



Board of Directors

Sri S V Balasubramaniam
Chairman & Managing Director

Sri V Venkata Reddy
Vice Chairman

Sri S V Alagappan

Sri S V Arumugam

Sri P L Sivanappan

Sri B Saravanan
Joint Managing Director

Sri E P Muthukumar

Sri A K Perumalsamy

Sri T Gundan

Auditors

M/s P N Raghavendra Rao & Co
Chartered Accountants

Internal Auditors

M/s Srivatsan & Gita
Chartered Accountants

M/s Bakthavachalam & Co
Chartered Accountants

Cost Auditor

Sri M Nagarajan
Cost Accountant

Company Secretary

Sri C Palaniswamy

Registrar and Share Transfer Agent

M/s Cameo Corporate Services Limited
Subramanian Building V Floor
1 Club House Road Chennai 600 002

Bankers

Punjab National Bank

Bank of Baroda

Canara Bank

The Federal Bank Limited

The Karur Vysya Bank Limited

Union Bank of India

Indian Overseas Bank

State Bank of Travancore

State Bank of India

The Lakshmi Vilas Bank Limited

State Bank of Hyderabad

Bank of India

Registered Office

1212 Trichy Road Coimbatore 641 018 Tamilnadu
Phone : 91-422-2302277 Fax : 91-422-2309999
E-mail : bascbe@vsnl.com Website : <http://www.bannari.com>

Manufacturing Facilities

SUGAR UNIT I CO-GENERATION

BIO-DIESEL & GRANITE PROCESSING

Alathukombai Village Erode District Tamilnadu

SUGAR UNIT II & CO-GENERATION

Alaganchi Village Mysore District Karnataka

SUGAR UNIT III

Kunthur Village

Chamarajanagar District Karnataka

SUGAR UNIT IV & CO-GENERATION

Kolundampattu Village

Thiruvannamalai District Tamilnadu

DISTILLERY

I Sinnapuliur Village Erode District Tamilnadu

II Alaganchi Village Mysore District Karnataka

BIO-COMPOST

I Modur Village Erode District Tamilnadu

II Alaganchi Village Mysore District Karnataka

WIND MILLS

Radhapuram Irukkandurai and Karunkulam Villages

Thirunelveli District Tamilnadu



Notice to Shareholders

NOTICE is hereby given that the 26th Annual General Meeting of the Members of the company will be held at JENNEYS RESIDENCY 2/2 AVINASHI ROAD CIVIL AERODROME POST COIMBATORE 641 014 on Monday the 6th day of September 2010 at 4.30 PM to transact the business set out in the Agenda below

You are requested to make it convenient to attend the meeting

Agenda

- 1 To consider and adopt the audited Profit and Loss Account for the year ended 31st March 2010 and audited Balance Sheet as at that date and Directors' Report and Auditors' Report thereon
- 2 To declare dividend on equity shares
- 3 To appoint a Director in the place of Sri V Venkata Reddy who retires by rotation and is eligible for re-appointment
- 4 To appoint a Director in the place of Sri P L Sivanappan who retires by rotation and is eligible for re-appointment
- 5 To appoint Auditors and fix their remuneration

Special Business

- 6 To consider and if thought fit to pass with or without modification the following Resolutions as Special Resolutions
RESOLVED that the period of appointment of Sri S V Balasubramaniam as Managing Director of the company for a period of five years with effect from 9.10.2005 be restricted to 1st June 2010

FURTHER RESOLVED that pursuant to Sections 198, 269, 309 and other applicable provisions of the Companies Act 1956 read with Schedule XIII to the said Act, the appointment of Sri S V Balasubramaniam as Chairman of the company for a period of five years with effect from 2nd June 2010 on the following remuneration and terms be and are hereby approved :

Salary

Rs 300000/- per month (Rupees Three Lakhs only)

Perquisites

- (a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act
- (b) Gratuity at the rate of half a month's salary for each completed year of service
- (c) Encashment of leave at the end of the tenure as per the rules of the Company

Other Perquisites

As may be decided by the Board of Directors of a value not exceeding annual salary

Commission

3% Commission on the net profits of the company subject to the maximum ceiling specified in Section I of Part II of Schedule XIII to the Companies Act 1956

FURTHER RESOLVED that as Chairman Sri S V Balasubramaniam shall have substantial powers of management of the company other than the powers which are expressly required by law or by the Articles of the company to be exercised only by the Board of Directors



7 To consider and if thought fit to pass with or without modification the following Resolutions as Ordinary Resolutions

RESOLVED that the period of appointment of Sri B Saravanan as Joint Managing Director of the company for a period of five years with effect from 5.7.2005 be restricted to 1st June 2010

FURTHER RESOLVED that pursuant to Sections 198, 269, 309, 316 and other applicable provisions of the Companies Act 1956 read with Schedule XIII to the said Act, the appointment of Sri B Saravanan as Managing Director of the company for a period of five years with effect from 2nd June 2010 on the following remuneration and terms be and are hereby approved

Salary

Rs 200000/- per month (Rupees Two Lakhs only)

Perquisites

- (a) Contribution to Provident Fund to the extent not taxable under the Income Tax Act
- (b) Gratuity at the rate of half a month's salary for each completed year of service
- (c) Encashment of leave at the end of the tenure as per the rules of the company

Other Perquisites

As may be decided by the Board of Directors of a value not exceeding annual salary

In the case of absence or inadequacy of profits for any financial year, the Managing Director shall be paid remuneration in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956

Commission

2% Commission on the net profits of the company subject to the maximum ceiling specified in Section I of Part II of Schedule XIII to the Companies Act 1956

FURTHER RESOLVED that Sri B Saravanan shall have substantial powers of management of the company subject to supervision of Chairman of the company

Note

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY
- 2 Proxies in order to be effective should be deposited with the company forty eight hours before the meeting
- 3 The Register of Members and the Share Transfer Books of the company will remain closed from 28.8.2010 to 6.9.2010 (both days inclusive)
- 4 The equity dividend if declared will be paid to those members whose names appear on the Register of Members of the company as on 6.9.2010. In respect of dematerialised shares dividend will be paid on the basis of beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 27.8.2010
- 5 The company has transferred unclaimed dividends upto the financial year ended 31st March 2002 to General Revenue Account/Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year 2003 and thereafter remaining unclaimed for a period of 7 years will be transferred to Investor Education and Protection Fund as required under the Companies Act 1956 on the respective due dates; upon such transfer no claim shall lie against the company or the Central Government for such unclaimed dividend
- 6 Members are requested to bring their copy of the Annual Report along with them to the meeting

Coimbatore
27.5.2010

By Order of the Board
C PALANISWAMY
Company Secretary



Explanatory statement under section 173(2) of the Companies Act 1956

Item No.6

Sri S V Balasubramaniam has been the Managing Director of the company from 9.10.1985. His present term of office expires on 8.10.2010. He is associated with the sugar industry for more than 45 years. Under his stewardship your company has established integrated sugar plants in multi locations and the performance of the company has always been one of the best in the industry

The Remuneration Committee at its meeting held on 27.5.2010 has recommended the appointment of Sri S V Balasubramaniam as Chairman of the company with substantial powers of management for a period of 5 years with effect from 2.6.2010 and the remuneration payable to him, restricting his earlier appointment to 1.6.2010

After considering the recommendations of the Remuneration Committee the Board of Directors have appointed Sri S V Balasubramaniam as Chairman of the company for a period of 5 years with effect from 2.6.2010 on the terms and conditions as set out in the text of the Resolution contained in the agenda. The term of office of earlier appointment has been restricted to 1.6.2010

The necessary special resolutions are placed before the members for their approval

Sri S V Balasubramaniam Sri B Saravanan Sri S V Alagappan and Sri S V Arumugam Directors are deemed to be interested in the resolutions

Item No.7

Sri B Saravanan has been the Joint Managing Director of the company from 5.7.2000. He is also the Managing Director of Shiva Distilleries Limited. He has been very effectively managing the affairs of the company under the supervision of Chairman/Managing Director. He has contributed immensely for the growth of the company in all spheres

The Remuneration Committee at its meeting held on 27.5.2010 has recommended the appointment of Sri B Saravanan as Managing Director of the company with effect from 2.6.2010 for a period of 5 years and the remuneration payable to him, restricting his earlier appointment to 1.6.2010

After considering the recommendations of the Remuneration Committee the Board of Directors have appointed Sri B Saravanan as Managing Director of the company for a period of 5 years with effect from 2.6.2010 on the terms and conditions set out in the text of the Resolutions contained in the agenda. The term of office of earlier appointment has been restricted to 1.6.2010

Necessary resolutions are placed before the members for their approval

Sri S V Balasubramaniam and Sri B Saravanan Directors are deemed to be interested in the resolutions

Coimbatore
27.5.2010

By Order of the Board
C PALANISWAMY
Company Secretary



Disclosure under clause 49 of the listing agreement

Appointment of Chairman

A brief resume of Sri S V Balasubramaniam is given below

Sri S V Balasubramaniam BCom ACA ACS aged 70 years has more than 45 years experience in Sugar Industry. He was the President of Indian Sugar Mills Association (ISMA) and President of South India Sugar Mills Association (SISMA) Tamilnadu and Karnataka. He is holding 940194 equity shares in the company

Other Directorships

Annamallai Infrastructures Limited	Bannari Amman Apparel Private Limited
Bannari Amman Enterprises Limited	Bannari Amman Infrastructures Private Limited
Bannari Amman Exports Limited	Bannari Enterprises Private Limited
Bannari Amman Spinning Mills Limited	Bannari Infotech Private Limited
Bannariamman Finance Limited	Bannari Techno Park Private Limited
Bannari Amman Flour Mill Limited	Kumaraguru Enterprise Private Limited
Kerala Alcoholic Products Limited	Kwality Clothes Private Limited
Madras Sugars Limited	Mehru Enterprises Private Limited
Shiva Cargo Movers Limited	Mylvagana Enterprises Private Limited
Shiva Distilleries Limited	Sakthi Murugan Transports Private Limited
Shiva Texyarn Limited	Shiva Automobiles Private Limited
Indian Sugar Exim Corporation Limited	Soundaram Enterprise Private Limited
Anamallais Agencies Private Limited	SVB Enterprise Private Limited
Anamallais Automobiles Private Limited	Vedanayagam Enterprises Private Limited
Annamallai Enterprise Private Limited	Vedanayagam Hospital Private Limited
Annamallai Estates Private Limited	Velmuruga Enterprises Private Limited
AA Tyre Retreading Company Private Limited	

Member of Committees in other public companies

: Shiva Texyarn Limited
Investor's Grievance Committee - Member

Appointment of Managing Director

A brief resume of Sri B Saravanan is given below

Sri B Saravanan aged 37 years a Commerce Graduate oversees the company's affairs since 5.7.2000. He is also the Managing Director of Shiva Distilleries Limited. He is holding 175758 equity shares in the company

Other Directorships

Kerala Alcoholic Products Limited	Kandiamman Enterprise Private Limited
Madras Sugars Limited	Kumaraguru Enterprise Private Limited
Shiva Cargo Movers Limited	Soundaram Enterprise Private Limited
Shiva Distilleries Limited	SVB Enterprise Private Limited
Annamallai Enterprise Private Limited	Velmuruga Enterprises Private Limited
Bannari Enterprises Private Limited	



Re-appointment of Directors

A brief resume of Directors retiring by rotation and are eligible for re-appointment is given below

Sri V Venkata Reddy MBA aged 71 years is associated with the company as Director since 6.11.1997. He is holding 51010 equity shares in the company and has 45 years experience in sugar industry including international assignments. He was the Managing Director of Sri Chamundeswari Sugars Limited for more than 8 years. He was the President of South Indian Sugar Mills Association Karnataka during the period 2001-2003

Other Directorships

Bannari Amman Spinning Mills Limited

Shiva Hi-Tec Infrastructure Limited

Shiva Texyarn Limited

Sri Kollapuri Amma Agro Industries Private Limited

Sri Kollapuri Amma Enterprises Private Limited

Member of Committees in other public companies

:

Shiva Texyarn Limited

Investor's Grievance Committee - Chairman

Remuneration Committee - Chairman

Bannari Amman Spinning Mills Limited

Remuneration Committee - Member

Sri P L Sivanappan aged 80 years, is associated with the company as Director since 6.2.1984. He is holding 100 equity shares in the company and has more than 55 years experience in sugarcane cultivation. He does not hold any other Directorship



Financial Highlights

(Rs in Lakhs)

Financial Year	2005-06	2006-07	2007-08	2008-09	2009-10
Turnover	49408.86	69116.18	60608.73	67404.42	85346.50
Other Income	283.81	537.69	2182.59	1727.03	897.93
Total Income (incl Stock Adj)	49692.67	69653.87	62791.32	69131.45	86244.43
Raw Materials	22583.02	38329.45	37868.60	34324.72	42995.38
Traded Goods	--	1350.20	21.45	--	--
Excise Duty on Stock	(439.06)	241.96	712.75	(400.66)	(799.89)
Overhead & Other Exp	12574.45	14394.65	16059.92	17651.51	19710.77
PBDIT	14974.26	15337.61	8128.60	17555.88	24338.17
Depreciation	4307.00	3734.83	3481.86	3408.23	3834.06
Interest	1095.60	767.42	730.68	958.14	530.34
Pre-Tax Profit	9571.66	10835.36	3916.06	13189.51	19973.77
Tax - Current (Net)	1695.25	1175.80	21.10	804.99	3092.07
- Deferred	178.92	630.75	(339.30)	401.75	2518.37
Post-Tax Profit	7697.49	9028.82	4234.26	11982.77	14363.33
Equity Capital	953.97	953.97	1143.97	1143.97	1143.97
Reserves	27158.61	40572.76	43825.26	54270.49	67301.16

Turnover = Net Sales + Closing Stock – Opening Stock



Key Financial Ratios

Financial Year	2005 - 06	2006 - 07	2007 - 08	2008 - 09	2009 - 10
Financial Ratios					
Other Income/Turnover %	0.57	0.78	3.60	2.56	1.05
Overheads/Turnover %	25.45	20.83	26.50	26.19	23.09
Interest/Turnover %	2.22	1.11	1.21	1.42	0.62
PBIDT/Turnover %	30.31	22.19	13.41	26.05	28.52
NP/Turnover %	19.37	15.68	6.46	19.57	23.40
Cash Profit/Turnover %	28.09	21.08	12.21	24.62	27.90
ROCE (PBIDT/Average Capital Employed) %	29.66	28.08	11.35	21.55	28.60
ROCE (PBIT/Average Capital Employed) %	21.13	21.24	6.49	17.36	24.09
Capital Output Ratio (Turnover / Average Capital Employed)	97.86	126.52	84.62	82.73	100.29
Balance Sheet Ratios					
Debt Equity Ratios (Long Term Debt to Equity)	0.49	0.26	0.31	0.22	0.23
Debtors' Turnover (Days)	48	38	50	38	19
Inventory Turnover (Days)	129	106	167	136	79
Current Ratio	2.62	2.76	2.37	1.63	1.72
Quick Ratio	1.21	1.43	1.24	0.80	1.04
Average Turnover Ratio (Total Revenue / Total Assets)	1.22	1.37	0.71	0.81	0.87
Per Share Data					
EPS (Rs)	80.69	89.51	35.31	103.05	125.56
CEPS (Rs)	125.84	127.45	65.75	132.84	159.07
Dividend on Equity (Rs)	7.00	7.00	7.00	10.00	10.00
Dividend on Preference (Rs)	--	3.00	9.00	9.00	--
Dividend Payout %	9.89	11.09	26.72	12.79	9.32
Book Value (Rs)	294.69	364.67	393.10	484.40	598.31
Net Indebtedness (Rs)	143.88	94.62	120.76	107.49	137.56

Turnover = Net Sales + Closing Stock - Opening Stock



Directors' Report

Dear Members

Your Directors have pleasure in presenting the 26th Annual Report together with audited accounts of the company for the year ended 31st March 2010

(Rs in Lakhs)

Financial Results	Financial Year	
	2009-10	2008-09
Profit for the year before depreciation	23807.83	16597.74
Less : Depreciation	3834.06	3408.23
Profit Before Tax	19973.77	13189.51
Less : Provisions : Income Tax	3978.73	1491.86
Fringe Benefit Tax	--	20.43
MAT Credit Entitlement	(886.66)	(707.30)
Deferred Tax	2518.37	401.75
Profit After Tax	14363.33	11982.77
Add : Surplus brought forward from previous year	1731.78	1732.55
Amount available for appropriation	16095.11	13715.32
Appropriations		
Provision for diminution in value of investment	(5.73)	4.78
Transfer to Capital Redemption Reserve	--	1846.00
Transfer to General Reserve	13500.00	8600.00
Dividend on Preference Capital	--	166.14
Dividend on Equity Capital	1143.97	1143.97
Provision for Tax on Dividend	194.42	222.65
Surplus carried over to Balance Sheet	1262.45	1731.78
T O T A L	16095.11	13715.32

Dividend

Your Directors are glad to recommend dividend of Rs 10/- per equity share of Rs 10/- each (100% on equity capital)



Review of Operations

Sugar Division

The company had crushed 1433182 tonnes of sugarcane in all its factories as against 2276689 tonnes of sugarcane in the previous year. The sugar produced in the current year was 1448340 quintals as against 2323441 quintals in the previous year. The company had also processed 36834 tonnes of raw sugar. The financial results of the sugar division were appreciable mainly due to buoyant sugar prices. Your Directors are glad to inform that the Sugar Unit IV at Thiruvannamalai District has commenced its commercial operations from 27.01.2010.

Co-generation of Power

The Co-generation plants had generated 245.58 million units of Power and exported 168.78 million units of Power to Grids compared to the generation of 284.59 million units and export of 186.23 million units in the previous year. Due to lower crush of sugarcane the Bagasse availability for Co-generation plant was not adequate for optimum operations, resulting in lower profits compared to the previous years.

Distillery Division

During the current year the Distillery Units had produced 26799381 BLtrs of Alcohol as against 25742810 BLtrs of Alcohol in the previous year.

Granite Division

In the Granite Processing Unit 111658 square metres of Granite Slabs and 10722 square metres of Tiles were produced compared to production of 93575 square metres of Granite Slabs and 13488 square metres of Tiles in the last year.

Wind Mill

The Wind Mills had generated 16.77 million units of Power and exported 15.18 million units to grid compared to generation of 15.12 million units and export of 13.33 million units of power to grid in the previous year.

Prospects for the Current Year 2010 - 2011

It is estimated to crush 18.75 lakh tonnes of sugarcane in all its factories. The All India Sugar production is estimated to increase and the Sugar prices are expected to remain stable at lower levels. The cane price paid/payable is much higher than the previous years increasing the cost of production. It is also estimated to produce 337 lakh BLtrs of Spirit in Distillery Units.

Fixed Deposit

The company has no fixed deposit as on 31.3.2010.

Appointment of Chairman

The present term of office of Sri S V Balasubramaniam as Managing Director of the company expires on 8.10.2010. After considering the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on 27.5.2010 has restricted the present term of office to 1st June 2010 and appointed Sri S V Balasubramaniam as Chairman of the company with substantial powers of management with effect from 2.6.2010. The terms and conditions of his appointment and payment of remuneration are subject to the approval of the members of the company. Necessary special resolutions are placed before the members for their approval.



Appointment of Managing Director

The term of office of Sri B Saravanan as Joint Managing Director of the company expires on 4.7.2010. After considering the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on 27.5.2010 has restricted the present term of office to 1st June 2010 and appointed Sri B Saravanan as Managing Director of the company with effect from 2.6.2010. The terms and conditions of his appointment and payment of remuneration are subject to the approval of the members of the company. Necessary resolutions are placed before the members for their approval

Directors

Sri V Venkata Reddy and Sri P L Sivanappan Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment

Particulars of Employees

The information required as per Section 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975 is furnished in Annexure-I forming part of this Report

Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act 1956 with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure-II forming part of this Report

Audit Committee

The Audit Committee comprises of Sri V Venkata Reddy Sri E P Muthukumar Sri S V Arumugam and Sri T Gundan. Sri V Venkata Reddy Sri E P Muthukumar and Sri T Gundan are Independent Directors

Directors' Responsibility Statement

As stipulated in Section 217 (2AA) of the Companies Act 1956 your Directors confirm that

- i they have followed the applicable accounting standards in the preparation of annual accounts
- ii they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2009-2010 and of the profit of the company for that period
- iii they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- iv they have prepared the annual accounts on a going concern basis

Corporate Governance

A separate section on Corporate Governance Management Discussion and Analysis and a certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the listing agreement form part of this Report



Auditors

M/s P N Raghavendra Rao & Co the present auditors of the company retire at the ensuing Annual General Meeting and are eligible for re-appointment

Cost Audit

Sri M Nagarajan Cost Accountant Coimbatore has been appointed as Cost Auditor to conduct cost audit of Sugar units for the financial year 2009-2010 with the approval of Central Government

Industrial Relations

The relationship with employees continued to remain cordial throughout the year under review

Acknowledgement

Your Directors acknowledge with gratitude the timely assistance and help extended by the Government of India Governments of Tamilnadu and Karnataka, Banks, Karnataka Power Transmission Corporation Limited and Tamilnadu Electricity Boards Your Directors thank the cane growers who have supplied sugarcane to the factories and wish to place on record their appreciation of the contributions made by all the employees

Coimbatore
27.5.2010

By Order of the Board
S V BALASUBRAMANIAM
Chairman

Annexure-I

Statement Pursuant to Section 217(2A) of the Companies Act 1956
and the Companies (Particulars of Employees) Rules 1975

Sl No	Name	Designation/ Nature of Duties	Remuneration Received (Rs in lakhs)	Qualification	Age in Years as on 31.3.2010	Experience in Years	Date of Commencement of Employment	Particulars of Last Employment
1	Sri S V Balasubramaniam	Managing Director	442.35	BCom ACA, ACS	70	45	9.10.1985	Vice Chairman Sakthi Sugars Limited
2	Sri B Saravanan	Joint Managing Director	221.98	BCom	37	13	5.7.2000	Joint Managing Director Shiva Distilleries Limited

Note

- 1 The nature of employment is contractual
- 2 Sri S V Balasubramaniam is related to Sri B Saravanan Joint Managing Director Sri S V Alagappan and Sri S V Arumugam Directors
- 3 Sri B Saravanan is related to Sri S V Balasubramaniam Managing Director
- 4 Remuneration comprises of salary commission allowances contribution to Provident Fund and monetary value of perquisites

Coimbatore
27.5.2010

By Order of the Board
S V BALASUBRAMANIAM
Chairman



Annexure-II

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

A Conservation of Energy

(a) Energy conservation measures taken

- > Providing polycarbonate sheets in Sugar house to harvest natural lighting from sunlight during the day time
- > Installation of VFD's (variable frequency drive) for various pumps in boiling house and mill house
- > Installation of VAM (vapour absorption machine) to replace the conventional compressor based air conditioning machines
- > 9-ATA steam has been replaced with 3-ATA steam for super heated sugar washing system by installing plate heat exchanger
- > 15 HP talofiltrate feed pump has been eliminated by shifting talofiltrate receiving tank from 0-mtr level to 15-mtr level
- > All street and factory lights have been replaced with Beblec P20 energy saver lights
- > Harmonic filters have been installed in converter transformer

(b) Additional investment and proposals if any being implemented for reduction of consumption of energy

- > No additional investment/proposals being implemented for reduction of consumption of energy

(c) Impact of measures (a) above for reduction of energy consumption and consequent impact on the cost of production of goods

- > The approximate energy saving would be 7500 units/per day
- > Minimising harmonic distortion would minimise failure of electrical utilities and reduce energy consumption

(d) Particulars of energy consumption and energy consumption per unit of production in the sugar factories are furnished below

I Power and Fuel Consumption

	Current Year	Previous Year
1 ELECTRICITY		
(a) Purchased		
Units	1273210	728428
Total Amount (Rs)	7693168	3396021
Rate Per Unit (Rs)	6.04	4.66
(b) Own Generation		
(i) Through Diesel Generator		
Units	358216	416856
Units per Ltr of Diesel Oil	2.97	3.08
Cost per Unit (Rs)	10.95	10.93
(ii) Through Steam Turbine/Generator		
Units	49561772	69646723
Units per Ltr of Fuel Oil/Gas	--	--
Cost per Unit	Own Bagasse is used	Own Bagasse is used
2 COAL (specify quantity and where used)	Not Used	Not Used
3 FURNACE OIL	Not Used	Not Used
4 OTHERS	Not Used	Not Used



II Consumption per Unit of Production

	Electricity (Units)		Furnace Oil (Ltr)		Others (Tonnes)	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Sugar	28.42/Qtl	30.41/Qtl	--	--	--	--

B Technology Absorption

I Research and Development (R & D)

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

- Continuous study on suitability of the clones in the command area in association with Sugarcane Breeding Institute Coimbatore
- In the R & D Farm and in farmers' fields we are multiplying new varieties viz Co2001-13 and Co2001-15 released by Sugarcane Breeding Institute and CoC24 released by Tamil Nadu Agricultural University
- In Sugar Unit II in order to identify new varieties suitable for Southern Karnataka varietal trials were conducted under Institute Industry Interface (III) Programme launched by Sugarcane Breeding Institute Coimbatore and as a result a new variety viz. Co0323 has been identified for further multiplication

2 Benefits derived as a result of the above R & D

- New varieties have been popularised to improve the recovery percentage and increase the cane yield

3 Future Plan of action

- Anaerobic digester unit is planned for incineration evaporator condensate water treatment

4 Expenditure on R & D

- Capital : Rs 476500/-
- Recurring : Rs 1171727/-
- Total : Rs 1648227/-
- Total R & D expenditure as a percentage of total turnover : Negligible

II Technology absorption adaptation and innovation

- 1 Efforts in brief made towards technology absorption adaptation and innovation : ---
- 2 Benefits derived as a result of the above efforts : ---
- 3 Imported technology : ---

C Foreign Exchange Earnings and Outgo

I Activities relating to exports initiatives taken to increase exports; development of new export markets for products and services; and export plans

- Efforts are being taken to increase the export of granite products

II Total foreign exchange used and earned

- Total foreign exchange used : Rs 12774.23 lakhs
- Total foreign exchange earned : Rs 3407.56 lakhs

Coimbatore
27.5.2010

By Order of the Board
S V BALASUBRAMANIAM
Chairman

Corporate Governance

Company's Philosophy on Code of Corporate Governance

The company is committed to achieve high standards of corporate governance

The company's philosophy on corporate governance envisages the attainment of high levels of transparency accountability and equity in all facets of its operations and in all the interactions with its stakeholders including shareholders employees cane growers lenders and governments

Board of Directors

The Board of Directors comprises of Executive Chairman Non-Executive Vice Chairman Joint Managing Director and Non-Executive Directors. At present 5 Directors are Independent Directors

Name of the Director	Category	Number of Directorships Held in other Public Companies	Number of Board Committee Memberships Held in other Companies	
			Chairman	Member
Sri S V Balasubramaniam	Executive	12	--	1
Sri V Venkata Reddy	Non-Executive-Independent	3	2	1
Sri P L Sivanappan	Non-Executive-Independent	--	--	--
Sri A K Perumalsamy	Non-Executive-Independent	--	--	--
Sri S V Alagappan	Non-Executive	11	--	--
Sri E P Muthukumar	Non-Executive-Independent	--	--	--
Sri S V Arumugam	Non-Executive	13	--	1
Sri B Saravanan	Executive	4	--	--
Sri T Gundan	Non-Executive-Independent	2	--	--

Board Meetings and AGM

During the financial year 6 Board Meetings were convened by giving appropriate notices to the Directors. The meetings were held on 27.5.2009, 25.6.2009, 27.7.2009, 23.9.2009, 28.10.2009 and 29.1.2010. The Board was given all material information viz budgets, review of budgets, cane crush estimates, actual cane crushed, actual recovery, sugar stock details, details of power generation and power exported to grid production, sales and stock details of granite and distillery products etc which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings



Details of attendance of each Director at the Board Meetings and at last Annual General Meeting held on 23.9.2009 are given below

Name of the Director	Number of Board Meetings Attended	Last AGM Attended
Sri S V Balasubramaniam	5	YES
Sri V Venkata Reddy	5	YES
Sri B Saravanan	6	YES
Sri S V Alagappan	5	YES
Sri S V Arumugam	5	YES
Sri P L Sivanappan	0	NO
Sri E P Muthukumar	6	YES
Sri A K Perumalsamy	6	YES
Sri T Gundan	5	YES

Audit Committee

The Audit Committee consists of following 4 Directors of which 3 are independent. The Committee met 5 times during the financial year at 1212 Trichy Road Coimbatore 641 018 on 27.5.2009, 25.6.2009, 27.7.2009, 28.10.2009 and 29.1.2010

Name of the Director	No of Meetings Attended
Sri V Venkata Reddy - Chairman	4
Sri E P Muthukumar - Member	5
Sri S V Arumugam - Member	4
Sri T Gundan - Member	4

The Audit Committee shall inter-alia review the following

- Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct and sufficient
- Quarterly/annual financial statements before submission to the Board for approval
- Performance of statutory and internal auditors adequacy of the internal control systems
- Company's financial and risk management policies
- Management discussion and analysis of financial condition and results of operations
- Statements of significant related party transactions submitted by Management
- The appointment removal and terms of remuneration of the internal auditors



Remuneration Committee

The Remuneration Committee consists of following 3 independent directors. No executive director is on the Committee

Sri V Venkata Reddy	-	Chairman
Sri E P Muthukumar	-	Member &
Sri A K Perumalsamy	-	Member

The terms of reference specified by Board of Directors to the Remuneration Committee are as under

- Recommending remuneration payable to Managing Director Joint Managing Director and other Directors as and when necessity arises
- Reviewing sitting fees payable to Directors for attending Board Meetings and Committee Meetings etc

The Committee met on 27.5.2010 at 1212 Trichy Road Coimbatore 641 018 and recommended the appointment of Sri S V Balasubramaniam as Chairman and Sri B Saravanan as Managing Director. The Committee has also approved the terms and conditions of their appointment and remuneration payable to them

The details of remuneration paid to Managing Director and Joint Managing Director are given in Schedule 19 (Page No.50)

All the Non-Executive Directors are paid a sitting fee of Rs 3000/- for each Board Meeting attended by them. The Remuneration Committee recommended the increase in sitting fees from Rs 3000/- to Rs 5000/- and the Board of Directors approved the same at their meeting held on 27.5.2010

Details of Shareholding of Non-Executive Directors as on 31.3.2010

Name of the Director	No of Shares held
Sri V Venkata Reddy	51010
Sri S V Alagappan	30620
Sri S V Arumugam	20920
Sri E P Muthukumar	1000
Sri A K Perumalsamy	1500
Sri P L Sivanappan	100
Sri T Gundan	NIL

Shareholders' Committee

The Shareholders' Committee was formed to specifically look into shareholders' /investors' complaints if any on transfer of shares non-receipt of balance sheet non-receipt of declared dividend etc and also the action taken by the company on those matters

The Shareholders' Committee consists of

Sri S V Arumugam	-	Chairman
Sri V Venkata Reddy	-	Member &
Sri B Saravanan	-	Member

Sri C Palaniswamy Company Secretary is the compliance officer



The company received 25 complaints from the shareholders during the financial year 2009-2010. All the complaints have been resolved to the satisfaction of shareholders. No complaint was pending as on 31.3.2010

CEO/CFO Certification

The Chairman and Vice President (Head of finance function) have furnished a certificate relating to financial statements and internal controls and systems to the Board of Directors as prescribed under clause 49 of the listing agreement and Board took the same on record

Insider Trading

In compliance with SEBI Regulations in prevention of insider trading, the company has framed a comprehensive code of conduct for its management staff. The code lays down guidelines and procedures to be followed and disclosures to be made by the management staff while dealing with the shares of the company

General Body Meeting

Location and time where last three Annual General Meetings were held

AGM	Date	Venue	Time
23 rd	29.12.2007	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	3.45 PM
24 th	29.9.2008	-do-	4.30 PM
25 th	23.9.2009	-do-	4.30 PM

A Special Resolution approving the appointment of Sri S V Balasubramaniam as Chairman with substantial powers of management is proposed to be passed at the ensuing Annual General Meeting. No resolution is proposed to be passed through postal ballot

Disclosures

- None of the transactions with related parties during the year 2009-2010 were in conflict with the interest of the company
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years
- The company has complied with all mandatory requirements of clause 49 of the listing agreement with Stock Exchanges. As regards non-mandatory requirements the company has complied with the requirements relating to remuneration committee. The company has not adopted other non-mandatory requirements

Means of Communication

- The quarterly/half-yearly/annual financial results of the company are announced within the stipulated period and are normally published in an English and Tamil newspaper. The financial results are also accessible on the website www.corpfiling.co.in
- The Management Discussion and Analysis forms part of the Directors' Report which is posted to the shareholders of the company

Shareholders' Information

Annual General Meeting

Day and Date : on Monday the 6th September 2010
 Time : 4.30 PM
 Venue : Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

Financial Calendar

Results Announced : 27th May 2010
 Posting of Annual Report : On or before 12th August 2010
 Last date for receipt of Proxy Forms : 4th September 2010 by 4.30 PM
 Dividend Payment Date : On or before 5th October 2010
 Announcement of Quarterly Results : Within 45 days from the end of each quarter

Date of Book Closure for the purpose of Dividend and Annual General Meeting

28.8.2010 to 6.9.2010 (both days inclusive)

Share Price Movement

The high and low quotations of the company's shares on the Bombay Stock Exchange together with Sensex from April 2009 to March 2010 were given below

Month	BSE		SENSEX	
	High (Rs Ps)	Low (Rs Ps)	High	Low
APRIL 2009	848.00	651.05	11492.10	9546.29
MAY	950.00	785.00	14930.54	11621.30
JUNE	1200.00	898.10	15600.30	14016.95
JULY	1149.95	862.70	15732.81	13219.99
AUGUST	1535.00	1055.00	16002.46	14684.45
SEPTEMBER	1378.00	1182.00	17142.52	15356.72
OCTOBER	1296.90	1140.50	17493.17	15805.20
NOVEMBER	1300.00	1051.70	17290.48	15330.56
DECEMBER	1275.00	1171.00	17530.94	16577.78
JANUARY 2010	1370.00	1133.00	17790.33	15982.08
FEBRUARY	1220.00	1075.05	16669.25	15651.99
MARCH	1124.65	876.00	17793.01	16438.45

Based on the closing quotation of Rs 900.35 as at 31.3.2010 at the Bombay Stock Exchange the market capitalisation of the company was Rs 1029.97 Crores



Share Details

The company's Equity Shares are listed on the following Stock Exchanges

	Stock Code
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	500041
National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BANARISUG

The company has paid the annual listing fees for the year 2010-2011 to the above Stock Exchanges

Dematerialisation of Shares

The shares of the company are in compulsory demat segment. Members have option to hold their shares in demat form either through National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL). About 90% shares of the company have been dematerialised. ISIN allotted to our company is INE459A01010

Share Transfer Agent

M/s Cameo Corporate Services Limited
Subramanian Building V Floor 1 Club House Road Chennai 600 002
Telephone : 044-28460395, 28460084 Fax : 044-28460129
E-mail : investor@cameoindia.com

Share Transfer documents, Non-receipt of share certificates sent for transfer, Nomination forms and Change of address may directly be sent to the above address

Share Transfer System

The Share transfers in physical form are registered and returned within a period of 30 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee which usually meets twice in a month

	Year	Dividend on Equity Shares (in %)
Dividend	2005-2006	70
	2006-2007	70
	2007-2008	70
	2008-2009	100
	2009-2010	100 (Recommended)



BANNARI AMMAN SUGARS LIMITED

Shareholding Pattern as on 31.3.2010

Category	No of Shares	%
Promoters	6260276	54.72
UTI & Mutual Funds	100	--
Banks, Financial Institutions & Insurance Companies	464	--
Foreign Institutional Investors	23633	0.21
Private Corporate Bodies	1097778	9.60
Indian Public	3613430	31.59
NRI/OCB's	442576	3.87
Clearing Members	1443	0.01
Total	11439700	100

Plant Locations

Sugar Unit I Co-Generation
Bio-Diesel & Granite Processing
Alathukombai Village Erode District Tamilnadu

Distillery
I Sinnapuliur Village Erode District Tamilnadu
II Alaganchi Village Mysore District Karnataka

Sugar Unit II & Co-Generation
Alaganchi Village Mysore District Karnataka

Bio-Compost
I Modur Village Erode District Tamilnadu
II Alaganchi Village Mysore District Karnataka

Sugar Unit III
Kunthur Village
Chamarajanagar District Karnataka

Wind Mills
Radhapuram Irukkandurai and Karunkulam Villages
Thirunelveli District Tamilnadu

Sugar Unit IV & Co-Generation
Kolundampattu Village
Thiruvannamalai District Tamilnadu

Address for Correspondence

Non-receipt of dividend Registration of POA Status Change Transmission Consolidation Split and other queries may directly be sent to the following address

The Company Secretary
Bannari Amman Sugars Limited
1212 Trichy Road
Coimbatore 641018
Email: shares@bannari.com



Management Discussion and Analysis Report

Indian Sugar Industry

India is ranked second in sugar production and the largest consumer of sugar in the world. About 3 crore agriculturists are engaged in the cultivation of sugarcane and more than 5 lakh people are directly employed in the sugar industry and not less than 5 crore people are indirectly engaged

The installed capacity of the industry is to produce 23 million tonnes of sugar. As one of the most diversified industry it has installed capacity to produce 3540 million Ltrs of alcohol/ethanol and 5000 MW power

The sugar industry with integrated sugar plants (producing sugar alcohol power and bio-fertilizer) presently has an approximate annual turnover of 90000 crores and contributes approximately 13000 crores to Central / State exchequer by way of indirect taxes.

World Sugar Market

The international sugar organization (ISO) estimates the sugar production at 157.160 million tonnes for the season 2009-2010 and the consumption for the same period at 166.585 million tonnes. A summary of world sugar balance for 2009 - 2010 is given in the table below

	2009 - 2010	2008 - 2009
	(mln tonne, raw value)	
Production	157.160	152.482
Consumption	166.585	164.153
Surplus / Deficit	9.425	11.671
Import demand	54.281	50.068
Export availability	52.156	50.070
End Stocks	53.068	60.368

Source : ISO quarterly market outlook, February 2010

Sugar Production - Prices

Indian sugar production estimates are always corrected as the season advances. The estimates which do not compare well with the actuals lead to artificial fluctuation in sugar prices. In January 2010 the sugar production for 2009 - 2010 was estimated at 140 lakh tonnes leading to spurt in prices of sugar. Within a couple of months the estimate of sugar production for the season 2009 - 2010 was revised to 185 lakh tonnes which led to unanticipated decline in sugar prices

The sugar production and economical operations of alcohol power and bio-fertilizer are mainly dependent on the availability of sugarcane. At present the agriculturists have multiple choices of alternate crops and for cultivating sugarcane they have to be paid adequately. The Government's intervention in bringing down the prices of sugar now and then directly result in unattractive prices for sugarcane or non payment of sugarcane dues over a long period of time. In such circumstances sugarcane cultivation is bound to suffer greatly

For payment of remunerative prices to cane growers it is essential that sugar prices are allowed to be market governed and not Government regulated. Unfortunately the Government's intervention by way of increasing the levy quota to 20% from 10% allowing duty free import of white and raw sugar without levy obligation control on stock holdings by traders and exemption from VAT payment and use of release mechanism have forced the prices to fall. The Central Government has also imposed temporary ban on sugar future markets till September 2010



The depletion in free sugar prices has benefited only the MNCs and industrial houses manufacturing soft drinks sweet makers and other industrial users who account for 70% of consumption. Ordinary house hold consumer will never be affected by market governed prices and the budget of household expenses may have an impact of less than 1%

Cane Price

The Central Government has substituted by an ordinance statutory minimum price payable for sugarcane with Fair and Remunerative Price (FRP). FRP for 2009 - 2010 seasons is fixed at Rs 129.84 per quintal linked to 9.5% of sugar recovery with a premium of Rs 1.37 for every 1% increase in recovery

Sugar Season 2009-2010 and 2010 - 2011

The sugar production for the season 2009-2010 is estimated to be 188 Lakh tonnes and prices for sugar are expected to be at depressed levels. Diversified income sources should mitigate the increased cost of production and lower realization of sugar prices

The sugar production for 2010 - 2011 is expected to be around 250 Lakh tonnes

Opportunities

Announcement of attractive cane prices has encouraged farmers to increase the area of sugarcane cultivation. The sugar production is expected to peak by 2010 - 2011. Adequate availability of sugarcane would enable optimizing alcohol/ethanol power and bio fertilizer production

The integrated plants are expected to perform at optimum levels in all segments

Threats

The Government's policy of suppressing the sugar price by artificial means has affected industry performance and overall economy of the industry. As already covered, the suppression of sugar price has benefitted only MNCs and industrial houses manufacturing soft drinks sweet makers etc., who consume 70% of the production. Realizing this Government must take steps to de-regulate the industry from all controls

Uncertainty in availability of sugarcane import-export policies of the Central Government continued increase in cost of raw material and lack of mechanised operations in agriculture including harvesting of sugarcane have adverse impact on overall performance

Internal Control Systems and their Adequacy

The areas of operation have been segregated into purchase production marketing and finance. Various checks and controls have been introduced in these areas. The checks and controls are reviewed for improvement in each of these areas on a periodical basis. The checks and controls system in these areas are considered adequate

Financial Performance with respect to Operational Performance

Please refer financial highlights at (Page No. 7) and key financial ratios at (Page No. 8)

Developments in Human Resources

Excellent relationship is maintained with employees. Total number of employees of the company as on 31.3.2010 is 1540



Declaration on Code of Conduct

To

The Members of
Bannari Amman Sugars Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2010

Coimbatore
27.5.2010

S V BALASUBRAMANIAM
Chairman & Managing Director

Auditors' Certificate on Corporate Governance

To

The Members of
Bannari Amman Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Sugars Limited for the year ended on 31st March 2010, as stipulated in clause 49 of the listing agreement of the said company with Stock Exchanges

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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company

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

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

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

Coimbatore
27.5.2010

P R VITTEL
Partner
M No 200/18111



AUDITORS' REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Bannari Amman Sugars Limited as at 31.3.2010, the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit

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

I As required by the Companies (Auditor's Report) Order 2003 issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we furnish below a statement on the matters specified in paragraphs 4 and 5 of the said Order

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 on the basis of available information
- b As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification
- c The company has not disposed off substantial part of fixed assets during the year

2 In respect of its inventories

- a As explained to us, inventories have been physically verified by the management at reasonable intervals during the year
- b In our opinion and according to the information and explanations given to us, 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 The company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records

3 a The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company has taken inter-corporate deposit of Rs.98 Crores from a company covered in the register maintained under section 301 of the Companies Act, 1956. The deposits have been fully repaid before the year end

- b In our opinion, the rate of interest and other terms and conditions of the deposits are not, prima facie, prejudicial to the interest of the company
- c The payment of principal amount and interest are regular and there is no overdue amount in respect of above said deposits

4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls



- 5 a In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section: and
- b In our opinion and according to the information and explanations furnished to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- 6 The company has not accepted any deposits from the public
- 7 In our opinion, the internal audit system of the company is commensurate with its size and nature of its business
- 8 The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
- 9 In respect of statutory dues
- a According to the records of the company, 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 other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable
- b The disputed dues of Excise duty aggregating to Rs 149.99 Lakhs, have not been deposited on account of matters pending before appropriate authorities is as under

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	149.99	20.9.1991 to 31.1.1994	High Court, Chennai

- 10 The company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year
- 11 Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks
- 12 In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities
- 13 In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company
- 14 The company is not dealing or trading in shares, securities, debentures and other investments. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company
- 15 According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions
- 16 To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were prima facie, applied by the Company during the year for the purpose for which the loans were obtained



- 17 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 the company has not utilised short-term funds for long-term investments
- 18 During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956
- 19 The company has not issued debentures during the year
- 20 The company has not raised any money by way of public issue during the year
- 21 In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated
- II Further to the above, we report that
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March, 2010 from being appointed as directors in terms of clause (g) of sub-Section (1) of section 274 of the Companies Act 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India
- (i) In so far as it relates to Balance Sheet, of the state of affairs of the company as at 31st March, 2010;
- (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the company for the year ended on that date: and
- (iii) In so far as it relates to the Cash Flow Statement, of the cash flows of the company for the year ended on that date

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

Coimbatore
27.5.2010

P R VITTEL
Partner
M No 200/18111

FINANCIAL POSITION





Balance Sheet as at 31.3.2010

As at 31.3.2009 (Rs in lakhs)		Schedule No	As at 31.3.2010 Details (Rs in lakhs)	Total
	SOURCES OF FUNDS			
	SHAREHOLDERS' FUNDS			
1143.97	Share Capital	1	1143.97	
54270.49	Reserves and Surplus	2	67301.16	
<u>55414.46</u>				68445.13
	LOAN FUNDS			
19739.18	Secured Loans	3	19663.92	
4778.07	Unsecured Loans	4	2161.33	
<u>24517.25</u>				21825.25
5882.42	DEFERRED TAX LIABILITIES (NET)	5		8400.79
<u>85814.13</u>	TOTAL			<u>98671.17</u>
	APPLICATION OF FUNDS			
	FIXED ASSETS			
73531.76	Gross Block	6	104485.25	
29206.59	Less : Depreciation		33021.65	
<u>44325.17</u>	Net Block		<u>71463.60</u>	
9030.80	Capital Works in Progress		2241.03	
<u>53355.97</u>				73704.63
439.75	INVESTMENTS			389.78
	CURRENT ASSETS LOANS AND ADVANCES			
	A CURRENT ASSETS			
28758.23	Inventories	7	26657.46	
6955.04	Sundry Debtors	8	4491.48	
549.70	Cash and Bank Balances	9	558.23	
2791.78	Other Current Assets	10	2557.05	
<u>11554.66</u>				
	B LOANS AND ADVANCES	11	14379.63	
<u>50609.41</u>			<u>48643.85</u>	
18591.00	Less: CURRENT LIABILITIES AND PROVISIONS	12	24067.09	
<u>32018.41</u>	NET CURRENT ASSETS			24576.76
<u>85814.13</u>	TOTAL			<u>98671.17</u>

Schedules 1 to 12 and Notes in Schedule 19 form part of this Balance Sheet
Vide our Report Annexed

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

S V BALASUBRAMANIAM
Chairman & Managing Director

B SARAVANAN
Joint Managing Director

P R VITTEL
Partner
M No 200/18111
Coimbatore
27.5.2010

C PALANISWAMY
Company Secretary



Profit and Loss Account for the year ended 31.3.2010

Year ended 31.3.2009 (Rs in lakhs)		Schedule No	Year ended Details 31.3.2010 (Rs in lakhs) Total
	INCOME		
72002.64	Sales	13	90224.86
2520.02	Less: Excise Duty		2520.87
69482.62			87703.99
(2078.20)	Stock Adjustment	14	(2357.49)
67404.42			
1727.03	Other Income	15	
69131.45	TOTAL		85346.50
			897.93
			86244.43
	EXPENDITURE		
34324.72	Raw Materials Purchased	16	42995.38
17651.51	Manufacturing and Other Expenses	17	19710.77
(400.66)	Excise Duty on stock		(799.89)
958.14	Interest	18	530.34
3408.23	Depreciation		3834.06
55941.94			
13189.51	PROFIT BEFORE TAX		66270.66
	PROVISION FOR TAXATION		19973.77
1491.86	Income Tax		3978.73
20.43	Fringe Benefit Tax		--
(707.30)	MAT Credit Entitlement		(886.66)
401.75	Income Tax - Deferred		2518.37
1206.74			
11982.77	PROFIT AFTER TAX		5610.44
1732.55	Add: Surplus brought forward from previous year		14363.33
13715.32			1731.78
			16095.11
	APPROPRIATIONS		
4.78	Provision for Diminution in Value of Investment (long term)		(5.73)
1846.00	Capital Redemption Reserve		--
8600.00	General Reserve		13500.00
	Provision for Proposed Dividend		
1143.97	- Equity Shares		1143.97
166.14	- Preference Shares		--
222.65	Provision for Tax on Dividend		194.42
11983.54			
1731.78	Balance carried over to Balance Sheet		14832.66
103.05	Earnings per Share [Basic and diluted] (Rs)		1262.45
			125.56

Schedules 13 to 18 and Notes in Schedule 19 form part of this Profit and Loss Account

Vide our Report Annexed

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

S V BALASUBRAMANIAM
Chairman & Managing Director

B SARAVANAN
Joint Managing Director

P R VITTEL
Partner
M No 200/18111
Coimbatore
27.5.2010

C PALANISWAMY
Company Secretary

Schedules

As at 31.3.2009 (Rs in lakhs)		As at 31.3.2010 Details Total (Rs in lakhs)	
SCHEDULE 1			
SHARE CAPITAL			
AUTHORISED			
2900.00	2,90,00,000 Equity Shares of Rs 10 each		2900.00
2100.00	21,00,000 Redeemable Preference Shares of Rs 100 each		2100.00
<u>5000.00</u>	T O T A L		<u>5000.00</u>
ISSUED, SUBSCRIBED AND PAID UP			
1143.97	1,14,39,700 Equity Shares of Rs 10 each		1143.97
<u>1143.97</u>			<u>1143.97</u>
SCHEDULE 2			
RESERVES AND SURPLUS			
CAPITAL RESERVE			
GOVERNMENT SUBSIDY			
656.25	Balance as per last Balance Sheet		656.25
EQUITY SHARE PREMIUM			
8503.35	Balance as per last Balance Sheet		8503.35
CAPITAL REDEMPTION RESERVE			
--	Balance as per last Balance Sheet		1846.00
1846.00	Transfer from Profit and Loss Account on redemption of 18,46,000 - 9% Redeemable non-cumulative Preference Shares of Rs.100 each		--
GENERAL RESERVE			
32933.11	Balance as per last Balance Sheet	41533.11	
8600.00	Add: Transfer from Profit and Loss Account	<u>13500.00</u>	
<u>41533.11</u>			55033.11
1731.78	SURPLUS in Profit and Loss Account		1262.45
<u>54270.49</u>	T O T A L		<u>67301.16</u>



As at 31.3.2009 (Rs in lakhs)		As at 31.3.2010 Details Total (Rs in lakhs)	
	SCHEDULE 3		
	SECURED LOANS		
	FROM BANKS		
7442.78	Cash Credit Loans	3927.69	
4931.98	Loan under SEFASU notified by the Central Government	4864.02	
3298.83	Term Loans	7817.46	
<u>15673.59</u>			16609.17
	FROM OTHERS		
4065.59	Sugar Development Fund		3054.75
<u>19739.18</u>			<u>19663.92</u>
	TOTAL		
	SCHEDULE 4		
	UNSECURED LOANS		
4643.12	Loan under Sales tax deferral scheme		2060.12
134.95	Sugar Development Fund		101.21
<u>4778.07</u>			<u>2161.33</u>
	TOTAL		
	SCHEDULE 5		
	DEFERRED TAX LIABILITIES		
5890.75	Deferred tax liabilities arising on account of depreciation		8400.79
8.33	Less: Deferred tax assets arising on account of disallowance of expenses		--
<u>5882.42</u>			<u>8400.79</u>
	TOTAL		



As at 31.3.2009 (Rs in lakhs)		As at 31.3.2010 Details Total (Rs in lakhs)	
	SCHEDULE 7		
	INVENTORIES		
	(As Certified by Managing Director)		
2078.74	Stores and spare parts		2334.73
3.02	Loose tools		3.75
	Finished Goods :		
23158.95	Sugar	16444.06	
846.23	Molasses	935.81	
8.39	Bagasse	37.69	
511.71	Granite Products	320.73	
662.46	Industrial Alcohol	801.71	
1.78	Bio-Compost	2.43	
25189.52			18542.43
	Process Stock :		
245.42	Sugar	669.66	
47.06	Molasses	99.96	
--	Granite Products	31.20	
17.86	Press mud	28.66	
310.34			829.48
	Raw material stock :		
--	Raw Sugar	3785.66	
230.01	Granite Blocks	383.69	
891.12	Molasses	716.02	
3.82	Press-mud	2.63	
40.89	Bio-products	23.42	
1165.84			4911.42
	Others:		
10.77	Fertilisers & Chemicals		35.65
28758.23	TOTAL		26657.46
	SCHEDULE 8		
	SUNDRY DEBTORS		
	(Unsecured - considered good)		
1727.77	Exceeding six months		86.55
5227.27	Other debts		4404.93
6955.04	TOTAL		4491.48
	SCHEDULE 9		
	CASH AND BANK BALANCES		
26.98	Cash on hand		82.62
	Balances with Scheduled Banks :		
439.52	in Current Accounts		398.66
39.10	in Deposit Accounts		33.88
44.10	in Un-paid Dividend Accounts		43.07
549.70	TOTAL		558.23



As at 31.3.2009 (Rs in lakhs)		As at 31.3.2010 Details Total (Rs in lakhs)	
	SCHEDULE 10		
	OTHER CURRENT ASSETS		
3.31	Standing crop (at cost)		2.56
0.43	Stock of stamps		0.37
13.69	Interest receivable		13.39
2083.25	Government subsidies receivable		1856.89
654.66	Interest subsidies receivable		671.00
36.44	Income receivable		12.84
<u>2791.78</u>	TOTAL		<u>2557.05</u>
	SCHEDULE 11		
	LOANS AND ADVANCES		
	(Unsecured - considered good - recoverable in cash or in kind for value to be received)		
1422.11	Advance for purchases and capital expenses		2406.88
1880.07	Other advances		2658.70
113.44	Deposits with State/Central Governments etc.,		159.10
240.97	Prepaid expenses		259.04
6478.11	Advance payment of Income Tax		6648.10
1148.32	MAT Credit Entitlement		2034.99
271.64	Income tax deducted at source		212.82
<u>11554.66</u>	TOTAL		<u>14379.63</u>
	SCHEDULE 12		
	CURRENT LIABILITIES AND PROVISIONS		
	A. CURRENT LIABILITIES		
6602.08	Purchases and Services	12294.27	
2818.83	Expenses	2380.68	
82.98	Advance from Customers	94.07	
163.27	Others	98.80	
816.70	Purchase tax payable	898.29	
44.10	Unpaid Dividend	43.07	
1299.49	Interest accrued but not due on loans	1066.87	
<u>11827.45</u>			16876.05
	B. PROVISIONS		
1310.11	Proposed Dividend	1143.97	
222.65	Tax on Proposed Dividend	194.42	
5230.79	Income-tax	5852.65	
<u>6763.55</u>			7191.04
<u>18591.00</u>	TOTAL		<u>24067.09</u>



Year ended 31.3.2009 (Rs in lakhs)	Year ended 31.3.2010		
	Details	Total	
		(Rs in lakhs)	
	SCHEDULE 13		
	SALES		
49454.30	Sugar		67519.98
1228.04	Molasses		--
3873.97	Granite Products		4451.50
7681.34	Industrial Alcohol		9480.20
262.13	Bio-Compost		306.35
9389.57	Power		8354.29
20.19	Bio-Diesel		10.97
	Others:		
89.77	Fertilisers & Chemicals		71.10
3.33	Bio-products		30.47
<u>72002.64</u>	TOTAL		<u>90224.86</u>
	SCHEDULE 14		
	STOCK ADJUSTMENT		
	A. Opening Stock :		
26880.95	Sugar	23158.95	
216.69	Molasses	846.23	
58.10	Bagasse	8.39	
459.95	Granite Products	511.71	
159.87	Industrial Alcohol	662.46	
2.69	Bio-Compost	1.78	
	Process stock :		
303.65	Sugar	245.42	
5.31	Molasses	47.06	
26.37	Granite Products	--	
34.70	Press-mud	17.86	
	Raw material:		
357.18	Granite Blocks	230.01	
204.71	Molasses	891.12	
5.35	Press-mud	3.82	
30.31	Bio-products	40.89	
	Others:		
2.16	Fertilisers & Chemicals	10.77	
<u>28747.99</u>			<u>26676.47</u>
	B. Closing Stock :		
23158.95	Sugar	16444.06	
846.23	Molasses	935.81	
8.39	Bagasse	37.69	
511.71	Granite Products	320.73	
662.46	Industrial Alcohol	801.71	
1.78	Bio-Compost	2.43	



Year ended 31.3.2009 (Rs in lakhs)		Year ended 31.3.2010 Details Total (Rs in lakhs)	
SCHEDULE 14 cont..			
Process stock:			
245.42	Sugar	669.66	
47.06	Molasses	99.96	
--	Granite Products	31.20	
17.86	Press-mud	28.66	
Raw material :			
--	Raw Sugar	3785.66	
230.01	Granite Blocks	383.69	
891.12	Molasses	716.02	
3.82	Press-mud	2.63	
40.89	Bio-products	23.42	
Others:			
4.09	Fertilisers & Chemicals	35.65	
<u>26669.79</u>			<u>24318.98</u>
<u>(2078.20)</u>	(B MINUS A)		<u>(2357.49)</u>
SCHEDULE 15			
OTHER INCOME			
--	Contract receipts		4.45
19.21	Dividend		14.80
302.58	Interest receipts (TDS - Rs.38.26 Lakhs)		335.18
23.63	Agricultural income		26.82
129.42	Import Licence receipts		96.53
--	Carbon Credit Sale Income		132.79
1198.34	Subsidies from Government		--
--	Exchange Fluctuation		105.05
53.85	Miscellaneous income		180.85
--	Profit on Sale of investments		1.46
<u>1727.03</u>	TOTAL		<u>897.93</u>
SCHEDULE 16			
RAW MATERIALS PURCHASED			
29142.15	Sugarcane price		25735.80
880.88	Purchase Tax		856.26
129.33	Sugarcane cess		110.23
--	Raw Sugar		13645.98
3083.35	Molasses		2244.09
1063.49	Granite Products		397.10
21.92	Bio-seeds		2.32
3.60	Press-mud		3.60
<u>34324.72</u>	TOTAL		<u>42995.38</u>



Year ended 31.3.2009 (Rs in lakhs)		Year ended 31.3.2010 Details (Rs in lakhs)	Total
	SCHEDULE 17		
	MANUFACTURING AND OTHER EXPENSES		
17.11	Purchase of Fertilisers & Chemicals		70.24
1981.41	Consumption of stores and spares		1379.42
994.09	Power and fuel		1489.84
71.13	Bagasse for Co-Generation		0.13
3874.03	Other Fuel for Co-Generation		4086.52
80.50	Water charges		70.93
892.16	Packing materials		1019.01
<u>7910.43</u>			
2112.76	Salaries, wages and allowances	2466.41	
138.75	Contribution to Provident and other funds	163.71	
249.72	Staff Welfare expenses	331.62	
<u>2501.23</u>			2961.74
32.24	Rent		41.89
227.47	Rates and taxes		219.45
5.41	Lease / hire charges for equipments		0.03
347.76	Granite processing charges		1444.94
141.78	Insurance charges		175.06
<u>754.66</u>			
	Repairs and maintenance :-		
274.86	Buildings	382.32	
1487.53	Plant and Machinery	1272.91	
225.89	Vehicles	243.23	
68.62	Others	76.35	
<u>2056.90</u>			1974.81
411.68	Effluent disposal expenses		329.05
0.93	Directors' sitting fees		0.96
789.25	Freight and transport		1730.97
264.50	Cane development expenses		350.46
137.90	Travelling expenses		155.97
17.74	Agricultural expenses		21.25
39.82	Printing and Stationery		36.89
42.30	Telephone & Fax charges		41.50
8.09	Advertisement		8.09
111.84	Other Administrative expenses		104.41
678.16	Transport on Outward		283.37
402.37	Selling and distribution expenses		354.31
37.77	Sales commission		19.94



Year ended 31.3.2009 (Rs in lakhs)		Year ended 31.3.2010 Details Total (Rs in lakhs)	
	SCHEDULE 17 cont..		
417.13	Donations		479.96
85.82	Financial and bank charges		81.70
39.68	Legal and professional charges		78.28
10.10	Auditor's Remuneration		19.99
0.41	Cost audit fee		0.50
6.28	Internal audit fees		8.51
455.05	Managerial Remuneration		664.33
386.85	Exchange Fluctuation		--
12.39	Loose tools		5.98
51.84	Provision no longer required		--
1.64	Bad debts written off		0.07
18.75	Loss on Sale/Discard of Fixed Assets		0.27
<u>17651.51</u>	TOTAL		<u>19710.77</u>
	SCHEDULE 18		
	INTEREST		
526.29	- Fixed Loans		479.13
431.85	- Other Loans		51.21
<u>958.14</u>	TOTAL		<u>530.34</u>



SCHEDULE 19

NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

I ACCOUNTING POLICIES

- 1 The accompanying financial statements have been prepared on a going concern basis under the historic cost convention on accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP")
- 2 Fixed Assets : The Fixed Assets are valued/stated at Cost. Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities
- 3 Investments: Investments are accounted at cost. The diminution in the market value of long term investments is recognised when diminution is considered permanent
- 4 Depreciation : Straight line method has been adopted for providing depreciation on fixed assets as per the rates prescribed in Schedule XIV to the Companies Act 1956, other than for Co-Generation Division and Wind Energy Division. For the assets of Co-Generation Division and Wind Energy Division depreciation has been provided under written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. For additions and deletions depreciation is provided from to the date of addition/deletion on pro-rata basis. Depreciation on asset additions costing Rs.5000/- or less is provided at the rate of 100%
- 5 Valuation of Inventory

(I) Finished Goods <ul style="list-style-type: none"> Sugar Granite Blocks Polished Granite slabs tiles and Monuments Molasses Bagasse Industrial Alcohol Fusel Oil Bio-compost 	}	At weighted average cost or Net Realisable value whichever is lower
Sawn Granite slabs and process stock	-	At estimated cost or net realisable value whichever is lower
Raw material, consumables, stores & spares and others	}	At weighted average cost or Net Realisable value whichever is lower

(II) The cost for the finished goods and process stock is inclusive of cost of purchase, cost of conversion Excise duty, cess if any and other costs incurred in bringing the inventories to their present location and condition
- 6 Revenue Recognition: All Income and Expenses are accounted on accrual basis. The turnover is accounted without considering Inter-division transfers for own consumption
- 7 Foreign Currency Transactions : Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the balance sheet date are reported using the closing rate or at the rate that is likely to realised from / required to disburse. The gain or loss due to increase or decrease in value of reporting currency due to fluctuations in rates of exchange are recognised in the profit and loss account.
- 8 Provision, Contingent liabilities & Contingent assets : Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but



are shown by way of notes attached to and forming part of accounts. Contingent assets are neither recognised nor disclosed in the financial statements

- 9 Impairment of assets are assessed as at the close of each financial year and appropriate provision if any, are recognised and given effect to in the Accounts
- 10 Gratuity liability to the Employees on actuarial basis has been accounted in full. The company has opted for Life Insurance Corporation of India Group Gratuity Scheme and premium demanded by LIC upto 31.3.2010 has been accounted for and paid
- 11 Current tax is determined at the current rates of Income Tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961
- 12 Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws that have been substantially enacted as at the balance sheet date. The deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that these would be realised in future
- 13 Government grants are recognised based on the reasonable assurance that the company will comply with the conditions attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognised on a systematic basis in the profit and loss account over the periods necessary to match them with the related costs which they are intended to compensate and the grants have been adjusted against the related expenses
- 14 The segment reporting is in line with the accounting policies of the company. Inter segment transactions have been accounted for, based on the price which has been arrived at considering cost and market price. Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable with the respective segments. Business segments are identified on the basis of the nature of products, the risk/return profile of individual business, the organisational structure and the internal reporting system of the company
- 15 The company's significant leasing arrangements are operating leases and cancelable in nature. The lease rentals paid/received under such agreements are accounted in the profit and loss account
- 16 Employee benefits : Provident Fund/Pension Fund and Gratuity liability are defined contribution schemes and contributions are charged to profit and loss account of the year in which the contributions to the respective funds are due. Short term employee benefits including accumulated compensated absences are provided for, based on the expected obligation on an undiscounted basis
- 17 The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the profit and loss account. The Excise Duty appearing in the profit and loss account as an expenditure, represents excise duty provision for difference between opening and closing stock of finished goods
- 18 Borrowing cost which are directly attributable to the construction of qualifying assets are capitalised as a part of the cost of the asset



II. OTHER INFORMATION

1. SECURED LOANS

Name of the Banks/ Financial Institution	Particulars of Loan	Security
<p>Punjab National Bank Consortium Consists of Punjab National Bank Bank of Baroda Canara Bank The Federal Bank Ltd The Karur Vysya Bank Ltd Union Bank of India Indian Overseas Bank State Bank of Travancore State Bank of India State Bank of Hyderabad & Bank of India</p>	<p>Cash Credit and Other Working Capital Limits/ Demand Loan aggregating to Rs. 20589.07 Lakhs sanctioned to the Company's Sugar Division</p>	<p>Hypothecation of current assets of the Company's three sugar units, viz Unit-I situated at Alathukombai Village, Sathyamangalam Taluk, Erode District in the State of Tamilnadu, Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District and Unit-III situated at Kunthur Village, Kollegal Taluk, Chamrajanagar District in the State of Karnataka viz Stocks of raw materials, Stocks in Process, Semi-finished and finished goods, including Sugar, Raw Sugar, Sugar Processed out of Raw Sugar, Molasses, Gunny bags and stores & spares not relating to Plant and Machinery (consumable stores and spares), Bills Receivables and book debts and all other movable block assets both present and future wherever situate.</p> <p>These Loans are further secured as and by way of third charge on the immovable properties of the company's three sugar units viz Unit-I situated at Alathukombai Village, Sathyamangalam Taluk, Erode District in the State of Tamilnadu, Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District and Unit-III situated at Kunthur Village, Kollegal Taluk, Chamrajanagar District in the State of Karnataka</p>
<p>Punjab National Bank & State Bank of India</p>	<p>Packing Credit Limit and other Working Capital limits aggregating to Rs 870 lakhs sanctioned to the Company's Granite Processing Division</p>	<p>Hypothecation of Current Assets of Granite Processing Division of the company viz Raw Materials, Stock in process Finished Granite Products, consumable stores and Spares, Bills Receivables and book debts both present and future</p> <p>A second mortgage and charge on the immovable and movable properties</p>



Name of the Banks/ Financial Institution	Particulars of Loan	Security
Canara Bank & The Lakshmi Vilas Bank Ltd	Cash Credit Loans aggregating to Rs 180 Lakhs sanctioned to the Company's Distillery Division at Tamilnadu	<p>of the company's Granite processing unit (both present and future) situated at Alathukombai Village, Sathyamangalam Taluk, Erode District in the State of Tamilnadu</p> <p>Hypothecation of Current Assets of Company's Distillery Unit in Tamilnadu viz raw materials, molasses, furnace oil, stock in process, finished goods, consumable stores and spares, bills receivables and book debts both present and future</p> <p>A second mortgage and charge on the immovable and movable properties of Distillery Unit situated at Sinnapuliyur and Periapuliyur Villages, Bhavani Taluk, Erode District in the State of Tamilnadu</p>
Government of India	Sugar Development Fund Loan of Rs 1800 Lakhs	Second mortgage on lands admeasuring 234.28 1/2 acres and buildings and structures thereon of Sugar Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District in the State of Karnataka and second charge by way of hypothecation of all the movable properties of the company's Sugar Unit-II
Government of India	Sugar Development Fund Loan of Rs 1550.78 Lakhs	Second mortgage on lands admeasuring 155.71 1/2 acres and buildings and structures thereon of Sugar Unit-I situated at Alathukombai Village Sathyamangalam Taluk, Erode District in the State of Tamilnadu and exculsive second charge by way hypothecation of all the movable properties of the company's Sugar Unit-I



Name of the Banks/ Financial Institution	Particulars of Loan	Security
Government of India	Sugar Development Fund Loan of Rs 1590 Lakhs	<p>Second charge on the whole of the movable properties of the company pertaining to its sugar and Co-generation units situated at Alaganchi Village, Nanjangud Taluk in the State of Karnataka including the company's movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (Save and except book debt)</p> <p>Second mortgage on lands admeasuring 234.28 1/2 acres and buildings thereon pertaining to the company's Sugar Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District, in the State of Karnataka</p>
Punjab National Bank	Letter of Guarantee obtained in favour of Government of India for Sugar Development Fund Loan of Rs1240 Lakhs	<p>Hypothecation of Plant and Machinery, spares, tools and other movable assets forming part of the block assets, both present and future of the company's Distillery Unit situated at Alaganchi Village, Nanjangud Taluk, Mysore District in the State of Karnataka</p> <p>Mortgage on lands admeasuring 47.16 acres pertaining to the Company's distillery Unit situated at Alaganchi Village, Nanjangud taluk, Mysore District in the State of Karnataka and all plant and machinery attached thereto</p>
State Bank of India	Term Loan of Rs2240 Lakhs, with an option to convert it as FCNR (B) term Loan with swing option at a latter date	Hypothecation of Suzlon make 7 Wind Electric Generators of 1.25 MW each installed at Irukkandurai, Karunkulam and Radhapuram Villages, Radhapuram Taluk, Thirunelveli District, in the State of Tamilnadu



Name of the Banks/ Financial Institution	Particulars of Loan	Security
<p>Punjab National Bank Consortium Consists of Punjab National Bank Bank of Baroda Canara Bank The Karur Vysya Bank Ltd Union Bank of India Indian Overseas Bank State Bank of Travancore State Bank of India State Bank of Hyderabad & Bank of India</p>	<p>Term Loan of Rs.4762.50 Lakhs</p>	<p>Mortgage on lands admeasuring 14 acres pertaining to the company's wind mill division situated at Irukkandurai, Karunkulam and Radhapuram Villages, Radhapuram Taluk, Thirunelveli District in the State of Tamilnadu</p> <p>Residual third charge on all fixed assets forming part of block assets of the company's Sugar Units viz Unit-I situated at Alathukombai Village, Sathyamangalam Taluk, Erode District in the State of Tamilnadu, Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District and Unit-III situated at Kunthur Village, Kollegal Taluk, Chamrajanagar District in the State of Karnataka</p> <p>Residual third mortgage on land and buildings of the company's sugar units viz Unit-I situated at Alathukombai Village, Sathya mangalam Taluk, Erode District in the State of Tamilnadu, Unit-II situated at Alaganchi and Mallupura Villages, Nanjangud Taluk, Mysore District and Unit-III situated at Kunthur Village, Kollegal Taluk, Chamrajanagar District in the State of Karnataka</p>
<p>Axis Bank Ltd</p>	<p>Term Loan of Rs 7000 Lakhs</p>	<p>Hypothecation of movable plant and machinery, current assets and also book debts of the Co-generation Plant in Sugar Unit-IV of the company situated at Kolundampattu Village, Thandrapattu Taluk, Thiruvannamalai District in the State of Tamilnadu</p>



- 2 Sugar Development Fund Loan of Rs. 134.95 Lakhs (Rs.134.95 Lakhs) is guaranteed by State Bank of Travancore on Counter guarantee of the company. The Sugar Development Fund Loan of Rs.1096.50 Lakhs (Rs.1096.50 Lakhs) is Guaranteed by Punjab National Bank
- 3 (a) The company has not received information from vendors regarding their status under micro,small and medium enterprises Development Act,2006, and disclosures relating to their outstanding amounts and interest has not been made
(b) Amount credited to Investors Protection Fund as on 31.03.2010 is Rs. Nil (Nil)
- 4 Estimated amount of contracts remaining to be executed on capital account not provided for is Rs. 2284.66 Lakhs (Rs. 13213.25 lakhs)
- 5 The annual increase in the rate of power charges for supplies made from 20 MW Cogeneration Plant at Alathukombai Village, Sathyamangalam Taluk, Erode District Tamilnadu to Tamilnadu Electricity Board as prescribed in the Power Purchase Agreement entered, has not been provided in the books, considering the uncertainty in the realisation of the same
- 6 Contingent Liabilities
 - (a) The company has preferred a Writ Appeal before the Division Bench of the Hon'ble High Court, Madras challenging the Order pronounced in Writ Petition No. 4030/2002 dated 28.02.2006 in connection with increase in rate of water charges and the method of computation of water charges pursuant to the G.O. No.474 dated 13.11.2001 for the water drawn for industrial purposes. The approximate amount under dispute is Rs. 344.01 Lakhs (Rs. 336.19 Lakhs)
 - (b) Sugar Unit-I at Sathyamangalam was permitted to sell 100% of the sugar production as free Sugar for a period of 8 years from 1985-86 Sugar season. Chief Director (Sugar), Directorate of Sugar, Department of Food, New Delhi, has restricted the entitlement of free sale Sugar Incentive to 2,75,000 quintals production per season by a subsequent notification. A Writ Petition has been filed in the Madras High Court Challenging the restriction imposed and interim injunction has been obtained. By virtue of injunction order the entire production was sold as Free Sugar. The approximate unprovided quantum under dispute is Rs. 683.35 Lakhs (Rs.683.35 lakhs)
 - (c) Sugar Unit-I at Sathyamangalam was allowed to sell 100% of the Sugar production as free sugar for 8 years from 1985-86 Sugar season and pay excise duty on incentive sugar as applicable to levy sugar and to retain the difference in excise duty between levy and free sale sugar. In respect of incentive sugar sold by Unit-I from 20.09.1991 to 31.01.1994, the Central Excise Department has issued show cause notices to the Company to show cause why the difference of Rs.33/- per quintal being the difference between duty on levy sugar and free sugar should not be demanded from the company. The company has filed Writ Petitions in Madras High Court and obtained an interim injunction against the show cause notices. The excise duty in dispute is Rs.149.99 lakhs (Rs 149.99 lakhs)
 - (d) The Entry Tax of Rs 268.80 lakhs (Rs 257.58 Lakhs) on Inter-state purchase of rough blocks is disputed
 - (e) The company has received a demand for payment of excise duty for Rs.148.43 lakhs on the machineries purchased for Co-generation plant which have been cleared by the manufacturers based on the certificates alleged to have been forged by an Official in the Ministry of Finance. The company has remitted the amount under protest. The company opted for obtaining a valid certificate for which steps have been taken through a writ petition filed in Hon'ble High Court of Madras



BANNARI AMMAN SUGARS LIMITED

- (f) The company has been asked to pay Electricity Tax of 10 Paise per unit with effect from 16th June 2003 for the electricity consumed from own captive power generators which has been disputed by filing a Writ petition before the Hon'ble High Court of Madras. The approximate quantum under dispute is Rs 173.82 Lakhs (Rs 149.70Lakhs)
- (g) Erstwhile Maheswara Sugars Limited has appealed against a Provident Fund demand of Rs.52.49 Lakhs (Rs.52.49 Lakhs). The dispute is pending in the Provident Fund Tribunal, Delhi
- (h) Canara Bank has extended bank guarantee for Rs 1 Crore on behalf of the company to the Chief Director (Sugar), Directorate of Sugar, Ministry of Consumer Affairs, Food and Public Distribution, Government of India towards completion of setting up of sugar factory at Thandampattu Taluk, Tamil Nadu State within the stipulated time as per the Sugarcane (Control) Order, 1966
- (i) The company has preferred an appeal before the Commissioner of Income Tax (Appeals); challenging the order of Assistant Commissioner of Income Tax in connection with disallowance of deduction under section 80IA of the Income Tax Act, 1961 for the Assessment year 2007-08. The quantum under dispute is Rs.637.06 Lakhs
- (j) The company has an obligation under EPCG Scheme to export sugar of a value of USD 65,15,158 over a period of 8 years reckoned from the financial year 2009 - 10 and to export granite of a value of USD 23,48,430 over a period of 8 years reckoned from the financial year 2008-09

7 The details of investments are **as under**

	Face value Rs	Cost Rs	Market value Rs
I UNQUOTED - LONG TERM			
A GOVERNMENT			
i) Kisan Vikas Patra*	40000 (40000)	40000 (40000)	
B SHARES			
i) Bannari Amman Sugars Employees' Co-operative Stores Limited	60810 (45000)	60810 (45000)	
ii) 150000 Equity shares of Bannari Infotech Private Limited of Rs 10 each	1500000 (1500000)	1500000 (1500000)	
TOTAL - UNQUOTED	1600810 (1585000)	1600810 (1585000)	
II QUOTED - LONG TERM			
A SHARES			
i) 1125000 Equity shares of Shiva Texyarn Limited of Rs10 each	11250000 (11250000)	30000000 (30000000)	37518750 13050000
ii) 84375 Equity Shares of Sakthi Finance Limited of Rs10 each	843750 (843750)	3009375 (3009375)	1027688 (454781)
iii) 10000 Equity Shares of Bank of Baroda of Rs10 each	100000 (100000)	850000 (850000)	6390500 (2345500)



	Face value Rs	Cost Rs	Market value Rs
iv) 73400 Equity Shares of Indrapratha Medical Corporation Limited of Rs 10 each	734000 (734000)	734000 (734000)	3317680 (2044190)
v) 14300 Equity Shares of Indian Overseas Bank of Rs.10 each	143000 (143000)	343200 (343200)	1314885 (650650)
vi) 38000 Equity Shares of DCM Shriram Industries Limited of Rs 10 each	380000 (860000)	4422183 (10008117)	3402900 (4067800)
T O T A L - QUOTED	13450750 (13930750)	39358758 (44944692)	52972403 (22612921)
T O T A L (UNQUOTED & QUOTED)	15051560 (15515750)	40959568 (46529692)	52972403 (22612921)
Less: Provision for diminution in value of investment in respect of item No. II A (i) & III (i)		1981688 (2554594)	
	15051560 (15515750)	38977880 (43975098)	

* Kisan Vikas Patra of Rs. 40,000/- have been pledged with State Government Authorities

8 (a) There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date

(b) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under

Particulars	As at 31.3.2010				As at 31.3.2009		
	US DOLLAR	POUND STERLING	EURO	JAPANESE YEN	US DOLLAR	POUND STERLING	EURO
Loan outstanding	1830000.00	Nil	Nil	Nil	3666979.22	Nil	Nil
Receivables	687344.80	Nil	254790.34	Nil	645383.15	Nil	33377.06
Payables	299107.50	36000.00	67909.60	Nil	21850.50	19500.00	42845.20
Advance from Customers	Nil	Nil	Nil	Nil	9988.34	Nil	Nil
Advance for Purchase	166978.00	205000.00	1069.70	617500.00	530478.00	578500.00	949.71

9 Defined Contribution Plan

Contribution made by the company to defined contribution plan which are recognised and charged to profit and loss account during the year are as under



	For the Year Ended	
	31.3.2010	31.3.2009
	(Rs in Lakhs)	
Provident Fund	155.24	130.09
Family Pension Fund	8.50	8.24
Employees State Insurance	1.22	1.87
Employees Group Gratuity	80.71	62.45

10 Borrowing cost capitalised during the year is Rs 457.28 Lakhs (Rs 219.41 Lakhs)

11 Disclosure pursuant to Accounting Standard 28 (AS 28) on Impairment of assets - During the year, the company had reviewed the carrying value of assets for finding out impairment if any. The review has revealed that there is no impairment as per AS 28

12 Amount due from Directors is Rs Nil (Nil). Maximum amount due from Directors during the year is Nil (Nil)

13 Amounts due from Officers of the Company is Rs. 11.72 Lakhs (Rs.5.73 Lakhs). Maximum amount due from Officers of the Company during the year is Rs 12.48 Lakhs (Rs 9.31 Lakhs)

14 Details of Audit Fees

	For the Year Ended	
	31.3.2010	31.3.2009
	(Rs in Lakhs)	
Audit Fees	5.00	5.00
For Tax Representation	11.51	1.80
For Tax Audit	0.50	0.50
For Certification	1.95	1.68
For Others	0.18	0.18
Service Tax	0.85	0.94

15 Details of remuneration and perquisites to Directors

(i) Calculation of Net Profit under Section 309 of the Companies Act for the purpose of payment of Commission to Managing Director and Joint Managing Director

	For the Year Ended	
	31.3.2010	31.3.2009
	(Rs in Lakhs)	
Net profit as per Profit & Loss A/c	19973.77	13189.51
ADD : Commission to Managing Director @ 2% on Net Profit	411.80	271.95
Commission to Joint Managing Director @ 1% on Net Profit	205.90	135.97
	<u>20591.47</u>	<u>13597.43</u>
LESS : Profit on sale of Investments	1.46	--
Net profit under Section 309 of the Companies Act	<u>20590.01</u>	<u>13597.43</u>
Commission to Managing Director	411.80	271.95
Commission to Joint Managing Director	205.90	135.97



(ii) Particulars of remuneration and perquisites to Directors

	For the Year Ended	
	31.3.2010	31.3.2009
(Rs in Lakhs)		
Managing Director		
Salary	18.00	18.00
Commission	411.80	271.95
Contribution to Employee's Provident Fund	2.16	2.16
Perquisites	10.39	11.34
Total	<u>442.35</u>	<u>303.45</u>
Joint Managing Director		
Salary	9.00	9.00
Commission	205.90	135.97
Contribution to		
- Family Pension Fund	0.06	0.06
- Employee's Provident Fund	1.02	1.02
Perquisites	6.00	5.55
Total	<u>221.98</u>	<u>151.60</u>

16 DISCLOSURE REPORT UNDER AS15 [REVISED 2005] - FOR LONG TERM COMPENSATED ABSENCES

	31.3.2010	31.3.2009
I PRINCIPAL ACTUARIAL ASSUMPTIONS [Assumption]		
Discount Rate	8.00%	7.00%
Expected return on Assets	--	--
Salary increases	7.50%	5.00%
Withdrawals rates	7.00%	5.00%
A NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET	(Rs in Thousand)	
Present value of Defined Benefit Obligation	9454	9762
Fair Value of Plan Assets	--	--
Funded Status [(Surplus/(Deficit))]	(9454)	(9762)
Unrecognised Past Service Costs	--	--
Net Asset / (liability) Recognised In Balance Sheet	(9454)	(9762)
B DISCLOSURE OF EMPLOYER EXPENSE		
COMPONENTS OF EMPLOYER EXPENSE		
Current Service Cost (including risk Premi. for fully insured benefits)	361	1629
Interest Cost	712	568
Expected Return on Assets	--	--
Curtailment Cost /(Credit)	--	--
Settlement Cost / (Credit)	--	--
Past Service Cost	--	--
Actuarial (gains) and losses	2351	802
Total Employer Expense Recognised in the P&L	3424	2999



(Rs in Thousand)

	31.3.2010	31.3.2009
C NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
NET ASSET (LIABILITY) RECOGNISED		
Present value of Defined Benefit Obligation	11775	9454
Fair Value of Plan Assets	--	--
Funded Status [Surplus / (Deficit)]	(11775)	(9454)
Unrecognised past Service costs	--	--
Net asset / (liability) recognised in balance sheet	(11775)	(9454)
D CHANGE IN OBLIGATIONS AND ASSETS		
CHANGE IN OBLIGATIONS		
Present value of Defined Benefit Obligation at Beginning of period	9454	9762
Employer Service Cost	361	1629
Interest Cost	712	568
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Plan Amendments	-	-
Acquisitions	-	-
Actuarial (Gains) / Losses	2351	802
Benefits Payments	(1103)	(3307)
Present Value of Defined Benefit Obligation at the end of period	11775	9454
CHANGE IN ASSETS		
Fair value of Plan Assets at Beginning of Period	-	-
Expected Return on Plan Assets (Para 108/109)	-	-
Actuarial Gain / (Loss)	-	-
Assets Distributed on Settlements	-	-
Actual Company contributions Less Risk Premium	1103	3307
Benefit Payments	(1103)	(3307)
Fair value of Plan Assets at Beginning of Period	-	-
E RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
Net Asset/(liability) Recognised in Balance sheet at beginning of the Yr	9454	9762
Employer Expense	3424	2999
Employer Contributions	(1103)	(3307)
Acquisitions / Business Combinations	-	-
Net Asset/(Liability) Recognised in Balance Sheet at end of the year	11775	9454
XI ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR		


17. Segment Information for the year ended 31st March 2010

(Rs in Lakhs)

	Sugar		Power		Distillery		Others		TOTAL	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
PRIMARY										
External Revenue	72129.32	53515.38	16597.07	17864.70	9749.48	7908.82	5785.11	4094.09	104260.98	83382.99
Operating Income	96.53	1327.76	132.79	-	-	-	4.45	-	233.77	1327.76
	72225.85	54843.14	16729.86	17864.70	9749.48	7908.82	5789.56	4094.09	104494.75	84710.75
Intersegment Revenue	6965.39	5201.17	8242.78	8475.13	7.64	8.22	1341.19	215.83	16557.00	13900.35
	65260.46	49641.97	8487.08	9389.57	9741.84	7900.60	4448.37	3878.26	87937.75	70810.40
RESULT										
Segment Result	13699.32	4233.78	4953.73	7993.35	1296.90	1372.62	314.87	491.78	20264.82	14091.53
Add: Un-allocated Income	-	-	-	-	-	-	-	-	239.29	56.12
Operating Profit	-	-	-	-	-	-	-	-	20504.11	14147.65
Less: Interest Expenses	-	-	-	-	-	-	-	-	530.34	958.14
Taxation for the year	-	-	-	-	-	-	-	-	6497.10	1914.04
MAT Credit entitlement	-	-	-	-	-	-	-	-	(886.66)	(707.30)
Profit after tax									14363.33	11982.77
OTHER INFORMATION										
Segment Assets	75963.65	62793.16	18333.48	6755.67	9585.95	10089.50	4772.05	4606.92	108655.13	84245.25
Segment Liabilities	15455.36	10157.13	28.20	23.74	90.61	199.32	209.81	112.86	15783.98	10493.05
Capital Expenditure	18363.23	5970.84	12241.58	7.37	77.55	3558.16	305.22	895.10	30987.58	10431.47
Depreciation	1852.51	1519.47	1208.10	1233.38	521.98	416.51	251.47	238.87	3834.06	3408.23
Non-Cash Expenses other than Depreciation }	-	-	-	-	-	-	-	-	-	-
SECONDARY										
Revenue by Geographical Market										
India	65260.46	45687.49	8487.08	9389.57	9741.84	7900.60	1040.81	1092.50	84530.19	64070.16
Outside India	-	3954.48	-	-	-	-	3407.56	2785.76	3407.56	6740.24

18 Related Party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below

1 Key Management Personnel

Sri S V Balasubramaniam, Chairman and Managing Director
Sri B Saravanan, Joint Managing Director

2 Relatives of Key Management Personnel

Sri S V Balasubramaniam

Relatives

- (1) Sri B Saravanan - Son
- (2) Sri S V Alagappan - Brother
- (3) Dr S V Kandasami - Brother
- (4) Sri S V Arumugam - Brother

Sri B Saravanan

Relatives

- (1) Sri S V Balasubramaniam - Father



3 Enterprises over which Key Management Personnel or their Relatives are able to Exercise Significant Influence

- 1 Annamallai Retreading Company (P) Limited
- 2 A A Tyre Retreading Company (P) Limited
- 3 Anamallais Automobiles (P) Limited
- 4 Bannari Amman Spinning Mills Limited
- 5 Shiva Distilleries Limited
- 6 Vedanayagam Hospital (P) Limited

Related Party Transactions

(Amount in Rupees)

Particulars	Key managerial Personnel	Relatives of Key managerial Personnel	Enterprises as described in (3) above
Purchase of Goods			37,476 (315,872)
Sale of Goods		92,800 (NIL)	566,800,862 (582,576,486)
Receiving Services (Tyre Retreading Charges)			34,210 (63,566)
Rent paid	120,000 (120,000)		240,000 (241,854)
Inter Corporate deposit and other advances			98,00,00,000 (60,00,00,000)
Interest on Inter Corporate deposit			5,03,13,698 (1,84,82,877)

Notes : (1) Remuneration to key management personnel is disclosed in Schedule No. 17 (read with item No. 15 in notes attached to and forming part of accounts)

(2) Sitting fees to Directors is disclosed in Schedule No. 17

(3) Balance outstanding as on 31st March 2010 is Nil (Nil)

19 Earnings Per Share

- (a) Weighted average number of equity shares of Rs.10/-each
 - (i) Number of shares at the beginning of the year
 - (ii) Number of shares at the end of the year
 Weighted average number of equity shares outstanding during the year

- (b) Net Profit after tax available for equity shareholders (Rs in lakhs)

Less : Dividend on Preference Share Capital

- (c) Net Profit after tax available for equity shareholders (Rs in lakhs)

- (d) Basic and diluted earnings per share (Rs)

	2009-10	2008-09
(a) (i)	11439700	11439700
(a) (ii)	11439700	11439700
(a) Weighted average number of equity shares outstanding during the year	11439700	11439700
(b)	14363.33	11982.77
Less : Dividend on Preference Share Capital	--	194.38
(c)	14363.33	11788.39
(d)	125.56	103.05



20. Figures for the previous year have been suitably regrouped wherever necessary to confirm to this year's classification.

21. Additional Information pursuant to part II of Scheduled VI to Companies Act 1956

A Capacity

Product	Licensed Capacity	Installed Capacity
SUGAR		
Sugar Unit - I (Tamilnadu)	Not Applicable	4000 tonnes of cane crush per day
Sugar Unit - II (Karnataka)	Not Applicable	7500 tonnes of cane crush per day
Sugar Unit - III (Karnataka)	Not Applicable	2500 tonnes of cane crush per day
Sugar Unit - IV (Tamilnadu)	Not Applicable	5000 tonnes of cane crush per day
GRANITE SLABS	50000 Sq. Mtrs per annum	50000 Sq. Mtrs per annum
GRANITE TILES	95000 Sq. Mtrs per annum	10000 Sq. Mtrs per annum
MONUMENTS	2500 Sq. Mtrs per annum	2500 Sq. Mtrs per annum
ALCOHOL		
Tamilnadu unit	67.50 Kilo Ltrs per day	67.50 Kilo Ltrs per day
Karnataka unit	60 Kilo Ltrs per day	60 Kilo Ltrs per day
POWER		
Sathyamangalam, Tamilnadu	Not Applicable	20 MWH
Nanjangud, Karnataka	Not Applicable	16 MWH & 20 MWH
Thiruvannamalai, Tamilnadu	Not Applicable	28.80 MWH
Wind mills, Tamilnadu	Not Applicable	8750 KWH
BIO-DIESEL	3000 Ltrs per day	3000 Ltrs per day

B Products	Sugar	Molasses	Bagasse	Fertilisers & Pesticides	Granite Blocks	Polished Granite Slabs	Polished Granite Tiles	Polished Monuments	Alcohol	Fusel Oil	Bio Compost	Power
	Quintals	Tonnes	Tonnes	Tonnes	Cubic Metres	← Granite Slabs →	Square Meters	→	B. Ltrs.	B. Ltrs.	Tonnes	(Lakh Units)
Opening Stock	1661804 (2183311)	29226 (23869)	1690 (10574)	15 (28)	Nil (Nil)	25255 (25809)	463 (430)	Nil (15)	3453864 (1392381)	4217 (9218)	193 (291)	Nil (Nil)
Production	1801620 (2323441)	74337 (119630)	395958 (608804)	Nil (Nil)	10065 (7987)	111658 (93575)	10722 (13488)	Nil (Nil)	26799381 (25742810)	31255 (8900)	22498 (20710)	2662.18 (3010.98)
Purchases	Nil (Nil)	Nil (Nil)	9 (6424)	150 (121)	Nil (Nil)	534 (1218)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	29.87 (23.90)
Purchases (Value Rs in lakhs)	Nil (Nil)	Nil (Nil)	0.13 (59.10)	27.91 (18.19)	Nil (Nil)	22.01 (47.25)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	163.73 (92.10)
Sales/Transfer	2665973 (2844948)	78575 (114273)	393039 (*) 624112 (*)	143 (133)	10042 (7987)	119757 (95348)	10585 (13455)	Nil (15)	26745007 (23681327)	25820 (13901)	22405 (20808)	2692.05 (\$) (3820.06) (\$)
Sales (Value Rs in lakhs)	67519.98 (49454.30)	3172.36 (2990.19)	3773.50 (3421.66)	27.12 (17.39)	2148.86 (1161.86)	3521.02 (3433.09)	122.81 (180.11)	Nil (2.67)	9479.03 (7680.59)	1.53 (1.00)	296.48 (262.24)	10235.08 (12331.81)
Closing stock	797451 (1661804)	24988 (29226)	4618 (1690)	22 (15)	23 (Nil)	17690 (25255)	600 (463)	Nil (Nil)	3508238 (3453864)	9652 (4217)	286 (193)	Nil (Nil)

(*) Includes own consumption of 15681 Tonnes (4307 Tonnes)

(\$) Includes own consumption of 295.44 Lakh Units (327.43 Lakh Units)

Opening stock of raw materials :

Granite Blocks	(Cubic Metres)	700	(1268)
Molasses	(Tonnes)	23949	(16458)
Pressmud	(Tonnes)	15142	(20000)

Closing stock of raw materials :

Raw Sugar	(Tonnes)	14063	(Nil)
Granite Blocks	(Cubic Metres)	1230	(700)
Molasses	(Tonnes)	14539	(23949)
Pressmud	(Tonnes)	10321	(15142)



C Raw Materials Spares and Components Consumed	Purchased	Consumed	% to total consumption
1 Raw materials			
a Sugarcane - Quantity in Tonnes	1433182 (2276689)	1433182 (2276689)	100% (100%)
b Raw Sugar - Quantity in Tonnes	50897 (Nil)	36834 (Nil)	
c Granite Blocks - Quantity in Cubic Metres	4796 (3180)	4266 (3748)	
d Molasses - Quantity in Tonnes	103575 (120468)	112985 (112977)	
e Pressmud - Quantity in Tonnes	23053 (25637)	27874 (30495)	
Imported Value (Rs in lakhs)			
a Sugarcane		Nil (Nil)	Nil (Nil)
b Raw Sugar		9860.32 (Nil)	100% (Nil)
c Granite Blocks		Nil (Nil)	Nil (Nil)
d Molasses		Nil (Nil)	Nil (Nil)
e Pressmud		Nil (Nil)	Nil (Nil)
Indigenous Value (Rs in lakhs)			
a Sugarcane		26702.29 (30152.35)	100% (100%)
b Granite Blocks		1555.21 (1359.24)	100% (100%)
c Molasses		5591.54 (4159.10)	100% (100%)
d Pressmud		7.10 (7.69)	100% (100%)
2 Spares and Components			
Imported Value (Rs in lakhs)		59.63 (61.27)	5.05% (3.56%)
Indigenous Value (Rs in lakhs)		1120.87 (1661.66)	94.95% (96.44%)
3 Value of Imports on C I F basis (Rs in Lakhs)			
a Raw Sugar		9754.39 (Nil)	
b Components and spare parts		476.50 (571.89)	
c Capital goods		2405.32 (182.27)	



			For the Year Ended	
			31.3.2010	31.3.2009
			(Rs in Lakhs)	
22	Earnings in Foreign Exchange			
	F O B Value of Exports		3407.56	6740.25
23	Expenditure in foreign currency			
	Travelling		18.47	6.76
	Sales commission		9.53	22.51
	Subscription		0.51	0.49
	Registration Fees		0.10	0.10
	Interest		109.41	174.47

Signatures for Schedules 1 to 19 above
Vide our Report annexed

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL
Partner
M No 200/18111
Coimbatore
27.5.2010

S V BALASUBRAMANIAM
Chairman & Managing Director

B SARAVANAN
Joint Managing Director

C PALANISWAMY
Company Secretary



Cash Flow Statement for the year ended 31.3.2010

	Year ended 31.3.2010	Year ended 31.3.2009
	<----- (Rs in lakhs) ----->	
A OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	19973.77	13189.51
Add : Adjustments for		
Depreciation	3834.06	3408.23
Interest Charged	530.34	958.14
Loss on sale of Fixed Assets	2.69	21.52
	4367.09	4387.89
Less : Investment Income		
Interest	335.18	302.58
Dividend	14.80	19.21
Profit on sale of Fixed Assets	2.42	2.77
Profit on sale of Investments	1.46	--
	353.86	324.56
Operating Profit before working capital changes	23987.00	17252.84
Add: Adjustments for		
Inventories	2100.77	2288.22
Debtors	2463.56	1392.22
Other Current Assets	(1592.41)	(160.92)
Current Liabilities	5281.22	(699.96)
	8253.14	2819.56
Cash generated from operations	32240.14	20072.40
Less : Income tax	3468.04	1585.60
Cash flow before extraordinary items	28772.10	18486.80
Net cash from operating activities	28772.10	18486.80

Cash Flow Statement for the year ended 31.3.2010 (contd)

	Year ended 31.3.2010	Year ended 31.3.2009
	<----- (Rs in lakhs) ----->	
B INVESTING ACTIVITIES		
Interest Received	335.18	302.58
Dividend Received	14.80	19.21
Purchase of Fixed assets	(24197.81)	(13138.82)
Purchase of Investments	--	(100.28)
Sale of Fixed assets	14.82	24.22
Sale of Investments	57.16	1406.49
Net cash used in investing activities	<u>(23775.85)</u>	<u>(11486.60)</u>
C FINANCING ACTIVITIES		
Increase in Borrowings	(2692.00)	(11686.05)
Increase in Capital	--	(1846.00)
Increase in Reserves	--	--
Interest paid	(762.96)	(1146.52)
Dividends paid (Gross)	(1532.76)	(1131.25)
Net cash from financing activities	<u>(4987.72)</u>	<u>(15809.82)</u>
Net increase in cash and cash equivalents (A+B+C)	8.53	(8809.62)
Opening Cash balance	549.70	9359.32
Closing Cash balance (*)	558.23	549.70
	8.53	(8809.62)

(*) Includes fixed Deposits of Rs. 33.50 Lakhs (Rs.48.50Lakhs) pledged with banks

Vide our Report annexed

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL
Partner
M No 200/18111
Coimbatore
27.5.2010

S V BALASUBRAMANIAM
Chairman & Managing Director

B SARAVANAN
Joint Managing Director

C PALANISWAMY
Company Secretary



Financial Performance - Year Wise

(Rs in lakhs)

Financial Year	Equity Share Capital	Reserve & Surplus	Turnover*	Profit before Depreciation	Depreciation	Net Profit	Dividend on Equity Shares (%)
1985-1986	373.26	85.15	1421.08	247.65	192.32	55.33	15
1986-1987	374.81	150.60	1585.78	258.56	117.68	140.88	15
1987-1989 (18 months)	374.95	558.79	3157.49	743.55	200.87	542.68	25
1989-1990	375.00	821.84	2941.28	479.29	127.04	352.25	18
1990-1991	375.00	1097.53	3035.74	470.31	169.05	301.26	20
1991-1992	375.00	1381.32	4354.55	572.49	244.04	328.45	21
1992-1993	375.00	1526.96	6154.24	623.38	415.35	208.03	21
1993-1994	753.97	3004.49	5502.34	486.04	382.17	103.87	21
1994-1995	953.97	4937.00	12219.55	853.98	403.98	450.00	22
1995-1996	953.97	6107.79	15686.98	1895.45	533.78	1361.67	24
1996-1997	953.97	7201.67	16133.02	1884.43	560.90	1323.53	25
1997-1998	953.97	8704.64	14229.49	2292.81	568.50	1724.31	25
1998-1999	953.97	9737.98	20572.87	2009.33	598.43	1410.60	25
1999-2000	953.97	11071.16	23242.80	2425.92	675.51	1750.41	25
2000-2001	953.97	12728.83	30792.42	3655.88	1710.46	1945.42	27
2001-2002	953.97	12296.57	36158.79	4727.63	1652.41	3075.22	33
2002-2003	953.97	13265.96	34823.17	4429.97	2160.88	2269.09	30
2003-2004	953.97	16192.33	45778.58	7298.47	2705.14	4593.33	36
2004-2005	953.97	20070.14	38318.31	8826.31	3200.10	5626.21	45
2005-2006	953.97	27158.61	49408.86	13878.66	4307.00	9571.66	70
2006-2007	953.97	40572.76	69116.18	14570.19	3734.83	10835.36	70
2007-2008	1143.97	43825.26	60608.73	7397.92	3481.86	3916.06	70
2008-2009	1143.97	54270.49	67404.42	16597.74	3408.23	13189.51	100
2009-2010	1143.97	67301.16	85346.50	23807.83	3834.06	19973.77	100

* Turnover = Net Sales + Closing Stock – Opening Stock

* Excludes inter-segment transfers



Balance Sheet Abstract and Company's General Business Profile

Registration Details

Registration No	L15421TZ1983PLC001358	State Code	181
Balance Sheet	31	3	2010
	Date	Month	Year

Capital raised during the year (Amount in Rs Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)

Total Liabilities	12273826	Total Assets	12273826
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Sources of Funds

Paid-up Capital	114397	Reserves & Surplus	6730116
Secured Loans	1966392	Unsecured Loans	216133

Applications of Funds

Net Fixed Assets	7370463	Investments	38978
Net Current Assets	2457676	Misc Expenditure	NIL
Accumulated Losses	NIL		

Performance of the Company (Amount in Rs Thousands)

Turnover	9022486	Total Expenditure	6627066
Profit before Tax	1997377	Profit after Tax	1436333
Earning per Share in Rs	125.56	Dividend Rate (Rs)	10

Generic Names of Four Principal Products / Services of the Company (as per monetary terms)

Item Code No	17011190
Product Description	WHITE CRYSTAL SUGAR
Item Code No	NOT APPLICABLE
Product Description	POWER – COGENERATION
Item Code No	2207200
Product Description	ALCOHOL
Item Code No	68022310
Product Description	GRANITE BLOCKS & SLABS