



## 27<sup>th</sup> Annual Report 2010-2011



**BANNARI AMMAN SUGARS LIMITED**

**Motto**  
Strive to perform best at all times

### Objectives

Our endeavour is to

- Identify and improve the processes to have a continuous upgradation of the quality of the end products
- Serve in the best interest of cane growers and shareholders
- Maximise productivity by optimising all inputs
- Expand and diversify utilising by-products in a planned manner

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### IMPORTANT COMMUNICATION

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular clarifying that the companies would be in compliance of Section 219(1) of Companies Act 1956 in case copy of Notice, Annual Report etc. is sent by electronic mail to its members. Hence, members who have not registered their e-mail addresses so far are requested to register their e-mail addresses with the depository through their Depository Participants to enable the company to send the Notice, Annual Report etc. through e-mail. Members who hold shares in physical form are requested to register their e-mail address with the Registrar and Share Transfer Agent viz. CAMEO CORPORATE SERVICES LIMITED, CHENNAI.

**Board of Directors**

Sri S V Balasubramaniam      Chairman  
Sri V Venkata Reddy      Vice Chairman  
Sri B Saravanan      Managing Director  
Sri A K Perumalsamy  
Sri E P Muthukumar  
Sri S V Alagappan  
Sri S V Arumugam  
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

**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  
State Bank of Hyderabad  
Bank of India  
The Lakshmi Vilas Bank Limited

**Registered Office**

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

**Registrar and Share Transfer Agent**

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



## Notice to Shareholders

NOTICE is hereby given that the 27th 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 THURSDAY the 15th day of September 2011 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 Balance Sheet as at 31st March 2011 and the audited Profit and Loss Account for the year ended on that date and Directors' Report and the Auditors' Report thereon
- 2 To declare dividend on equity shares
- 3 To appoint a Director in the place of Sri A K Perumalsamy who retires by rotation and is eligible for re-appointment
- 4 To appoint a Director in the place of Sri T Gundan who retires by rotation and is eligible for re-appointment
- 5 To appoint Auditors and fix their remuneration

Coimbatore  
23.5.2011

By Order of the Board  
**C PALANISWAMY**  
Company Secretary

### 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 Share Transfer Books of the company will remain closed from 3.9.2011 to 15.9. 2011 (both days inclusive)
- 4 The dividend if declared will be paid to those members whose names appear on the Register of Members of the company as on 15.9.2011. In respect of the 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 business hours on 2.9.2011
- 5 The company has transferred unclaimed dividends upto the financial year ended 31st March 2003 to General Revenue Account/Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year 2004 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



### Re-appointment of Directors

A brief resume of Directors retiring by rotation and are eligible for re-appointment is given below in terms of clause 49 of the Listing Agreement

**Sri A K Perumalsamy** aged 71 years is associated with the company as Director since 18.5.1984. He has more than 48 years experience in sugarcane cultivation. He is holding 1500 equity shares of Rs10/- each in the company and does not hold any other Directorship

**Sri T Gundan** aged 69 years is associated with the company as Director since 23.6.2008. Sri T Gundan a Senior Cambridge is the Managing Director of Kothagiri Rob Roy Tea Estates Limited and has got rich experience in business. He was a member of Tamilnadu Legislative Assembly. He does not hold any shares in the Company

- Other Directorships**
- 1 Madras Sugars Limited
  - 2 Glenburn Estates and Enterprises Pvt Limited
  - 3 Hotel Jagadeeswari Pvt Limited
  - 4 Ootacamund Gymkhana Club

Sri T Gundan is the Chairman of Audit Committee of Madras Sugars Limited

**Financial Highlights**

(Rs in Lakhs)

Financial Year	2006-07	2007-08	2008-09	2009-10	2010-11
Turnover	69116.18	60608.73	67404.42	85346.50	<b>108067.29</b>
Other Income	537.69	2182.59	1727.03	897.93	<b>773.12</b>
Total Income (incl Stock Adj)	69653.87	62791.32	69131.45	86244.43	<b>108840.41</b>
Raw Materials	38329.45	37868.60	34324.72	42995.38	<b>65666.01</b>
Traded Goods	1350.20	21.45	--	--	<b>33.95</b>
Excise Duty on Stock	241.96	712.75	(400.66)	(799.89)	<b>804.92</b>
Overhead & Other Exp	14394.65	16059.92	17651.51	19710.77	<b>27427.63</b>
PBDIT	15337.61	8128.60	17555.88	24338.17	<b>14907.90</b>
Depreciation	3734.83	3481.86	3408.23	3834.06	<b>7083.08</b>
Interest	767.42	730.68	958.14	530.34	<b>2215.65</b>
Pre-Tax Profit	10835.36	3916.06	13189.51	19973.77	<b>5609.17</b>
Tax	1806.54	(318.20)	1206.74	5610.44	<b>303.03</b>
Post-Tax Profit	9028.82	4234.26	11982.77	14363.33	<b>5306.14</b>
Equity Capital	953.97	1143.97	1143.97	1143.97	<b>1143.97</b>
Reserves	40572.76	43825.26	54270.49	67301.16	<b>71273.33</b>

Turnover = Net Sales + Closing Stock – Opening Stock



## Key Financial Ratios

Financial Year	2006 - 07	2007 - 08	2008 - 09	2009 - 10	2010 - 11
<b>Financial Ratios</b>					
Other Income/Turnover %	0.78	3.60	2.56	1.05	<b>0.72</b>
Overheads/Turnover %	20.83	26.50	26.19	23.09	<b>25.38</b>
Interest/Turnover %	1.11	1.21	1.42	0.62	<b>2.05</b>
PBIDT/Turnover %	22.19	13.41	26.05	28.52	<b>13.80</b>
NP/Turnover %	15.68	6.46	19.57	23.40	<b>5.19</b>
Cash Profit/Turnover %	21.08	12.21	24.62	27.90	<b>11.74</b>
ROCE (PBIDT/Average Capital Employed) %	28.08	11.35	21.55	28.60	<b>13.87</b>
ROCE (PBIT/Average Capital Employed) %	21.24	6.49	17.36	24.09	<b>7.28</b>
Capital Output Ratio (Turnover / Average Capital Employed)	126.52	84.62	82.73	100.29	<b>100.55</b>
<b>Balance Sheet Ratios</b>					
Debt Equity Ratio (Long Term Debt to Equity)	0.26	0.31	0.22	0.23	<b>0.14</b>
Debtors' Turnover (Days)	38	50	38	19	<b>34</b>
Inventory Turnover (Days)	106	167	136	79	<b>161</b>
Current Ratio	2.76	2.37	1.63	1.72	<b>2.07</b>
Quick Ratio	1.43	1.24	0.80	1.04	<b>0.84</b>
Average Turnover Ratio (Total Revenue / Total Assets)	1.37	0.71	0.81	0.87	<b>0.81</b>
<b>Per Share Data</b>					
EPS (Rs)	89.51	35.31	103.05	125.56	<b>46.38</b>
CEPS (Rs)	127.45	65.75	132.84	159.07	<b>108.30</b>
Dividend on Equity (Rs)	7.00	7.00	10.00	10.00	<b>10.00</b>
- Pref (Rs)	3.00	9.00	9.00	--	--
Dividend (Rs in Lakhs)	1001.66	1131.25	1532.76	1338.39	<b>1333.97</b>
Net Profit after tax (Rs in Lakhs)	9028.82	4234.26	11982.77	14363.33	<b>5306.14</b>
Book Value (Rs)	364.67	393.10	484.40	598.31	<b>633.03</b>

Turnover = Net Sales + Closing Stock - Opening Stock

## Directors' Report

Dear Members

Your Directors have pleasure in presenting the 27th Annual Report together with audited accounts of the Company for the year ended 31st March 2011

(Rs in Lakhs)

Financial Results	Financial Year	
	2010-11	2009-10
Profit for the year before depreciation	12692.25	23807.83
Less : Depreciation	7083.08	3834.06
Profit Before Tax	5609.17	19973.77
Less : Provisions : Income Tax	1114.55	3978.73
MAT Credit Entitlement	(1114.55)	(886.66)
Previous year provision written back	(487.07)	--
Deferred Tax	790.10	2518.37
Profit After Tax	5306.14	14363.33
Add : Surplus brought forward from previous year	1262.45	1731.78
Amount available for appropriation	6568.59	16095.11
<b>Appropriations</b>		
Provision for diminution in value of investment	--	(5.73)
Transfer to General Reserve	4100.00	13500.00
Provision for Proposed Dividend	1143.97	1143.97
Provision for Tax on Dividend	190.00	194.42
Surplus carried over to Balance Sheet	1134.62	1262.45
<b>TOTAL</b>	<b>6568.59</b>	<b>16095.11</b>

### Dividend

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





## Review of Operations

### Sugar Division

	Sugar Unit - I		Sugar Unit - II		Sugar Unit - III*		Sugar Unit - IV#	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
No of days crushed	<b>244</b>	240	<b>278</b>	227	<b>198</b>	--	<b>217</b>	49
Sugarcane crushed (Lakh tonnes)	<b>5.09</b>	5.89	<b>11.85</b>	7.98	<b>3.50</b>	--	<b>5.41</b>	0.46
Raw Sugar Processed (Lakh tonnes)	<b>0.28</b>	0.14	<b>0.33</b>	0.22	--	--	<b>0.06</b>	0.007
Recovery (%)	<b>9.99</b>	10.23	<b>10.57</b>	10.23	<b>10.87</b>	--	<b>9.29</b>	9.00
Sugar produced (Lakh quintals)								
- From Cane	<b>5.06</b>	6.04	<b>12.51</b>	8.16	<b>3.75</b>	--	<b>5.03</b>	0.28
- From Raw Sugar	<b>2.70</b>	1.33	<b>3.11</b>	2.14	--	--	<b>0.53</b>	0.06

\*Sugar unit III started its crushing from 30.8.2010

#Sugar unit IV commenced its operations on 27.1.2010

During the year under review the sugar prices remained flat throughout the year at uneconomical levels. The cost of inputs had increased substantially mainly due to steep increase in cane price. The stock of sugar was almost 60% of the total production resulting in increase of carrying cost

### Co-generation of Power

The co-generation plants had generated 409.64 million units of power and exported 291.06 million units of power to grids compared to the generation of 245.58 million units and export of 168.78 million units in the previous year. The increase is due to the full year operation of co-generation plant at Unit-IV at Thiruvannamalai District. The dues on supply of power to the Tamilnadu and Karnataka Government grids are not settled in time and the delay has impacted the working capital finance of the company

### Distillery Division

During the year the distillery units had produced 25.95 million BLtrs of Alcohol as against 26.80 million BLtrs in the previous year

### Granite Division

In the granite processing unit 110667 square metres of granite slabs and 13675 square metres of tiles were produced compared to production of 111658 square metres of granite slabs and 10722 square metres of tiles in the last year

### Wind Mill

Wind Mills had generated 15.12 million units of power and exported 13.27 million units to grid compared to the generation of 16.77 million units and export of 15.18 million units



## Prospects for the Current year 2011 - 2012

It is estimated to crush 30 lakh tones of sugarcane in aggregate. It is estimated to produce 16.5 million BLtrs of alcohol in the Distillery Unit in Tamilnadu and 15.8 million BLtrs of alcohol in Distillery Unit in Karnataka . The working results of the company are expected to be satisfactory

## Fixed Deposit

The company has no fixed deposits as on 31.3.2011

## Directors

Sri A K Perumalsamy and Sri T Gundan Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Sri P L Sivanappan Director of the company who retired at the last Annual General Meeting did not seek re-appointment and hence he was not re-appointed as Director of the company. Your Directors wish to place on record the very valuable services rendered by him during his tenure of office

## 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 2010-2011 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 2010-2011 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 and Banks. 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  
23.5.2011

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 31.3.2011	Experience in Years	Date of Commencement of Employment	Particulars of Last Employment
1	Sri S V Balasubramaniam	Chairman	226.07	B Com ACA, ACS	71	46	9.10.1985	Vice Chairman Sakthi Sugars Limited
2	Sri B Saravanan	Managing Director	150.28	B Com	38	14	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 Managing Director Sri S V Alagappan and Sri S V Arumugam Directors
- 3 Sri B Saravanan is related to Sri S V Balasubramaniam Chairman
- 4 Remuneration comprises of salary commission allowances contribution to Provident Fund and monetary value of perquisites

Coimbatore  
23.5.2011

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
- > Installed electrical heating steam generating system for sulphur melting in sulphur burner station which eliminated the use of 9ATA steam
  - > By changing buffer tank position from 0 Mtr level to 14 Mtr level in Talodura syrup clarification system 20 HP buffer tank syrup pump has become redundant
  - > Aluminum blades of the cooling tower fan were replaced by energy efficient FRP blades
  - > Conventional gear system for mono vertical crystallizers, pug mills & magma mixtures were replaced by planetary gear system
  - > Fanless cooling towers have been installed in the place of 600cum/hr forced draft cross flow cooling towers
  - > Sodium Vapor lamps were replaced by CFL / LED lamps
- (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) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods
- > The approximate energy saving would be 2800 units per day
- (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	700162	1273210
Total Amount (Rs)	3866238	7693168
Rate Per Unit (Rs)	5.52	6.04
(b) Own Generation		
(i) Through Diesel Generator		
Units	332466	358216
Units per Ltr of Diesel Oil	2.83	2.97
Cost per Unit (Rs)	13.30	10.95
(ii) Through Steam Turbine/Generator		
Units	89007143	49561772
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)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Sugar	27.54/Qtl	28.42/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 and Tamil Nadu Agricultural University, Coimbatore
- Maintenance of three tire nursery programme derived from healthy seed plot treated in Aerated Steam Therapy unit to attain higher yield
- Carrying out trails on methods of cultivation suitable for easy mechanization of cane cultivation
- Carrying out trials on various drip irrigation systems & methods

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

- Recently released new variety Co Si (Sc) 7 by Tamil Nadu Agricultural University is being multiplied in our R & D farm
- 100% healthy, disease free seed material is being supplied to all farmers
- Successfully introduced among the farmers mechanization practices like sugarcane planters, mini tractor based weeders, eathing up, trash shredder and sugarcane harvesters
- Minimum and economic usage of water and fertilizers

3 Future Plan of action

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

4 Expenditure on R & D

- Capital : Rs 4077254/-
- Recurring : Rs 1460318/-
- Total : Rs 5537572/-
- 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 15988.83 lakhs
- Total foreign exchange earned : Rs 6935.23 lakhs

Coimbatore  
23.5.2011

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman



## Corporate Governance

### Company's Philosophy on Code of Corporate Governance

The company is committed to maintain 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 Managing Director and Non-Executive Directors. At present 4 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	--	2
Sri V Venkata Reddy	Non-Executive-Independent	2	2	1
Sri B Saravanan	Executive	8	--	1
Sri S V Alagappan	Non-Executive	4	--	--
Sri S V Arumugam	Non-Executive	8	--	1
Sri A K Perumalsamy	Non-Executive-Independent	--	--	--
Sri E P Muthukumar	Non-Executive-Independent	--	--	--
Sri T Gundan	Non-Executive-Independent	2	--	1

Sri P L Sivanappan Director of the company who retired at the last Annual General Meeting did not seek re-appointment and hence he was not re-appointed as Director of the company

### Board Meetings and AGM

During the financial year 5 Board Meetings were convened by giving appropriate notices to the Directors. The meetings were held on 27.5.2010 9.8.2010 6.9.2010 11.11.2010 and 10.2.2011. 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 were 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 6.9.2010 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	5	YES
Sri S V Alagappan	5	YES
Sri S V Arumugam	5	YES
Sri E P Muthukumar	5	YES
Sri A K Perumalsamy	5	YES
Sri T Gundan	4	YES

**Audit Committee**

The Audit Committee consists of following 4 Directors of which 3 are independent. The Committee met 4 times during the financial year at 1212 Trichy Road Coimbatore 641 018 on 27.5.2010 9.8.2010 11.11.2010 and 10.2.2011

Name of the Director	No of Meetings Attended
Sri V Venkata Reddy - Chairman	4
Sri E P Muthukumar - Member	4
Sri S V Arumugam - Member	4
Sri T Gundan - Member	3

**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 Chairman Managing Director and other Directors as and when necessity arises
- Reviewing sitting fees payable to Directors for attending Board Meetings & Committee Meetings etc

All the non-executive Directors are paid a sitting fee of Rs 5000/- for each Board Meeting attended by them

### Details of Shareholding of Non-Executive Directors as on 31.3.2011

Name of the Director	No of Shares held
Sri V Venkata Reddy	26010
Sri E P Muthukumar	1000
Sri A K Perumalsamy	1500
Sri S V Alagappan	NIL
Sri S V Arumugam	NIL
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 16 complaints from the shareholders during the financial year 2010-2011. All the complaints have been resolved to the satisfaction of shareholders. No complaint was pending as on 31.3.2011

### CEO/CFO Certification

The Managing Director and Manager - Finance (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
24 <sup>th</sup>	29.9.2008	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM
25 <sup>th</sup>	23.9.2009	-do-	4.30 PM
26 <sup>th</sup>	6.9.2010	-do-	4.30 PM

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

## Disclosures

- None of the transactions with related parties during the year 2010-2011 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 published in an English and Tamil newspaper. The financial results are also accessible on the website [www.corpfiling.co.in](http://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 Thursday the 15th September 2011
Time	: 4.30 PM
Venue	: Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

### Financial Calendar

Results Announced	: 23rd May 2011
Posting of Annual Report	: On or before 18th August 2011
Last date for receipt of Proxy Forms	: 13th September 2011 by 4.30 PM
Dividend Payment Date	: 24th September 2011
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

3.9.2011 to 15.9.2011 (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 2010 to March 2011 were given below

Month	BSE		SENSEX	
	High (Rs Ps)	Low (Rs Ps)	High	Low
APRIL 2010	934.95	824.20	18047.86	17276.80
MAY	973.95	846.00	17536.86	15960.15
JUNE	940.00	848.20	17919.62	16318.39
JULY	969.00	827.00	18237.56	17395.58
AUGUST	905.00	830.00	18475.27	17819.99
SEPTEMBER	935.00	844.05	20267.98	18027.12
OCTOBER	921.20	866.05	20854.55	19768.96
NOVEMBER	1052.00	820.00	21108.64	18954.82
DECEMBER	917.95	791.20	20552.03	19074.57
JANUARY 2011	890.00	702.05	20664.80	18038.48
FEBRUARY	727.90	635.30	18690.97	17295.62
MARCH	683.95	569.10	19575.16	17792.17

Based on the closing quotation of Rs 580.50 as at 31.3.2011 at the Bombay Stock Exchange the market capitalisation of the company was Rs 664.07 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 2011-2012 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 91% 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, Status change, Registration of Power of Attorney 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 %)
	2006-2007	70
2007-2008	70	
2008-2009	100	
2009-2010	100	
<b>2010-2011</b>	<b>100 (Recommended)</b>	

## Unclaimed Shares

There are 32 share holders in aggregate holding 5216 equity shares unclaimed their share certificates. Steps are being taken to comply with Clause 5 A of the Listing Agreement and to transfer the said shares to a special account viz "UNCLAIMED SHARES SUSPENSE ACCOUNT"



## Shareholding Pattern as on 31.3.2011

Category	No of Shares	%
1. Promoters	6260276	54.72
2. UTI & Mutual Funds	100	-
3. Banks, Financial Institutions & Insurance Companies	264	-
4. Foreign Institutional Investors	23154	0.20
5. Private Corporate Bodies	1235278	10.80
6. Indian Public	3613905	31.60
7. NRI/OCB's	301340	2.63
8. Clearing Members	5383	0.05
<b>Total</b>	<b>11439700</b>	<b>100.00</b>

## Plant Locations

**Sugar Unit I Co-Generation & 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 Sinnapuliyur 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

## Address for Correspondence

Non-receipt of dividend, 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](mailto:shares@bannari.com)

## Management Discussion and Analysis Report

### Indian Sugar Industry

India is one of the largest producers of sugar and the industry consists of co-operative, public and private sector. The sugar production in 2009 - 2010 sugar season (Oct - Sep) exceeded the previous estimates. The trend in domestic supply and demand in the last two sugar seasons are given below

Particulars	2008 - 2009	2009 - 2010
	(in Lakh tonnes)	
Opening Stock as on 1st October	105.00	43.64
Production	145.38	189.12
Imports	24.03	40.80
Total Availability	274.41	273.56
Demand		
- Internal consumption	229.12	213.28
- Exports	1.65	2.35
Closing Stock	43.64	57.93

Source : Indian Sugar Journal April 2011

During 2009 - 10 sugar season Karnataka and Tamil Nadu sugar factories had produced 25.58 lakh tonnes and 12.80 lakh tonnes sugar respectively.

### Indian sugar Price

The Indian sugar prices did not move along with the world sugar prices on account of Government's policies with regard to exports and releases in the local market. Sugar prices remained flat at uneconomical levels throughout the year.

The levy sugar price most of the time is much lower than the free sugar price and the industry subsidizes the supply of sugar to public distribution system. This also has an adverse impact on the performance.

### Sugar Cane Price

The Government of India made a very important amendment in the sugarcane (Control) Order by which Fair and Remunerative Price (FRP) is fixed by the Government of India after taking into consideration the cost of production of sugarcane including the cost of transportation and elements of profits and margins for sugarcane farmers on account of risk.

The FRP fixed by the Central Government for the season 2010 - 2011 is Rs 139.12 per quintal linked to a basic recovery of 9.5% sugar with a premium of Rs 1.46 for every 0.1% point increase in recovery. Since FRP is fixed after taking into consideration of all the relevant factors there must not be any room for any other authority to increase the price already fixed. However both the Tamilnadu and Karnataka governments had advised to pay higher price than FRP fixed by the Central Government. FRP for 2011 - 2012 has been announced fixing the price at Rs 145 per quintal for 9.5% recovery with a premium of Rs 1.53 for every 0.1% increase in the recovery

The raw material cost plays a very vital role in determining the financial performance of sugar companies. Any unreasonable increase in sugarcane price adversely affects the profitability and in the long run it would have impact on the payments to be made to the cane growers

### **Opportunities**

The sugar production in India is expected to be at 250 lakh tonnes in 2010 - 2011 season compared to 189.12 lakh tonnes in 2009 - 2010 season. Sugar plants are expected to function at optimum levels in 2011 - 2012 season also

The Central Electricity Regulatory Commission (CERC) is currently undertaking several positive measures for co-generation. These measures include generic tariff norms for co-generation projects; norms and pricing framework for Renewable Energy Certificates (RECs) and amendment of the provisions of the grid code to ensure smoother off take and transmission of power by utilities. Further State Electricity Regulatory Commissions (SERCs) in some key sugar producing states have also taken proactive measures such as increasing co-generation tariffs, permitting third-party sales, allowing usage of coal in off-season and power off take at preferential rates

Integrated sugar plants are expected to perform satisfactorily

The increased quantity wise consumption of ethanol in petroleum products would benefit the industry immensely depending upon the Government policy with regard to price and implementation

### **Threats**

The Government's policy towards controlling the prices of sugar artificially through export regulations and release mechanism result in financial chocking of the sugar companies. The continued increase of price of sugarcane without correlation to the sugar prices also has adverse impact on the results

With regard to co-generation there are inconsistencies in tariff norms, incentives and regulatory policies of different states. There is no fixed long-term policy

In respect of ethanol revised price fixing and blending policies are yet to be finalized leaving uncertainties for planning

### **Internal Control Systems and their Adequacy**

The areas of operation have been segregated and various checks and controls have been implemented. The checks and controls are reviewed for improvement in each of the operational area on periodical basis. The checks and control system in these areas are considered adequate

### **Human Resources**

Excellent relationship is maintained with employees. The total number of employees of the company as on 31.3.2011 is 1780

### **Corporate Social Responsibility**

Corporate Social Responsibility Voluntary Guidelines 2009 suggests to cover areas such as care for all stake holders, ethical functioning, respect for workers' rights and welfare, respect for human rights, respect for environment and activities for social and inclusive development

Even earlier to the introduction of guidelines your company has been actively implementing various programs covering all these aspects. Your company has always adopted a policy of transparency and accountability. Work place environment in all the factories of the company is probably one of the best in the country. The safety and hygiene are given utmost importance in the work place and related areas. Imparting training is an ongoing process in the company



## Environment Enrichment

- We have undertaken conservation and preservation measures to minimise the impact of our operation on the environment of production units and its surrounding
- The production of sugar from sugarcane generates waste water streams which are of bio-gradable nature and are treated efficiently in the well build anaerobic system leading to Biogas generation. The Biogas thus generated is being utilised for power generation. The treated effluent is settled and utilised for R & D cane farm irrigation and tree plantation
- One of the by-product of sugar manufacture, the press-mud waste find use as farmland manure and in production of nutrient rich Bio-Compost manure
- In the area of distillation, the treated spent wash water along with pressmud waste turns into a valuable bio-compost manure at the full fledged compositing facility established
- All the manufacturing facilities are provided with better environmental management systems with aesthetic green belt environment with tree plantation. Rain water harvesting is not only carried - out at factories but also promote construction of rain water harvesting ponds at surrounding village levels. We supply free tree seedling to promote the green belt movement in the area.
- We have initiated the construction of check dams across the streams flowing from western ghats which forms part of our operational areas to improve ground water level which will ensure better Agriculture
- We are in the process of advocating and giving financial assistance for establishing drip irrigation in sugarcane agriculture which gives better water saving, fertilizer use efficiency and high productivity

## Community Development Programmes

In the areas around the factories several contributions have been made for development of the local community particularly the poor and deserving

- We are establishing rural roads in interior areas in association with local communities for movement of agricultural commodities from the fields to the market destinations
- We conduct field level demonstrations and seminars covering the latest agricultural technologies for the betterment of farming community on regular basis
- Community sanitary are maintained in four villages and some are under construction
- Methane gas plant from human waste has been established and utilised in a common kitchen in nearby colony viz Kumarapalayam colony and drainage water treatment plant been made in the same colony
- Importance has been given to sanitation in schools
- Conducted eye camp for school students
- Appointed 168 teachers to 20 Government Schools for remedial teaching at Sathyamangalam Block in Erode District Anamalai Block in Coimbatore District and Sathanur, Chengam & Thandarampattu Blocks in Thiruvannamalai District
- Special counselling on health, personal and menstrual hygiene to all girl students studying from 7th std to 12th std in Government High and Higher Secondary Schools by the qualified doctors and health nurses
- Distributed learning materials to 1350 students studying in 14 P U Schools in Kadambur hill area and 250 students studying P U School at Thensangampalayam
- Distributed shoes to 105 students studying in St Annis High School in Talavadi Hill Area

All these community programmes were carried through Bannari Rural Foundation, a social wing of Bannari Amman Group



**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 31.3.2011

Coimbatore  
23.5.2011

**S V BALASUBRAMANIAM**  
Chairman

**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 2011, 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

Coimbatore  
23.5.2011

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner

M No 200/18111  
ICAI Firm Regn. No: 003328S



## AUDITORS' REPORT TO SHAREHOLDERS

We have audited the attached Balance Sheet of M/s Bannari Amman Sugars Limited as at 31.3.2011, the Profit and Loss Account and also the 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 Central 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
  - b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification 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 verification
  - c) During the year the Company has not disposed off substantial part of fixed assets
- 2 In respect of its inventories
  - a) The inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable
  - b) 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 is maintaining proper records of inventories. As explained to us there were 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
  - b) The Company has taken inter-corporate deposit of Rs 50 Crores from a Company covered in the register maintained under section 301 of the Companies Act 1956. The deposit has been fully repaid. The maximum amount involved during the year is Rs 50 Crores and the year end balance of deposit taken from such party was Rs Nil
  - c) The rate of interest and other terms and conditions of the deposit are not prima-facie prejudicial to the interest of the company
  - d) The repayment and payment of interest are regular and there is no overdue amount
- 4 In our opinion and according to the information and explanations given to us there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory fixed assets and with regard to the sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system of the company



- 5
  - a) In our opinion and according to the information and explanations given to us the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered
  - b) In our opinion and according to the information and explanations furnished to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year 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. Therefore the provisions of clause (vi) of the Companies (Auditor's Report) Order 2003 are not applicable
- 7 In our opinion the Company has an internal audit system commensurate with the size and nature of its business
- 8 We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 209 (1) (d) of the Companies Act 1956 and we 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) The Company is regular in depositing with appropriate authorities 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 material statutory dues applicable to it
  - b) According to the information and explanations given to us no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty and Excise Duty were in arrears as at 31st March 2011 for a period of more than six months from the date they became payable
  - c) The disputed statutory dues aggregating to Rs 554.84 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under

Name of the Statute	Nature of the Dues	Amount (Rs in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	404.85	April 2007 to March 2008	The Commissioner of Income Tax (Appeals) Coimbatore
Central Excise Act 1944	Excise Duty	149.99	20.9.1991 to 31.1.1994	The Commissioner of Central Excise Salem

- 10 The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year
- 11 In our opinion and according to the information and explanation given to us 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 give 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, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company



## BANNARI AMMAN SUGARS LIMITED

- 14 In our opinion the Company is not dealing in or trading in shares securities debentures and other investments. Therefore the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are 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 In our opinion during the year under audit the Company has not obtained any term loans
  - 17 According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that the no funds raised on short term basis have been used for long term investment
  - 18 According to the information and explanations given to us 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 According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit
- 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 Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956
  - e) On the basis of written representations received from the directors as on 31st March 2011 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2011 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 give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
    - (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011
    - (ii) In the case of the Profit and Loss Account of the Profit for the year ended on that date and
    - (iii) In case of the Cash Flow Statement of the cash flows for the year ended on that date

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner

M No 200/18111  
ICAI Firm Regn. No: 003328S

Coimbatore  
23.5.2011

# FINANCIAL STATEMENTS



**Balance Sheet as at 31.3.2011**

As at 31.3.2010 (Rs in lakhs)		Schedule No	As at 31.3.2011 Details (Rs in lakhs)	Total
	<b>SOURCES OF FUNDS</b>			
	SHAREHOLDERS' FUNDS			
1143.97	Share Capital	1	1143.97	
67301.16	Reserves and Surplus	2	71273.33	
<u>68445.13</u>				72417.30
	LOAN FUNDS			
19663.92	Secured Loans	3	25992.71	
2161.33	Unsecured Loans	4	26273.99	
<u>21825.25</u>				52266.70
8400.79	DEFERRED TAX LIABILITIES (NET)	5		9190.89
<u><b>98671.17</b></u>	<b>TOTAL</b>			<u><b>133874.89</b></u>
	<b>APPLICATION OF FUNDS</b>			
	FIXED ASSETS			
104485.25	Gross Block	6	110923.74	
33021.65	Less : Depreciation		39517.39	
<u>71463.60</u>	Net Block		71406.35	
2241.03	Capital Works in Progress		2075.66	
<u>73704.63</u>				73482.01
389.78	INVESTMENTS			74.94
	CURRENT ASSETS LOANS AND ADVANCES			
	A CURRENT ASSETS			
26657.46	Inventories	7	52795.26	
4491.48	Sundry Debtors	8	9929.03	
558.23	Cash and Bank Balances	9	488.26	
2557.05	Other Current Assets	10	1979.76	
<u>14379.63</u>	B LOANS AND ADVANCES	11	18355.50	
48643.85			83547.81	
24067.09	Less: CURRENT LIABILITIES AND PROVISIONS	12	23229.87	
<u>24576.76</u>	NET CURRENT ASSETS			60317.94
<u><b>98671.17</b></u>	<b>TOTAL</b>			<u><b>133874.89</b></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

**P R VITTEL**  
Partner  
M No 200/18111  
Coimbatore  
23.5.2011

**S V BALASUBRAMANIAM**  
Chairman

**B SARAVANAN**  
Managing Director

**C PALANISWAMY**  
Company Secretary


**Profit and Loss Account for the year ended 31.3.2011**

Year ended 31.3.2010 (Rs in lakhs)		Schedule No	Year ended Details (Rs in lakhs)	31.3.2011 Total
	<b>INCOME</b>			
90224.86	Sales	13	84287.37	
2520.87	Less: Excise Duty		1901.98	
<u>87703.99</u>			<u>82385.39</u>	
(2357.49)	Stock Adjustment	14	25681.90	
<u>85346.50</u>				108067.29
897.93	Other Income	15		773.12
<b>86244.43</b>	<b>TOTAL</b>			<b>108840.41</b>
	<b>EXPENDITURE</b>			
42995.38	Raw Materials Purchased	16	65666.01	
--	Traded Goods Purchased		33.95	
19710.77	Manufacturing and Other Expenses	17	27427.63	
(799.89)	Excise Duty on stock		804.92	
530.34	Interest	18	2215.65	
3834.06	Depreciation		7083.08	
<u>66270.66</u>				103231.24
<b>19973.77</b>	<b>PROFIT BEFORE TAX</b>			<b>5609.17</b>
	PROVISION FOR TAXATION			
3978.73	Income Tax		1114.55	
(886.66)	MAT Credit Entitlement		(1114.55)	
--	Previous years' provision written back		(487.07)	
2518.37	Income Tax - Deferred		790.10	
<u>5610.44</u>				303.03
<b>14363.33</b>	<b>PROFIT AFTER TAX</b>			<b>5306.14</b>
1731.78	Add: Surplus brought forward from previous year			1262.45
<u>16095.11</u>				<u>6568.59</u>
	<b>APPROPRIATIONS</b>			
(5.73)	Provision for Diminution in Value of Investment (long term)		--	
13500.00	General Reserve		4100.00	
1143.97	Provision for Proposed Dividend		1143.97	
194.42	Provision for Tax on Dividend		190.00	
<u>14832.66</u>				5433.97
1262.45	Balance carried over to Balance Sheet			1134.62
<b>125.56</b>	<b>Earnings per Share [Basic and diluted] (Rs)</b>			<b>46.38</b>

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

**P R VITTEL**  
Partner  
M No 200/18111  
Coimbatore  
23.5.2011

**S V BALASUBRAMANIAM**  
Chairman

**B SARAVANAN**  
Managing Director

**C PALANISWAMY**  
Company Secretary



**Schedules**

As at 31.3.2010 (Rs in lakhs)		As at 31.3.2011 Details (Rs in lakhs)	Total (Rs in lakhs)
	<b>SCHEDULE 1</b>		
	<b>SHARE CAPITAL</b>		
	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>	<b>TOTAL</b>		<u>5000.00</u>
	<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1143.97	1,14,39,700 Equity Shares of Rs 10 each		1143.97
<u>1143.97</u>			<u>1143.97</u>
	<b>SCHEDULE 2</b>		
	<b>RESERVES AND SURPLUS</b>		
	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		
1846.00	Balance as per last Balance Sheet		1846.00
	GENERAL RESERVE		
41533.11	Balance as per last Balance Sheet	55033.11	
13500.00	Add: Transfer from Profit and Loss Account	4100.00	
<u>55033.11</u>		<u>59133.11</u>	59133.11
1262.45	SURPLUS in Profit and Loss Account		1134.62
<u>67301.16</u>	<b>TOTAL</b>		<u>71273.33</u>





As at 31.3.2010 (Rs in lakhs)		As at 31.3.2011 Details Total (Rs in lakhs)	
	<b>SCHEDULE 3</b>		
	<b>SECURED LOANS</b>		
	FROM BANKS		
3927.69	Cash Credit Loans	15903.49	
--	Packing Credit	83.78	
4864.02	Loan under SEFASU notified by the Central Government	2379.55	
7817.46	Term Loans	5600.00	
<u>16609.17</u>			23966.82
	FROM OTHERS		
3054.75	Sugar Development Fund		2025.89
<u>19663.92</u>	<b>TOTAL</b>		<u>25992.71</u>
	<b>SCHEDULE 4</b>		
	<b>UNSECURED LOANS</b>		
	FROM BANKS		
--	Short Term Loan	13000.00	
--	Overdraft Account	2483.60	
--	Buyers Credit	9483.50	
	FROM OTHERS		24967.10
2060.12	Loan under Sales tax deferral scheme	1273.15	
101.21	Sugar Development Fund	33.74	
<u>2161.33</u>	<b>TOTAL</b>		<u>1306.89</u>
	<b>SCHEDULE 5</b>		
	<b>DEFERRED TAX LIABILITIES</b>		
8400.79	Deferred tax liabilities arising on account of depreciation		9190.89
<u>8400.79</u>	<b>TOTAL</b>		<u>9190.89</u>

**SCHEDULE 6****FIXED ASSETS**

(Rs in Lakhs)

DETAILS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2010	Additions	Deduction / Adjustments	As at 31.3.2011	Upto 31.3.2010	For the year	Withdrawn	Upto 31.3.2011	As at 31.3.2010	As at 31.3.2011
Land - Free hold	2785.08	385.90	9.59	<b>3161.39</b>	-	-	-	-	2785.08	<b>3161.39</b>
Land - Lease hold	1.27	-	0.02	<b>1.25</b>	-	-	-	-	1.27	<b>1.25</b>
Buildings	21104.63	1761.61	-	<b>22866.24</b>	3319.28	726.66	-	<b>4045.94</b>	17785.35	<b>18820.30</b>
Plant and Machinery	78482.04	4989.58	960.26	<b>82511.36</b>	28894.21	6167.63	539.97	<b>34521.87</b>	49587.83	<b>47989.49</b>
Furniture, Fixtures, Office and Canteen Equipments	820.46	200.21	2.10	<b>1018.57</b>	437.72	64.86	0.73	<b>501.85</b>	382.74	<b>516.72</b>
Live Stock	9.07	4.24	0.69	<b>12.62</b>	-	-	-	-	9.07	<b>12.62</b>
Motor Vehicles	1282.70	177.12	107.51	<b>1352.31</b>	370.44	123.93	46.64	<b>447.73</b>	912.26	<b>904.58</b>
<b>T O T A L</b>	104485.25	7518.66	1080.17	<b>110923.74</b>	33021.65	7083.08	587.34	<b>39517.39</b>	71463.60	<b>7140635</b>
Capital Works-in Progress	2241.03	2075.66	2241.03	<b>2075.66</b>	-	-	-	-	2241.03	<b>2075.66</b>
Total for the year	106726.28	9594.32	3321.20	<b>112999.40</b>	33021.65	7083.08	587.34	<b>39517.39</b>	73704.63	<b>73482.01</b>
Total for the previous year	82562.56	33228.61	9064.89	<b>106726.28</b>	29206.59	3834.06	19.00	<b>33021.65</b>	53355.97	<b>73704.63</b>



As at 31.3.2010 (Rs in lakhs)		As at 31.3.2011 Details (Rs in lakhs)	Total
	<b>SCHEDULE 7</b>		
	<b>INVENTORIES</b>		
	(As Certified by Managing Director)		
2334.73	Stores and spare parts		2786.51
3.75	Loose tools		7.87
	Finished Goods :		
16444.06	Sugar	45882.30	
935.81	Molasses	817.15	
37.69	Bagasse	19.11	
320.73	Granite Products	577.90	
801.71	Industrial Alcohol	359.03	
2.43	Bio-Compost	0.55	
18542.43			47656.04
	Process Stock :		
669.66	Sugar	831.36	
99.96	Molasses	74.71	
31.20	Granite Products	--	
28.66	Press mud	19.19	
829.48			925.26
	Raw material stock :		
3785.66	Raw Sugar	--	
383.69	Granite Blocks	692.36	
716.02	Molasses	680.03	
2.63	Press-mud	1.94	
23.42	Bio-products	15.50	
4911.42			1389.83
	Others:		
35.65	Fertilisers & Chemicals		29.75
<b>26657.46</b>	<b>TOTAL</b>		<b>52795.26</b>
	<b>SCHEDULE 8</b>		
	<b>SUNDRY DEBTORS</b>		
	(Unsecured - considered good)		
86.55	Exceeding six months		438.78
4404.93	Other debts		9490.25
<b>4491.48</b>	<b>TOTAL</b>		<b>9929.03</b>
	<b>SCHEDULE 9</b>		
	<b>CASH AND BANK BALANCES</b>		
82.62	Cash on hand		120.75
	Balances with Scheduled Banks :		
398.66	in Current Accounts		304.94
33.88	in Deposit Accounts		13.50
43.07	in Un-paid Dividend Accounts		49.07
<b>558.23</b>	<b>TOTAL</b>		<b>488.26</b>



As at 31.3.2010 (Rs in lakhs)		As at 31.3.2011 Details      Total (Rs in lakhs)	
	<b>SCHEDULE 10</b>		
	<b>OTHER CURRENT ASSETS</b>		
2.56	Standing crop (at cost)		6.45
0.37	Stock of stamps		0.34
13.39	Interest receivable		13.93
1856.89	Government subsidies receivable		1469.21
671.00	Interest subsidies receivable		399.98
12.84	Income receivable		89.85
<b>2557.05</b>	<b>TOTAL</b>		<b>1979.76</b>
	<b>SCHEDULE 11</b>		
	<b>LOANS AND ADVANCES</b>		
	(Unsecured - considered good - recoverable in cash or in kind for value to be received)		
2406.88	Advance for purchases and capital expenses	4071.67	
2658.70	Other advances	2724.64	
159.10	Deposits with State/Central Governments etc.,	177.09	
259.04	Prepaid expenses	282.04	
6648.10	Advance payment of Income Tax	7772.10	
2034.99	MAT Credit Entitlement	3112.57	
212.82	Income tax deducted at source	215.39	
<b>14379.63</b>	<b>TOTAL</b>		<b>18355.50</b>
	<b>SCHEDULE 12</b>		
	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
	<b>A. CURRENT LIABILITIES</b>		
12294.27	Purchases and Services	10810.61	
2380.68	Expenses	3343.91	
94.07	Advance from Customers	141.40	
98.80	Others	245.42	
898.29	Purchase tax payable	132.27	
43.07	Unpaid Dividend	49.07	
1066.87	Interest accrued but not due on loans	730.05	
<b>16876.05</b>			<b>15452.73</b>
	<b>B. PROVISIONS</b>		
1143.97	Proposed Dividend	1143.97	
194.42	Tax on Proposed Dividend	190.00	
5852.65	Income-tax	6443.17	
7191.04			<b>7777.14</b>
<b>24067.09</b>	<b>TOTAL</b>		<b>23229.87</b>



Year ended 31.3.2010 (Rs in lakhs)		Year ended 31.3.2011 Details Total (Rs in lakhs)	
	<b>SCHEDULE 13</b>		
	<b>SALES</b>		
67519.98	Sugar		56673.91
--	Molasses		502.44
4451.50	Granite Products		4163.62
9480.20	Industrial Alcohol		8871.75
306.35	Bio-Compost		324.08
8354.29	Power		13547.35
10.97	Bio-Diesel		29.23
--	Press - mud		0.19
	Others:		
71.10	Fertilisers & Chemicals		129.76
30.47	Bio-products		45.04
<b>90224.86</b>	<b>TOTAL</b>		<b>84287.37</b>
	<b>SCHEDULE 14</b>		
	<b>STOCK ADJUSTMENT</b>		
	A. Opening 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	
	Process stock :		
245.42	Sugar	669.66	
47.06	Molasses	99.96	
--	Granite Products	31.20	
17.86	Press - mud	28.66	
	Raw material:		
--	Rawsugar	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:		
10.77	Fertilisers & Chemicals	35.65	
<b>26676.47</b>			<b>24318.98</b>
	B. Closing Stock :		
16444.06	Sugar	45882.30	
935.81	Molasses	817.15	
37.69	Bagasse	19.11	
320.73	Granite Products	577.90	
801.71	Industrial Alcohol	359.03	
2.43	Bio-Compost	0.55	



Year ended 31.3.2010 (Rs in lakhs)		Year ended 31.3.2011 Details Total (Rs in lakhs)	
	<b>SCHEDULE 14 cont..</b>		
	Process stock:		
669.66	Sugar	831.36	
99.96	Molasses	74.71	
31.20	Granite Products	--	
28.66	Press-mud	19.19	
	Raw material :		
3785.66	Raw Sugar	--	
383.69	Granite Blocks	692.36	
716.02	Molasses	680.03	
2.63	Press-mud	1.94	
23.42	Bio-products	15.50	
	Others:		
35.65	Fertilisers & Chemicals	29.75	
<u>24318.98</u>			<u>50000.88</u>
<b>(2357.49)</b>	<b>(B MINUS A)</b>		<b>25681.90</b>
	<b>SCHEDULE 15</b>		
	<b>OTHER INCOME</b>		
4.45	Contract receipts		46.01
14.80	Dividend		15.57
335.18	Interest receipts (TDS - Rs 1.62 Lakhs)		147.19
26.82	Agricultural income		36.70
96.53	Import Licence receipts		86.09
132.79	Carbon Credit Sale income		120.63
105.05	Exchange Fluctuation		12.26
180.85	Miscellaneous income		68.98
--	Profit on Sale of Fixed Assets		27.25
1.46	Profit on Sale of Investments		212.44
<u>897.93</u>	<b>TOTAL</b>		<u>773.12</u>
	<b>SCHEDULE 16</b>		
	<b>RAW MATERIALS PURCHASED</b>		
25735.80	Sugarcane price		47317.32
856.26	Purchase Tax		1534.05
110.23	Sugarcane cess		186.97
13645.98	Raw Sugar		14264.67
2244.09	Molasses		1356.17
397.10	Granite Products		984.74
2.32	Bio-seeds		18.49
3.60	Press-mud		3.60
<u>42995.38</u>	<b>TOTAL</b>		<u>65666.01</u>



Year ended 31.3.2010 (Rs in lakhs)		Year ended 31.3.2011 Details Total (Rs in lakhs)	
	<b>SCHEDULE 17</b>		
	<b>MANUFACTURING AND OTHER EXPENSES</b>		
70.24	Purchase of fertilisers & chemicals		76.74
1379.42	Consumption of stores and spares		1856.59
1489.84	Power and fuel		1318.58
0.13	Bagasse for Co-Generation		--
4086.52	Other Fuel for Co-Generation		8091.02
70.93	Water charges		122.04
1019.01	Packing materials		2113.62
<u>8116.09</u>			
2466.41	Salaries, Wages and Allowances	3351.80	
163.71	Contribution to Provident and other funds	251.54	
331.62	Staff Welfare expenses	466.71	
<u>2961.74</u>			4070.05
41.89	Rent		57.84
219.45	Rates and taxes		224.79
0.03	Lease / hire charges for equipments		--
1444.94	Granite processing charges		1150.28
175.06	Insurance charges		129.57
<u>1881.37</u>			
	Repairs and Maintenance :-		
382.32	Buildings	394.36	
1272.91	Plant and Machinery	1801.37	
243.23	Vehicles	349.55	
76.35	Others	91.57	
<u>1974.81</u>			2636.85
329.05	Effluent disposal expenses		301.72
0.96	Directors' sitting fees		1.33
1730.97	Freight and transport		2050.19
350.46	Cane development expenses		987.96
155.97	Travelling expenses		188.01
21.25	Agricultural expenses		28.73
36.89	Printing and Stationery		44.71
41.50	Telephone & Fax charges		59.58
8.09	Advertisement		13.42
104.41	Other administrative expenses		126.23
283.37	Transport on outward		324.88
354.31	Selling and distribution expenses		440.52
19.94	Sales commission		42.65



Year ended 31.3.2010 (Rs in lakhs)		Year ended 31.3.2011 Details Total (Rs in lakhs)	
<b>SCHEDULE 17 cont..</b>			
479.96	Donations		387.81
81.70	Financial and bank charges		99.75
78.28	Legal and professional charges		76.18
19.99	Auditor's Remuneration		14.18
0.50	Cost audit fee		0.50
8.51	Internal audit fees		10.59
664.33	Managerial Remuneration		376.35
5.98	Loose tools		4.37
0.07	Bad debts written off		--
0.27	Loss on Sale/Discard of Fixed Assets		--
<b>19710.77</b>	<b>TOTAL</b>		<b>27427.63</b>
<b>SCHEDULE 18</b>			
<b>INTEREST</b>			
479.13	- Fixed Loans		897.71
51.21	- Other Loans		1317.94
<b>530.34</b>	<b>TOTAL</b>		<b>2215.65</b>



**SCHEDULE 19**

**NOTES ATTACHED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011**

**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") and provisions of the Companies Act 1956
- 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 recognized 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 Sugar Granite blocks Polished granite slabs and tiles Molasses Bagasse Industrial alcohol Fusel oil Bio-compost	}	At 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 weighted average cost of raw material, process material, stores and spares, packing material and 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. Interest income is recognised on time proportion basis and dividend income is recognised when right to receive is established
- 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 be 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 recognized 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 loss if any, are charged to the Profit and loss account
- 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 31.3.2011 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 recognized 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 recognized and carried forward to the extent that there is a reasonable certainty that these would be realized in future
- 13 Government grants are recognized based on the reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grants in the nature of revenue have been recognized 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 organizational 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 Institutions	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 &amp; 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, in the state of Karnataka and unit-III situated at Kunthur village, Kollegal Taluk, Chamarajanagar 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 &amp; 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 situated</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, Chamarajanagar District in the State of Karnataka</p>
<p>Punjab National Bank &amp; 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>



Name of the Banks/ Financial Institutions	Particulars of Loan	Security
		<p>A second mortgage and charge on the immovable and movable properties 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>Canara Bank &amp; The Lakshmi Vilas Bank Ltd</p>	<p>Cash credit loans aggregating to Rs 180 Lakhs sanctioned to the Company's Distillery Division at 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>Government of India</p>	<p>Sugar Development Fund Loan of Rs 1800 Lakhs</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>
<p>Government of India</p>	<p>Sugar Development Fund Loan of Rs 1550.78 Lakhs</p>	<p>Second mortgage on lands admeasuring 234.28 ½ 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</p>
<p>Government of India</p>	<p>Sugar Development Fund Loan of Rs 1550.78 Lakhs</p>	<p>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 exclusive second charge by way of hypothecation of all the movable properties of the company's Sugar unit-I</p>



Name of the Banks/ Financial Institutions	Particulars of Loan	Security
Government of India	Sugar Development Fund Loan of Rs 1590 Lakhs	<p>Second charge on 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 Debts)</p> <p>Second mortgage on lands admeasuring 234.28 ½ 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>
<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 &amp; Bank of India</p>	Term Loan of Rs 4762.50 Lakhs	<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 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 Chamarajanagar District in 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 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 Chamarajanagar District in the State of Karnataka</p>



Name of the Banks/ Financial Institutions	Particulars of Loan	Security
Axis Bank Ltd	Term Loan of Rs 7000 Lakhs	A first pari passu charge on the movable plant and machinery and a second pari passu charge on the current assets of the company's co-generation plant situated in sugar unit IV at Kolundampattu village, Thandampattu Taluk, Thiruvannamalai District in the State of Tamilnadu
		Mortgage on lands admeasuring 50.93 acres and buildings thereon pertaining to the company's co-generation unit situated at Kolundampattu village Thandarampattu Taluk Thiruvanna malai District in the State of Tamilnadu on pari passu basis
Government of India	Sugar Development Fund Loan of Rs 2497.44 Lakhs	A first charge on movable properties including movable plant and machinery of the sugar unit IV situated at Kolundampattu village Thandarampattu Taluk Thiruvannamalai District in the State of Tamilnadu
		A first pari passu charge on movable properties including movable plant and machinery of the co-generation unit in sugar unit IV situated at Kolundampattu village Thandaram pattu Taluk Thiruvannamalai District in the State of Tamilnadu
		Mortgage on lands admeasuring 45.43 acres and buildings thereon on pertaining to the company's sugar unit and first pari-passu charge with Axis Bank Ltd on lands admeasuring 50.93 acres pertaining to the company's co-generation unit situated at Kolundampattu village Thandarampattu Taluk Thiruvannamalai District in the State of Tamilnadu

- 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
- 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 amount and interest has not been made



(b) Amount credited to Investor Education and Protection Fund as on 31.03.2011 is Rs Nil (Nil)

- 4 Estimated amount of contracts remaining to be executed on capital account not provided for is Rs 1134.56 Lakhs (Rs 2284.66 lakhs)
- 5 The annual increase in the rate of power charges for supplies made from 20 MW co-generation 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 28.2.2006 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 352.34 Lakhs (Rs 344.01 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 20.9.1991 to 31.1.1994, 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 the High Court disposed the case with direction to submit all explanations before the adjudicating authority. Now the matter is pending before the adjudicating authority. The excise duty in dispute is Rs 149.99 lakhs (Rs 149.99 lakhs)
- (d) The Entry tax of Rs 284.78 lakhs (Rs 268.80 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
- (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 194.02 Lakhs (Rs 173.82 Lakhs)
- (g) 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 2008-09. The quantum under dispute is Rs 404.85 Lakhs
- (h) As at the year end the Company has an obligation under EPCG Scheme to export sugar of a value of USD 9725647 and to export granite of a value of USD 4517414



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

	Face value Rs	Cost Rs	Market value Rs
<b>I UNQUOTED - LONG TERM</b>			
<b>A GOVERNMENT</b>			
Kisan Vikas Patra*	40000 (40000)	40000 (40000)	
<b>B SHARES</b>			
i) Bannari Amman Sugars Employees' Co-operative Stores Limited	77010 (60810)	77010 (60810)	
ii) 150000 Equity shares of Bannari Infotech Private Limited of Rs 10 each	Nil (1500000)	Nil (1500000)	
<b>TOTAL - UNQUOTED</b>	<b>117010</b> (1600810)	<b>117010</b> (1600810)	
<b>II QUOTED - LONG TERM</b>			
<b>A SHARES</b>			
i) 1125000 Equity shares of Shiva Texyarn Limited of Rs10 each	Nil (11250000)	Nil (30000000)	Nil (37518750)
ii) 84375 Equity Shares of Sakthi Finance Limited of Rs10 each	843750 (843750)	3009375 (3009375)	772031 (1027688)
iii) 10000 Equity Shares of Bank of Baroda of Rs10 each	100000 (100000)	850000 (850000)	9648500 (6390500)
iv) 73400 Equity Shares of Indraprastha Medical Corporation Limited of Rs 10 each	734000 (734000)	734000 (734000)	2506610 (3317680)
v) 14300 Equity Shares of Indian Overseas Bank of Rs 10 each	143000 (143000)	343200 (343200)	2056340 (1314885)
vi) 38000 Equity Shares of DCM Shriram Industries Limited of Rs 10 each	380000 (380000)	4422183 (4422183)	2521300 (3402900)
<b>TOTAL - QUOTED</b>	<b>2200750</b> (13450750)	<b>9358758</b> (39358758)	<b>17504781</b> (52972403)
<b>TOTAL (UNQUOTED &amp; QUOTED)</b>	<b>2317760</b> (15051560)	<b>9475768</b> (40959568)	<b>17504781</b> (52972403)
Less: Provision for diminution in value of investment in respect of item No. II A (ii)		1981688 (1981688)	
	<b>2317760</b> (15051560)	<b>7494080</b> (38977880)	

(\* Kisan Vikas Patra of Rs 40000/- 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 31.3.2011			As at 31.3.2010			
	US DOLLAR	POUND STERLING	EURO	US DOLLAR	POUND STERLING	EURO	JAPANESE YEN
Loan outstanding	6531150.00	Nil	Nil	1830000.00	Nil	Nil	Nil
Receivables	685675.50	Nil	260526.77	687344.80	Nil	254790.34	Nil
Payables	367519.50	Nil	842877.74	299107.50	36000.00	67909.60	Nil
Advance for Purchase	Nil	205000.00	2384.80	166978.00	205000.00	1069.70	617500.00

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

Particulars	For the Year Ended	
	31.3.2011	31.3.2010
Provident Fund	244.23	155.24
Family Pension Fund	9.18	8.50
Employees State Insurance	3.65	1.22
Employees Group Gratuity	298.19	80.71

- 10 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
- 11 Amount due from Directors is Nil (Nil). Maximum amount due from Directors during the year is Nil (Nil)
- 12 Amount due from officers of the company is Rs 4.98 Lakhs (Rs 11.72 Lakhs). Maximum amount due from officers of the company during the year is Rs 11.00 Lakhs (Rs 12.48 Lakhs)

13 **Details of Audit Fees**

Particulars	For the Year Ended	
	31.3.2011	31.3.2010
Audit Fees	7.00	5.00
For Tax Representation	2.64	11.51
For Tax Audit	1.10	0.50
For Certification	2.10	1.95
For Others	0.23	0.18
Service Tax	1.11	0.85



**14 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 the Chairman and the Managing Director

Particulars	For the Year Ended	
	31.3.2011	31.3.2010
	(Rs in Lakhs)	
Net profit as per Profit & Loss A/c	5609.17	19973.77
ADD : Commission to Chairman @ 3% on Net Profit	170.42	411.80
Commission to Managing Director @ 2% on Net Profit	113.62	205.90
	5893.20	20591.47
LESS : Profit on sale of Investments	212.44	1.46
Net profit under Section 309 of the Companies Act	5680.76	20590.01
Commission to Chairman	170.42	411.80
Commission to Managing Director	113.62	205.90

(ii) Particulars of remuneration and perquisites to Directors

Particulars	For the Year Ended	
	31.3.2011	31.3.2010
	(Rs in Lakhs)	
<b>Chairman</b>		
Salary	32.95	18.00
Commission	170.42	411.80
Contribution to Employee's Provident Fund	3.95	2.16
Perquisites	18.75	10.39
<b>Total</b>	<b>226.07</b>	<b>442.35</b>
<b>Managing Director</b>		
Salary	21.46	9.00
Commission	113.62	205.90
Contribution to		
- Family Pension Fund	0.06	0.06
- Employee's Provident Fund	2.51	1.02
Perquisites	12.63	6.00
<b>Total</b>	<b>150.28</b>	<b>221.98</b>

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

Particulars	31.3.2011	31.3.2010
<b>I PRINCIPAL ACTUARIAL ASSUMPTIONS [Assumption]</b>		
Discount rate	8.00%	8.00%
Salary escalation rate	7.50%	7.50%
Expected return plan assets	--	--
Attrition rate	7.00%	7.00%



(Rs in Thousand)

Particulars	31.3.2011	31.3.2010
<b>A NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>		
Present Value of Defined Benefit Obligation	11775	9454
Fair Value of Plan Assets	--	--
Funded Status [(Surplus)/(Deficit)]	(11775)	(9454)
Unrecognised Past Service Costs	--	--
<b>Net Asset / (liability) Recognised In Balance Sheet</b>	<b>(11775)</b>	<b>(9454)</b>
<b>B DISCLOSURE OF EMPLOYER EXPENSE</b>		
<b>COMPONENTS OF EMPLOYER EXPENSE</b>		
Current Service Cost (including risk Premi. for fully insured benefits)	1521	361
Interest Cost	906	712
Expected Return on Assets	--	--
Curtailment Cost /(Credit)	--	--
Settlement Cost / (Credit)	--	--
Past Service Cost	--	--
Actuarial (gains) and losses	1174	2351
<b>Total Employer Expense Recognised in the P&amp;L Account</b>	<b>3601</b>	<b>3424</b>
<b>C NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>		
<b>NET ASSET ( LIABILITY) RECOGNISED</b>		
Present Value of Defined Benefit Obligation	14473	11775
Fair Value of Plan Assets	--	--
Funded Status [Surplus / (Deficit) ]	(14473)	(11775)
Unrecognised Past Service Costs	--	--
<b>Net asset / (Liability) recognised in Balance Sheet</b>	<b>(14473)</b>	<b>(11775)</b>
<b>D CHANGE IN OBLIGATIONS AND ASSETS</b>		
<b>Change in Obligations</b>		
Present Value of Defined Benefit Obligation at the Beginning of period	11775	9454
Employer Service Cost	1521	361
Interest Cost	906	712
Curtailment Cost / (Credit)	--	--
Settlement Cost / (Credit)	--	--
Plan Amendments	--	--
Acquisitions	--	--
Actuarial (Gains) / Losses	1174	2351
Benefit Payments	(903)	(1103)
Present Value of Defined Benefit Obligation at the end of period	14473	11775



(Rs in Thousand)

Particulars	31.3.2011	31.3.2010
<b>Change in Assets</b>		
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	903	1103
Benefit Payments	(903)	(1103)
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>--</b>	<b>--</b>
<b>E RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>		
Net Asset/(liability) recognised in balance sheet at the beginning of the Yr	(11775)	(9454)
Employer Expenses	(3601)	(3424)
Employer Contributions	903	1103
Acquisitions / Business Combinations	--	--
<b>Net Asset/(Liability) Recognised in Balance Sheet at the end of the yr</b>	<b>(14473)</b>	<b>(11775)</b>

16 Segment Information for the year ended 31st March 2011

(Rs in Lakhs)

Particulars	Sugar		Power		Distillery		Others		TOTAL	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<b>PRIMARY</b>										
External Revenue	64237.83	72129.32	27713.88	16597.07	9190.52	9749.48	5139.30	5785.11	106281.53	104260.98
Operating Income	86.09	96.53	120.63	132.79	--	--	46.01	4.45	252.73	233.77
	64323.92	72225.85	27834.51	16729.86	9190.52	9749.48	5185.31	5789.56	106534.26	104494.75
Inter-segment Revenue	8759.76	6965.39	14166.53	8242.78	7.58	7.64	962.26	1341.19	23896.13	16557.00
	55564.16	65260.46	13667.98	8487.08	9182.94	9741.84	4223.05	4448.37	82638.13	87937.75
<b>RESULT</b>										
Segment Result	(1591.07)	13699.32	7440.27	4953.73	1834.51	1296.90	28.46	314.87	7712.17	20264.82
Add: Un-allocable Income	--	--	--	--	--	--	--	--	112.65	239.29
Operating Profit	--	--	--	--	--	--	--	--	7824.82	20504.11
Less: Interest Expenses	--	--	--	--	--	--	--	--	2215.65	530.34
Taxation for the year	--	--	--	--	--	--	--	--	303.03	5610.44
<b>Profit after tax</b>									<b>5306.14</b>	<b>14363.33</b>
<b>OTHER INFORMATION</b>										
Segment Assets	107259.52	75963.65	19138.02	18333.48	8673.59	9585.95	6803.56	4772.05	141874.69	108655.13
Segment Liabilities	13714.68	15455.36	58.60	28.20	202.01	90.61	735.59	209.81	14710.88	15783.98
Capital Expenditure	3121.25	18363.23	2585.32	12241.58	147.23	77.55	1664.86	305.22	7518.66	30987.58
Depreciation	2840.97	1852.51	3456.32	1208.10	526.84	521.98	258.95	251.47	7083.08	3834.06
Non-Cash expenses other than Depreciation	--	--	--	--	--	--	--	--	--	--
<b>SECONDARY</b>										
Revenue by Geographical Market										
India	51472.83	65260.46	13667.98	8487.08	9182.94	9741.84	1379.15	1040.81	75702.90	84530.19
Outside India	4091.33	--	--	--	--	--	2843.90	3407.56	6935.23	3407.56



17 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  
Sri B Saravanan, 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 | 5 | Shiva Distilleries Limited   |
| 2 | Madras Sugars Limited                     | 6 | Vedanayagam Hospital Limited |
| 3 | Anamallais Automobiles (P) Limited        | 7 | Shiva Texyarn Limited        |
| 4 | Bannari Amman Spinning Mills 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			1973 (37476)
Sale of goods		36000 (92800)	475534359 (566800862)
Sale of shares		21034990 (Nil)	13570750 (Nil)
Receiving services (Tyre Retreading Charges)			260770 (34210)
Rent paid	120000 (120000)		360000 (240000)
Inter-corporate deposit and other advances			500000000 (980000000)
Interest on Inter-corporate deposit			12339043 (50313698)



## BANNARI AMMAN SUGARS LIMITED

Notes : (1) Remuneration to key management personnel is disclosed in Schedule No. 17 (read with item No. 14 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 2011 is Nil (Nil)

### 18 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)

(c) Basic and diluted earnings per share (Rs)

	2010-11	2009-10
(i) Number of shares at the beginning of the year	11439700	11439700
(ii) Number of shares at the end of the year	11439700	11439700
Weighted average number of equity shares outstanding during the year	11439700	11439700
(b) Net Profit after tax available for equity shareholders (Rs in Lakhs)	5306.14	14363.33
(c) Basic and diluted earnings per share (Rs)	46.38	125.56

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

20 Additional Information pursuant to part II of Schedule VI to the Companies Act 1956

### A Capacity

Product	Licensed Capacity	Installed Capacity
<b>SUGAR</b>		
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
<b>GRANITE</b>		
Slabs, Tiles and Artefacts	Not Applicable	90000 Sq. Mtrs per annum
<b>ALCOHOL</b>		
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
<b>POWER</b>		
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
<b>BIO-DIESEL</b>		
	3000 Ltrs per day	3000 Ltrs per day

B. PRODUCTS	Sugar	Molasses	Bagasse	Fertilisers & Pesticides	Granite Blocks	Polished Granite Slabs	Polished Granite Tiles	Alcohol	Fusel Oil	Bio Compost	Power
	Quintals	Tonnes	Tonnes	Tonnes	Cubic Metres	← Square Meters	→	B. Ltrs.	B. Ltrs.	Tonnes	(Lakh Units)
Opening Stock	797451 (1661804)	24988 (292226)	4618 (1690)	22 (15)	23 (Nil)	17690 (25255)	600 (463)	3508238 (3453864)	9652 (4217)	286 (193)	Nil (Nil)
Production	3269194 (1801620)	131388 (74337)	735141 (395958)	Nil (Nil)	9257 (10065)	110667 (111658)	13675 (10722)	25943587 (26799381)	30152 (31255)	20912 (22498)	4283.35 (2662.18)
Purchases	1190 (Nil)	Nil (Nil)	Nil (9)	116 (150)	2300 (Nil)	265 (534)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	31.96 (29.87)
Purchases (Value Rs.in lakhs)	33.95 (Nil)	Nil (Nil)	Nil (0.13)	53.25 (27.91)	64.70 (Nil)	3.07 (22.01)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	232.83 (163.73)
Sales/Transfer	2083234 (2665973)	124988 (78575)	737408(*) (393039*)	115 (143)	11469 (10042)	100751 (119757)	13957 (10585)	27336467 (26745007)	38050 (25820)	21142 (22405)	4315.31(\$) (2692.05\$)
Sales (Value Rs.in lakhs)	56673.91 (67519.98)	3127.82 (3172.36)	6116.06 (3773.50)	54.06 (27.12)	2112.71 (2148.86)	2873.90 (3521.02)	139.26 (122.81)	8867.99 (9479.03)	4.23 (1.53)	331.12 (296.48)	16936.38 (10235.08)
Closing stock	1984601 (797451)	31388 (24988)	2351 (4618)	23 (22)	111 (23)	27871 (17690)	318 (600)	2115358 (3508238)	1754 (9652)	56 (286)	Nil (Nil)

(\*) Includes own consumption of 129497 Tonnes (15681 Tonnes)

(\$ ) Includes own consumption of 418.94 Lakh Units ( 295.44 Lakh Units)

Opening stock of raw materials :

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

Closing stock of raw materials :

Raw Sugar	(Tonnes)	(Nil)
Granite Blocks	(Cubic Metres)	2112
Molasses	(Tonnes)	18323
Press-mud	(Tonnes)	7471
		(14063)
		(1230)
		(14539)
		(10321)



<b>C Raw Materials Spares and Components</b>	<b>Purchased</b>	<b>Consumed</b>	<b>% to total consumption</b>
<b>1 Raw materials</b>			
a Sugarcane - Quantity in Tonnes	2584463	2584463	100%
	(1433182)	(1433182)	(100%)
b Raw Sugar - Quantity in Tonnes	52979	67042	
	(50897)	(36834)	
c Granite Blocks - Quantity in Cubic Metres	5384	4502	
	(4796)	(4266)	
d Molasses - Quantity in Tonnes	110973	107189	
	(103575)	(112985)	
e Press-mud - Quantity in Tonnes	22134	24984	
	(23053)	(27874)	
<i>Imported Value (Rs. in lakhs)</i>			
a Sugarcane		Nil	Nil
		(Nil)	(Nil)
b Raw Sugar		18050.33	100%
		(9860.32)	(100%)
c Granite Blocks		Nil	Nil
		(Nil)	(Nil)
d Molasses		Nil	Nil
		(Nil)	(Nil)
e Press-mud		Nil	Nil
		(Nil)	(Nil)
<i>Indigenous Value (Rs in lakhs)</i>			
a Sugarcane		49038.34	100%
		(26702.29)	(100%)
b Granite Blocks		1570.56	100%
		(1555.21)	(100%)
c Molasses		4017.53	100%
		(5591.54)	(100%)
d Press-mud		6.50	100%
		(7.10)	(100%)
<b>2 Spares and Components</b>			
Imported Value (Rs in lakhs)		58.33	4.38%
		(59.63)	(5.05%)
Indigenous Value (Rs in lakhs)		1274.91	95.62%
		(1120.87)	(94.95%)





Particulars	31.3.2011 (Rs in Lakhs)	31.3.2010
<b>21 Value of Imports on C I F basis</b>		
a Raw Sugar	14726.75	9754.39
b Components and spare parts	796.55	476.50
c Capital goods	406.79	2405.32
<b>22 Earnings in foreign exchange</b>		
F.O.B. Value of Exports	6935.23	3407.56
<b>23 Expenditure in foreign currency</b>		
Travelling	19.21	18.47
Sales commission	9.78	9.53
Subscription	0.96	0.51
Registration fees	0.42	0.10
Interest	28.37	109.41

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  
23.5.2011

**S V BALASUBRAMANIAM**  
Chairman

**B SARAVANAN**  
Managing Director

**C PALANISWAMY**  
Company Secretary



**Cash Flow Statement for the year ended 31.3.2011**

	Year ended 31.3.2011	Year ended 31.3.2010
	<----- (Rs in lakhs) ----->	
<b>A OPERATING ACTIVITIES</b>		
Net profit before tax and extraordinary items	<b>5609.17</b>	19973.77
Add : Adjustments for		
Depreciation	7083.08	3834.06
Interest Charged	2215.65	530.34
Loss on sale of Fixed Assets	6.80	2.69
	<b>9305.53</b>	4367.09
Less : Investment Income		
Interest	147.19	335.18
Dividend	15.57	14.80
Profit on sale of Fixed Assets	34.05	2.42
Profit on sale of Investments	212.44	1.46
	<b>409.25</b>	353.86
Operating Profit before working capital changes	<b>14505.45</b>	<b>32987.00</b>
Add: Adjustments for		
Inventories	(26137.80)	2100.77
Debtors	(5437.55)	2463.56
Other Current Assets	(1194.43)	(1592.41)
Current Liabilities	(1086.50)	5281.22
	<b>(33856.28)</b>	8253.14
Cash generated from operations	<b>(19350.83)</b>	<b>32240.14</b>
Less : Income tax	<b>1126.57</b>	3468.04
Cash flow before extraordinary items	<b>(20477.40)</b>	28772.10
<b>Net cash from operating activities</b>	<b>(20477.40)</b>	<b>28772.10</b>



## Cash Flow Statement for the year ended 31.3.2011 (contd)

	Year ended 31.3.2011	Year ended 31.3.2010
<----- (Rs in lakhs) ----->		
<b>B INVESTING ACTIVITIES</b>		
Interest Received	147.19	335.18
Dividend Received	15.57	14.80
Purchase of Fixed Assets	(7353.29)	(24197.81)
Purchase of Investments	(0.15)	--
Sale of Fixed Assets	520.08	14.82
Sale of Investments	527.44	57.16
Net cash used in investing activities	<u>(6143.16)</u>	<u>(23775.85)</u>
<b>C FINANCING ACTIVITIES</b>		
Increase in borrowings	30441.45	(2692.00)
Interest paid	(2552.47)	(762.96)
Dividend paid (Gross)	(1338.39)	(1532.76)
Net cash from financing activities	<u>26550.59</u>	<u>(4987.72)</u>
Net increase in cash and cash equivalents (A+B+C)	<b>(69.97)</b>	8.53
Opening cash balance	558.23	549.70
Closing cash balance (*)	488.26	558.23
	<b>(69.97)</b>	8.53

(\*) Includes fixed deposits of Rs 13.50 Lakhs (Rs 33.50 Lakhs) pledged with banks

Vide our Report annexed

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**S V BALASUBRAMANIAM**  
Chairman

**B SARAVANAN**  
Managing Director

**P R VITTEL**  
Partner  
M No 200/18111  
Coimbatore  
23.5.2011

**C PALANISWAMY**  
Company Secretary



**Balance Sheet Abstract and Company's General Business Profile**

**Registration Details**

Registration No	L15421TZ1983PLC001358	State Code	181
Balance Sheet	31      3      2011		
	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)**

<b>Total Liabilities</b>	15710476	<b>Total Assets</b>	15710476
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**Sources of Funds**

Paid-up Capital	114397	Reserves & Surplus	7127333
Secured Loans	2599271	Unsecured Loans	2627399

**Applications of Funds**

Net Fixed Assets	7348201	Investments	7494
Net Current Assets	6031794	Misc Expenditure	NIL
Accumulated Losses	NIL		

**Performance of the Company (Amount in Rs Thousands)**

Turnover	8428737	Total Expenditure	10323124
Profit before Tax	560917	Profit after Tax	530614
Earning per Share in Rs	46.38	Dividend Rate (Rs) Equity	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	22072000
Product Description	ALCOHOL
Item Code No	68022310
Product Description	GRANITE BLOCKS & SLABS



## Financial Performance - Year Wise

(Rs in lakhs)

Financial Year	Equity Share Capital	Reserves & 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
2010-2011	1143.97	71273.33	108067.29	12692.25	7083.08	5609.17	100

\* Turnover = Net Sales + Closing Stock – Opening Stock

\* Excludes inter-segment transfers





# BANNARI AMMAN SUGARS LIMITED

Regd Office : 1212 Trichy Road Coimbatore 641 018

## ATTENDANCE SLIP

Folio No :

DP-ID No :

Client ID No :

Name of the Shareholder :

Name of the Proxy (in Block letters) :  
(to be filled in if the Proxy attends instead of the member)

I hereby record my presence at the 27th Annual General Meeting held on 15th September 2011 at 4.30 PM at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014



Member's / Proxy's Signature



# BANNARI AMMAN SUGARS LIMITED

Regd Office : 1212 Trichy Road Coimbatore 641 018

## PROXY FORM

I/We ..... of ..... being  
a Member / Members of Bannari Amman Sugars Ltd., hereby appoint .....  
of ..... or failing him .....  
of ..... or failing him .....  
of ..... as my/our proxy to attend and vote for me / us / on my / our behalf at the  
27th Annual General Meeting of the Company to be held at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome  
Post Coimbatore 641 014 on 15th September 2011 at 4.30 PM and at any adjournment thereof

Signed this ..... day of ..... 2011

Folio No :

DP-ID No :

Client ID No :

Affix  
Revenue  
Stamp



### Note

This proxy form must be deposited at the Registered Office of the company at 1212, Trichy Road, Coimbatore - 641 018, not less than forty - eight hours before the time for holding the aforesaid meeting



## **BANNARI AMMAN SUGARS LIMITED**

Regd. Off. : 1212 Trichy Road Coimbatore - 641 018 India  
Phone : 0422 - 2302277 Fax : 0422 - 2309999  
E-mail : [basce@vsnl.com](mailto:basce@vsnl.com) Website : <http://www.bannari.com>