of Directors shall not exceed the sum of Rs.500 Crores (Five hundred crores only) at any one time."

Place : Chennai  
Date : 18-06-2014.

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

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### IMPORTANT NOTES:

1. Pursuant to the Provisions of Section 91 of the Companies Act, 2013, The Register of Members, Register of Beneficial Owners and Share Transfer Books of the Company will remain closed from 9th September, 2014 to 15th September, 2014 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed here to and forms part of notices.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
4. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.
5. **Members holding shares in dematerialized form**, may please note that while opening a depository account with participants they might have given **their bank account details**, which will be printed on their dividend warrants. However, if members want to change / correct the Bank details, they should send the same immediately to the concerned Depository Participant. Members are also requested to give MICR code of their bank to their Depository Participant. **The Company will not entertain any direct request from members for addition / deletion / change in bank account details furnished by Depository Participant to the Company.**
6. Pursuant to the Provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests to the Registrar and Share Transfer agents.
7. Under Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection fund (IEPF), constituted by the Central Government. The Company had accordingly, transferred Rs.9,72,045/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2005-2006 on 18-10-2013 and Rs.3,170/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend 2004-2005 on 7-1-2014 and Rs. 9,95,985/- being the unpaid and unclaimed dividend amount pertaining to Interim Dividend 2006-2007 on 12-5-2014 respectively, to the Investor Education and Protection Fund of the Central Government.
8. The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The Company was sent a separate reminder letter to the shareholders those members having unclaimed dividends pertaining to Final dividend for the year 2006-2007 by registered post on 21-07-2014. Any member who has not claimed dividend in respect of the said financial year 2006-2007 (Final dividend) is requested to approach the Company / Registrar and

Share Transfer Agents of the Company for claiming the same as early as possible but not later than 25-9-2014.

9. The Unclaimed Dividend for the year(s) 2006-2007(Final), 2007-2008, 2008-2009, 2009-2010 and 2011-2012 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 / Registrar and share transfer agent of the company immediately with complete details for encashment of those dividends. Any person claiming to be entitled to the amounts transferred to IEPF may apply to the authority constituted by the Central Government under Sub- Section 5 of Section of the Companies Act, 2013
10. In order to provide protection against fraudulent encashment of dividend warrants, members who hold shares in physical form are requested to intimate the Company / Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited, Chennai, under the signature of the sole / first joint holder, the following information to be incorporated on dividend warrants.
  - i. Name of the Sole / first holder and the Folio Number.
  - ii. Particulars of Bank Account, viz. Name of the Bank, Name of the Branch, Complete address of the Bank with PIN code, Account type and the Bank Account Number.
11. As per the Circular number MRD/DOP/ Cir -05/2009 dt : May 20, 2009 issued by the Securities Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer / transmission of shares in physical form. Therefore the transferee(s) / legal heirs are requested to furnish a copy of PAN to the Registrar and Share Transfer agents.
12. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
13. Electronic copy of the Annual Report for the year 2013-2014 is being sent to all the members whose email IDs are registered with the company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2013-2014 is being sent in the permitted mode.
14. Electronic copy of the Notice of the 78th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 78th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 78th Annual General Meeting and the Annual Report for the year 2013 -2014 will also be available on the Company's website [www.jeyporesugars.com](http://www.jeyporesugars.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's

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Registered Office at Chennai during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also sent requests to the Company's investor email id: [shares@jeyporesugars.com](mailto:shares@jeyporesugars.com)

15. Members / proxy holders must bring the **Attendance Slip duly filled and signed**, the meeting and hand it over at the entrance. Xerox copy / torn attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested **to bring their copy of the Annual Report to the Meeting**, as copies will not be distributed at the Meeting hall, as measure of austerity. Corporate Members are requested to send to the Company's Registrar and Transfer Agents, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
16. **Members desirous of obtaining any information** concerning the accounts and operations of the Company are requested **to address their queries in writing** to the Secretarial Division at least Ten days **before the Meeting** so that the information may be made available at the meeting.
17. The members are requested to register their e-mail address / any change in the already registered e-mail address, to the Company / Registrar and Transfer Agents to enable service of documents through electronic mode, in line with the Green Initiatives in Corporate Governance taken by the Ministry of Corporate Affairs, allowing paperless compliance by the Companies.
18. M/s. Cameo Corporate Services Limited, 'Subramanian Building', No.1, Club House Road, Chennai - 600 002 are the Registrar and Share Transfer Agent and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
19. Voting through electronic means - **E-Voting Sequence Number (EVSN) - 140808030**  
Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 78th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL)

**The instructions for members for voting electronically are as under:-**

**In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - "EVEN" along with "THE JEYPORE SUGAR COMPANY LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now, fill up the following details in the appropriate boxes:
- (v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:



	For Members holding shares in Demat Form	For Members holding shares in Physical
<b>User ID</b>	For NSDL: 8 Character DP ID followed by 8 Digits Client ID	Folio Number registered with the Company
	For CDSL : 16 digits beneficiary ID	
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both Demat Shareholders as well as physical Shareholders.	
<b>DOB#</b>	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account or folio in DD/MM/YYYY format.	
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

" Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of your name and the sequence number in the PAN field. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sl.No. mentioned in your address label can be used as Sequence No. for this purpose)

- # Please enter any one of the details in order to login. In case either of the details are not recorded with the depository please enter your demat account or Folio number the value <Default Value> in the Dividend Bank details field.
- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on <The Jeypore Sugar Company Limited> on which you choose to vote.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvii) Institutional shareholders (i.e.other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian,if any, in PDF format in the system for the scrutinizer to verify the same.

### In Case of members receiving the physical copy:

- (A) Please follow all steps from sl.no. (i) to sl.no. (xvii) above to cast vote
  - (B) The voting period begins on 8th September, 2014 at 9.30 A.M. to 10th September, 2014 at 5.30 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date - 8th August, 2014, may cast their vote electronically. The voting module shall be disabled by CDSL for voting thereafter. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date being August 8, 2014.
  - (C) The Company Secretary has appointed Mr.M.Damodaran, Practicing Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner / The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against. If any, forthwith to the Chairman of the Company.
  - (D) The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the Annual General Meeting of the Company and will accordingly be communicated to the stock exchanges.
  - (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- I. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

### Item No.5

Mr. Boppana Ramalingeswara Rao is a Non-Executive Director of the Company and has held the position as such for more than five years.

Mr.Boppana Ramalingeswara Rao is a Director whose period of office is not liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr.Boppana Ramalingeswara Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019.

In the opinion of the Board, Mr. Boppana Ramalingeswara Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Boppana Ramalingeswara Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Boppana Ramalingeswara Rao as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice. None of the Directors, except Mr. Boppana Ramalingeswara Rao, being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure Clause 49 of the Listing Agreement with the Stock Exchange.

#### **Item No.6**

Mr. K. Muneswara Rao is a Non-Executive Director of the Company and has held the position as such for more than five years.

Mr. K. Muneswara Rao is a Director whose period of office is not liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. K. Muneswara Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019.

In the opinion of the Board, Mr. K. Muneswara Rao fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K. Muneswara Rao as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K. Muneswara Rao as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice. None of the Directors, except Mr. K. Muneswara Rao, being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure Clause 49 of the Listing Agreement with the Stock Exchange.

#### **Item No.7**

Mr. R. Kannan is a Non-Executive Director of the Company and has held the position as such for more than five years.

Mr. R. Kannan is a Director whose period of office is not liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. R. Kannan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019.

In the opinion of the Board, Mr. R. Kannan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. R. Kannan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. R. Kannan as an Independent Director, for the approval by the shareholders of the Company.

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His qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice. None of the Directors, except Mr. R.Kannan being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure Clause 49 of the Listing Agreement with the Stock Exchange.

### **Item No.8**

Mr. K.Subramanian is a Non-Executive Director of the Company and has held the position as such for more than five years.

Mr. K.Subramanian is a Director whose period of office is not liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. K.Subramanian being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019.

In the opinion of the Board, Mr. K.Subramanian fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. K.Subramanian as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K.Subramanian as an Independent Director, for the approval by the shareholders of the Company.

His qualification and experience are detailed under the heading "Information about the Directors to be appointed / re-appointed" which forms part of this Notice. None of the Directors, except Mr. K.Subramanian being an appointee, is interested in this resolution. This explanatory statement may also be regarded as a disclosure Clause 49 of the Listing Agreement with the Stock Exchange.

### **INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**

#### **Mr.BOPANA RAMALINGESWARA RAO:**

Sri. Bopana Ramalingeswara Rao, is a lawyer by profession and having 20 years experience in the High Court of Andhra Pradesh and he is well versed in Company laws.

He comes from an agricultural family. He is interested in the welfare of the ryots. He had wide experience in Civil constitutional and Labour Court cases. He was a Director in The K.C.P.Limited for about 12 years.

He is a Chairman of the Remuneration Committee and a member of the Audit Committee and Shareholders / Investors Grievance Committee of Directors.

#### **Mr.K.MUNESWARA RAO**

Sri. K. Muneswara Rao, belongs to a prominent Agricultural Family and he is graduate from Andhra University. Since then, he has held several posts in Public Institutions like Samisragudem Co-operative Society as well as in other public institutions. He was also Gram Panchyat Sarpanch for a long period of 11 years. He is one of the largest cane growers in this area and represents cane growers Community. He is in the Board as our Director for the last 13 years. He is now 82 years and still actively participating in the affairs of the Company.

Mr.K. Muneswara Rao is a member of the Remuneration Committee and Shareholders / Investors Grievance Committee of Directors.

**Mr. R.KANNAN**

Shri. R. Kannan is a Post Graduate degree holder in Chemical Engineering from the Indian Institute of Technology, Mumbai and a Chartered Financial Analyst (ICFAI). He is also an alumnus of Sloan School of Management, Massachusetts Institute of Technology, Boston.

**Experience**

He served in ICICI Ltd (subsequently named ICICI Bank) for 27 years and retired as General Manager. During this stint, he headed the oil and gas, infrastructure, structured finance and technology finance divisions. Key projects he was involved included large petrochemical, refinery complexes and fertiliser projects as the General Manager representing Lead Institution.. Prior to this, he was a Manager of the Project Finance and operations department. In addition to his routine duties of project appraisals, monitoring of projects and restructuring of projects / companies, he was also involved in negotiating agreements for financing energy and environment related projects with Asian Development Bank, Manila and operationalizing schemes of multilateral institutions like IBRD, KFW, ADB. He was also deputed overseas to train professionals in the Uganda Development Bank.

Subsequent to his retirement from ICICI Bank, he joined Institute for Financial Management and Research (IFMR) as its Director for 5 years and presently serves as Adjunct Professor at the same institute. He teaches currently 'Project Finance' and 'Corporate Credit Analysis' courses at IFMR.

**Management Development Programmes**

He carries out 1 week training programme for working professionals on 'Project and Infrastructure Financing', 4 times a year for Indian Institute of Banking and Finance, the apex institute of Indian Banking industry. So far 20 programmes have been conducted successfully and included teams from Consulting institutions from India and Middle East,, Corporations, Private and Nationalised Banks. This programme was also extended to institutions such as Industrial Finance Corporation of India and ICICI Securities Ltd.

**Directorships**

Presently he is a Director on the Board of M/s. Supreme Petrochem Limited, M/s. ITCOT Consultancy & Services Limited and M/s. V.Ramakrishna Sugars Limited. He is a Chairman of the Audit Committee and a member of the Share Transfer Committee of your Company. He is a Chairman of the Audit Committee and Member of the Remuneration Committee of Supreme Petrochem Limited.

**Mr. K.SUBRAMANIAN**

Mr. K.Subramanian M.A., B.L., is a first-class graduate in Economics with specialization in Industrial Finance. He took a first-class in First Examination in Law and was awarded gold medal in constitutional Law and International Law by the University of Madras. He joined the banking service in 1964 and after holding various positions he became the Chairman and Managing Director of Indian Overseas Bank in 1996 and demitted office in November 1999. During his banking career he was Chief Executive of Indian Bank, Singapore Operations and also headed the Credit and International Division of the Bank at head office as General Manager. He is an ardent lover of sports especially cricket. He was Vice-President of the Tamil Nadu Cricket Association and Member of the Finance Committee of the Board of Control for Cricket in India.

Presently he is a Director on Board of M/s.Panasonic Appliances India Co. Ltd., M/s. Panasonic Carbon India Co. Ltd., and M/s. V.Ramakrishna Sugars Limited. He is also a member of the Audit Committee and Share Transfer Committee of your Company. He is a Member of the Audit Committee, Remuneration

## THE JEYPORE SUGAR COMPANY LIMITED

Committee and Share Transfer and Investors Grievance Committee of M/s. Panasonic Appliances India Co. Ltd., He is member of the Audit Committee, shareholders / Investors Grievance Committee and Remuneration Committee of M/s. Panasonic Carbon India Co. Ltd.,

### **Profile of the retire and rotation directors.**

#### **Sri.R.Prabhu**

He is Hons Graduate in Mechanical Engineering from Massachusetts Institute of Technology, USA. He has management and administrative experience for more than 3 decades. He was a Minister for Fertiliser & Chemicals in the Government of India.

#### **Dr.S.R.K.Prasad**

Dr.S.R.K.Prasad was born in Chennai in 1951. He is currently Chairman of CIT, Managing Trustee of V.Rangaswamy Naidu Education Trust, Chairman Governing Council of CIT. He is basically a **Chemical Engineer** with specialization in **Operations Research**. He did his Bachelor's degree with Distinction in Chemical Engineering from Madras University and pursued his **Master of Science (MSc)** degree in **Advanced Chemical Engineering** at **Imperial College** London. He obtained his Post Graduate Diploma in Operations Research from Madras University. He also holds a Diploma in Textile Management awarded by SITRA (Southern India Textile Research Association), Coimbatore.

**He was awarded Doctor of Science Degree (DSc) from City University Los Angeles, U.S.A. in Operations Research.**

Dr.Prasad has a wealth of industrial experience in Textiles, Information Technology, Chemical, Fertilizers and Bio-Technology.

Dr.Prasad started and built very high technology IT Company in 1988 involved in high-end product development called Kasbah Systems Software of which he is currently Managing Director.

The IT Company has also developed GENIUS University Management System which involves complete automation of a college or university process. This system is being effectively marketed in Malaysia. Kasbah Systems Software is the one of the prime offshore contractors for CCH Inc, U.S.A. a US 6 billion dollar company. The Document Management System (ProSystem fx Document) developed by the IT Company (100% offshore in India), won CCH the CODIE award 2008, the most Prestigious award for Software in U.S.A. The CODIE award is for the software industry what the OSCAR award is for films.

In December 2013 the company was awarded the prestigious European Award for Best Practices 2013 in Vienne, Austria by ESQR (European Society for Quality Research).

Dr. Prasad is also currently Managing Director of Krishna Industrial Corporation Limited at 500 Million Indian Rupees enterprise involved in the manufacturing of Single Super Phosphate, Carbon dioxide gas, Chemicals and Bio-Fertilizers. He plans to take this company to one Billion Indian Rupees in the next three years He has widely employed process plant optimization methods to improve the efficiency and working of all units of the company. This is the first Indian company to win the Prestigious Gold Medal award for Excellence in Business Practice given by foundation for Excellence in Business Practice, headquartered in

Geneva, Switzerland, September 2007.

He is also a Director of The Jeypore Sugar Company Limited, headquartered in Chennai, an enterprise involved in the manufacture of Sugar, Alcohol, Ethanol and Power generation.

#### **Membership of Professional Bodies**

- Fellow Member of **Operational Research Society of India (ORSI)**.  
**Has the distinction of being the only one in Tamil Nadu, one of the four in South India and one among the elite seventeen in the entire country.**
- Fellow Member of Chartered Computer Professionals of India.
- Member of New York Academy of Science, U.S.A.
- **Dr. Prasad** was the National President of **Operations Research Society of India (ORSI), 1990.**
- **Ex Member Board of Governors National Institute of Technology, Warangal.**
- **Ex Member Board of Governors IIT Bombay**
- **Ex Member Board of Governors IIM Kozhikode.**
- **Ex Chairman Board of Governors NITTTR, Chennai.**
- **Dr. Prasad** was awarded the **International Socrates Award for 'Manager of the Year'** by the **Europe Business Assembly (EBA), Oxford, U.K. on 12 December 2011.**
- **Dr. Prasad** was awarded **HIND RATTAN AWARD** by **CITIZENS INTEGRATION PEACE SOCIETY** for excellence in promoting **Global Integration & Economic Development** at the **International Conference on Celebrating the Global Indian, at Mauritius, May 2012.**
- **International Socrates Committee** has granted the title "**The Name in Science**", to **Dr. Prasad**, at the meeting of the Rectors of Europe at Trinity College, **Dublin, Ireland, UK, during July 2012, an International Award in the field of Scientific Researches**, Name of **Dr. Prasad** has been recorded in the **world register of outstanding scientists of the 21st century** with awarding a medal of fame "**For contribution to world science**".
- **Dr. Prasad** was awarded the prestigious **Dr.L.V.Mitrokhin Award** by **Russian Centre of Science and Culture** jointly with **Indo-Russian Cultural and Friendship Society**, at the Russian cultural Festival at Chennai, December 2012.
- **Dr. Prasad** has been awarded **THE PEAK OF SUCCESS AWARD** by **WORLD CONFEDERATION OF BUSINESS, Houston USA** on **March 29, 2013, at International Paris Le Grand in Paris, France, in BIZZ EUROPE 2013, awards ceremony.**

## THE JEYPORE SUGAR COMPANY LIMITED

### ➤ Educational Summit

**Dr. Prasad** addressed on - **Future Global Trends in Higher Education, Future Trends in Higher Education and 21st Century Education**, at **Oxford Summit** of leaders held in **Oxford** under the Aegis of **Europe Business Assembly**, during 17-19, December 2013.

**Associated editor and paper Referee** of **Asia Pacific Journal of Operational Research, Published from National University of Singapore (NUS)**, Singapore. (1987-1994) He is currently also the President of **INDO RUSSIA BUSINESS** headquartered in Chennai.

**Dr. Prasad** has published a number of Papers in National and International Journals in Mathematical Modeling and Computer Simulation and Operations Research.

### Item No.9

Explanatory Statement under Section 102 of the Companies Act, 2013.

Smt. Anita Prabhu aged 59 years, is graduate in commerce and has been a Director of the Company from 21-08-1997. She has gained adequate working knowledge and insight into corporate affairs, operations and functioning of the factories. Considering her experience and with a view of further strengthen the management of the company, the Board of Directors of the company deem it fit to appoint Smt. Anita Prabhu as Executive Director of the company for a period of five years from 1st August, 2014.

The Directors, recommend the appointment of Smt. Anita Prabhu as the Executive Director, She is related to Smt. Rajeswary Ramakrishnan, Chairman cum Managing Director, Sri. R. Prabhu, and Dr. S. R. K. Prasad, Directors of the company and Sri. Vikram Prabhu, President of the Company.

The Particulars required to be furnished in terms of clause (iv) of sub paragraph (B) of paragraph 1 of Section II of Schedule V are given below:

### I. General Information

S.No.	Particulars Required	Information
1	Nature of Industry	Sugar Industry
2	Date or expected date of commencement of commercial production	Existing unit
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	2014-2015 Season
4	Financial performance bases on given indicators	Satisfactory
5	Export performance and net foreign exchange collaborations.	No export made during the year ended 31st March, 2014
6	Foreign investments or collaborators, if any	The Company has no foreign investments or foreign collaborations.



**II. Information about the appointee:**

<b>S.No.</b>	<b>Particulars Required</b>	<b>Information</b>
1	Background details	A Director in the Board since 1997 and presently Executive Director of the Company.
2	Past remuneration	Rs.2,00,000/- per month
3	Recognition awards	Nil
4	Job profile and her suitability	Conversant with the affairs of the company as a Director under the supervision of Board of Directors.
5	Remuneration proposed	Rs.2,00,000/- per month, plus perquisites.
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of her origin)	The Total remuneration package offered to her would be comparable to that paid to others of the same standing and experience in the industry,
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any.	None other than the proposed remuneration and the interest paid on her deposits with company at the same rate as to the public. She is not related to any other Managerial personnel, except the Chairman cum Managing Director Smt.Rajeswary Ramakrishnan.

**III. Other information:**

- 1) This information is being given along with the special resolution proposed to be passed, to enable the company to pay the Executive Director minimum remuneration as detailed herein above, in the event of absence or inadequacy of profits. The company does not expect to incur a loss during the present term of appointment of the Executive Director. It will present to the shareholders in detail the reasons for loss or inadequate profits and proposed steps for improvement, if and when they arise in the respective years.

**THE JEYPORE SUGAR COMPANY LIMITED**

**Item No.10 & 11**

Explanatory Statement under Section 102 of the Companies Act, 2013.

The Members of the Company at the Annual General Meeting held in 2008 had passed the requisite Resolution under Section 293(1)(d) of the Companies Act, 1956 for borrowing by the Company of an amount not exceeding Rs.500 Crores, at any time (apart from temporary loans obtained from the Company's Bankers in ordinary course of business).

Also, the Members of the Company at the Annual General Meeting held in 1995 have passed the requisite Resolution under Section 293(1)(a) of the Companies Act, 1956 for creation of charge to secure the borrowings of the Company.

Pursuant to the notification issued by the Ministry of Corporate Affairs on September 12, 2013 Section 180 (1) (a) and 180 (1)(c) of the Companies Act, 2013 have come into force with effect from September 12, 2013. Accordingly the limits approved by the Members of the Company under Sections 293 (1) (a) and 293 (1) (d) of the Companies Act, 1956, is valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Since the earlier resolutions are valid only upto September, 2014 and to comply with the requirements of Companies Act, 2013 the resolutions are placed before the shareholders for their consideration.

The Board recommends the Special Resolution(s) as set out in Item Nos.10 and 11 of the Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in these Resolutions.

Place : Chennai  
Date : 18-06-2014.

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

**SEVENTY EIGHTH ANNUAL REPORT 2013-2014**  
**REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH 2014**

1. Your Directors have pleasure in presenting their report for the year ended 31st March, 2014, together with the Balance Sheet as at 31st March, 2014 and the Profit & Loss Account for the year ended on that date.

	Rs.	Rs.
<b>2. PROFIT &amp; LOSS APPROPRIATIONS</b>	Profit before Interest, Depreciation And extraordinary items	8,03,82,210
	Less: Interest	25,41,24,111
	Depreciation	<u>10,68,35,765</u>
		<u>36,09,59,876</u>
	Loss before tax	28,05,77,666
	Add :	
	Deffered tax (Credit)	<u>9,14,29,487</u>
	Loss after Tax	18,91,48,179
	Add:	
	Balance of profit brought forward From Last year	<u>7,55,70,587</u>
	Balance Loss taken to Balance sheet	<u>11,35,77,592</u>

**3. CAPITAL & RESERVES**

The paid up capital at the end of the year stood at Rs.4,53,45,280/- and Reserves at Rs. 50,87,07,793/- as against Rs.4,53,45,280/- and Rs.69,78,55,972/- respectively at the beginning of the Period.

**4. FIXED DEPOSITS**

As on 31st March, 2014, the deposits remaining unpaid of Rs.1,28,000/-. Subsequently it was paid in the month of April'2014

**5. MANAGEMENT AND DISCUSSION ANALYSIS**

In view of the latest developments in the sugar market, Sugar Industry is hoping for a better return on the produce during the year 2014-2015. The Government have also realized the seriousness of the problem due to the failure of their earlier policies of controlling the sugar price, which consequently created cash flow problems and losses to the Sugar Industry. The price of cane has gone up in the last 3 / 4 years itself by Rs.700/- to Rs.800/- per ton whereas the sugar price was stagnating at Rs.2700/- to Rs.3000/- per quintal. From next year onwards, the prospects of getting bumper crop of sugar cane are very remote in view of the competition from hybrid maize, paddy, palm oil and other competitive commercial crops. Secondly for the last several years the international sugar market also was depressed because of over production. The sugar industry is cautiously optimistic regarding the sugarcane production and prospects for the next two to three years.

6. REVIEW OF OPERATION

**NEW SUGAR UNIT AT POTHAVARAM**

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

**VVS SUGARS, CHAGALLU**

Our Company - The Jeypore Sugar Co Ltd., with its two units has the largest crushing capacity in Andhra Pradesh State. In the present globalised context the size of the factory is most important, but the capacity in being under utilized due to competition from cash crops like maize, tobacco, paddy which give a profitable return in a shorter time. Besides it is having sizable co-gen facility and distillation facilities.

Sugar	2013-2014	2012-2013
a) Unit: Chagallu	06-12-2013 to 07-03-2014	20-11-2012 to 21-02-2013
<b>Duration</b>		
b) No of days	92	94
c) Cane crushed (Tons)	5,43,840	5,65,820
d) Sugar Produced (Qtls)	5,53,500	5,60,700
e) Recovery (%)	10.19	9.90

**FINANCIAL YEAR**

1) Duration	06-12-2013 to 07-03-2014	20-11-2012 to 21-02-2013
2) No of days	92	94
3) Cane crushed (Tons)	5,43,840	5,65,820
4) Sugar Produced (Qtls)	5,53,500	5,60,700
5) Recovery (%)	10.19	9.90
6) Turnover (Rs in lakhs)	14,334	14,176

**DISTILLERY DIVISION, CHAGALLU AND JANGAREDDYGUDEM**

Both the Distilleries at Chagallu and Jangareddigudem operated at near optimum level of capacity. The capacity of utilization of Jangareddigudem Distillery has been enhanced during the year under review and the benefit of higher capacity will be reaped in the coming years.

We purchased molasses from the market to keep both the Distilleries to operating continuously. We expect the distilleries to perform better this year as the demand for Ethanol and Rectified Spirit is

**7. CONSERVATION OF ENERGY**

encouraging. We have entered into agreement with Oil companies for supplying Ethanol which is used for blending with petrol.

**CO-GENERATION:**

The Co-generation project has worked continuously and successfully during the season and generated 21255 MW of power.

Form A (Rule 2) enclosed.

**8. SAFETY & POLLUTION CONTROL**

**SAFETY:**

Safety committee is formed and safety is improved considerably. Deputing safety committee members to attend safety seminars and sharing the same among all the people. Proposing to arrange safety classes inside the factory to avoid accidents, hazards and other unwanted incidents.

**Air & Water Pollution:**

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

**9. DIRECTORS**

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

**1. R. Prabhu**

**2. Dr.S.R.K.Prasad**

Mrs.M.A.Vedavalli has resigned from the Board due to continuous ill health. The Board places on record its appreciation the valuable service and guidance given to the Company, by Mrs.M.A.Vedavalli who has served as an Independent Director for the last 22 years.

**10. SUBSIDIARY COMPANY**

The name of the company has been struck from the Registrar of Companies maintained by ROC under Section 560 of the Companies Act, 1956 with effect from 18.3.2014 and the Company ceased to operate from that date.

**11. MANAGEMENT STAFF**

Mr.Vikram Prabhu, M.Sc, (LSC UK), has been appointed as the President of the Company, effective from 10th February 2014. He will be in charge of the general management and administration of the Company.

Information as required under section 217 (2A) of the Companies Act, 1956 read with the relevant rules thereunder, in respect of particulars of Employees, is given in a separate annexure to this Board of Directors Report.

**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.

**THE JEYPORE SUGAR COMPANY LIMITED**

**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.

With regard to the Demerger, the company has submitted the application to the Madras Stock Exchange for necessary approval. Along with this approval the demerger petition is to be filed in the court shortly. The company is expected to get the approval within three months of filing the petition.

With regard to the valuation of assets at Pothavaram unit, the Company is in the process of reviewing the carrying amount of assets and will obtain the Valuation Report at Pothavaram.

In respect of outstanding amount of Rs.2483.47 lakhs due to banks as overdue, the company has made arrangements to settle the same immediately.

Regarding the utilization of short term funds for long term purposes over a period of time the same had to be resorted to in view of the business exigencies and circumstances. The company has taken note of the same.

Internal audit will be implemented at Rayagada units.

**15. DIRECTORS'  
RESPONSIBILITY  
STATEMENT**

With regard to the over dues to the Banks, due to the reduced operations during the year the company had liquidity problem and hence there was delay in effecting the payments. The company is taking steps to settle the over dues.

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 year ;
- 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

**16. CORPORATE GOVERNANCE**

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

The Corporate Governance and Management Discussion and analysis Reports form an integral part of this Report and are set out as separate to this Report. The Certificate from the Auditors of the Company certifying compliance of the Listing Agreement with Madras Stock Exchange Ltd is also annexed to the Report on Corporate Governance.

**17. 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 2014-2015 was paid. The Company shares are traded in Bombay Stock Exchange Ltd through Indo next Segment Platform.

**18. DEMAT ISIN NUMBER**

INEI80E01014

**19. 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 : 18-06-2014

(By Order of the Board)  
for THE JEYPORE SUGAR COMPANY LIMITED  
(Sd.) RAJESWARY RAMAKRISHNAN  
Chairman cum Managing Director

THE JEYPORE SUGAR COMPANY LIMITED

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

**A. CONSERVATION OF ENERGY**

**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	19,09,274	7,28,890
Total Amount Rs.	1,57,32,418	56,06,118
Rate/per Unit Rs.	8.24	7.69
<b>B. Purchased from Co-generation</b>		
No. of units	64,40,840	65,36,985
Total amount Rs.	1,83,56,394	2,06,20,912
Unit Rate	2.85	3.15
<b>C. Own Generation Unit K W H</b>		
Through Diesel Generator	40,635	1,06,390
Total Amount Rs.	12,07,660	25,58,124
Rate/per Unit Rs.	29.72	24.04
Average purchase cost of HSD Oil per lit	54.89	47.66
<b>D. Through steam No. of units</b>	75,36,560	76,93,140
<b>1. FURNACE OIL</b>		
i) Quantity - lits	NIL	NIL
ii) Total cost (Rs.)	—	—
iii) Average rate per lit (Rs.)	—	—
<b>2. Consumption per unit of production</b>		
Electricity per M.T / Cane	29.28	26.62
Cane crushed - M.T	5,43,840	5,65,883
Electricity units per qtl	28.77	26.87
Sugar bagged - qtls	5,53,500	5,60,700



## **B. TECHNOLOGY ABSORPTION**

### **Form'B - Form of disclosure of particular with respect to Research and Development (R&D)**

1. **SPECIFIC AREAS IN WHICH R&D IS CARRIED OUT BY THE COMPANY:**

Some R&D has been carried out and modifications have been done in the sugar process to produce higher percentage of bolder grain. The melt clarification system process kept in line to improve the pan boiling efficiency and sugar color.

2. **BENEFITS DERIVED FROM THE ABOVE R&D EFFORTS:**

With the above research 90.15% of bolder grain was produced, which is the highest percentage ever produced in Andhra Pradesh sugar mills. The pan boiling efficiency and color of sugar was also improved.

3. **FUTURE COURSE OF ACTION:**

Mills will be automated, thereby bagasse moisture, pol etc. will be reduced and efficiency of mills will also be improved.

4. **SPECIFIC AREAS:**

The new process proposal to produce sulphur free sugar is being studied. This process will produce complete sulphur free sugar and also eliminates sulphur usage in the process thereby reduces the cost of production.

5. **RESEARCH AND DEVELOPMENT IN AGRICULTURE:**

40 Lakh numbers of single bud seedlings were given to cane growers for developing new sugar rich and high yielding varieties for direct plantation, which in turn reduces the cost of cultivation of sugar cane and increases the income of the farmer by improving yield per acre.

### **NEW SUGAR RICH VARIETIES TESTING AND EVALUATION**

With the guidance of Sugarcane Breeding Institute, Coimbatore we are conducting location specific varietal development of new sugar rich varieties. We have evaluated and tested in our Research farm. Around thirteen new varieties were evaluated out of 64 clones. The varieties under pipe line are

1) Co9076 2) Co9062 3) Co90382 4) Co90869 5) Co90834 6) Co90297 7)Co9047 8)Co90105 9) Co9071 10)Co9058 11)Co9067 12)Co90792 13) Co90201

Apart from the above, we have procured duly tested new sugar cane varieties from Research Stations and multiplying these varieties in our farm to supply the same as seed material to the cane growers for further multiplication.

**ADVISOR FOR R & D:** We are going to appoint advisor (Research & Development) for developing new high sugar rich and high sugar cane yielding varieties. As the sugarcane is long duration crop, it has to withstand biotic and abiotic stress and it requires continuous effort for developing new cane varieties.

## **THE JEYPORE SUGAR COMPANY LIMITED**

### **BIO-CONTROL LABORATORY:**

We have covered an area of 1250 acres during the month of February 2014 and we are proposing to release Trichogrammaspp for another 4000 acres during October 2014. Every year we are targeting 5250 acres for release of Trichogramma for control of ESB and INB pests in sugarcane in our factory area.

### **ORGANIC MANURE:**

We are supplying organic manure to the cane growers with the product name as RR Biogold, which is rich in organic content with bio fertilizers, micronutrients etc. It can maintain soil structure and texture and also for reclaiming soils to control salinity and also improves water holding capacity of soil.

### **6. MECHANISED CANE CULTIVATION:**

Implements like sub-soiler, rotator, cane planter, power tillers and whole cane harvester are being utilized in our research farm and some of the enthusiastic farmers are utilizing these implements in their farms. The cane harvester is resisted for two reasons. Spacing between the rows planted and ratoonability of the crop being damaged due to uprooting of the clumps by the machine causing yield loss.

### **TECHNICAL UPGRADATION:**

We are conducting training sessions with scientists from sugarcane Research station for our field staff to update the knowledge.

**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 ended 31-03-2014	Qualification & Experience	Date of commencement of Employment	Age	Last employment
1	<b>Smt.Rajeswary Ramakrishnan</b>	Chairman Cum Managing Director	53,76,000	B.A. 52 Years	03-09-1967	87	R.S Industrial Corpn P Ltd Director
2	<b>Smt.Anita Prabhu</b>	Executive Director	26,88,000	B.Com 9 years	01-08-2005	59	-

Place : Chennai  
Date : 18.06.2014

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

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

## THE JEYPORE SUGAR COMPANY LIMITED

### REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance is the set of rules, customs, policies and laws affecting the way the company is Directed, Administered or Managed.

The Company believes in the philosophy on code of Corporate Governance, which provides a structure by which the rights and responsibility of different constituents, such as the Board, Employees and Shareholders are carved out.

1. Effective Corporate Governance is an essential component for a successful enterprise in a globalised economy.
2. Value addition through wider consultations and compliance of standards, sharpens the organizational skills to achieve results better than before.
3. Appropriate disclosures to shareholders, ensure adequate information to assess and match risk of and reward from the enterprise.
4. Consequently, Corporate Governance delivers a cohesive group of shareholders who cherish similar values, share similar perspectives and expect similar returns.

The Company reviews its Corporate Governance practices to ensure that they reflect the latest developments in the corporate arena and thus position itself to conform to the best Corporate Governance practices.

The Report on Corporate Governance is divided into four parts:

- I. Board of Directors
- II. Committees of the Board
- III. Shareholders' information
- IV. Other disclosures

#### 1. BOARD OF DIRECTORS

The Company is being managed by Smt.Rajeswary Ramakrishnan, Chairman & Managing Director, Smt.Anita Prabhu, Executive Director under the overall supervision, control and guidance of the Board of Directors.

a) Composition of Board and Attendance Particulars:

As at 31st March, 2014 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

The Composition of the Board of Directors meets with the requirements of clause 49(1) (A) of the listing agreement.

The Independent directors are persons of eminence and bring a wide range of expertise and experience to the board thereby ensuring best interest of stakeholders and the company.

The Independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Clause 49 of the listing agreement.

#### b) BOARD MEETINGS

During the accounting year 2013-2014 five meetings of the Board of Directors were held on the following dates: 30/5/2013, 28/6/2013, 24-10-2013, 12-11-2013 and 14/2/2014.

#### Details of Board members and attendance details of each Director at the Board Meetings and at the last Annual General Meeting (AGM)

Directors	No of Board Meetings Attended during the year 2013-2014	Attendance At last AGM (24.10.2013)	No of other Directorships		No of other Board Committee in Which Director is a Member/Chairman		No of shares held by Directors (Equity Shares of Rs.10/- each)
			Chairman	Member	Chairman	Member	
<b>Non-Executive Independent Director</b>							
Sri.B.Ramalin - geswara Rao	4	P	-	-	-	-	3000
Smt.M.A.Vedavalli	-	-	-	-	-	-	31000
Sri.K.Muneswara Rao	4	P	-	-	-	-	500
Sri.R.Kannan	5	P	-	3	1	1	500
Sri.K.Subramanian	5	P	-	3	-	6	500
<b>Non-Executive Promoter Directors</b>							
Sri.R.Prabhu	5	P	-	5	-	-	425332
Dr.S.R.K.Prasad	4	P	-	8	-	-	59230
<b>Executive Promoter Director</b>							
Smt.Rajeswary - Ramakrishnan	4	P	1	6	-	-	419664
Smt.Anita Prabhu	3	P	-	2	-	-	324718

## THE JEYPORE SUGAR COMPANY LIMITED

- 1) Directors Sri.R.Prabhu and Dr.S.R.K.Prasad are related to Smt.Rajeswary Ramakrishnan, Chairman-cum-Managing Director of the Company as Sons.
- 2) Director Sri.R.Prabhu is husband of Smt.Anita Prabhu, Executive Director of the Company.

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.

### c) Code of Conduct

The Board of Directors has laid down a code of conduct (Code) 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.

In terms of company's corporate governance policy, all statutory and other significant and material information, annual operating plans and budgets, related party transactions and such other information as and when applicable has been placed before the board for its consideration.

A certificate duly signed by the Chairman Cum Managing Director and G.M 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.

None of the independent non-executive directors have any pecuniary relationship or transactions with the company.

### d) Remuneration policy of Directors

#### i) Remuneration to Non-Executive Directors.

Non Executive Directors are paid sitting fee for the meetings of the Board and Committees, if any, attended by them.

During the year non-executive Directors of the Company were paid sitting fees of Rs.20,000/- (Rupees twenty thousand only) each for every meeting of the Board, Audit Committee, Remuneration Committee, Share Transfer Committee and Shareholders / Investors Grievance Committee Meetings conducted.

The details of Sitting fees paid to Non-Executive Directors for the year ended 31.3.2014 (for attending the Board Meetings, Audit Committee meetings, share transfer committee meeting) are given below:

Directors	Sitting fees paid
Sri.R.Prabhu, Non-Executive Promoter Director	Rs. 1,00,000/-
Dr.S.R.K.Prasad, Non-Executive Promoter Director	Rs. 1,60,000/-
Sri.Boppana Ramalingeswara Rao, Independent Non-Executive Director	Rs. 1,60,000/-
Sri.K.Muneswara Rao, Independent Non-Executive Director	Rs. 80,000/-
Sri.R.Kannan, Independent Non-Executive Director	Rs.2,60,000/-
Sri.K.Subramanian, Independent Non-Executive Director	Rs.2,60,000/-

## ii) Remuneration to Executive Directors

Remuneration to all the Executive Directors is paid within the limits prescribed under the provisions of the Companies Act, 1956, and is approved by the Board of Directors based on the recommendations of the Remuneration Committee and sanctioned by the Shareholders at their meeting.

Particulars of their remuneration for the year ending 31st March 2014 are given below:

Directors	Salary & Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
Smt.Rajeswary Ramakrishnan Chairman & Managing Director	53,76,000	-	53,76,000
Smt.Anita Prabhu Executive Director	26,88,000	-	26,88,000

Due to inadequate profits, the executive directors are not drawn any commission.

Smt.Rajeswary Ramakrishnan and Smt.Anita Prabhu are not in receipt of any other amount other than the remuneration mentioned as above.

## II. COMMITTEES OF THE BOARD

The Board has set up the following Committees as per the requirements of the Listing Agreement entered with the Stock exchanges.

### a) Audit Committee

The Audit Committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit. The responsibilities of the Audit Committee include among other things overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment and remuneration of internal auditors, external auditors and cost auditors, reviewing the periodical interim and annual financial statements before submission to the Board, reviewing adequacy of internal control systems and discussing the scope of audit with external auditors.

The Audit Committee met four times during the year 2013-2014 dated on 30-5-2013, 24-10-2013, 12-11-2013 and 14-2-2014.

The Audit Committee comprises 3 Non-Executive Independent Directors and one Non-Executive Promoter Director. The Committee was chaired by an Independent Director Sri.R.Kannan who chaired the committee and 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 Committee also meets the requirements Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Members	Number of Meetings held	Number of Meetings Attended
Sri.R.Kannan, Independent Non- Executive Director	4	4
Dr.S.R.K.Prasad, Non-Executive Promoter Director	4	4
Sri.Boppana Ramalingeswara Rao, Independent Non-Executive Director	4	4
Sri.K.Subramanian, Independent Non-Executive Director	4	4

## THE JEYPORE SUGAR COMPANY LIMITED

Smt.Anita Prabhu was invited to attend Audit committee meetings as an Executive Director of the Company. The Company Secretary is the Secretary to the Committee. Statutory Auditors have also attended the audit committee meetings, when invited by the Committee. The Committee also invites Business and Functional Heads to discuss matters concerning their Business / Departments as and when it deems necessary.

The terms of reference of the Audit committee are in accordance with Section 292A of the Companies Act, 1956 read with clause 49(II) of the listing agreement entered with the stock exchange and these broadly includes overseeing the financial reporting process, review the quarterly, half yearly and annual financial statements by focusing primarily on compliance with the accounting standards, consistence follow up of accounting policies and practices, noting and review of significant related party transactions, review, discussion and interaction with the Statutory auditors, internal auditors and cost auditors, review of the internal control system, review of the company's financial and risk management policies etc.,

Sri.R.Kannan, the Chairman of the Audit Committee, attended the Annual General Meeting of the Company held on 24-10-2013.

### b. Remuneration Committee

The Committee evaluates the financial position and state of affairs of the Company vis-à-vis the prevailing comparable remuneration structure of managerial personnel in other Companies and determines the remuneration and benefits for Board Members. The Committee did not have an occasion to meet during the year ended 31.3.2014.

The Remuneration Committee comprises the following Independent Non-Executive Directors.

Name of the Director	Chairman / Member
1.Sri.Boppana Ramalingeswara Rao, Independent Non-Executive Director	Chairman
2.Smt.M.A.Vedavalli, Independent Non-Executive Director	Member
3.Sri.K.Muneswara Rao, Independent Non-Executive Director	Member

The Remuneration Policy and the details of the remuneration paid to the Directors are furnished in the section relating to the Board of Directors herein before.

### c. Share Transfer Committee

This Committee is constituted to approve transfer, transmission of shares and to issue duplicate share certificates, consolidation / spilt of share certificates and confirmation of dematerialization of shares as and when required.

During the year the share transfer Committee met on 5-4-2013, 29-4-2013, 24-10-2013 and 14-2-2014.

The Committee comprises and attendance of the following executive and non executive Directors of the Company:

Name of the Director	Chairman/ Member	No. of Meetings Held	No. of Meetings Attended
1. Smt.Anita Prabhu, Executive Director	Chairman	4	3
2. Sri.R.Kannan, Independent Non-Executive Director	Member	4	4
3. Sri.K.Subramanian, Independent Non-Executive Director	Member	4	4



#### **d) Shareholders' / Investors' Grievance Committee**

The Shareholders' / Investors' Grievances Committee specifically looks into redressing of Shareholders' and Investors' compliances / grievances pertaining to transfer / transmission of shares, non-receipt of annual reports, dividend payments, issue of duplicate certificates and other miscellaneous complaints. The Company did not meet during the year 2013-2014.

The Committee comprising of the following Directors of the Company.

Name of the Director	Chairman / Member
1. Smt.M.A.Vedavalli, Independent Non- Executive Director	Chairman
2. Smt.Anita Prabhu, Executive Director	Member
3. Sri.Boppana Ramalingeswara Rao, Independent Non-Executive Director	Member
4. Sri.K.Muneswara Rao, Independent Non-Executive Director	Member

As per the confirmation received from M/s.Cameo Corporate Services Limited, the Company's Registrar and Share Transfer Agents, no complaints are pending as on 31-3-2014. The Board has designated Sri.P.S.Krishnamoorthy, Company Secretary as the Compliance Officer of the Company.

#### **III) GENERAL SHAREHOLDER INFORMATION**

##### 1. Date, Time and Venue of the Annual General Meeting.

Date	15th September, 2014
Time	11.00 A.M.
Venue	'Narada Gana Sabha', 314, TTK Road, Chennai - 600 018

##### 2. Financial Calendar : 2014-2015

Key Financial Reporting Dates for the Financial year : 2014-2015.

First Quarter ending 30th June, 2014	Within Forty Five days from the end of the Quarter
Second Quarter ending 30th September 2014	Within Forty Five days from the end of the Quarter
Third Quarter ending 31st December 2014	Within Forty Five days from the end of the Quarter
Fourth Quarter ending 31st March, 2015	Within Sixty Days from the end of the Quarter.

##### 3. Date of Book Closure : 9th September, 2014 to 15th September, 2014 (Both days inclusive)

##### 4. Listing of Stock Exchanges

Name of the Stock Exchange	Stock Code
Madras Stock Exchange Limited "Exchange Building" Post Box No.183 New No.30, Second Line Beach Chennai - 600 001.	"JEYSUG"

**THE JEYPORE SUGAR COMPANY LIMITED**

The Equity shares of the Company are listed on the Madras Stock Exchange Limited. The Shares also traded in BSE under Indonext. Further the equity shares of the Company is allowed in NSE trading platform as per the MSE-NSE arrangement. The prescribed listing fees has been paid to Madras Stock Exchange Limited.

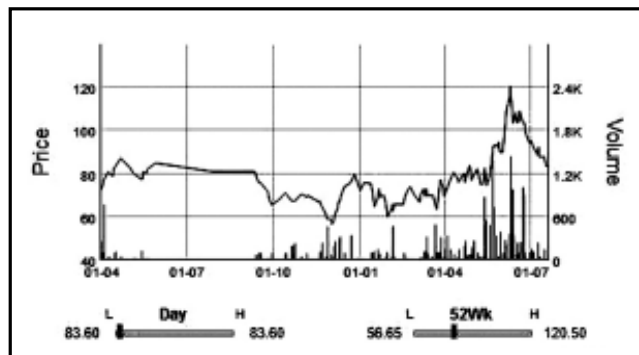
**6. Share Price Date**

BOMBAY STOCK EXCHANGE LIMITED (BSE)

S.No.	Month		High Price (Rs.)	Low Price (Rs.)	Close Price (Rs.)
1	April	2013	87.15	70.05	87.15
2	May	2013	84.95	77.40	84.95
3	June	2013	-	-	-
4	July	2013	81.00	81.00	81.00
5	August	2013	-	-	-
6	September	2013	81.00	65.60	65.60
7	October	2013	71.00	67.00	70.35
8	November	2013	70.80	59.00	59.00
9	December	2013	79.80	56.65	76.00
10	January	2014	75.85	60.10	60.10
11	February	2014	74.00	62.75	70.35
12	March	2014	77.20	63.50	73.35

**7. Relative Stock Performance Chart:**

The Chart below gives the relative movement of the closing price of the Company's share and the BSE Nifty relative to the closing price.



## 8. Registrar & Share Transfer Agents

### For demat & Physical shares

M/s.Cameo Corporate Services Limited  
"Subramanian Building"  
No.1, Club House Road  
Chennai - 600 002  
Phone: 044-2846 0390  
Fax No:044-2846 0129  
E-mail: Investor@cameoindia.com  
Website:www.cameoindia.com

## 9. Share Transfer System :

The shares for transfer received in physical form are transferred expeditiously, provided the documents are complete and the share transfer is not under any dispute. A summary of transfer/ transmission of securities so approved by the share transfer and transmission committee are placed at Meetings. The share certificates duly endorsed are sent to the shareholders by Registrar and Share Transfer Agent. Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL, expeditiously.

Pursuant to the Clause 47-C of the Listing Agreement, certificates on quarterly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to the stock exchanges.

In addition, a Reconciliation of Share Capital Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges.

## 10. Distribution of the Shareholding as on 31st March, 2014 by number of shares.

No of Equity Shares held	No of Share holders	% of share Holders	No of shares	% Share holding
Upto 5000	4091	93.30	351080	7.74
5001 - 10000	143	3.26	100361	2.21
10001 - 20000	69	1.57	96077	2.12
20001 - 30000	20	0.46	50104	1.10
30001 - 40000	11	0.25	38507	0.85
40001 - 50000	7	0.16	32582	0.72
50001 - 100001	14	0.32	94613	2.09
Above 100001	30	0.68	3771204	83.17
Total	4385	100.00	4534528	100.00

## THE JEYPORE SUGAR COMPANY LIMITED

### 11. Shareholding as on 31st March, 2014 by category.

Category	No.of Share holders	No.of Shares	% share holding
Clearing Member	4	328	0.01
Indian Financial Institutions	4	29486	0.65
Indian Promoters	15	2031133	44.79
NRI / OCBs	13	1502760	33.14
Private Corporate Bodies	74	112986	2.49
Indian Public	4275	857835	18.92
Total	4385	4534528	100.00

### 12. Top ten Equity Shareholders of the Company (Excluding Promoters) as on 31ST March, 2014.

S.No.	Name of the Shareholder	Number of shares held	Percentage of holding
1	Eugenia Securities Limited	625500	13.7941
2	Gosforth Investments Limited	517733	11.4175
3	Humayun Holdings Limited	247496	5.4580
4	Gosforth Investments Limited	108000	2.3817
5	Durgamba Investments Pvt.Limited	51786	1.1420
6	M.A.Vedavalli	31000	0.6836
7	Life Insurance Corporation of India	28985	0.6392
8	Devineni Bhakta Priya	22712	0.5008
9	V.Sarajini	19346	0.4266
10	K.C.P.Sugar And Industries Corpn. Ltd.,	16580	0.3656

### 13. Dematerialization of Shares and Liquidity

Out of the total paid-up Equity Capital 27,83,632 Equity shares at the percentage of 61.39 are held in dematerialized form with NSDL and CDSL as on March 31st, 2014.

ISIN Number of the Company for dematerialization is : INE180E01014.

**14. The Company has not issued any GDRs / ADRs / Warrants or any other convertible instruments that are outstanding.**

**15. Plant Locations :**

Location	Product
VVS Sugars, Chagallu, W.G.Dist. A.P.	Sugar
VRK Sugars, Pothavaram, W.G.Dist. A.P.- Unit II (commercial production not commenced)	Sugar
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 under erection and commissioning
Co-Generation unit, Chagallu, W.G.Dist. A.P.	Power
EM Division, Rayagada, Orissa	Ferro Chrome / Ferro Manganese

16. Corporate Operations Office : "Ramakrishna Buildings"  
No.239, Anna Salai  
Chennai - 600 006  
Tel: 044-28523065, 044-28411724  
Fax: 044- 28527978  
Email Id: jeyporesugar@gmail.com

17. Investor Contact : M/s. Cameo Corporate Services Limited  
'Subramanian Building'  
No.1, Club House Road  
Chennai - 600 002  
Tel: 044- 28460390  
Fax: 044-28460129  
Email id: investor@cameoindia.com

18. Name and Designation and E-mail id  
of Compliance Officer : Mr.P.S.Krishnamoorthy  
Company Secretary and Compliance Officer  
Tel (Direct): 044-28588666  
Mobile: 9962592129  
Email id: kmoorthy48@hotmail.com

**19. Investors Information**

## a) Shareholders Reference

A shareholders reference guide covering various aspects such as investor services and grievance handling mechanism, recommendations of the Company to the shareholders, Dividend, unclaimed / unpaid dividend, unclaimed shares, dematerialization/Rematerialisation of shares, Transfer / Transmission / Transposition / Duplicate Certificates etc.

## THE JEYPORE SUGAR COMPANY LIMITED

### b) Dividend

The Board of Directors at its meeting held on May 30, 2014 had not recommended for payment of any dividend for the year ended 31.3.2014.

### c) Transfer of unclaimed dividend

During the year under review, an amount of Rs.3,170/- and 9,72,045/- pertaining to unpaid / unclaimed dividend for the Financial year 2004-2005 (Final - pending amount) and 2005-2006 (Final) have been transferred to Investor Education and Protection Fund (IEPF) on 10-10-2013 and 16-10-2013.

As per provisions of Section 205A read with Section 205C of the Companies Act, 1956 the Company is required to transfer unpaid dividend remaining unclaimed and unpaid for a period of seven years to the IEPF set up by the Central Government.

Given below are the dates when the unclaimed dividend is due for transfer to IEPF by the company

Financial year	Dividend type	Dividend percentage (%)	Date of declaration	Due date of transfer to IEPF
2006-2007	Interim	75	14/03/2007	19/04/2014
2006-2007	Final	25	17/09/2007	24/10/2014
2007-2008	Final	10	10/09/2008	17/10/2015
2008-2009	Final	10	11/09/2009	18/10/2016
2009-2010	Final	50	27/08/2010	03/10/2017
2011-2012	Final	25	18/03/2012	23/04/2020

As required under the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (rules) the Company shall upload on the Company's website [www.jeyporesugars.com](http://www.jeyporesugars.com) the information containing the names, addresses of the person entitled to receive the amount, nature of amount, due date for transfer to IEPF and such other information as required by the rules.

All shareholders, whose dividend is unpaid / unclaimed, are requested to refer the same on the website and lodge their claim to RTA / Company by submitting an application supported by an indemnity immediately.

Kindly note that no claim shall be lie against the company or the IEPF once the dividend amount is transferred to IEPF.

### 20. Prevention of Insider Trading

The Company has framed a Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992. This code is applicable to all Directors / officers / designated employees. Under this Code, they are prohibited to deal in shares of the Company during the closure of Trading Window and other specified period(s).

### 21. Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks.

## 22. Details of Annual General Meetings & Special Resolutions.

a) Location and time of Annual General Meetings held in last 3 years with Special Resolutions passed:

Year	AGM	Location	Date	Time	Special Resolution Considered thereon	Result
2011	75th AGM	New Woodlands Hotel 72-75, Dr.Radhakrishnan Salai Mylapore Chennai - 600 004.	08-09-2011	12.00 Noon	Yes	Passed
2012	76th AGM	"Sathguru Gnananda Hall" Narada Gana Sabha No.314, T.T.K.Road Chennai - 600 018.	18-03-2013	10.15 A.M.	No	Passed
2013	77th AGM	"Sathguru Gnananda Hall" Narada Gana Sabha No.314, T.T.K.Road Chennai - 600 018.	24-10-2013	11.15 A.M.	No	Passed

b) No EGM was held by the company during the Year ended 31st March, 2014.

c) No resolution was passed by way of postal ballot during the year ended 31st March 2014.

### IV. OTHER DISCLOSURES

#### **i) Disclosure of related party transactions**

During the year there were no materially significant related party transactions that might have had potential conflict with the interest of the Company at large.

#### **ii) Details of Non-Compliance by the Company**

During the last three years, there were no instances of non compliance by the company, with any statutory matters concerning capital markets, nor were any penalties or strictures imposed on it with regard thereto by any concerned regulatory authorities.

#### **iii) Disclosure of Accounting Treatment**

In the preparation of Financial statements, the Company has followed the accounting standards issued by the institute of Chartered Accountants of India. The significant accounting policies, which are consistently applied, have been set out in the Notes forming part of the audited financial statements for the financial year ended March, 31, 2014. With reference to the observation of the Auditors in their report regarding recoverable amount of assets located at Pothavarm unit, the company is in the process of technically evaluating value of its assets at Pothavarm and is of opinion that the realizable value of the assets of the said unit will exceed its carrying amount in the books of account.

## THE JEYPORE SUGAR COMPANY LIMITED

### **iv) Whistle Blower Policy**

The company has not adopted whistle-blower policy. However, the company has an environment where any employee can raise any issue with the management, if required.

### **v) Board Disclosures**

#### **a. Risk Management**

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically, discusses the significant business risks identified by the management and the mitigation process being taken up.

A board framework for minimizing the risks faced by the Company by adopting a risk management policy for commodity and currency has been formed by the Company.

#### **b. Internal Control System**

The Company has in place adequate system of internal controls commensurate with its size and the nature of its operations. The Company's internal control system covers the following aspects.

- \* Financial propriety of business transactions
- \* Safeguarding the assets of the Company.
- \* Compliance with prevalent statues, listing agreement , management authorization,policies and procedures.

The Audit Committee of the board periodically reviews audit plans, observations and recommendations of the internal and external auditors, with reference to the significant risk areas and adequacy of internal controls and keeps the board of directors informed of its major observations from time to time.

### **vi) Details of compliance with mandatory and non-mandatory requirements of Clause 49 of listing agreement.**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. As per the non-mandatory requirements, the Company has set up a remuneration committee. The details of such committee have been enumerated earlier in this report. The other non-mandatory requirements have not been adopted by the Company till date.

### **vii) CEO / CFO Certification**

The CEO / CFO certification of the financial statements and internal control is separately annexed.

### **Means of Communication**

The quarterly unaudited financial results and the annual audited financial results, intimation of Board Meetings date, Record Date, Book Closure and dividend declaration notices are normally published in a leading business daily, viz. 'The Financial Express' (English) and in 'Makkal Kural' (Tamil).

The company does not send a half yearly declaration of its financial performance to each household of its shareholders.

The Company has not issued any official news release, nor made any presentations to the investors about its financial results during the year. A Management Discussion Analysis of relevant matters forms part of the Report of the Board of Directors.



### **DEMATERIALIZATION OF SHARES:**

Dematerialization is the process by which physical share certificates of an investor are converted to an equivalent number of securities in electronic form and credited into the investor's account maintained with his / her depository participant (DP).

Those Shareholders who are holding shares in physical form are advised to convert their holdings into demat form.

The following are the benefits of Dematerialization:

1. Immediate transfer of securities;
2. No stamp duty on transfer of securities;
3. Elimination of risks associated with physical certificates such as bad delivery, fake of securities;
4. Reduction in paper work involved in transfer of securities;
5. Reduction in transaction cost;
6. Nomination facility;
7. Change of address recorded with Depository Participant (DP) gets registered electronically with all companies in which investor holds securities eliminating the need to correspond with each of them separately;
8. Transmission of securities is done by DP eliminating correspondence with companies;
9. Convenient method of consolidation of folios / accounts;
10. Holding investments in equity, debt instruments and Government securities in a single account.
11. Automatic credit into demat account, of shares, arising out of split / consolidation / merge etc.

### **Green Initiative of Ministry of Corporate Affairs (Servicing of documents by e-mode)**

Ministry of Corporate Affairs has taken a "Green initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the circular No.17/2011 dated 21-04-2011 and circular No.18/2011 dated 29-04-2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to their shareholders through electronic mode to the registered e-mail addresses of shareholders. In view of above, the investors, who have not registered their email addresses with their DP / RTA of the Company, are requested to register their e-mail addresses with the RTA, M/s.Cameo Corporate Services Limited.

### **16. Compliance Certificate of the Auditors:-**

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. The Company has submitted the compliance report in the prescribed format to the stock exchanges for the quarters ended June, 2013, September, 2013 December, 2013 and March, 2014. The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreements with the stock exchanges. The said certificate is annexed to the Directors' Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamil Nadu, Chennai along with the Annual Report.

**Auditors' Certificate on Compliance of Corporate Governance under  
Clause 49 of the Listing Agreement**

The Members  
The Jeypore Sugar Company Limited  
Ramakrishna Buildings  
No.239, Anna Salai  
Chennai - 600 006.

We have examined the compliance of conditions or Corporate Governance by The Jeypore Sugar Company Limited for the year ended March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

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, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that as per the records maintained by the company, there were no investor grievances remaining unattended pending for more than 30 days.

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.

Place : Camp : Chennai  
Date : 18-06-2014

FOR BRAHMAYYA & CO  
Chartered Accountants  
Firm Regd. No.000513S  
**(Sd.) P.LAKSHMANA RAO**  
Partner  
**(ICAI Memb No.13254)**

**Declaration Regarding Compliance by Board Members and Senior Management  
Personnel with the Company's Code of Conduct.**

I, Rajeswary Ramakrishnan, Chairman - cum- Managing Director of the Company hereby confirm that all the members of your Board and the Senior Management personnel of your Company have confirmed the compliance to the Code of Conduct of the Company for the accounting year ended 31-03-2014.

Place : Chennai  
Date : 18-06-2014

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

**THE JEYPORE SUGAR COMPANY LIMITED**

**CEO /CFO CERTIFICATION**

The Board of Directors  
The Jeypore Sugar Company Limited

We hereby certify that

- a) We have reviewed the financial statements and the cash flow statement of the company for the year ended March 31, 2014 and to the best of our knowledge and behalf.
- i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Instances of significant fraud of which we have become aware and the involvement thereon, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.
- e) The disclosures have been received from the senior management personnel relating to the financial and commercial transactions in which they or their relatives may have personal interest. However, none of these transactions have conflict with the interest of the Company at large.

Place : Chennai  
Date : 18-06-2014

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

**(Sd.) P.S.KRISHNAMOORTHY**  
Chief Financial Officer

## **INDEPENDENT AUDITORS' REPORT**

**To  
The Members of  
THE JEYPORE SUGAR COMPANY LIMITED**

### **Report on the financial statements**

We have audited the accompanying financial statements of THE JEYPORE SUGAR COMPANY LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and its Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with the standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

#### **Basis for Disclaimer of Opinion**

a) We are informed that the company has proposed for restructuring by demerging its Pothavaram sugar unit and same is under process. In view of this, the company is in the process of reviewing the carrying amount of its assets in Pothavaram Unit. Pending information about its recoverable amount, we are at present unable to ascertain the provision, if any, required to be made for short fall in value of the assets

## THE JEYPORE SUGAR COMPANY LIMITED

between the carrying amount and its recoverable amount as required to be made as per AS-28 "Impairment of Assets" and its impact on the Loss for the year, fixed assets and reserves of the company.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Disclaimer of opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by section 227(3) of the Act, 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 except for the effects of the matter described in the basis for Disclaimer of opinion paragraph;
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 those books;
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
4. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act subject to point noted in para a of disclaimer of opinion and
5. On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Place : Camp : Chennai  
Date : 18-06-2014

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn.no.000513S  
**(Sd.) P. Lakshmana Rao**  
Partner  
ICAI Membership No.13254

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our report to the members of THE JEYPORE SUGAR COMPANY LIMITED ("the Company") for the year ended March 31, 2014, we report that:

1. In respect of its fixed assets ;
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except at its Rayagada units.
  - b) According to the information and explanations furnished to us, the Company has not physically verified its fixed assets during the year. However, 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 the nature of its assets.
  - c) According to the information and explanations furnished to us, the Company has not disposed off a substantial part of its fixed assets during the year and therefore do not affect the going concern assumption.
2. In respect of its Inventories ;
  - a) According to the information and explanations furnished to us, the Company has physically verified its inventories during the year except at its Rayagada units. In our opinion, the frequency of such verification to the extent carried out is reasonable.
  - b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) According to the information furnished to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
3. In respect of its loans ;
  - a) The Company has not granted any loans secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act at the beginning of the year or during the year. Consequently, reporting under clauses (iii)(b), (iii)(c) and (iii)(d) of paragraph 4 of the Order are not applicable.
  - b) The company has accepted fixed deposits/loans aggregating to at the date of balance sheet to Rs.1180.80 lakhs from 4 directors, Rs.163.15 lakhs from 3 relatives of directors and Rs.103.63 lakhs from 2 companies covered in the register maintained under section 301 of the Act.
  - c) In our opinion, the rate of interest and other terms and conditions on which fixed deposits/loans have been taken by the Company from parties covered in the register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
  - d) The company has been regular in repaying the principal and interest amounts as stipulated on the deposits taken by it from the parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further

## THE JEYPORE SUGAR COMPANY LIMITED

during the course of our audit, we have not come across any instances of major weaknesses in internal control system.

5. In respect of the contracts or arrangements referred to in section 301 of the Act:
  - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under section 301 of the Act have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rs.5 lakhs in respect of each party during the year have been made at prices which appear reasonable as per information available with the Company and other terms of business with such parties, at the relevant time.
6. The Company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Act 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 noncompliance with the provisions of sections 58A and 58AA of the Act.
7. In our opinion, the company has an Internal audit system commensurate with its size and nature of its business, except to its Rayagada Units which needs to be implemented.
8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Act and we are of the opinion that prima facie the prescribed accounts and records have been maintained. However, we have not carried out a detailed examination of the same with a view to determine whether they are accurate or complete.
- 9 a) According to the information furnished and records produced before us, the Company made delays in remittance of TDS recovered but is regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and any other statutory dues applicable to it. 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 except the following.

Name of the statute	Nature of dues	Amount (Rs.)	Period	Due date	Date of payment
AP Non-agricultural land asst. tax	Non-Agricultural land tax	2,72,115	1978-79 to 1987-88	30th June of every year	----
Income-tax Act, 1961	Income-tax	3,72,86,980	Asst. year 2013-14	Various dates	----

Further, an amount of Rs.3.72 lakhs relating to the years 2004-05 and 2005-06 (Interim and Final) is pending for deposit in Investor Education Protection Fund which was kept in abeyance due to pending legal cases.



b) According to the information furnished to us and records of the Company examined by us, at the date of Balance Sheet, the following amounts of Income-tax, Sales tax and Excise duty have been disputed by the Company, and hence were not remitted to the authorities concerned authorities.

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 (80,00,000 paid under protest)	High Court, Orissa
2	Sales Tax 1995-96 & 1996-97	Orissa Sales Tax Act. 1947	3,11,662 (2,10,000 paid under protest)	STAT, Orissa
3	Entry tax 1.4.05 to 30.6.2010	Orissa Entry Tax Act, 1999	3,75,947 (1,75,089 Paid under protest)	Joint Commissioner of Sales tax, Jeypore
	CST 1.4.07 to 30.6.2010	CST Act, 1957	6,08,083 (1,40,537 Paid under protest)	- do -
	VAT 1.4.2005 to 30.6.2010	Orissa Vat Act, 2004	7,08,405 (3,97,227 Paid under protest)	- do -
4	Income Tax Asst Yr 2009-10  2010-11	Income Tax Act, 1961	7,43,163 (3,32,404 paid under protest) 66,14,047	CIT(Appeals), Vizag  CIT (Appeals), Vizag
5	CENVAT credit for the period from Dec, 2009 to March, 2011	Central Excise Act, 1944	7,20,51,702 (Stay granted by CESTAT for demand)	CESTAT, Bangalore
6	CENVAT credit for the period from July, 2007 to March, 2009	Central Excise Act, 1944	40,48,908	Commissioner of Central Excise, Guntur
7	Service tax for the period from April, 2005 to Feb, 2008	Finance Act, 1994	16,10,484	Commissioner of Central Excise, Guntur

## THE JEYPORE SUGAR COMPANY LIMITED

10. The Company had accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit, but does not incurred in the immediately preceding financial year.

11. According to the information and explanations given to us and as per the books and records examined by us, the company made considerable delays and continuing defaults in repayment of its dues to banks. The company has not borrowed any amounts from financial institutions and by way of issue of debentures.

Amounts due in respect of Term loans from banks on account of Principal and interest aggregating to Rs.9179.72 lakhs during the year ended 31.3.2014 (IDBI Rs.3753.94 lakhs : BOB Rs.1190.60 lakhs: SBH Rs.1042.27 lakhs : Andhra Bank Rs.818.93 lakhs: IFCI Rs.203.24 lakhs: BOI Rs.1312.20 lakhs and ICICI Rs.858.53 lakhs) where payments were delayed from 1-365 days up to 31.3.2014 and these dues were cleared up to the close of financial year 31.3.2014, except an amount of Rs.3540.28 lakhs which is pending for remittance as on 31.3.2014. Of the said amount, an amount of Rs.1056.81 Lakhs was remitted till the date of our report.

11. According to the information and explanations given 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.

12. 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 (xiii) of paragraph 4 of the Order are not applicable to the Company during the year under report.

13. 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 (xiv) of paragraph 4 of the Order are not applicable to the Company.

14. The Company has given corporate guarantee and also offered its properties as security for loans taken by its cane growers from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.

15. According to the information and explanations given to us, the term loans obtained by the company during the year have been applied for the purpose for which they were obtained.

16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that considering the internal accruals of the Company, no funds raised on short-term basis have been used for long-term investment or other investments during the year. However, the company used an amount of Rs.114 crores approx. over the period of time up to the date of our report for long term applications being its new projects under execution.

17. According to the information and explanations given 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.

18. According to the information and explanations given to us, the Company has not issued any debentures. Hence the clause (xix) of paragraph 4 of the Order is not applicable.

19. The Company has not raised any money through public issues during the year. Accordingly, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company during the year under report.
20. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practices in India, and according to the information and explanations given to us, we have not come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Camp : Chennai  
Date : 18-06-2014

For BRAHMAYYA & CO  
Chartered Accountants  
Firm Regn.no.000513S  
**(Sd.) P. Lakshmana Rao**  
Partner  
ICAI Membership No.13254

**THE JEYPORE SUGAR COMPANY LIMITED**

**BALANCE SHEET AS AT 31st March, 2014**

**(Amount in Rs.)**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31.3.2014</b>		<b>As at 31.3.2013</b>	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2	<b>4,53,45,280</b>		4,53,45,280	
(b) Reserves and surplus	3	<b>50,87,07,793</b>		69,78,55,972	
			<b>55,40,53,073</b>		74,32,01,252
<b>(2) Non-current liabilities</b>					
(a) Long-term borrowings	4	<b>1,87,74,30,849</b>		2,43,90,46,162	
(b) Deferred tax liabilities (Net)	5	-		7,55,56,005	
(c) Other Long-term liabilities	6	<b>2,59,54,600</b>		3,27,97,100	
(d) Long-term provisions	7	<b>7,11,76,616</b>		5,51,70,695	
			<b>1,97,45,62,065</b>		2,60,25,69,962
<b>(3) Current liabilities</b>					
(a) Short-term borrowings	8	<b>1,33,17,21,280</b>		1,00,84,52,885	
(b) Trade payables	9	<b>1,57,52,27,409</b>		84,40,63,767	
(c) Other current liabilities	10	<b>1,42,65,93,319</b>		1,20,25,51,884	
(d) Short-term provisions	7	<b>13,81,12,301</b>		14,40,70,893	
			<b>4,47,16,54,309</b>		3,19,91,39,429
<b>Total</b>			<b>7,00,02,69,447</b>		<b>6,54,49,10,643</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Fixed assets	11				
(i) Tangible assets		<b>1,09,89,48,515</b>		1,16,93,74,654	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		<b>1,78,04,08,982</b>		1,80,01,77,298	
(iv) Unallocated capital expenditure		<b>2,05,56,08,313</b>		1,62,00,58,658	
			<b>4,93,49,65,810</b>		4,58,96,10,610
(b) Non-current investments	12		<b>19,66,482</b>		19,66,482
(c) Deferred tax Asset (Net)	5		<b>1,58,73,482</b>		-
(d) Long-term loans and advances	13		<b>8,37,28,192</b>		8,29,49,833
<b>(2) Current assets</b>					
(a) Inventories	14	<b>1,40,82,71,232</b>		1,27,85,64,601	
(b) Trade receivables	15	<b>4,38,49,687</b>		4,33,40,934	
(c) Cash and cash equivalents	16	<b>3,72,49,926</b>		5,70,38,286	
(d) Short-term loans and advances	17	<b>46,10,88,096</b>		47,85,88,872	
(e) Other current assets	18	<b>1,32,76,540</b>		1,2851,025	
			<b>1,96,37,35,480</b>		1,87,03,83,718
<b>Total</b>			<b>7,00,02,69,447</b>		<b>6,54,49,10,643</b>
Significant accounting policies Notes on accounts	1 27-42				

As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Registration No: 000513S  
**(Sd.) P. Lakshmana Rao**  
Partner  
Membership No : 13254

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

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

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

Place : Camp : Chennai  
Date: 18-06-2014.

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2014**

(Amount in Rs.)

PARTICULARS	Note No.	2013-2014	6 months ended 31.3.2013
<b>Continuing Operations</b>			
<b>I.Revenue:</b>			
From Operations :			
(a) Sale of products (Gross)	19	1,94,78,55,526	1,74,52,78,769
(b) Sale of services		-	-
(c) Other operating revenue		-	-
		<u>1,94,78,55,526</u>	<u>1,74,52,78,769</u>
Less: Excise duty collected		5,51,07,999	4,33,32,052
		<u>1,89,27,47,528</u>	<u>1,70,19,46,717</u>
Other Income	20	1,51,15,293	51,83,235
<b>Total</b>		<u>1,90,78,62,821</u>	<u>1,70,71,29,952</u>
<b>II.Expenses:</b>			
Cost of materials consumed	21	1,36,58,44,821	1,34,66,80,157
Purchases of Stock-in-trade		-	-
Changes in Inventories of finished goods, work-in-progress and Stock-in-Trade	22	(15,59,99,610)	(50,58,69,961)
Employee benefits expenses	23	26,41,53,151	14,57,21,884
Finance costs	24	25,41,24,111	12,39,35,482
Depreciation	25	10,68,35,765	5,05,66,632
Other expenses	26	35,34,82,249	45,47,69,126
<b>Total</b>		<u>2,18,84,40,486</u>	<u>1,61,58,03,320</u>
Profit/(Loss) before tax		(28,05,77,666)	9,13,26,632
Less: Tax expense:			
-Current tax		-	2,25,00,000
- MAT credit withdrawn		-	1,50,00,000
		<u>(28,05,77,666)</u>	<u>5,38,26,632</u>
Add: Deferred tax (Credit)		9,14,29,487	9,56,700
Profit/(Loss) after tax		<u>(18,91,48,179)</u>	<u>5,47,83,332</u>
Earning per Equity share of Rs.10/- each Basic and diluted		(41.71)	12.08
Significant accounting policies	1		
Notes on accounts	27-42		

As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Registration No: 000513S  
(Sd.) P. Lakshmana Rao  
Partner  
Membership No : 13254  
Place : Camp : Chennai  
Date: 18-06-2014.

(Sd.) DR. S.R.K. PRASAD  
(Sd.) K. MUNESWARA RAO  
Directors  
  
(Sd.) P.S.KRISHNAMOORTHY  
Secretary

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

## THE JEYPORE SUGAR COMPANY LIMITED

### STATEMENT ON ACCOUNTING POLICIES

Note No.1

#### 1. General

The Company has prepared the financial statements on a going concern basis under the historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting practices in India. The financial statements are prepared to comply in all material respects with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, the pronouncements of the Institute of Chartered Accountants of India and all the relevant provisions of Companies Act, 1956.

The accompanying financial statements has been presented for the year ended 31st March, 2014 along with the comparative information for 6 months financial period ended 31st March, 2013.

#### 2. Use of Estimates

The preparation of the financial statements requires the management of the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosures relating to the contingent liabilities and commitments. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. The judgments, estimates and underlying assumptions are made with the management's best knowledge of the business environment and are reviewed on an ongoing basis. However, future results could differ from these estimates. Any revision to these accounting estimates is recognised prospectively in the current and future periods.

#### 3. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of directly attributable cost of bringing the assets to their working condition for the intended use. CENVAT/VAT availed, if any, on fixed assets is not included in the cost of such fixed assets capitalized. Interest on borrowings incurred upto the date of commissioning of assets are capitalized.

#### 4. BORROWING COSTS

Borrowing costs incurred in connection with the funds borrowed for acquisition of assets that takes necessarily substantial period of time to get ready for intended use are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

#### 5. DEPRECIATION

Depreciation is provided at applicable rates and at the manner provided in Schedule XIV of the Companies Act, 1956. Depreciation in respect of Plant and machinery at Co-generation unit, VVS Sugars and Distillery unit at Chagallu is written off on Straight Line Method at applicable rates prescribed in Scheduled XIV of the Companies Act, 1956. In respect of other assets, depreciation is provided under written down value method.

#### 6. INVESTMENTS

Investments are classified as current or non-current based on the managements intention at the time of investment. Long-term investments are stated at cost. Provision for diminution in the value of investments is made only if such decline is permanent in nature.

## **7. INVENTORIES**

Inventories are valued as follows :

- a) Finished goods are valued at lower of cost and net realizable value. Molasses, a by-product is valued at the ruling market price.
- b) Raw materials and stores and spares are valued at cost. However, materials and other items which are held for use in the production of finished goods is valued at below its cost if the finished goods in which they will be incorporated are expected to be sold below its cost.
- c) In respect of Work-in-progress and finished goods, cost includes all direct costs and applicable production overheads incurred in bringing such inventories to their present location and condition. Cost of finished goods includes excise duty.
- d) 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.

## **8. REVENUE RECOGNITION :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

- a) Revenue from sale of products is recognized when the risks and rewards of ownership are transferred to the buyer under the terms of the contract which usually coincide on the dispatch of goods to the customer or when they are unconditionally appropriated under the terms of sale.
- b) Sales include packing charges, freight and handling charges and are stated net of trade discounts and sales tax.
- c) Interest on investments and deposits is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

## **9. RETIREMENT BENEFITS**

The company provides retirement benefit in the form of provident fund and group gratuity. Contributions to the Provident Fund, a defined contribution scheme, is made at the prescribed rates to the provident fund commissioner and is charged to the Profit and Loss account. There is no other obligation other than the contribution payable.

The company's liability for group gratuity on retirement of its eligible employees is funded with LIC 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.

Expenses on account of unutilized and unencashed leave which is unfunded is arrived at as per actuarial valuation and is accounted based on actual liability at the end of each year.

Gains/losses arrived at on actuarial valuation are charged to the Profit and Loss account immediately in each year.

## **10. FOREIGN CURRENCY TRANSACTIONS**

- i) Foreign Currency Liability contracted for acquiring Fixed Assets are restated at the Foreign Exchange rates prevailing at the year end and all exchange differences arising as a result of such restatement

## THE JEYPORE SUGAR COMPANY LIMITED

are charged to the Profit and Loss account.

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

### 11. TAXES ON INCOME

Current tax is determined as per provisions of Income Tax Act, 1961 in respect of Taxable Income for the year.

Deferred tax liability is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation as per Income-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 differences are recognized only if there is a reasonable certainty of realization.

### 12. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The company does not recognise contingent liabilities but the same are disclosed in the Notes.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realised.

### 13. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to



equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **14. SEGMENT REPORTING**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company, with the following additional policies for segment reporting:

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- (ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Corporate Expenses".

#### **15. IMPAIRMENT OF ASSETS**

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine :

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognized in previous year. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

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### SHARE CAPITAL

Note no.2

Particulars	As at 31.03.2014 Rs.	As at 31.3.2013 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	7,00,00,000	7,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
<b>Issued:</b>		
45,47,256 Equity Shares of Rs.10/- each	4,54,72,560	4,54,72,560
Subscribed and Paid-up:		
45,34,528 Equity Shares of Rs.10/- each	4,53,45,280	4,53,45,280
<b>Total</b>	<u>4,53,45,280</u>	<u>4,53,45,280</u>

- The company has issued only one class of Equity shares having at par value of Rs.10/- each. Each holder of Equity share is entitled to one vote per share on poll and have one vote on show of hands. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company in proportion to their shareholding after distribution of payments to preferential creditors.
- Details of share holders holding more than 5% of total number of shares

Name of the Share holder	As at 31.03.2014		As at 31.03.2013	
	No. of shares held	% out of total number of shares of the company	No. of shares held	% out of total number of shares of the company
Rajeswary Ramakrishnan	4,19,664	9.25%	4,19,664	9.25%
R. Prabhu	4,25,332	9.38%	4,25,332	9.38%
Anita Prabhu	3,24,718	7.16%	3,24,718	7.16%
Vikram Ramakrishna	3,90,771	8.62%	3,90,771	8.62%
Gosforth Investments Ltd	6,25,733	13.80%	6,25,733	13.80%
Eugenia Securities Ltd	6,25,500	13.79%	6,25,500	13.79%
Humayun Holdings Ltd	2,47,496	5.46%	2,47,496	5.46%

- The company is a holding company to Jeypore Sugar Finance and Investment Corporation Limited and no shares are held by said subsidiary company in the share capital of this company. However, the said company discontinued its business operations and applied to Registrar of Companies for striking off of the name of the company which is under process.
- Reconciliation of number of Equity shares:

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of shares	Amount	No. of shares	Amount
<b>Equity:</b>				
Shares outstanding at the beginning of the year	45,34,528	4,53,45,280	45,34,528	4,53,45,280
Add: Shares Issued during the year	-	-	-	-
	<u>45,34,528</u>	<u>4,53,45,280</u>	<u>45,34,528</u>	<u>4,53,45,280</u>
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<u>45,34,528</u>	<u>4,53,45,280</u>	<u>45,34,528</u>	<u>4,53,45,280</u>

- Out of the above share capital, 9,05,286 equity shares were allotted as fully paid-up by way of bonus shares by capitalisation of reserves. However, no bonus shares were issued by the company during the last five financial years.
- Out of the subscribed and paid-up capital of 45,34,528 Equity shares, 45,452 were allotted as fully paid up pursuant to a contract without payment being received in cash.

<b>RESERVES AND SURPLUS</b>		<b>Note no.3</b>	
<b>Particular</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.03.2013 Rs.</b>	
<b>a) Capital Reserve:</b>			
<b>i) Profit on forfeiture of shares</b>			
Figures as at the end of the current and previous reporting period	<b>65,917</b>	65,917	
<b>ii) Investment Subsidy</b>			
Figures as at the end of the current and previous reporting period	<b>88,08,292</b>	88,08,292	
<b>b) Revaluation Reserve</b>			
Figures as at the end of the current and previous reporting period	<b>3,01,466</b>	3,01,466	
<b>c) Capital redemption Reserve</b>			
Figures as at the end of the current and previous reporting period	<b>14,45,000</b>	14,45,000	
<b>d) Share Premium</b>			
Figures as at the end of the current and previous reporting period	<b>10,11,21,705</b>	10,11,21,705	
<b>e) Other reserves:</b>			
<b>i) Depreciation Reserve</b>			
Figures as at the end of the current and previous reporting period	<b>29,89,342</b>	29,89,342	
<b>ii) Investment Allowance Reserve</b>			
Figures as at the end of the current and previous reporting period	<b>32,35,000</b>	32,35,000	
<b>iii) General Reserve</b>			
Figures as at the end of the current and previous reporting period	<b>50,43,18,663</b>	50,43,18,663	
Add: Transfer from P&L account	-	-	
	<b>62,22,85,385</b>	62,22,85,385	
<b>f) Surplus in Profit and Loss Account</b>			
Figures as at the end of the previous reporting period	<b>7,55,70,587</b>	2,07,87,255	
Add : Profit/(Loss) for the year	<b>(18,91,48,179)</b>	<b>5,47,83,332</b>	
	<b>(11,35,77,592)</b>	75,50,587	
Less: Appropriations:			
Proposed dividend	-	-	
Tax on Dividend	-	-	
Transfer to General Reserve	-	-	
Figures as at the end of current reporting Year	<b>(11,35,77,592)</b>	75,50,587	
<b>Total of Reserves and Surplus</b>	<b>50,87,07,793</b>	<b>69,78,55,972</b>	

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<b>LONG-TERM BORROWINGS</b>				<b>Note No.4</b>
<b>PARTICULARS</b>	<b>As at 31.3.2014 Non-current portion Rs.</b>	<b>As at 31.3.2013 Non-current portion Rs.</b>	<b>As at 31.3.2014 Current maturities Rs.</b>	<b>As at 31.3.2013 Current maturities Rs.</b>
<b>A. Secured</b>				
<b><u>Term loans</u></b>				
a) From banks				
I) For financing new sugar plant at Pothavaram				
(i) IDBI	<b>77,47,29,421</b>	1,01,13,10,067	<b>23,64,92,444</b>	20,21,54,940
(ii) State Bank of Hyderabad	<b>11,40,00,000</b>	15,01,00,000	<b>3,61,00,000</b>	6,99,94,911
(iii) Andhra Bank	<b>14,25,00,000</b>	18,76,00,000	<b>4,51,00,000</b>	4,48,50,000
(iv) Bank of Baroda	<b>20,86,00,000</b>	27,47,00,000	<b>6,61,00,000</b>	6,79,17,474
II) Under "Scheme for Extending Financial assistance to Sugar Units 2007"				
(i) District Co-operative Central bank	-	-	-	4,00,000
III) For Working capital requirements				
(i) Bank of India	<b>41,97,06,513</b>	55,20,00,000	<b>13,20,00,000</b>	4,80,00,000
(ii) ICICI	<b>11,00,00,000</b>	16,50,00,000	<b>5,50,00,000</b>	5,50,00,000
IV) Against security of specific assets				
(i) HDFC bank	<b>37,01,724</b>	47,89,285	<b>31,99,028</b>	22,56,613
(ii) State Bank of India	<b>12,13,642</b>	-	<b>2,58,704</b>	-
b) From a company				
I) Against security of specific assets				
(i) Tata Motors finance	<b>2,53,549</b>	3,49,810	<b>96,141</b>	82,555
<b>B. Unsecured</b>				
I) Fixed deposits				
- From directors	<b>6,10,00,000</b>	4,15,00,000	<b>2,51,50,000</b>	3,56,50,000
- From related parties	<b>1,20,55,000</b>	1,07,10,000	<b>42,60,000</b>	20,75,000
- From others	<b>2,31,69,000</b>	2,68,71,000	<b>1,87,37,000</b>	1,90,53,000
- Inter-corporate deposits	<b>65,02,000</b>	78,66,000	<b>38,61,000</b>	14,97,000
II) From IFCI out of Sugar Development Fund				
a) For Modernization of plant	-	-	-	1,25,00,000
b) For Cane development	-	62,50,000	<b>62,50,000</b>	62,50,000
<b>Total</b>	<b>1,87,74,30,849</b>	2,43,90,46,162	<b>63,26,04,317</b>	56,76,81,493

<b>DEFERRED TAX LIABILITIES (Net)</b>		<b>Note no.5</b>	
<b>PARTICULARS</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>	
As per previous year Balance Sheet	<b>7,55,56,005</b>	7,65,12,705	
Less : Liability withdrawn during the year	<b>9,14,29,487</b>	9,56,700	
<b>Total</b>	<b><u>(1,58,73,482)</u></b>	<b><u>7,55,56,005</u></b>	

Major components of deferred tax assets and liabilities as at the end of the year arising on timing differences are:

<b>PARTICULARS</b>	<b>As at 31.3.2014</b>		<b>As at 31.3.2013</b>	
	<b>Deferred tax Assets Rs.</b>	<b>Deferred tax Liabilities Rs.</b>	<b>Deferred tax Assets Rs.</b>	<b>Deferred tax Liabilities Rs.</b>
Depreciation		<b>9,48,08,617</b>		10,37,33,156
Disallowances under Income-tax Act, 1961	<b>2,64,67,077</b>		2,81,77,151	
Unabsorbed depreciation and business losses	<b>8,42,15,022</b>		-	
<b>Total</b>	<b><u>11,06,82,099</u></b>	<b><u>9,48,08,617</u></b>	<b><u>2,81,77,151</u></b>	<b><u>10,37,33,156</u></b>
Net deferred tax (Asset)/Liability		<b>(1,58,73,482)</b>		7,55,56,005

<b>OTHER LONG- TERM LIABILITIES</b>		<b>Note no.6</b>	
<b>PARTICULARS</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>	
Trade deposits	<b>2,59,54,600</b>	3,22,97,100	
Earnest money deposits	-	5,00,000	
<b>Total</b>	<b><u>2,59,54,600</u></b>	<b><u>3,27,97,100</u></b>	

<b>PROVISIONS</b>		<b>Note no.7</b>			
	<b>Long-Term</b>		<b>Short-Term</b>		
	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>	
<b>Provision for employee retirement benefits</b>					
- Leave Encashment (Unfunded)	<b>1,38,90,765</b>	1,24,87,792	<b>1,95,601</b>	1,76,012	
- Group gratuity	<b>5,72,85,851</b>	4,26,82,903	<b>61,81,384</b>	39,84,210	
Provision for Income- Tax	-	-	<b>13,17,35,316</b>	13,17,35,316	
Proposed Dividend	-	-	-	63,36,320	
Tax on Proposed Dividend	-	-	-	18,39,035	
<b>Total</b>	<b><u>7,11,76,616</u></b>	<b><u>5,51,70,695</u></b>	<b><u>13,81,12,301</u></b>	<b><u>14,40,70,893</u></b>	

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**Disclosure required by AS - 15(Revised) - “ Employee benefits”**

**Defined benefit plans:**

	GRATUITY		LEAVE ENCASHMENT	
	31.03.2014	31.3.2013	31.03.2014	31.3.2013
<b><u>a) Reconciliation for present value of obligations</u></b>				
Present value of obligations as at beginning of year	7,74,51,545	7,21,82,893	1,26,63,804	1,25,95,229
Interest Cost	61,96,124	23,74,135	10,13,104	5,03,809
Current Service Cost	61,81,384	(-)1,00,39,149	4,23,924	10,218
Benefits paid	(-) 64,25,674	(-)12,61,122	(-) 37,25,995	(-) 61,52,537
Actuarial loss/(gain) on obligation	68,91,004	1,41,94,788	37,11,530	57,07,085
Present value of obligations as at end of year	9,02,94,383	7,74,51,545	1,40,86,367	1,26,63,804
<b><u>b) Reconciliation for Fair Value of Plan Assets</u></b>				
Fair value of plan assets at beginning of year	3,07,84,432	2,92,98,631	-	-
Expected return on plan assets	24,68,390	27,46,923	-	-
Contributions	-	-	-	-
Benefits paid	(-) 64,25,674	(-) 12,61,122	-	-
Fair value of plan assets at the end of year	2,68,27,148	3,07,84,432	-	-
<b><u>c) Expenses Recognised in statement of Profit &amp; loss a/c</u></b>				
Current Service cost	61,81,384	(-)1,00,39,149	4,23,924	10,218
Interest Cost	61,96,124	23,74,135	10,13,104	5,03,809
Expected return on plan assets	(-) 24,68,390	(-) 27,46,923	-	-
Net Actuarial loss/(gain) recognized in the year	68,91,004	1,41,94,788	37,11,530	57,07,085
Expenses to be recognised in the profit & loss	1,68,00,122	37,82,851	51,48,558	62,21,112
<b><u>d) Net Liability Recognised in the Balance Sheet</u></b>				
Present value of obligations as at the end of year	9,02,94,383	7,74,51,545	1,40,86,367	1,26,63,804
Fair value of plan assets as at the end of the year	2,68,27,148	3,07,84,432	-	-
Funded status	6,34,67,235	4,66,67,113	-	-
Net Liability Recognized in the Balance Sheet	6,34,67,235	4,66,67,113	1,40,86,367	1,26,63,804
<b><u>e) Actuarial Assumptions</u></b>				
Assumptions				
Discount Rate	8%	8%	8%	8%
Salary Escalation	5%	5%	6%	6%
Attrition rate	1-3%	1-3%	1%	1%
Expected return on plan assets	9%	9%	-	-

**SHORT- TERM BORROWINGS****Note No.8**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>A. Secured</b>		
Loans repayable on demand :		
Working Capital Loans:		
From Banks:		
(i) Bank of India	25,77,46,991	25,00,00,000
(ii) Bank of Baroda	97,87,429	85,12,470
(iii) Indian Overseas Bank	20,72,50,225	20,13,65,791
(iv) Andhra Bank	10,52,66,859	7,12,86,518
(v) South Indian bank	6,31,26,416	5,72,72,577
(vi) District Co-operative Central bank	10,08,88,994	11,01,35,015
vii) IDBI	30,24,74,365	30,98,80,514
Short Term Loans:		
(i) From IDBI mortgage loan	25,00,00,000	-
<b>B. Unsecured</b>		
(i) From directors	3,51,80,000	-
<b>Total</b>	<b>1,33,17,21,280</b>	<b>1,00,84,52,885</b>

**Note:**

a) Working capital loans from banks are secured by way of hypothecation of inventories and second pari-passu charge on fixed assets of chagallu units amongst the working capital consortium lenders to chagallu sugar division.

The above loans carries interest at following rates. Bank of India - 15% : Bank of Baroda - 14.5% : IOB - 15% : Andhra Bank - 17.25% : SIB - 15.25% DCCB - 15% and IDBI - 13.5%

In some of the occasions, the company overdrawn amounts in excess of the sanctioned limits.

b) Short Term loan from IDBI carries interest @15.50% and is repayable as a bullet payment after a moratorium of 6 months from the date of first disbursement. The loan is secured on lands admeasuring Ac.43.24 belonging to company located at Coimbatore.

**TRADE PAYABLES****Note no.9**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Dues to: Small and Micro Enterprises	2,25,45,851	84,11,799
: Others	1,55,26,81,558	83,56,51,968
<b>Total</b>	<b>1,57,52,27,409</b>	<b>84,40,63,767</b>

**Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006.**

Based on, and to the extent of information received from the suppliers with regard to their status under Micro, Small and Medium Enterprises Development Act, 2006(MSMED ACT), on which the auditors have

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relied, the disclosure requirements with regard to the payments made/ due to Micro, Small and Medium Enterprises are given below:

<b>PARTICULARS</b>	<b>31.3.2014 Rs.</b>	<b>31.3.2013 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>2,25,45,851</b>	84,11,799
(b) Interest due thereon	<b>8,57,277</b>	2,77,722
2. (a) Payments made to suppliers, during the year, but beyond appointed / agreed date	<b>1,54,06,035</b>	93,95,510
Interest thereon in terms of Sec 16 of the Act	<b>6,01,074</b>	1,94,707
(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>6,01,074</b>	19,47,073
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>14,58,351</b>	4,72,429
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>31,89,796</b>	17,31,445

**OTHER CURRENT LIABILITIES**

**Note no.10**

<b>PARTICULARS</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>
Current maturities of Long-term debt (Refer note no.4)	<b>63,26,04,317</b>	56,76,81,493
Interest accrued but not due on borrowings	<b>1,20,29,367</b>	26,66,309
Interest accrued and due on borrowings	<b>13,60,66,473</b>	4,11,08,314
Borrowings Overdues - Principal	<b>21,79,62,433</b>	-
Advances received against sales	<b>12,31,27,619</b>	25,87,94,323
Creditors for capital goods	<b>8,55,29,607</b>	8,81,76,200
Employee related payments	<b>2,25,46,227</b>	1,87,20,967
Statutory liabilities	<b>5,20,16,628</b>	4,64,89,169
Unclaimed fixed deposits/Cumulative Deposits	<b>1,28,000</b>	4,46,000
Unpaid dividends	-	50,00,000
Unclaimed dividends+	<b>33,96,770</b>	38,82,446
Unclaimed Redeemed Preference shares	<b>1,86,900</b>	1,86,900
Other liabilities :		
- Incentives and subsidies payable to cane growers	<b>3,90,11,029</b>	14,22,67,987
-Others	<b>10,19,87,950</b>	2,71,31,776
<b>Total</b>	<b>1,42,65,93,319</b>	<b>1,20,25,51,884</b>

+ Unclaimed dividend represents those relating to the years 2006-07 to 2011-12 (Upto 30.9.2012) and no part thereof has remained unpaid or unclaimed for a period of 7 years or more from the date they became due for payment requiring transfer to the Investor Education Protection fund, except the following.

a) The above amount includes 2004-05 Rs.61845/- (Interim), 2004-05 Rs.61845/- (Final), 2005-06 Rs.61845/- (Interim), and Rs.185535/- (Final) which is kept in abeyance due to legal cases pending before High court of Judicature of Madras.



Schedule of Fixed Assets annexed to and forming part of the Balance Sheet as at 31th March,2014										Note No.11
NAME OF THE ASSET	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	COST UPTO 31-03-2013 Rs.	ADDITIONS DURING YEAR Rs.	DEDUCTIONS DURING YEAR Rs.	COST UPTO 31-03-2014 Rs.	DEPRECIATION UPTO 31-03-2013 Rs.	DEPRECIATION FOR YEAR Rs.	DEPRECIATION ON DEDUCTIONS Rs.	DEPRECIATION UPTO 31-03-2014 Rs.	AS AT 31-03-2014 Rs.	AS AT 31-03-2013 Rs.
<b>TANGIBLE ASSETS</b>										
1 LANDS	29,43,54,845	10,00,000	-	29,53,54,845	-	-	-	-	29,53,54,845	29,43,54,845
2 FACTORY BUILDINGS	12,89,57,269	37,56,508	-	13,27,13,777	7,22,95,728	60,13,015	-	7,83,08,743	5,44,05,034	5,66,61,541
3 NON-FACTORY BUILDINGS	11,81,64,075	-	-	11,81,64,075	5,07,11,936	33,72,608	-	5,40,84,544	6,40,79,532	6,74,52,140
4 PLANT & MACHINERY	1,85,67,37,838	2,35,58,107	29,59,543	1,87,73,36,393	1,14,25,19,450	8,88,02,688	28,89,259	1,22,84,32,879	64,89,03,523	71,42,18,388
5 TEMPORARY STRUCTURES	12,19,459	-	-	12,19,459	12,19,459	-	-	12,19,459	-	-
6 RAILWAY SIDINGS	1,85,094	-	-	1,85,094	1,84,833	36	-	1,84,869	225	261
7 WEIGHBRIDGES & SCALES	68,33,741	-	-	68,33,741	42,50,715	3,59,298	-	46,10,013	22,23,728	25,83,026
8 WATER WORKS	2,36,85,460	-	-	2,36,85,460	2,18,15,371	2,84,285	-	2,20,99,656	15,85,804	18,70,089
9 WORKSHOP EQUIPMENTS	37,87,101	-	-	37,87,101	35,88,733	29,661	-	36,18,394	1,68,707	1,98,369
10 COMPUTER EQUIPMENTS	2,21,03,386	12,40,632	-	2,33,44,018	1,92,33,339	13,34,063	-	2,05,67,402	27,76,616	28,70,048
11 TRANSPORT EQUIPMENTS	7,07,47,509	49,77,121	48,12,248	7,09,12,383	5,21,66,409	53,84,781	46,90,259	5,28,60,931	1,80,51,452	1,85,81,101
12 LIBRARY	36,867	-	-	36,867	36,823	4	-	36,827	40	44
13 LABORATORY EQUIPMENTS	25,53,657	-	-	25,53,657	17,66,925	1,09,434	-	18,76,359	6,77,298	7,86,732
14 FURNITURES & FITTINGS	1,91,70,166	25,23,390	-	2,16,93,555	1,52,24,333	7,95,023	-	1,60,19,355	56,74,200	39,46,102
15 MOLASSES TANKS	29,45,035	-	-	29,45,035	27,68,809	27,016	-	27,95,825	1,49,211	1,76,227
16 LIVE STOCK	5,221	-	-	5,221	-	-	-	-	5,221	5,221
17 AGRICULTURAL IMPLEMENTS	86,22,743	-	-	86,22,743	29,65,867	7,74,946	-	37,40,813	48,81,929	56,56,875
18 AGRICULTURAL FARMS	7,003	-	-	7,003	-	-	-	-	7,003	7,003
19 Y2K COMPLIANT COMPUTERS SYSTEM										
20 INCLUDING APPLICATION SOFTWARE	71,66,889	-	-	71,66,889	71,59,977	2,765	-	71,62,742	4,147	6,912
<b>Total</b>	<b>2,56,72,83,357</b>	<b>3,70,55,757</b>	<b>77,71,791</b>	<b>259,65,67,316</b>	<b>1,39,79,08,705</b>	<b>10,72,89,623</b>	<b>75,79,518</b>	<b>1,49,76,18,808</b>	<b>1,09,89,48,514</b>	<b>1,16,93,74,922</b>
<b>INTANGIBLE ASSETS</b>										
1 GOODWILL	5,74,58,900	-	-	5,74,58,900	5,74,58,900	-	-	5,74,58,900	-	-
<b>Total</b>	<b>5,74,58,900</b>	<b>-</b>	<b>-</b>	<b>5,74,58,900</b>	<b>5,74,58,900</b>	<b>-</b>	<b>-</b>	<b>5,74,58,900</b>	<b>-</b>	<b>-</b>
Grand total	2,62,47,42,257	3,70,55,757	77,71,791	2,65,40,26,216	1,45,53,67,605	10,72,89,623	75,79,518	1,55,50,77,708	1,09,89,48,514	1,16,93,74,922
LESS : DEPRECIATION CAPITALISED						4,53,858				
						10,68,35,765				

**THE JEYPORE SUGAR COMPANY LIMITED**

**NON-CURRENT INVESTMENTS (At cost)**

**Note no.12**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<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 & Chmeciials Ltd.	<b>696</b>	696
iv) 100 Equity Shares of Rs.10/-each fully paid up 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) 35900 Equity Shares of Rs.10/- each fully paid up in Bank of India	<b>16,15,500</b>	16,15,500
x) 1800 Equity Shares of Rs.10 each fully paid up in Indian Overseas Bank	<b>18,000</b>	18,000

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>UNQUOTED</b>		
<b>NON-TRADE INVESTMENTS</b>		
<b>(a) SHARES IN SUBSIDIARY COMPANY</b>		
4,10,000 Equity shares of Rs.10/- each fully paid up in Jeypore Sugar Finance and Investment Corporation Limited (Investments Written Off during the year)	-	41,00,000
<b>Others</b>		
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>19,66,482</b>	60,66,482
Less: Provision for dimunition in value of investments	-	41,00,000
	<b>19,66,482</b>	19,66,482
<b>Note :</b>		
i. Aggregate of Quoted Investments		
Cost	<b>19,26,598</b>	19,26,598
Market Value	<b>2,33,77,659</b>	2,46,72,405
ii. Aggregate of unquoted investments		
Cost	<b>39,884</b>	41,39,884

**THE JEYPORE SUGAR COMPANY LIMITED**

**LONG-TERM LOANS AND ADVANCES**

**Note no.13**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>UNSECURED AND CONSIDERED GOOD</b>		
Advances for capital goods	7,39,03,819	7,39,02,649
Security Deposit with Govt. authorities and others	<u>98,24,373</u>	<u>90,47,184</u>
<b>Total</b>	<b><u>8,37,28,192</u></b>	<b><u>8,29,49,833</u></b>

**INVENTORIES (At lower of cost and realisable value)**

**Note no.14**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
Raw materials	1,02,13,840	2,93,98,358
Work-in-progress	2,37,79,480	2,74,77,535
Crops under cultivation	27,93,513	13,37,259
Finished goods	122,76,11,009	106,19,84,358
Stores and spares	<u>14,38,73,390</u>	<u>15,83,67,091</u>
<b>Total</b>	<b><u>140,82,71,232</u></b>	<b><u>127,85,64,601</u></b>

**TRADE RECEIVABLES**

**Note no.15**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
<b>Unsecured and Considered Good</b>		
Outstanding for a period exceeding six months	80,61,240	2,87,39,027
Others	<u>3,57,88,447</u>	<u>1,46,01,907</u>
	<b><u>4,38,49,687</u></b>	<b><u>4,33,40,934</u></b>
<b>Unsecured and Considered Doubtful</b>		
Outstanding for a period exceeding six months	28,56,216	28,56,216
Others	-	-
	<u>28,56,216</u>	<u>28,56,216</u>
Less: Provision for bad and doubtful debts	<u>28,56,216</u>	<u>28,56,216</u>
	-	-
<b>Total</b>	<b><u>4,38,49,687</u></b>	<b><u>4,33,40,934</u></b>

**CASH AND CASH EQUIVALENTS**

**Note no.16**

PARTICULARS	As at 31.3.2014 Rs.	As at 31.3.2013 Rs.
1. Cash on hand	15,76,282	40,93,348
2. Cash equivalents		
i. Balances with banks		
a. Held as margin money against LC and guarantees	1,36,91,288	1,07,24,352
b. Earmarked deposits for fixed deposits	65,63,139	60,58,745
c. In Current accounts	1,20,09,192	2,72,65,940
d. Towards Unclaimed Dividends	<u>34,10,025</u>	<u>88,95,901</u>
<b>Total</b>	<b><u>3,72,49,926</u></b>	<b><u>5,70,38,286</u></b>

**SHORT -TERM LOANS AND ADVANCES****Note no.17**

<b>PARTICULARS</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>
<b>UNSECURED , CONSIDERED GOOD</b>		
Advances to Suppliers of goods and services	<b>16,69,26,932</b>	16,99,01,291
Staff advances	<b>13,85,280</b>	7,76,300
Balances with statutory authorities	<b>28,92,12,597</b>	30,66,27,278
Other Miscellaneous advances	<b>35,63,287</b>	12,84,003
<b>Total</b>	<b><u>46,10,88,096</u></b>	<b><u>47,85,88,872</u></b>

**OTHER CURRENT ASSETS****Note no.18**

<b>PARTICULARS</b>	<b>As at 31.3.2014 Rs.</b>	<b>As at 31.3.2013 Rs.</b>
Accrued Interest on deposits and advances	<b>6,84,496</b>	7,47,941
Prepaid expenses	<b>1,21,81,492</b>	1,16,92,532
Claims receivable	<b>4,10,551</b>	4,10,552
<b>Total</b>	<b><u>1,32,76,540</u></b>	<b><u>1,28,51,025</u></b>

THE JEYPORE SUGAR COMPANY LIMITED

**REVENUE FROM OPERATIONS**

**Note no.19**

<b>PARTICULARS</b>	<b>UOM</b>	<b>Quantity</b>	<b>2013-2014</b>	<b>Quantity</b>	<b>1.10.2012 to 31.3.2013</b>
<b>Sale of products :</b>					
Sugar	M.T	49,844	1,43,33,70,020	44,355	1,41,68,71,249
I M F L	B.Ltrs	40,006	22,63,138	19,638	13,26,700
Ethanol	B.Ltrs	58,79,950	23,62,76,400	19,22,600	7,00,68,350
Extra Neutral Alcohol	B.Ltrs	6,00,000	2,16,00,000	40,000	14,40,000
Industrial Alcohol	B.Ltrs	60,41,445	18,64,03,337	67,75,560	20,49,13,669
Fusel Oil	B.Ltrs	5,000	1,06,742	10,000	1,20,000
Ferro Manganese	M.T	14,389	1,77,84,232	237	2,92,918
Power	Units	1,17,17,200	3,85,59,245	1,11,55,300	4,46,97,715
Organic manure	-	-	1,08,70,586	-	41,86,676
Agricultural Produce from Plantations	-	-	6,21,826	-	13,61,492
			<b>1,94,78,55,526</b>		<b>1,74,52,78,769</b>
<b>Less:</b>					
Excise duty Collected			<b>5,51,07,999</b>		<b>4,33,32,052</b>
	<b>Total</b>		<b>1,89,27,47,528</b>		<b>1,70,19,46,717</b>

Note : a) The turnover of power includes Rs.53,06,281/- (Pr. Period Rs.93,22,933/-) being differential sale price received as per the interim orders of Appellate Tribunal for Electricity.

b) The above sales does not include the following inter-divisional transfers.

<b>Particulars</b>	<b>UOM</b>	<b>Quantity</b>	<b>2013-14</b>	<b>Quantity</b>	<b>1.10.2012 to 31.3.2013</b>
Molasses	M.T	37,369	8,05,45,144	8,893	1,77,86,000
Bagasse	M.T	80,006	12,00,09,000	74,776	11,21,64,000
Filter cake	M.T	20,328	24,00,744	17,957	19,75,383
Rectified Spirit	B L	30,800	6,77,600	-	-
Power	Units	64,40,840	1,83,23,584	65,36,985	2,06,20,912
Steam	M.T	1,20,749	10,30,13,387	97,817	8,55,33,141
	<b>Total</b>		<b>32,49,69,459</b>		<b>23,80,79,436</b>

<b>OTHER INCOME</b>		<b>Note no.20</b>	
<b>PARTICULARS</b>	<b>2013-14</b>	<b>1.10.2012 to</b>	
	<b>Rs.</b>	<b>31.3.2013</b>	
		<b>Rs.</b>	
Interest income	<b>20,09,557</b>	11,21,263	
Rents received	<b>16,40,757</b>	7,74,214	
Dividends received	<b>9,77,415</b>	3,34,744	
Agricultural Income	<b>3,76,557</b>	14,60,310	
<b>Other Income:</b>			
Credit balances written back	<b>71,632</b>	28,364	
Claims received	<b>38,200</b>	-	
Transport charges collected	<b>7,05,600</b>	-	
Profit on sale of assets	<b>36,83,727</b>	4,41,787	
Excess provision made in earlier years credited back	<b>2,66,665</b>	19,516	
Provision for diminution in value of Investments made in earlier years credited back	<b>41,00,000</b>	-	
Miscellaneous receipts	<b>12,45,183</b>	10,03,037	
<b>Total</b>	<b><u>1,51,15,293</u></b>	<b><u>51,83,235</u></b>	

<b>COST OF MATERIALS CONSUMED</b>		<b>Note no.21</b>	
<b>PARTICULARS</b>	<b>2013-14</b>	<b>1.10.2012 to</b>	
	<b>Rs.</b>	<b>31.3.2013</b>	
		<b>Rs.</b>	
Opening Stock	<b>2,93,98,358</b>	4,73,57,451	
Add: Purchases of Raw Material	<b>1,34,66,60,303</b>	<u>1,32,87,21,064</u>	
	<b>1,37,60,58,660</b>	1,37,60,78,515	
Less: Closing Stock	<b>10213840</b>	2,93,98,358	
<b>Total</b>	<b><u>1,36,58,44,821</u></b>	<b><u>1,34,66,80,157</u></b>	

Note: The above consumption includes Rs.Nil (Pr. Period Rs. 44,61,198/-) being stock of Ferrochrome ore written off during the year due to its obsolescence.

**Components of materials consumed:**

<b>PARTICULARS</b>	<b>UOM</b>	<b>Quantity</b>	<b>2013-14</b>	<b>Quantity</b>	<b>1.10.2012 to</b>
			<b>Rs.</b>		<b>31.3.2013</b>
					<b>Rs.</b>
Sugar cane	M.T	<b>5,43,840</b>	<b>1,30,62,32,820</b>	5,65,884	1,24,89,36,134
Molasses	M.T	<b>52,084</b>	<b>13,87,85,648</b>	37,148	11,03,75,420
Bagasse for Cogeneration of Power	M.T	<b>80,006</b>	<b>12,00,09,000</b>	74,776	11,21,64,000
Filter Cake	M.T	<b>20,328</b>	<b>29,91,727</b>	28,935	25,13,778
Industrial Alcohol	B.Ltrs	<b>30,800</b>	<b>6,91,152</b>	-	-
Extra neutral alcohol	B.Ltrs	<b>20,054</b>	<b>7,66,963</b>	4,493	1,55,009
			<b><u>1,56,94,77,310</u></b>		<b><u>1,47,41,44,341</u></b>
Less: Inter-divisional transfers					
Molasses			<b>8,05,45,144</b>		1,77,86,000
Bagasse			<b>12,00,09,000</b>		11,21,64,000
Filter cake			<b>24,00,744</b>		19,75,383
Industrial Alcohol			<b>6,77,600</b>		-
<b>Total</b>			<b><u>1,36,58,44,821</u></b>		<b><u>1,34,22,18,958</u></b>

**THE JEYPORE SUGAR COMPANY LIMITED**

**CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS and STOCK-IN-TRADE**

**Note no.22**

PARTICULARS	UOM	Quantity	2013-14	Quantity	1.10.2012 to
			Rs.	Rs.	31.3.2013
Closing Stock:					
<b>a) Work-in-Process:</b>					
Sugar			1,67,50,763		1,59,18,034
Molasses			39,325		71,300
Bio-earth Process			67,89,391		88,10,249
Crops under cultivation			27,93,514		13,37,259
Industrial Alcohol			2,00,000		2,00,000
			<u>2,65,72,994</u>		<u>2,63,36,842</u>
<b>b) Finished Goods:</b>					
Sugar	M.T	37,315	1,14,76,29,850	31,808	97,32,67,306
Molasses	M.T	15,310	3,82,76,035	25,753	5,15,05,286
Industrial Alcohol	B.Ltrs	8,20,077	1,65,59,324	11,49,196	2,53,21,412
Extra neutral Alcohol	B.Ltrs	1,10,269	36,94,012	45,713	16,45,668
Ethanol	B.Ltrs	5,99,724	1,62,93,661	2,35,940	52,63,821
Indian Made Foreign Liquor	B.Ltrs	50,962	28,42,590	43,916	28,60,904
Fusel Oil	B.Ltrs	2,240	30,202	1,235	15,585
Ferro Manganese (Slag Dumpings)	M.T	-	-	238	86,845
Filter Cake	M.T	20,776	22,85,334	18,341	20,17,530
			<u>1,22,76,11,009</u>		<u>1,06,19,84,357</u>
<b>Sub Total:A</b>			<u>1,25,41,84,003</u>		<u>1,08,83,21,199</u>
<b>Opening Stock:</b>					
<b>a) Work-in-Process:</b>					
Sugar			1,59,18,034		1,62,69,161
Molasses			71,300		83,900
Bio-earth Process			88,10,249		40,13,862
Crops under cultivation			13,37,259		16,20,329
Industrial Alcohol			2,00,000		63,45,850
			<u>2,63,36,842</u>		<u>2,83,33,102</u>
<b>b) Finished Goods:</b>					
Sugar	M.T	31808	97,32,67,306	20,094	50,84,42,812
Molasses	M.T	25753	5,15,05,286	7,656	1,53,12,030
Industrial Alcohol	B.Ltrs	1149196	2,53,21,412	5,61,222	1,26,20,352
Extra neutral Alcohol	B.Ltrs	45713	16,45,668	40,937	14,37,707
Ethanol	B.Ltrs	235940	52,63,821	1,21,161	24,60,780
Indian Made Foreign Liquor	B.Ltrs	43916	28,60,904	52,394	30,93,681
Fusel Oil	B.Ltrs	1235	15,585	7,860	44,158
Ferro Manganese (Slag Dumpings)	M.T	238	86,845	475	1,73,099
Filter Cake	M.T	18341	20,17,530	5,190	5,70,937
			<u>1,06,19,84,358</u>		<u>54,41,55,556</u>
<b>Sub Total:B</b>			<u>1,08,83,21,200</u>		<u>57,24,88,658</u>
Increase in inventories before Excise duty adjustment (B-A)			16,58,62,802		51,58,32,541
Less: Variation of Excise duty in Stocks			-98,63,192		-99,62,579
<b>Increase in inventories after Excise duty adjustment</b>			<u>15,59,99,610</u>		<u>50,58,69,961</u>



**EMPLOYEE BENEFIT EXPENSES****Note no.23**

<b>PARTICULARS</b>	<b>2013-14</b>	<b>1.10.2012 to 31.3.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Salaries and Wages	<b>21,01,63,372</b>	12,07,21,898
Remuneration to Managerial Personnel	<b>80,64,000</b>	40,32,000
Contribution to provident and other funds	<b>1,59,50,512</b>	78,22,383
Provision towards group gratuity	<b>1,68,00,122</b>	37,82,851
Staff welfare expenses	<b>1,31,75,145</b>	93,62,752
<b>Total</b>	<b><u>26,41,53,151</u></b>	<b><u>14,57,21,884</u></b>

**FINANCE COSTS****Note no. 24**

<b>PARTICULARS</b>	<b>2013-14</b>	<b>1.10.2012 to 31.3.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Interest expense	<b>23,96,00,872</b>	12,07,69,636
Other Borrowing cost	<b>1,45,23,239</b>	31,65,846
<b>Total</b>	<b><u>25,41,24,111</u></b>	<b><u>12,39,35,482</u></b>

**DEPRECIATION AND AMORTIZATION EXPENSES****Note no. 25**

<b>PARTICULARS</b>	<b>2013-14</b>	<b>1.10.2012 to 31.3.2013</b>
	<b>Rs.</b>	<b>Rs.</b>
Depreciation on tangible assets	<b>10,68,35,765</b>	5,05,66,632
Amortization on Intangible assets	-	-
<b>Total</b>	<b><u>10,68,35,765</u></b>	<b><u>5,05,66,632</u></b>

**THE JEYPORE SUGAR COMPANY LIMITED**

<b>OTHER EXPENSES</b>		<b>Note no. 26</b>
<b>PARTICULARS</b>	<b>2013-14</b>	1.10.2012 to
	<b>Rs.</b>	31.3.2013
		<b>Rs.</b>
Stores and Spares consumed	<b>8,24,75,220</b>	8,07,06,408
Power and fuel	<b>7,35,78,076</b>	5,03,84,798
Rent	<b>9,89,935</b>	4,29,990
Rates and taxes	<b>1,32,11,216</b>	68,49,995
Insurance	<b>69,62,690</b>	53,20,071
Repairs and maintenance		
Plant and machinery	<b>8,57,90,273</b>	11,75,25,169
Buildings	<b>90,81,878</b>	27,73,307
Others	<b>94,38,121</b>	74,79,672
Cane development expenses	<b>2,56,55,219</b>	14,93,24,482
Advertising and sales promotion	<b>6,49,229</b>	3,33,520
Sales commission	<b>16,34,549</b>	10,46,570
Cultivation Expenses	<b>35,15,493</b>	27,93,653
Carriage outwards	<b>1,08,85,468</b>	90,90,119
Donations	-	5,00,000
Director sitting fees	<b>10,20,000</b>	6,00,000
Payment to auditors :		
As Auditor:		
Audit fee	<b>2,24,720</b>	1,12,360
Tax audit and taxation matters	<b>78,652</b>	-
Certification services and Company law matters	<b>2,75,282</b>	44,888
Out of Pocket Expenses	<b>34,963</b>	11,433
Cost audit fee and Certification work	<b>35,500</b>	25,000
Obsolete inventories written off	-	14,71,131
Tools and Implements Written off	<b>10,704</b>	3134
Investments written off	<b>41,00,000</b>	-
Bad debts written off	-	47,57,486
Prior Period Expenses	<b>13,26,423</b>	-
Miscellaneous expenses	<b>2,25,08,637</b>	1,31,85,940
<b>Total</b>	<b><u>35,34,82,247</u></b>	<b><u>45,47,69,126</u></b>

- 27) The Board has proposed to demerge Pothavaram Unit i.e., V R K Sugars into a separate company w.e.f 1.10.2012 as the Appointed day and has intimated the Stock Exchange. Pending approval of the scheme, the assets and liabilities of the resultant entity included in the financial statements of the current period. The un-allocated and common liabilities have been apportioned to the respective units when the scheme got approval. The company is in the process of finalizing the applications to be moved before the High Court of Madras for securing orders to convene meeting of shareholders and meeting of creditors to consider the scheme of demerger.
- 28) 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.

29) CONTINGENT LIABILITIES :

- a) 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 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.

	<b>As at 31.03.2014</b>	As at 31.03.2013
b) Contracts remaining to be executed on capital account and not provided	<b>71285000</b>	71285000
c) Claims against the company not acknowledged as debts towards:		
i) Differential cane price	<b>830,81,082</b>	8,30,81,082
ii) Electricity Duty etc	<b>3,76,16,500</b>	3,43,85,046
iii) Income-tax	<b>3,69,051</b>	3,69,051
iv) Excise duty	<b>7,61,00,610</b>	7,61,00,610
v) Service tax	<b>16,10,484</b>	16,10,484
vi) Sales tax	<b>16,92,435</b>	16,92,435
vii) Interest on advances from suppliers	<b>95,00,000</b>	95,00,000
viii) Provident Fund	<b>39,378</b>	39,378
ix) Others	<b>2,43,555</b>	2,43,555
e) Guarantee worth Rs. 7,76,30,397/- (Rs.7,55,25,000/-) executed by Banks on behalf of the company are secured by counter Guarantee given to them by the company and its Managing Director and Executive Director in their individual capacities.		

**THE JEYPORE SUGAR COMPANY LIMITED**

- 30) Balances appearing under Trade receivables, Trade payables and Loans and advances as per the books of the company are subject to confirmation. The adjustments, if any, on confirmation/ reconciliation of such accounts will be made in the said year.

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.

31) Amount of borrowing costs capitalised to fixed assets/Capital WIP (On specified borrowing as per AS-16)	<b>40,48,11,540</b>	19,65,49,980
32) C I F Value of materials imported during the year	Nil	Nil
33) Consumption of imported raw materials or components or spares	Nil	Nil
34) Expenditure incurred in foreign currency :	Nil	Nil
35) Earnings in foreign currency	Nil	Nil
36) Remittance in foreign currency on account of dividend	Nil	Nil
37) Details of expenses included under Unallocated capital expenditure incurred and pending allocation as on the date of Balance Sheet.		

	As on 31.3.2013 Rs.	Incurred during the year Rs.	Capitalised During the year Rs.	Balance as on 31.3.2014 Rs.
Opening Stock of Work In Process		<b>24,77,953</b>	-	<b>24,77,953</b>
Materials consumed	43,01,280		-	<b>43,01,280</b>
Staff Cost	9,30,11,198	<b>1,47,45,776</b>	-	<b>10,77,56,974</b>
Power and Fuel	1,64,99,775	<b>49,65,115</b>	-	<b>2,14,64,890</b>
Repairs and maintenance	2,24,46,687	<b>6,27,253</b>	-	<b>2,30,73,940</b>
Cane development expenses	59,09,530	<b>9,83,369</b>	-	<b>68,92,899</b>
Insurance	58,19,100	<b>14,93,673</b>	-	<b>73,12,773</b>
Rates and Taxes	71,30,106	<b>18,31,809</b>	-	<b>89,61,915</b>
Interest (Borrowing costs as per AS-16)	1,39,87,86,039	<b>40,48,11,540</b>	-	<b>1,80,35,97,579</b>
Interest - Others	40,00,388	<b>15,300</b>	-	<b>40,15,688</b>
Miscellaneous Expenses	6,19,20,205	<b>68,65,431</b>	-	<b>6,87,85,636</b>
Depreication written off	1,11,66,327	<b>4,53,858</b>	-	<b>1,16,20,185</b>
	<u>1,63,09,90,635</u>	<u><b>43,92,71,077</b></u>	-	<u><b>2,07,02,61,712</b></u>
<b>Less :</b>				
Sale of Power	13,82,059		-	<b>13,82,059</b>
Sale of Sugar	-	<b>26,06,356</b>	-	<b>26,06,356</b>
Sale of Sugar Cane and Other Crops	3,33,359	<b>8,60,885</b>	-	<b>11,94,244</b>
Closing Stock of Work In Process	24,77,953		-	<b>24,77,953</b>
Internal transfers - Molasses	2,25,135		-	<b>2,25,135</b>
Interest received	15,85,011	<b>2,38,881</b>	-	<b>18,23,892</b>
VAT input credit	17,85,087	<b>15,300</b>	-	<b>18,00,387</b>
Miscellaneous income	31,43,373	-	-	<b>31,43,373</b>
	<u>1,62,00,58,658</u>	<u><b>43,55,49,655</b></u>	-	<u><b>2,05,56,08,313</b></u>

38) Disclosure pursuant to "AS-18" Related party transactions

	Subsidiary Companies	Companies controlled by key Managerial personnel	Key Managerial personnel	Relatives of key Managerial personnel
	Rs.	Rs.	Rs.	Rs.
<b>I. Details of transactions :</b>				
a) Purchase of goods/services/fixed assets from				
- Krishna Industrial Corporation Limited		7,77,334		
b) Sale of goods/services to				
- Krishna Industrial Corporation Limited		25,713		
c) Interest paid				
- R.S.Industrial Corporation pvt Limited		8,95,066		
- Ramakrishna Machinery Corporation pvt Limited		1,56,241		
- Smt. Rajeswary Ramakrishnan			65,91,368	
- Smt. Anita Prabhu			11,44,500	
- Shri R.Prabhu				2,10,000
- Dr. S.R.K Prasad				2,62,500
- Mr. Vikram Ramakrishna				7,35,000
- Mr. Rajiv Rangaswamy				5,74,350
- Ms. Nandita				4,03,725
d) Remuneration paid to				
- Smt Rajeswary Ramakrishna			53,76,000	
- Smt. Anita Prabhu			26,88,000	
e) Directors Sitting Fee paid to				
- Shri R.Prabhu				1,00,000
- Dr. S.R.K Prasad				1,60,000
<b>II. Balances outstanding :</b>				
a) Amount due from				
- Krishna Industrial Corporation Limited		1,74,00,036		
- V Rama Krishna Sugar Co Limited		1,690		
b) Investment in equity shares of				
- Krishna Industrial Corporation Limited		1,59,288		
c) Fixed deposits with company held by				
- R.S.Industrial Corporation pvt Limited		88,75,000		
- Ramakrishna Machinery Corporation pvt Limited		14,88,000		

**THE JEYPORE SUGAR COMPANY LIMITED**

- Smt.Rajeswary Ramakrishnan	<b>6,75,00,000</b>	
- Smt. Anita Prabhu	<b>1,09,00,000</b>	
- Shri R.Prabhu		<b>20,00,000</b>
- Dr. S.R.K Prasad		<b>25,00,000</b>
- Mr. Vikram Ramakrishna		<b>70,00,000</b>
- Mr. Rajiv Rangaswamy		<b>54,70,000</b>
- Ms. Nandita		<b>38,45,000</b>
d) Loans from		
- Smt Rajeswary Ramakrishnan	<b>2,00,90,000</b>	
- Smt Anita Prabhu	<b>1,50,90,000</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>

**IV. Names of the related parties with whom there were transactions during the year :**

1. 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
- e) V Rama Krishna Sugar Co Limited

2. Key managerial personnel

- a) Smt.Rajeswary Ramakrishnan, Managing Director
- b) Smt.Anita Prabhu, Executive Director

3. 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

39) Cash flow statement - Enclosed

40) Segment reporting - enclosed

41) The company extended its securities offered to the ICICI bank in respect of loans availed by it in respect of loans sanctioned by the bank to the cane growers.

42) General:

Paise have been rounded off. Figures for the previous year have been regrouped wherever necessary.

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As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Registration No: 000513S  
**(Sd.) P. Lakshmana Rao**  
Partner  
Membership No : 13254

Place : Camp : Chennai  
Date: 18-06-2014.

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

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

for and on behalf of Board of Directors  
**(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 2014. 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

for BRAHMAYYA & COMPANY  
Chartered Accountants,  
Firm Regn. No.000513S  
**(Sd.) P. LAKSHMANA RAO**  
Partner  
(ICAI Memb. No. 13254)

Place : Camp : Chennai  
Date : 18-06-2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED**

PARTICULARS	2013-2014	01.10.2012
	Rs.	31.03.2013 (6 Months) Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	(-) 28,05,77,666	9,13,26,632
<b>Add/Less:</b> Adjustments for		
Depreciation	10,68,35,765	5,05,66,632
Interest expense	25,41,24,111	12,39,35,482
Interest income	(-) 20,09,557	(-) 11,21,263
Dividends received	(-) 9,77,415	(-) 3,34,744
Profit on sale of assets	(-) 36,83,727	(-) 4,41,787
Operating profit before working capital changes	7,37,11,511	26,39,30,952
<b>Add/Less:</b> Adjustments for working capital		
Inventories	(-) 12,97,06,631	(-) 49,02,11,728
Trade and other receivables	1,24,15,930	13,67,52,768
Trade payables	68,37,00,004	36,39,28,623
Cash generated from operations	64,01,20,814	27,44,00,615
<b>Less:</b>		
Direct taxes paid	33,72,219	-
Net cash from operating activities	64,34,93,033	27,44,00,615
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets and Capital Work in Progress	(-) 45,23,83,237	(-) 25,16,86,137
Proceeds from sale of fixed assets	38,76,000	6,06,317
Dividends received	9,77,415	3,34,744
Interest received	20,09,557	11,21,263
Net cash used in Investing activities	(-) 44,55,20,265	(-) 24,96,23,813



**CASH FLOW FROM FINANCING ACTIVITIES**

Proceeds from borrowings	<b>4,45,38,338</b>	10,96,78,366
Dividends and taxes paid	<b>(-) 81,75,355</b>	(-) 50,00,000
Interest and finance charges	<b>(-) 25,41,24,111</b>	(-) 12,39,35,481
Net cash from/(Used in) financing activities	<b><u>(-) 21,77,61,128</u></b>	<b><u>(-) 1,92,57,115</u></b>
Net Increase/(Decrease) in cash and cash equivalents	<b><u>(-) 1,97,88,360</u></b>	<b><u>55,19,687</u></b>
Cash and cash equivalents at the beginning of the Year/Period	<b>5,70,38,286</b>	5,15,18,599
Cash and cash equivalents at the end of the Year/Period	<b>3,72,49,926</b>	5,70,38,286
Net increase/(decrease) in cash and cash equivalents	<b><u>(-) 1,97,88,360</u></b>	<b><u>55,19,687</u></b>

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As per our report of even date  
For BRAHMAYYA & CO.,  
Chartered Accountants  
Firms' Registration No: 000513S  
**(Sd.) P. Lakshmana Rao**  
Partner  
Membership No : 13254  
Place : Camp : Chennai  
Date: 18-06-2014.

**(Sd.) DR. S.R.K. PRASAD**  
**(Sd.) K. MUNESWARA RAO**  
Directors  
**(Sd.) P.S.KRISHNAMOORTHY**  
Secretary

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

**4) INFORMATION ABOUT BUSINESS SEGMENTS OF THE JEYPORE SUGAR COMPANY LTD., FOR THE YEAR ENDING 31.03.2014**

(All amounts in Rupees)

**THE JEYPORE SUGAR COMPANY LIMITED**

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	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	1,38,47,10,544	1,37,39,24,943	45,30,28,008	28,17,01,866	1,58,27,904	2,60,70,000	3,85,59,245	4,46,97,715	6,21,827	13,61,493	1,89,27,47,528	1,70,19,46,717	-	-	1,89,27,47,528	1,70,19,46,717	
Inter-segment sales	20,27,90,225	13,19,25,383	8,42,262	-	-	-	12,13,36,971	10,61,54,053	-	-	32,49,69,458	23,80,79,436	32,49,69,458	23,80,79,436	-	-	
Total Revenue	1,58,75,00,769	1,50,58,50,326	45,38,70,270	28,17,01,866	1,58,27,904	2,60,70,000	15,98,96,216	15,08,51,768	6,21,827	13,61,493	2,21,77,16,986	1,94,00,26,153	32,49,69,458	23,17,69,939	1,89,27,47,528	1,70,19,46,717	
<b>RESULT</b>																	
Segment result	-13,76,84,569	14,94,92,161	1,02,38,00,664	7,10,27,398	40,80,556	-1,55,97,478	28,88,512	85,42,251	-11,05,089	3,27,818	-2,94,40,526	21,37,92,151	-	-	-2,94,40,526	21,37,92,151	
Unallocated corporate expenses/Income																	
Operating profit												-2,94,40,526	21,37,92,151	-	-	-2,94,40,526	21,37,92,151
Interest expense												25,41,24,111	12,39,35,482	-	-	25,41,24,111	12,39,35,482
Interest income												20,09,557	11,54,405			20,09,557	11,54,405
Dividend income												977,415	3,34,744	-	-	977,415	3,34,744
Net profit												-28,05,77,665	9,13,45,818	-	-	-28,05,77,665	9,13,45,818
Tax Expense																9,14,29,487	-3,65,43,300
Profit after tax																-18,91,48,179	5,48,02,518
<b>OTHER INFORMATION</b>																	
Segment assets	5,95,51,55,655	5,49,35,59,989	39,01,19,792	41,82,98,532	1,97,61,27,444	20,04,95,553	26,69,70,815	28,41,97,160	32,53,716	28,27,223	6,81,31,12,722	6,39,93,78,457	-	88,135	6,81,31,12,722	6,39,92,90,322	
Unallocated corporate assets												18,71,56,626	16,66,37,398	-	41,00,000	18,71,56,626	16,25,37,398
Total assets												7,00,02,69,348	6,56,60,15,855	-	41,88,135	7,00,02,69,348	6,56,18,27,720
Segment liabilities	5,85,84,72,079	52,15,82,441	7,48,53,867	5,99,68,266	1,30,55,547	59,59,70,800	50,71,930	50,31,539	7,49,446	48,53,363	5,95,22,02,869	5,29,16,55,318	-	88,135	5,95,22,02,869	5,29,15,67,183	
Unallocated corporate liabilities												1,23,87,61,770	1,17,98,69,748	-	-	1,23,87,61,770	1,17,98,69,748
Total liabilities												7,19,09,64,639	6,47,15,25,066	-	88,135	7,19,09,64,639	6,47,14,36,931
Capital expenditure	41,01,99,897	20,85,92,663	3,590,253	3,21,94,572	-	-	-	1,65,450	61,80,087	95,68,918	45,23,83,237	25,15,21,603			45,23,83,237	25,15,21,603	
Depreciation	5,32,22,744	2,68,43,785	2,47,64,134	1,02,71,141	5,09,739	2,84,977	2,46,80,735	1,23,58,359	36,58,413	8,08,913	10,68,35,765	5,05,67,175			10,68,35,765	5,05,67,175	
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-			-	-	

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

**THE JEYPORE SUGAR COMPANY LIMITED**

(CIN: L15421TN1936PLC011632)

Regd. Office: "Ramakrishna Buildings"

No.239, Anna Salai

Chennai - 600 006

Email : jsc@jeyporesugars.com,

Website: www.jeyporesugars.com

Phone : 044-4264 7145, 4352 0356

**ATTENDANCE SLIP****78th ANNUAL GENERAL MEETING****2014**

I / We hereby record my / our presence at the 78th Annual General Meeting of the Company at "Narada Gana Sabha", No.314, T.T.K.Road, Chennai - 600 004 on Monday the 15th September, 2014 at 11.00 A.M

Member's Folio / DP_ID, Client ID No.	Member's / Proxy's name in Block Letters	Member's / Proxy's Signature

**Note:**

1. Please complete the Folio / DP\_ID & Client ID No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. Electronic copy of the Annual Report for the year 2013-2014 and Notice of the Annual General Meeting (AGM) alongwith Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company / Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for the year 2013-2014 and Notice of the Annual General Meeting alongwith Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for a hard copy.

**PROXY FORM**

{Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules. 2014}

**THE JEYPORE SUGAR COMPANY LIMITED**

(CIN: L15421TN1936PLC011632)

Regd. Office: "Ramakrishna Buildings", No.239, Anna Salai, Chennai - 600 006

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**78th ANNUAL GENERAL MEETING  
15TH September, 2014**

Name of the Member (s)
Registered Address
E-mail Id
Folio / DP_ID & Client_ID

I / We being the member (s) of..... shares of the above named Company hereby appoint:

(1) Name.....Address.....

Email Id.....Signature.....or

failing him

2) Name..... Address.....

Email Id..... Signature.....

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 78th Annual General Meeting of the Company to be held on Monday, September 15, 2014 at 11.00 A.M. at "Narada Gana Sabha", 314, T.T.K.Road, Chennai - 600 004 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No.	Resolutions	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements for the year ended 31st March, 2014		
2.	Re-appointment of Director Sri.R.Prabhu (DIN : 01276679), who retires by rotation		
3.	Re-appointment of Director Dr.S.R.K.Prasad (DIN : 01276634), who retires by rotation		
4.	Appointment of M/s.Brahmayya & Co. Chartered Accountants as Auditors and fix their remuneration.		
<b>Special Business</b>			
5.	Appointment of Sri.Boppana Ramalingeswara Rao (DIN : 01276661) as an Independent Director.		
6.	Appointment of Sri.K.Muneswara Rao (DIN : 01276731) as an Independent Director		
7.	Appointment of Sri.R.Kannan (DIN : 00380328) as an Independent Director		
8.	Appointment of Sri.K. Subramanian (DIN : 00019088) as an Independent Director		
9.	Appointment of Smt.Anita Prabhu (DIN : 01502095) as the Executive Director of the company for a period of five years from 1st August 2014 under pursuant to the provisions of Sections 196, and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.		
10.	Special Resolution under Section 180(1)( a) of the Companies Act, 2013 for borrowing money upto Rs.500 Crores.		
11.	Special Resolution under Section 180(1)( c) of the Companies Act, 2013 for borrowing money upto Rs.500 Crores.		

Signed this.....day of.....2014.

One Rupee  
Revenue  
Stamp

Signature of Shareholder.....

Signature of Proxy holders (s).....

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, Please refer to the Notice of the 78th Annual General Meeting.
3. It is optional to put 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

<b>FINANCIAL HIGHLIGHTS</b>						
Rs. In thousand						
PARTICULARS	Year Ended					
	31/3/2014 (12 Months)	31/3/2013 (6 Months)	30/9/2012 (18Months)	31/3/2011 (12 Months)	31/3/2010 (12 Months)	31/3/2009 (12 Months)
Share Capital	453.45	453.45	453.45	453.45	453.45	453.45
Reserves and Surplus	5087.08	6978.56	6430.72	6113.04	7038.26	5377.72
Net Worth	5540.53	7432.01	6884.17	6566.49	7491.71	5831.17
Fixed Assets (Net)	49349.66	45896.10	43886.55	38425.78	35232.21	32412.62
Gross Sales	19478.55	17452.78	46270.15	21729.58	24734.70	18695.79
Gross Profit before Interest, Depreciation and Taxes	803.82	2658.28	6504.73	2580.91	6188.02	3743.77
Depreciation	1068.36	505.66	1556.88	1108.42	1109.29	1147.31
Financial Cost	2541.24	1239.35	4683.21	2622.53	2333.44	2497.99
Profit / (Loss) before Tax	(-)2805.77	913.27	264.64	(1150.04)	2745.29	98.47
Profit / (Loss) after Tax	(-)1891.48	547.83	449.43	(925.22)	1924.92	299.38
Earnings per Share (Rs.)	(-)41.71	12.08	9.91	(20.40)	42.45	6.60
Book Value per Share (Rs.)	122.18	163.90	151.82	144.81	165.21	128.59
Dividends on Equity %	-	-	25%	-	50%	10%
Debt Equity Ratio (excluding working capital borrowings)	6.93	6.67	6.41	4.35	3.70	3.67

**SEASON WISE CANE CRUSHED, SUGAR BAGGED AND RECOVERY**

SEASON	31/3/2014 (12 Months)	31/3/2013 (6Months)	30/9/2012 (18 Months)	31/3/2011 (12 Months)	31/3/2010 (12 Months)	31/3/2009 (12 Months)
Sugar Unit, V.V.S.Sugars						
Cane Crushed in MTS	543840	565883	779068	901949	593380	583128
Sugar Bagged in QTLS	553500	560700	828810	951060	615700	638680
Recovery (%)	10.19	9.90	10.53	10.57	10.40	10.98

**PRINTED MATTER  
REGISTERED BOOK - POST**



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

# THE JEYPORE SUGAR COMPANY LIMITED



**ANNUAL REPORT 2013-2014**





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