



29th Annual Report 2012 - 2013



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	
Dr M P Vijayakumar	

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
AXIS Bank Limited
ICICI Bank Limited
HDFC Bank Limited

Registered Office

1212 Trichy Road Coimbatore 641 018 Tamilnadu
Phone : 0422-2302277 Fax : 0422-2309999
E-mail : basce@bannari.com Website : <http://www.bannari.com>

Registrar and Share Transfer Agent

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



Notice to Shareholders

NOTICE is hereby given that the 29th 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 5th day of September 2013 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 Statement of Profit and Loss for the year ended 31st March 2013 and the audited Balance Sheet as at 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 V Venkata Reddy who retires by rotation and is eligible for re-appointment
4. To appoint a Director in the place of Sri A K Perumalsamy who retires by rotation and is eligible for re-appointment
5. To appoint a Director in the place of Sri T Gundan who retires by rotation and is eligible for re-appointment
6. To appoint Auditors and fix their remuneration

Coimbatore
30.5.2013

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 the Share Transfer Books of the company will remain closed from 31st August 2013 to 5th September 2013 (both days inclusive)
4. The equity dividend if declared will be paid to those members whose names appear on the Register of Members of the company as on 5.9.2013 In respect of the dematerialised shares dividend will be paid on the basis of the beneficial ownership furnished by the National Securities Depository Limited and Central Depository Services (India) Limited at the end of the business hours on 30.8.2013
5. The company has transferred unclaimed dividends upto the financial year ended 31st March 2005 to General Revenue Account/Investor Education and Protection Fund of the Central Government The dividend declared for the financial year 2006 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 in respect of Directors retiring by rotation and are eligible for re-appointment is given below in terms of clause 49 of the Listing Agreement

Sri V Venkata Reddy MBA aged 75 years is associated with the company as Director since 6.11.1997. He is holding 26010 equity shares of Rs.10/- each in the company and has 48 years experience in sugar industry including international assignments. He was the Managing Director of Sri Chamundeswari Sugars Limited for more than 8 years. He was the President of South Indian Sugar Mills Association Karnataka during the period 2001-2003.

Other Directorships

1. Sri Kollapuri Amma Agro Industries Pvt Limited
2. Sri Kollapuri Amma Enterprises Pvt Limited

Sri A K Perumalsamy aged 73 years is associated with the company as Director since 18.5.1984. He has more than 50 years experience in sugarcane cultivation. He is holding 1500 equity shares of Rs.10/- each in the company and does not hold any other Directorship.

Sri T Gundan aged 71 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 Private Limited and has got rich experience in business. He does not hold any shares in the Company.

Other Directorships

1. Madras Sugars Limited
2. Glenburn Estates and Enterprises Private Limited
3. Hotel Jagadeeswari Private Limited
4. Ootacamund Gymkhana Club
5. Kothagiri Rob Roy Tea Estates Private Limited

Membership of Committees in other public companies

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

**Financial Highlights**

(Rs in Lakhs)

Financial Year	2008-09	2009-10	2010-11	2011-12	2012-13
Turnover	67404.42	85346.50	111880.36	125861.44	148321.54
Other Income	1727.03	897.93	452.90	322.74	193.33
Total Income	69131.45	86244.43	112333.26	126184.18	148514.87
Raw Materials	34324.72	42995.38	73309.74	79223.38	92297.46
Traded Goods	--	--	110.69	406.47	1899.35
Overhead & Other Exp	17250.85	18910.88	23905.18	23556.33	26370.70
PBIDT	17555.88	24338.17	15007.65	22998.00	27947.36
Depreciation	3408.23	3834.06	7083.08	6676.92	5995.44
Finance Cost	958.14	530.34	2315.40	5077.85	4516.47
Pre-Tax Profit	13189.51	19973.77	5609.17	11243.23	17435.45
Tax	1206.74	5610.44	303.03	676.24	3186.71
Post-Tax Profit	11982.77	14363.33	5306.14	10566.99	14248.74
Equity Capital	1143.97	1143.97	1143.97	1143.97	1143.97
Reserves	54270.49	67301.16	71273.33	80355.33	93055.51

Turnover = Net Sales + Closing Stock – Opening Stock

The figures of the financial year 2010-11 to 2012-13 are in accordance with the revised schedule VI to the Companies Act 1956

**Key Financial Ratios**

Financial Year	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13
Financial Ratios					
Other Income/Turnover %	2.56	1.05	0.40	0.26	0.13
Overheads/Turnover %	26.19	23.09	21.37	18.72	17.78
Finance Cost /Turnover %	1.42	0.62	2.07	4.03	3.05
PBIDT/Turnover %	26.05	28.52	13.41	18.25	18.84
NP/Total Turnover %	19.57	23.40	5.01	8.92	11.76
Cash Profit/Total Turnover %	24.62	27.90	11.34	14.22	15.80
ROCE (PBIDT/Average Capital Employed) %	21.55	28.60	14.36	18.94	21.54
ROCE (PBIT/Average Capital Employed) %	17.36	24.09	7.58	13.44	16.92
Capital Output Ratio (Turnover / Average Capital Employed)	82.73	100.29	107.06	103.82	114.30
Balance Sheet Ratios					
Debt Equity Ratio (Long Term Debt to Equity)	0.22	0.23	0.07	0.06	0.05
Debtors' Turnover (Days)	38	19	32	27	25
Inventory Turnover (Days)	136	79	173	177	187
Current Ratio	1.63	1.72	1.15	1.27	1.46
Quick Ratio	0.80	1.04	0.27	0.25	0.25
Average Turnover Ratio (Total Revenue / Total Assets)	0.81	0.87	0.55	0.76	0.78
Per Share Data					
EPS (Rs)	103.05	125.56	46.38	92.37	124.56
CEPS (Rs)	132.84	159.07	108.30	150.74	176.96
Dividend / Share - Equity (Rs)	10.00	10.00	10.00	10.00	12.50
- Pref (Rs)	9.00	--	--	--	--
Dividend (Rs in Lakhs) (including tax on dividend)	1532.76	1338.39	1333.97	1329.55	1672.98
Net Profit after tax (Rs in Lakhs)	11982.77	14363.33	5306.14	10566.99	14248.74
Book Value (Rs)	484.40	598.31	633.03	712.43	823.44

Turnover = Net Sales + Closing Stock - Opening Stock

The ratios of the financial year 2010-11 to 2012-13 are worked out on the basis of the revised schedule VI to the Companies Act 1956

**Directors' Report**

Dear Members

Your Directors have pleasure in presenting the 29th Annual Report together with audited accounts of the Company for the year ended 31st March 2013

(Rs in Lakhs)

Financial Results	Financial Year	
	2012-13	2011-12
Profit for the year before depreciation	23430.89	17920.15
Less: Depreciation	5995.44	6676.92
Profit Before Tax	17435.45	11243.23
Less: Provisions: Income Tax - Current	3497.58	2248.30
MAT Credit Entitlement	(614.35)	(1223.11)
Deferred Tax	303.48	(348.95)
Profit After Tax	14248.74	10566.99
Add : Surplus brought forward from previous year	1216.62	1134.62
Amount available for appropriation	15465.36	11701.61
Appropriations		
Provision for diminution in value of investment (Long Term)	(124.42)	155.44
Provision for Proposed Dividend on equity shares	1429.96	1143.97
Provision for Tax on Dividend	243.02	185.58
Transfer to General Reserve	11000.00	9000.00
Surplus carried over to Balance Sheet	2916.80	1216.62
TOTAL	15465.36	11701.61

Dividend

Your Directors are glad to recommend dividend @ Rs 12.50/- per equity share of Rs.10/- each (125% on equity capital)



Review of Operations

Sugar Division

	Sugar Unit - I Alathukombai, Tamilnadu		Sugar Unit - II Alaganchi, Karnataka		Sugar Unit - III Kunthur, Karnataka		Sugar Unit - IV Kolundampattu, Tamilnadu	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
No of days crushed	202	212	272	262	37	251	245	265
Sugarcane crushed (Lakh tonnes)	6.47	5.68	16.82	14.28	0.69	4.66	11.29	9.99
Recovery (%)	10.39	10.31	10.27	10.90	10.95	11.04	9.86	9.73
Sugar produced (Lakh quintals)	6.84	5.81	17.29	15.56	0.79	5.15	11.17	9.72

During the year under review the aggregate sugarcane crushed is 35.27 lacs tonnes compared to 34.61 Lacs tonnes in the previous year. The overall working results are better compared to previous year and the expansion of crushing capacity from 2500 TCD to 3600 TCD at Kunthur Village Karnataka is in advanced stage of completion.

During the year the Central Government pursuant to the recommendations of Dr C Rangarajan Committee has abolished both levy sugar obligation and release mechanism of sugar stocks to the benefit of all concerned with the sugar industry.

Co-generation of Power

The Co-generation plants had generated 425.55 million units of power and exported 286.24 million units of power to grids compared to the generation of 419.80 million units and export of 291.98 million units in the previous year. The project of establishing 20 MW co-generation plant at Kunthur Village Karnataka is in advanced stage of completion.

Distillery Division

During the year the distilleries had produced 29.39 million B. Ltrs of Alcohol as against 28.55 million B. Ltrs in the previous year.

Granite Division

In the Granite Processing Unit 162206 square metres of Granite Slabs and 20139 square metres of Tiles were produced compared to production of 119397 square metres of Granite Slabs and 16727 square metres of Tiles in the previous year. Over the years the working results of this division have vastly improved and expected to improve further.

Wind Mill

Wind Mills had generated 16.76 million of units of power and exported 15.27 million units to grid compared to the generation of 14.38 million units and export of 12.78 million units in the previous year.

Prospects for the Current year 2013 - 2014

It is estimated to crush 30 lakh tonnes of sugarcane in aggregate. It is estimated to produce 29.5 million B. Ltrs of alcohol in distillery units. The workings of granite processing is encouraging and we expect an improved results in Granite Division. The overall working results of the company are expected to be satisfactory.

Fixed Deposit

The company has no fixed deposits as on 31.3.2013.

Directors

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



Particulars of Employees

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

Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo

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

Audit Committee

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

Directors' Responsibility Statement

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

- i. they have followed the applicable accounting standards in the preparation of annual accounts
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2012-2013 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 and electricity for the financial year 2012-2013 with the approval of Central Government

Industrial Relations

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

Acknowledgement

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

Coimbatore
30.5.2013

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 31.3.2013	Experience in Years	Date of Commencement of Employment	Particulars of Last Employment
1	Sri S V Balasubramaniam	Chairman	609.99	B Com ACA, ACS	73	48	9.10.1985	Vice Chairman Sakthi Sugars Limited
2	Sri B Saravanan	Managing Director	408.59	B Com	40	16	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
30.5.2013

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
- VFDs (variable frequency drive) have been installed for various applications in the sugar factories
 - Direct contact heaters have been installed to heat clear juice
 - Generator using waste bio-gas as fuel has been installed at Effluent Treatment Plant
 - Various process controls have been modified and automated to save energy
 - Existing steam bleeding system has been modified to reduce steam consumption
- (b) Additional investment and proposals if any being implemented for reduction of consumption of energy
- No significant 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
- Minimizing harmonic distortion would minimize failure of electrical utilities and reduce energy consumption
- (d) Particulars of energy consumption and energy consumption per unit of production in the sugar factories are furnished below

I Power and Fuel Consumption

	Year ended 31.3.2013	Year ended 31.3.2012
1 ELECTRICITY		
(a) Purchased		
Units	1659877	1544649
Total Amount (Rs)	11062215	8733565
Rate Per Unit (Rs)	6.66	5.65
(b) Own Generation		
(i) Through Diesel Generator		
Units	78949	330287
Units per Ltr of Diesel Oil	2.34	2.85
Cost per Unit (Rs)	19.94	14.90
(ii) Through Steam Turbine/Generator		
Units	95858518	99645818
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**

Financial Year	Electricity (Units)		Furnace Oil (Ltr)		Others (Tonnes)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sugar	27.04/Qtl	28.01/Qtl	--	--	--	--

B Technology Absorption**I Research and Development (R & D)****1 Specific areas in which R & D is carried out by the company**

- Co-ordinated Agronomic Experimental (CAE) Trials being conducted in association with the Tamil Nadu Agricultural University Coimbatore and Sugarcane Breeding Institute Coimbatore to study the performance and suitability of new clones to our command areas
- Yield improvement trails in different locations have been carried out One spraying i.e. seaweed extract is being carried out in our command area by the Sugarcane Breeding Institute to improve the cane yield

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

- New varieties of plant and ratoon crop-wise have been popularised to improve the recovery percentage and increase the cane yield

3 Future Plan of action

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

4 Expenditure on R & D

- Capital : Rs 279544/-
- Recurring : Rs 3497916/-
- Total : Rs 3777460/-
- 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. 2644.22 lakhs
- Total foreign exchange earned : Rs. 15554.18 lakhs

Coimbatore
30.5.2013

By Order of the Board
S V BALASUBRAMANIAM
Chairman



Corporate Governance

Company's Philosophy on Code of Corporate Governance

The Company is committed to achieve high standards of corporate governance

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

Board of Directors

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

Category and Name of the Directors	Number of Directorships held in other Public Companies	Number of Board Committee Memberships held in other Companies		Number of Board Meetings Attended	Last AGM Attended
		Chairman	Member		
Executive					
Sri S V Balasubramaniam	9	--	1	5	YES
Sri B Saravanan	9	--	1	5	YES
Non-Executive					
Sri S V Alagappan	3	--	--	5	YES
Sri S V Arumugam	11	--	2	4	YES
Non-Executive-Independent					
Sri V Venkata Reddy	--	--	--	3	YES
Sri A K Perumalsamy	--	--	--	4	YES
Sri E P Muthukumar	--	--	--	4	YES
Sri T Gundan	2	1	--	4	YES
Dr M P Vijayakumar	--	--	--	3	YES

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 25.5.2012, 6.8.2012, 6.9.2012, 9.11.2012 and 14.2.2013 The Board was given all material information viz budgets review of budgets cane crush estimates actual cane crushed actual recovery sugar stock details details of power generation and power exported to grid production sales and stock details of granite and distillery products etc which are incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meetings



Audit Committee

The Audit Committee consists of following 4 Directors of which 3 are independent The Committee met 4 times during the financial year 2012-2013 at 1212 Trichy Road Coimbatore 641 018 on 25.5.2012, 6.8.2012, 5.11.2012 and 9.2.2013

Name of the Directors	No of Meetings Attended
Sri V Venkata Reddy - Chairman	4
Sri E P Muthukumar - Member	3
Sri S V Arumugam - Member	1
Sri T Gundan - Member	2

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 31.3.2013

Name of the Directors	No of Shares held
Sri V Venkata Reddy	26010
Sri A K Perumalsamy	1500
Sri E P Muthukumar	1000
Sri S V Alagappan	NIL
Sri S V Arumugam	NIL
Sri T Gundan	NIL
Dr M P Vijayakumar	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 7 complaints from the shareholders during the financial year 2012-2013 All the complaints have been resolved to the satisfaction of shareholders No complaint was pending as on 31.3.2013

CEO/CFO Certification

The Managing Director and DGM - 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
26 th	6.9.2010	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM
27 th	15.9.2011	-do-	4.30 PM
28 th	6.9.2012	-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 Annual General Meeting held on 6.9.2010. At present there is no proposal for passing any special resolution.

Disclosures

- None of the transactions with related parties during the year 2012-2013 were in conflict with the interest of the company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- The Company has complied with all mandatory requirements of Clause 49 of the listing agreement with Stock Exchanges. As regards non-mandatory requirements the Company has complied with the requirements relating to remuneration committee. The Company has not adopted other non-mandatory requirements.

Means of Communication

- The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in an English and Tamil newspaper. The financial results are also accessible on the website http://www.bannari.com//sugar_bannari.html
- 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 : Thursday the 5th September 2013

Time : 4.30 PM

Venue : Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

Financial Calendar

Results Announced : 30th May 2013

Posting of Annual Report : On or before 7th August 2013

Last date for receipt of Proxy Forms : 3rd September 2013 by 4.30 PM

Dividend Payment Date : On or before 16.9.2013

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

31.8.2013 to 5.9.2013 (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 2012 to March 2013 were given below :

Month		BSE		SENSEX	
		High (Rs. Ps)	Low (Rs. Ps)	High	Low
APRIL	2012	620.00	527.10	17664.10	17010.16
MAY		615.00	498.00	17432.33	15809.71
JUNE		659.00	575.05	17448.48	15748.98
JULY		865.00	650.00	17631.19	16598.48
AUGUST		977.00	813.00	17972.54	17026.97
SEPTEMBER		947.00	900.00	18869.94	17250.80
OCTOBER		966.35	900.00	19137.29	18393.42
NOVEMBER		1048.70	900.10	19372.70	18255.69
DECEMBER		980.00	885.00	19612.18	19149.03
JANUARY	2013	940.00	898.00	20203.66	19508.93
FEBRUARY		940.00	895.00	19966.69	18793.97
MARCH		918.00	850.00	19754.66	18568.43

Based on the closing quotation of Rs. 872.20 as at 28.3.2013 at the Bombay Stock Exchange the market capitalisation of the company was Rs. 997.77 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 2013-2014 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 96.21% shares of the company have been dematerialised. ISIN allotted to our company is INE459A01010.

Trading of Shares

SEBI vide its circular dated 14.2.2013 introduced a system called Periodic Call Auction for illiquid scrips. As the average volume of your scrip is less than the criteria laid down by SEBI, the scrips of your company are now trading under "illiquid category" from 1.4.2013.

Share Transfer Agent

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

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

Share Transfer System

The Share transfers in physical form are registered and returned within a period of 15 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.

Dividend	Year	Dividend on Equity Shares (in %)
	2008-2009	100
	2009-2010	100
	2010-2011	100
	2011-2012	100
	2012-2013	125 (Recommended)

Unclaimed Suspense Account

In compliance with Clause 5A of the Listing Agreement the Company has opened the Unclaimed Suspense Account and transferred the shares remained unclaimed even after three reminders as required by Listing Agreement were sent to the shareholders. The details as required under Clause 5A (II) (h) of the Listing Agreement are as follows:



BANNARI AMMAN SUGARS LIMITED

Aggregate number of shareholders at the beginning of the year	-	28
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	-	5016
Number of shareholders claimed	-	2
Aggregate number of shareholders at the end of the year	-	26
Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	-	3816

Shareholding Pattern as on 31.3.2013

Category	No of Shares	%
1. Promoters	6260276	54.72
2. UTI & Mutual Funds	230	-
3. Banks, Financial Institutions & Insurance Companies	2770	0.02
4. Foreign Institutional Investors	22392	0.20
5. Private Corporate Bodies	1151407	10.07
6. Indian Public	3796946	33.20
7. NRI/OCB's	200486	1.75
8. Clearing Members	1377	0.01
9. Unclaimed Suspense Account	3816	0.03
TOTAL	11439700	100.00

Plant Locations

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

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

Sugar Unit III
Kunthur Village
Chamarajanagar District Karnataka

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

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

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

Wind Mills
Radhapuram Irukkandurai and Karunkulam
Villages Thirunelveli District Tamilnadu

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 641 018
Email: shares@bannari.com



Management Discussion and Analysis Report

Overview

The Company has two sugar mills in Tamilnadu and two sugar mills in Karnataka with the aggregate sugarcane crushing capacity of 19000 TCD. The company has also set up co-generation plants and windmills with the aggregate installed capacity of 93.55 MW. The company has also two Distillery units one in Tamilnadu and the other in Karnataka with the aggregate installed capacity of 127.50 KLPD. It has one of the most modern granite processing facilities at Sathyamangalam and quarries both in Tamilnadu and Karnataka.

In the sugar factory at Kunthur village, Karnataka, the crushing capacity is being expanded from 2500 TCD to 3600 TCD besides establishing a co-generation plant with an installed capacity of 20 MW. The projects are in advanced stage of completion.

The company is also a producer of bio-compost in Tamilnadu and Karnataka.

The company contributes substantially towards welfare of the society in the areas of Health, Sanitation, Irrigation Facilities, Education, Environment, Water Conservation, Livelihood Projects etc. through trusts established by the group.

World Sugar Scenario

Brazil and India are the world's two largest sugar producers. Global sugar production for the year 2013-14 is estimated at around 175 million metric tonnes setting a record with the growth in Brazil and Thailand more than offsetting sharply lower production in India.

The use of ethanol as an alternative fuel is an important factor in the sugar supply and demand equation. Brazil is both the largest exporter of sugar and the largest producer and consumer of ethanol. Any decision that Brazil takes to expand ethanol production can affect the balance of sugar supply and demand in the global market.

World sugar prices are highly volatile in particular frequently falls below production costs. The depreciation of currencies of major sugar producing countries (INR and Real) against dollar has also pushed the prices down.

Domestic sugar scenario

The sugar production is estimated to be lower as sugarcane output is likely to be affected especially in drought hit Maharashtra, Karnataka and Tamilnadu. Although the Indian Meteorological Department forecast normal monsoon rainfalls, a crucial component of cane sowing this season the pace of sowing is expected to remain slow especially in the above states. Lesser sowing would pull down India's overall cane productivity followed by the proportionate decline in the country's sugar output.

Cane price

For the sugar season starting from October 2013, the Central Government has increased the FRP (Fair & Remunerative Price) for sugarcane to Rs. 210 per quintal, an increase from Rs. 170 per quintal of the previous year. The cost production would increase substantially because of mainly high sugarcane price without proportionate increase in sugar prices.

Developments

The Government of India has deregulated sugar sales and has absolved sugar mills from levy obligation giving the industry more flexibility to plan their sales. However, the prices for sugarcane are continued to be controlled by Central and State Governments.

Opportunities

The country's sugar production is projected to fall by eight per cent to 23.2 million tonnes in 2013-14 sugar year starting October mainly due to lower output of sugarcane. With the decision of abolition of levy sugar and release mechanism for sugar sales by the Central Government, the sugar industry has gained greater flexibility in managing sales and cash flows.

The integrated sugar plants would be able to perform better in the coming years provided the sugarcane price remains at reasonable levels.


Threats

The rise in sugarcane procurement cost vis-a-vis sugar prices control over power purchase cost lower sugar recovery due to drought till the recent months are the factors having impact on the performance

Discussion on financial performance with respect to operational performance
Segment wise financial performances

(Rs. in Lakhs)

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Revenue		
- Sugar	102909.08	90264.12
- Power	12861.94	12344.43
- Distillery	10404.71	9371.43
- Unallocated	7798.46	6245.76
Profit Before Interest and Tax (PBIT)		
- Sugar	8762.46	4504.86
- Power	9253.17	7985.44
- Distillery	2081.83	2563.73
- Unallocated	1787.05	1199.69
Profit After Tax (PAT)	14248.74	10566.99

The revenue from operations during the financial year ended March 31, 2013 increased by 13.32% to Rs. 1339.74 Crores from Rs. 1182.25 Crores during financial year ended March 31, 2012. The PBIT margin for the year ended March 31, 2013 stood at 16.33% as against 13.75% during the financial year ended March 31, 2012. Increase in PBIT margins are mainly on account of higher sugar realization prices. Profit after tax during the financial year ended March 31, 2013 stood at Rs. 142.49 Crores against Rs. 105.67 Crores during the previous financial year an increase of 34.84% year on year.

Segment wise operational performances

Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Sugar		
Installed Capacity (TCD)	19000	19000
Sugarcane Crushed (Lakh Tonnes)	35.27	34.61
Recovery %	10.17	10.48
Sugar Produced (Lakh Quintals)	36.09	36.24
Distillery		
Installed Capacity (KLPD)	127.50	127.50
Alcohol Produced (Million B. Ltrs)	29.39	28.55



Particulars	Year ended 31.3.2013	Year ended 31.3.2012
Power Division		
Installed Capacity		
- Cogen power (MW)	84.80	84.80
- Wind Mills (MW)	8.75	8.75
Units Generated (Million Units)	442.31	434.18

Granite Division

During the financial year 2012-13 the company has produced 162206 square metres of polished granite slabs and 20139 square metres of polished granite tiles compared to 119397 square metres of polished granite slabs and 16727 square metres of polished granite tiles in the previous financial year

Outlook for FY 2013-14

There have significant positive developments in India on sugar policies which will benefit the producers and stakeholders going forward. The Company expects to crush 30 lakhs tonnes of sugarcane across all mills. It is estimated to produce 295 lakh B.Ltrs of alcohol in the distillery units. The working of Granite Division will have further improvements. The working results of the Company are expected to be satisfactory.

Internal Control Systems and their adequacy

The internal control systems are periodically reviewed by the audit committee as well as by the management for its continuous effective implementation. The company is having highly sound internal control and checks system embedded within company's operations in order to eliminate any operational errors at the initial stage.

Human Resources

Excellent relationship is maintained with the employees throughout the year. The number of employees of the company as at 31.3.2013 is 1851.

Corporate Social Responsibility

The Company is continuing its substantial contribution towards the welfare of the society in the areas of Health Sanitation Irrigation Facilities Education Environment Water Conservation Livelihood Projects etc. through trusts.

The following philanthropic activities took place over the years under various avenues

Health

- Eye camps are being organized on 4th Saturday of every month with the co-operation of Sankara Eye Hospital Coimbatore. About 50 patients are benefited by this project every month.
- Supplied medical equipments to Government Hospitals.
- Provided treatment in health camps to more than 9100 patients and performed cataract operations for 3390 eye patients.



Sanitation

- Maintaining of ten community sanitary complexes
- One third contribution for the construction of community sanitary complexes for men & women under Self Sufficiency scheme
- Contribution to Govt. for the construction of two hu-methane gas plants with the capacity of 25 m³ under Self Sufficiency Scheme These gas plants are functioning well and 14 gas stoves are installed The communities are availing the biogas for cooking purpose
- Installation of 1000 liters capacity R O water plant for the benefit of general public
- Maintenance of Toilets in Government Schools

Education

- Appointed 150 additional teachers for strengthening Government Schools
- Providing financial assistance for the special training programmes for deserving poor students who were studying in Government Schools

Environment

- Maintaining the trees planted in 5.0 acres of Government purambokku land under drip irrigation system
- Maintaining a mini community park and play area developed for the benefit of children and general public

Livelihood

- Established a Mobile Tailoring Training Centre to give free training for a period of six months for the tribal women So far 260 women have been trained and they are gainfully employed in garment factories



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 31.3.2013

Coimbatore
30.5.2013

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 2013 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 a review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. 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
30.5.2013

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL
Partner

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BANNARI AMMAN SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Bannari Amman Sugars limited ("the Company"), which comprise the Balance sheet as at 31st March 2013 the Statement of profit and loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 ("the Act") This responsibility includes the design implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error In making those risk assessments; the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management as well as evaluating the overall presentation of the financial statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the financial statements give the information required by the Act In the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. In the case of the balance sheet of the state of affairs of the Company as at 31st March, 2013:
- b. In the case of the Statement of Profit and Loss of the profit of the Company for the year ended on that date and
- c. In the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date

Report on Other Legal and Regulatory Requirements

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



2. As required by Section 227(3) of the Act we report that :
- 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
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - The Balance Sheet Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - In our opinion the Balance sheet Statement of profit and loss and the cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 221 of the Act
 - On the basis of the written representations received from the directors as on 31st March 2013 taken on record by the Board of Directors none of the directors is disqualified as on 31st March 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act

Coimbatore
30.5.2013

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

P R VITTEL
Partner

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

Annexure to Independent Auditors' Report

The Annexure referred to in our report of the members of M/s. Bannari Amman Sugars Limited (the Company) on the accounts of the company for the year ended 31st March, 2013

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit we report that :

1 In respect of its fixed assets :

- The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- As explained to us fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification
- Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption

- 2
- As explained to us inventories have been physically verified during the year by the management at reasonable intervals
 - In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business



- c. In our opinion and on the basis of our examination of the records the Company is generally maintaining proper records of its inventories. As explained to us there were no material discrepancy noticed on physical verification of inventories by the management as compared to book records.
3.
 - a. According to the information and explanations given to us and on the basis of our examination of the books of account the Company has not granted any loans secured or unsecured to companies firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
 - b. According to the information and explanations given to us and on the basis of our examination of the books of account the Company has not taken loans from companies firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us there exists an and adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventories & fixed assets and payment for expenses & for sale of goods and services. 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 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 4(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 cost records maintained by the company pursuant of the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act 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.
 - a. According to the records 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. According to the information and explanations given to us no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - b. The disputed statutory dues aggregating to Rs.1684.27 lakhs that have not been deposited on account of matters pending before appropriate authority are as under :

Name of the Statute	Nature of Dues	Amount (Rs. in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1684.27	Assessment Year 2010 - 11	CIT (Appeals), Coimbatore



- 10 The Company does not have any accumulated loss and has not incurred cash loss 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 explanations given to us the Company has not defaulted in repayment of dues to financial institutions or banks
- 12 According to the information and explanations given to us the Company has not granted loans and advances 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/nidhi/mutual benefit fund/society Therefore the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company
- 14 According to information and explanations given to us, the Company is not dealing or trading in shares securities debentures and other investments Therefore clause 4(xiv) of the Companies (Auditor's Report) order 2003 is not applicable to the company
- 15 According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions
- 16 The company has raised new term loans during the year The term loans outstanding at the beginning of the year and those raised during the year have been applied for the purpose for which they have been raised
- 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 no funds raised on short term basis have been used for long term investments
- 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 any 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

Coimbatore
30.5.2013

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

P R VITTEL
Partner

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


Balance Sheet as at 31.3.2013

PARTICULARS	Notes No	As at 31.3.2013		As at 31.3.2012	
		Details	Total	Details	Total
		(Rs in lakhs)		(Rs in lakhs)	
I. EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
a) Share Capital	2	1143.97		1143.97	
b) Reserves and Surplus	3	93055.51		80355.33	
			94199.48		81499.30
(2) NON-CURRENT LIABILITIES					
a) Long term borrowings	4	4494.96		5140.23	
b) Deferred tax liabilities (Net)	5	9145.42		8841.94	
c) Other Long term liabilities	6	976.26		1047.53	
d) Long term provisions	7	221.08		188.33	
			14837.72		15218.03
(3) CURRENT LIABILITIES					
a) Short term borrowings	8	36762.08		37426.57	
b) Trade payables	9	13120.77		9236.68	
c) Other current liabilities	10	7839.68		8558.10	
d) Short term provisions	11	4714.87		4333.18	
			62437.40		59554.53
TOTAL			171474.60		156271.86
II. ASSETS					
(1) NON-CURRENT ASSETS					
a) Fixed Assets					
i) Tangible assets	12	66860.03		68589.24	
ii) Capital work in progress		3251.13		2310.29	
b) Non-current investments	13	44.35		66.97	
c) Long-term loans and advances	14	9926.58		9378.24	
			80082.09		80344.74
(2) CURRENT ASSETS					
a) Inventories	15	75981.96		61272.76	
b) Trade Receivables	16	10064.84		9428.74	
c) Cash and cash equivalents	17	342.78		475.02	
d) Short-term loans and advances	18	3667.42		3213.51	
e) Other current assets	19	1335.51		1537.09	
			91392.51		75927.12
TOTAL			171474.60		156271.86

Significant Accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **P N RAGHAVENDRA RAO & CO**

Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30.5.2013

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary



Statement of Profit and Loss for the year ended 31.3.2013

PARTICULARS	Notes No	Year ended 31.3.2013		Year ended 31.3.2012	
		Details	Total	Details	Total
		(Rs in lakhs)		(Rs in lakhs)	
I REVENUE FROM OPERATIONS (GROSS)	20	136810.64		120954.85	
Less : Excise duty		2836.45		2729.11	
Revenue from operations (Net)		133974.19		118225.74	
II Other Income	21	193.33		322.74	
III Total Revenue (I + II)			134167.52		118548.48
IV EXPENSES					
Cost of materials consumed	22	92297.46		79223.38	
Purchase of traded goods	23	1899.35		406.47	
Changes in inventories of finished goods and work-in-progress	24	(14347.35)		(7635.70)	
Employee benefit expenses	25	6333.10		5323.95	
Finance Costs	26	4516.47		5077.85	
Depreciation and amortisation expenses		5995.44		6676.92	
Other Expenses	27	20037.60		18232.38	
TOTAL EXPENSES			116732.07		107305.25
V PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)			17435.45		11243.23
VI Exceptional items			--		--
VII PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)			17435.45		11243.23
VIII Extraordinary Items			--		--
IX PROFIT BEFORE TAX (VII - VIII)			17435.45		11243.23
X Tax Expenses					
a) Current tax		3497.58		2248.30	
b) MAT credit entitlement		(614.35)		(1223.11)	
c) Deferred tax		303.48		(348.95)	
			3186.71		676.24
XI PROFIT FOR THE PERIOD (IX - X)			14248.74		10566.99
XII Earnings per Share [Basic and diluted] (Rs.)			124.56		92.37

Significant Accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **P N RAGHAVENDRA RAO & CO**

Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30.5.2013

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary



Notes forming part of the financial statements for the year ended 31.3.2013

NOTE 1 : Significant accounting policies

1.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules 2006 (as amended) and the relevant provisions of the Companies Act 1956. The financial statements have been prepared on going concern basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 **Fixed Assets :** The Fixed Assets are carried at Cost less accumulated depreciation and impairment losses if any. 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. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets which are not ready for their intended use and other capital work in progress are carried at cost comprising direct cost related incidental expenses and attributable interest.

1.3 **Long Term Investments:** Investments are accounted at cost. The diminution in the market value of long term investments is recognized when diminution is considered permanent.

1.4 **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 Mill Division. For the assets of Co-Generation division and Wind Mill 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% in the year of capitalisation.

1.5 Valuation of Inventory :

(I) Finished Goods

Sugar
Granite Blocks
Polished Granite slabs and tiles
Molasses
Bagasse
Industrial Alcohol
Fusel Oil
Bio-compost

At weighted average cost or Net
Realisable value whichever is lower

Sawn Granite slabs and process stock

- At cost or net realisable value whichever is lower

Raw material consumables stores & spares and others

At weighted average cost or Net
Realisable value whichever is lower

(II) The cost for the finished goods and process stock is inclusive of cost of purchase cost of conversion Excise duty cess if any and other costs incurred in bringing the inventories to their present location and condition.



- 1.6 Revenue Recognition:** All Income and Expenses are accounted on accrual basis. The turnover is accounted without considering inter-division transfers for own consumption.
- 1.7 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 statement of profit and loss.
- 1.8 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. Contingent assets are neither recognised nor disclosed in the financial statements.
- 1.9 Impairment of assets:** Impairment of assets are assessed as at the close of each financial year and appropriate provision if any are recognised and given effect to the accounts.
- 1.10 Taxation:** 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. Minimum Alternate Tax (MAT) paid in accordance with the tax laws which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the company.
- 1.11 Deferred Tax:** 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.
- 1.12 Government grants:** Government grants are recognized based on the reasonable assurance that the Company will comply with the condition attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.
- 1.13 Segment reporting:** 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.
- 1.14 Leases:** The Company's significant leasing arrangements are operating leases and cancellable in nature. The lease rentals paid/received under such agreements are accounted in the statement of profit and loss.
- 1.15 Employee benefits :** Provident Fund, Employees State Insurance and Gratuity are defined contribution schemes and contributions are charged to statement of profit and loss of the year in which the contributions to the respective funds are due. The Company has opted for LIC group gratuity scheme. For calculating gratuity liability, the premium ascertained by LIC has been taken into account. Long term accumulated absences are provided based on the actuarial valuation.
- 1.16 Excise duty :** The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the statement of profit and loss. The Excise Duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for difference between opening and closing stock of finished goods.
- 1.17 Cash Flow Statement :** Cash flows are reported using the indirect method whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any difference are accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.
- 1.18 Borrowing Cost :** Borrowing cost which are directly attributable to the construction of qualifying assets are capitalised as a part of the cost of the asset.


2 SHARE CAPITAL

PARTICULARS	As at 31.3.2013	As at 31.3.2012
	Total (Rs in lakhs)	Total (Rs in lakhs)
AUTHORISED		
29000000 Equity shares of Rs. 10/- each (29000000 of Equity Shares of Rs. 10/- each)	2900.00	2900.00
2100000 Redeemable Preference shares of Rs. 100/- each (2100000 Redeemable Preference shares of Rs. 100/- each)	2100.00	2100.00
	5000.00	5000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
11439700 Equity Shares of Rs. 10/- each (11439700 Equity Shares of Rs. 10/- each)	1143.97	1143.97

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

PARTICULARS	As at 31.3.2013		As at 31.3.2012	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Equity shares				
At the beginning of the period	11439700	1143.97	11439700	1143.97
At the end of the period	11439700	1143.97	11439700	1143.97

b. Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	As at 31.3.2013		As at 31.3.2012	
	No. of shares	% of holding	No. of shares	% of holding
i. Sri S V Balasubramaniam	1056232	9.23	1056232	9.23
ii. M/s Shiva Distilleries Ltd	3948013	34.51	3948013	34.51

c. Terms / rights attached to equity shares

The company has issued only one class of equity shares having face value of Rs.10/- each. One equity share carries one vote. The members are entitled to vote in accordance with their shareholding. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.



PARTICULARS	As at 31.3.2013		As at 31.3.2012	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
3 RESERVES AND SURPLUS				
Capital Reserve		656.25		656.25
Capital Redemption Reserve		1846.00		1846.00
Securities Premium account		8503.35		8503.35
General Reserve				
Opening Balance	68133.11		59133.11	
Add :Transfer from statement of profit and loss	11000.00		9000.00	
Closing balance		79133.11		68133.11
Surplus in the statement of profit and loss				
Opening balance	1216.62		1134.62	
Add: Profit after tax for the year	14248.74		10566.99	
	15465.36		11701.61	
Less : Appropriations:				
Provision for Diminution in Value of Investment (long term)	(124.42)		155.44	
Provision for Proposed Dividend on Equity Shares	1429.96		1143.97	
Provision for Tax on Dividend	243.02		185.58	
Transferred to General Reserve	11000.00		9000.00	
	12548.56		10484.99	
Closing balance		2916.80		1216.62
TOTAL		93055.51		80355.33
4 LONG TERM BORROWINGS				
Secured :				
Term Loan from banks		1400.00		4675.00
Term Loan from Sugar Development Fund		3094.96		465.23
TOTAL		4494.96		5140.23

4.1 Rupee term loan of Rs. 2800 Lakhs (Rs.4200 Lakhs) from Axis Bank Ltd is secured by pari passu charge on the movable plant and machinery and pari passu second charge on the current assets of the Co-generation Plant at Sugar Unit IV. The loan is further secured by mortgage on lands admeasuring 50.93 acres and buildings thereon pertaining to the Co-generation Plant at Sugar Unit-IV.

The loan carries interest at the rate of Bank's Base rate plus 2.25% and repayable in 20 equal quarterly instalments of Rs.350 Lakhs each starting from June 2010.



Out of the above loan amount repayable within twelve months is Rs. 1400 lakhs (Rs.1400 Lakhs) is grouped under other current liabilities

- 4.2 The two years Corporate Loan of Rs.1875 lakhs (Rs.5625 lakhs) from Canara Bank is against assignment of receivables from Electricity Board (free from encumbrance) The loan carries interest at the rate of Bank's Base rate plus 1% and repayable in 24 equal monthly instalments of Rs.312.50 Lakhs each starting from October 2011

Out of the above loan amount repayable within twelve months is Rs. 1875 lakhs (Rs.3750 lakhs) which is grouped under other current liabilities

- 4.3 Loan from Sugar Development Fund (Government of India) availed for modernisation/expansion of Sugar Unit I amounting to Rs. 465.23 Lakhs (Rs. 775.39 Lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit I

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement Repayment of principal and interest thereon commenced after a period of 8 years from the date of disbursement and in five equal annual instalments The loan was disbursed during the financial year 2002

Out of the above loan amount repayable within twelve months is Rs. 310.16 lakhs (Rs. 310.16 lakhs) which is grouped under other current Liabilities

- 4.4 Loan from Sugar Development Fund (Government of India) availed for co-generation plant in Sugar Unit IV amounting to Rs. 2403.48 Lakhs (Nii) is secured by way of first charge on the movable and immovable properties of Sugar Unit IV and first pari passu charge on the movable and immovable properties of co-generation plant in Sugar Unit IV

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement Repayment of principal commenced after the expiry of three years and in ten equal half yearly instalments The interest on the Loan shall be paid half yearly from the date of disbursement The Loan was disbursed during the financial year 2013

- 4.5 Loan from Sugar Development Fund (Government of India) availed for implementation of the schemes aimed at development of sugar cane in the factory area of Sugar Unit-II amounting to Rs.270 Lakhs (Nii) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit II

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement Repayment of principal commenced after the expiry of three years and in four equal annual instalments The interest on the Loan shall be paid annually from the date of disbursement The loan was disbursed during the financial year 2013

- 4.6 Loan from Sugar Development Fund (Government of India) availed for implementation of the schemes aimed at development of sugar cane in the factory area of Sugar Unit III amounting to Rs.266.40 Lakhs (Nii) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit III

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement Repayment of principal commenced after the expiry of three years and in four equal annual instalments The interest on the Loan shall be paid annually from the date of disbursement The loan was disbursed during the financial year 2013

- 4.7 Term Loan of Rs.38.83 Lakhs (Rs.136.84 Lakhs) under SEFASU notified by Government of India availed from Punjab National Bank consortium consists of Punjab National Bank Bank of Baroda Canara Bank The Karur Vysya Bank Ltd Union Bank of India Indian Overseas Bank State Bank of Travancore State Bank of India State Bank of Hyderabad & Bank of India is secured by residual third charge on all fixed assets forming part of block assets and land and buildings of Sugar Units I II and III

The loan carries interest subvention at the rate of 12% per annum and is repayable in 24 equal instalments after the expiry of 2 years from the date of disbursement

The loan amount repayable within twelve months is Rs. 38.83 Lakhs (Rs.136.84 Lakhs) is grouped under Other Current Liabilities



PARTICULARS	As at 31.3.2013		As at 31.3.2012	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
5 DEFERRED TAX LIABILITIES				
Deferred tax liabilities arising on account of depreciation		9145.42		8841.94
6 OTHER LONG TERM LIABILITIES				
a) Trade payables	908.91		908.91	
b) Interest accrued but not due on borrowings	67.35		138.62	
TOTAL		976.26		1047.53
7 LONG TERM PROVISIONS				
Provision for employee benefits - compensated absences		221.08		188.33
8 SHORT TERM BORROWINGS				
Loan from banks repayable on demand				
SECURED :				
Cash Credit Loan	29762.08		19958.69	
Packing Credit Loan	--		--	
		29762.08		19958.69
UNSECURED :				
Short Term Loan from banks	7000.00		16300.00	
Overdraft Account from banks	--		1167.88	
		7000.00		17467.88
TOTAL		36762.08		37426.57

8.1 Cash Credit and other Working Capital Limits/ Demand Loan sanctioned by Punjab National Bank consortium consists of 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 Axis Bank Limited ICICI Bank Limited and HDFC Bank Limited to the Company's Sugar Units are secured by way of hypothecation of current assets and other movable block assets of the Sugar Units and third mortgage on the immovable properties of the Sugar Units

The credit limits availed as at 31.3.2013 is Rs. 29642.38 Lakhs (Rs. 19810.30 Lakhs)

The availed limits are repayable on demand and carries interest ranges between Bank's base rate plus 0.25% and 1.75% per annum

8.2 Packing Credit Limit and other working capital limits sanctioned by Punjab National Bank and State Bank of India to Granite Division are secured by way of hypothecation of current assets and second mortgage on other movable and immovable properties of Granite Division

The credit limits availed as at 31.3.2013 is Nil (Nil)

The credit limits availed are repayable on demand and carries interest ranges between Bank's Base Rate plus 0.75% and 1.50% per annum



BANNARI AMMAN SUGARS LIMITED

8.3 Cash Credit Limits sanctioned by Canara Bank and The Lakshmi Vilas Bank Ltd to Distillery Unit in Tamilnadu are secured by way of Hypothecation of current assets and second charge on other movable and immovable properties of the Distillery Unit in Tamilnadu

The credit limits availed as at 31.3.2013 is Rs. 119.70 Lakhs (Rs. 148.39 Lakhs)

The cash credit limits are repayable on demand and carries interest ranges between Bank's base rate plus 0.50% and 2.75% per annum

8.4 The Unsecured Short term loan of Rs. 2000 lakhs (Nil) from ING Vysya Bank is repayable within sixty days from the date of availment and carries interest at the rate of 10.45% per annum

The Unsecured Short term loan of Rs. 5000 lakhs (Rs. 5000 Lakhs) from HDFC Bank Ltd is repayable within six months from the date of availment and carries interest at the rate of 10.60% per annum

PARTICULARS	As at 31.3.2013	As at 31.3.2012
	Total (Rs in lakhs)	Total (Rs in lakhs)
9 TRADE PAYABLES		
- Purchases and Services	11234.41	7706.55
- Expenses	1886.36	1530.13
TOTAL	13120.77	9236.68

The vendors of the Company are yet to submit their status under Micro Small and Medium Enterprises; hence the relevant information is not available with the company. Accordingly no disclosures relating to Micro Small and Medium Enterprises have been made in the Accounts

PARTICULARS	As at 31.3.2013	As at 31.3.2012
	Total (Rs in lakhs)	Total (Rs in lakhs)
10 OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings	4527.53	6975.52
Payable on purchase of fixed assets	1181.37	669.72
Interest accrued but not due on borrowings	180.30	251.51
Unpaid Dividend	58.96	54.10
Statutory remittances	1687.07	423.67
Trade or security deposits received	77.40	74.41
Advance from customers	118.49	109.14
Others	8.56	0.03
TOTAL	7839.68	8558.10
11 SHORT TERM PROVISIONS		
For excise duty on closing stock	2765.39	2031.89
For employee benefits - bonus/exgratia	276.50	243.57
For proposed dividend	1429.96	1143.97
For tax on proposed dividend	243.02	185.58
For Income-tax	-	728.17
TOTAL	4714.87	4333.18

NON - CURRENT ASSETS

12 FIXED ASSETS (Tangible Assets)

(Rs in Lakhs)

DETAILS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2012	Additions	Deduction / Adjustments	As at 31.3.2013	Upto 31.3.2012	For the year	Withdrawn	Upto 31.3.2013	As at 31.3.2012	As at 31.3.2013
Land - Free hold	3251.82	168.56	--	3420.38	--	--	--	--	3251.82	3420.38
Land - Lease hold	1.23	--	0.02	1.21	--	--	--	--	1.23	1.21
Buildings	25028.27	3575.17	7.83	28595.61	4824.08	809.74	--	5633.82	20204.19	22961.79
Plant and Machinery	83730.40	2675.37	3204.25	83201.52	39929.74	4983.33	1018.89	43894.18	43800.66	39307.34
Furniture and Fixtures	538.93	15.13	--	554.06	255.63	25.33	--	280.96	283.30	273.10
Office Equipments	592.58	28.74	--	621.32	323.22	58.74	--	381.96	269.36	239.36
Live Stock	15.29	1.28	0.95	15.62	--	--	--	--	15.29	15.62
Motor Vehicles	1292.65	93.60	145.94	1240.31	529.26	118.30	48.48	599.08	763.39	641.23
TOTAL	114451.17	6557.85	3358.99	117650.03	45861.93	5995.44	1067.37	50790.00	68589.24	66860.03
Capital Works-in-Progress	2310.29	3251.13	2310.29	3251.13	--	--	--	--	2310.29	3251.13
Total for the year	116761.46	9808.98	5669.28	120901.16	45861.93	5995.44	1067.37	50790.00	70899.53	70111.16
Total for the previous year	112999.40	6624.79	2862.73	116761.46	39517.39	6676.92	332.38	45861.93	73482.01	70899.53



PARTICULARS	As at 31.3.2013	As at 31.3.2012
	Total (Rs in lakhs)	Total (Rs in lakhs)
13 NON - CURRENT INVESTMENTS		
I NON-TRADE, QUOTED-AT COST-FULLY PAID UP		
a INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) 84375 Equity Shares (P.Y: 84375) of Sakthi Finance Ltd of Rs.10 each	30.09	30.09
ii) 10000 Equity Shares (P.Y: 10000) of Bank of Baroda of Rs.10 each	8.50	8.50
iii) 73400 Equity Shares (P.Y: 73400) of Indraprastha Medical Corporation Limited of Rs.10 each	7.34	7.34
iv) 14300 Equity Shares (P.Y: 14300) of Indian Overseas Bank of Rs.10 each	3.43	3.43
v) 38000 Equity Shares (P.Y: 38000) of DCM Shriram Industries Ltd of Rs.10 each	44.22	44.22
vi) Equity Shares (P.Y: 507938) of Servalakshmi Paper Ltd of Rs.10 each	Nil	147.30
TOTAL	93.58	240.88
II NON-TRADE, UN QUOTED - AT COST		
A. IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra (*)	0.40	0.40
B. IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) Bannari Amman Sugars Employees' Co-operative Stores Limited	1.20	0.95
TOTAL	1.60	1.35
TOTAL (QUOTED & UNQUOTED)	95.18	242.23
Less : Provision for diminution in value of investment in respect of item No. a (i), (v) & (vi)	50.83	175.26
TOTAL	44.35	66.97
Aggregate cost of Quoted Investments	93.58	240.88
Aggregate market value of Quoted Investments	124.32	142.04
Aggregate provision for diminution in value of investment	50.83	175.26
Aggregate cost of unquoted Investments	1.60	1.35

(*) Kisan Vikas Patra of Rs. 40000/- have been pledged with State Government Authorities



PARTICULARS	As at 31.3.2013		As at 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
14 LONG TERM LOANS AND ADVANCES				
(Unsecured - considered good)				
Capital Advances		3100.97		3202.36
Security Deposits		181.24		146.95
Advance payment of Income Tax		1545.90		1544.81
MAT Credit Entitlement		4950.30		4335.68
Balance with Government Authorities		148.44		148.44
TOTAL		9926.58		9378.24
CURRENT ASSETS				
15 INVENTORIES				
(Valued at lower of cost and net realizable value)				
Raw material :				
Molasses at Distillery Units	803.25		750.35	
Granite Rough Blocks	11.30		444.18	
Press-mud	3.36		2.78	
Bio-products	53.91		11.67	
		871.82		1208.98
Work in Progress :				
Sugar	516.33		1004.64	
Molasses	39.02		57.53	
Press mud	36.91		21.84	
		592.26		1084.01
Finished Goods :				
Sugar	67507.76		53522.93	
Molasses at Sugar Units	938.85		689.05	
Bagasse	190.70		74.88	
Granite Products	603.15		369.15	
Industrial Alcohol	721.66		464.25	
Bio-Compost	1.32		3.53	
		69963.44		55123.79
Stores and spare parts		4389.14		3707.43
Loose tools		21.31		21.45
Others		143.99		127.10
TOTAL		75981.96		61272.76
16 TRADE RECEIVABLES				
(Unsecured - considered good)				
a. Exceeding six months from the date of due for payment		2394.34		1980.26
b. Others		7670.50		7448.48
TOTAL		10064.84		9428.74



PARTICULARS	As at 31.3.2013		As at 31.3.2012	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
17 CASH AND CASH EQUIVALENTS				
Cash on hand		26.71		17.81
Balances with Scheduled Banks :				
in Current Accounts	257.11		389.61	
in Deposit Accounts	--		13.50	
in Unpaid Dividend Accounts	58.96		54.10	
		316.07		457.21
TOTAL		342.78		475.02
18 SHORT TERM LOANS AND ADVANCES				
(Unsecured - considered good)				
Security deposits		35.55		78.41
Advance to staffs for expenses		156.68		186.62
Prepaid expenses		427.93		446.16
Balance with Government Authorities		488.35		947.28
Others - Advances recoverable in cash or kind		2455.39		1555.04
Advance Income Tax		103.52		--
TOTAL		3667.42		3213.51
19 OTHER CURRENT ASSETS				
(Unsecured - considered good)				
Interest accrued on deposits		16.22		11.97
Government subsidies receivable		1276.37		1380.50
Interest subsidies receivable		33.43		135.47
Income receivable		9.49		9.15
TOTAL		1335.51		1537.09

PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
20 REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
MANUFACTURED GOODS				
Sugar	102552.11		91105.39	
Molasses	834.07		1026.77	
Granite Products	7819.64		6247.81	
Industrial Alcohol	10114.37		9075.39	
Bio-Compost	313.29		312.09	
Power	12793.02		12344.42	



PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
Bio-Diesel	--		12.30	
Pressmud	4.77		1.62	
Bio-products	51.10		53.39	
		134482.37		120179.18
TRADED GOODS				
Sugar	1719.35		302.01	
Granite Products	--		0.83	
Fertilisers & Chemicals	181.90		174.17	
		1901.25		477.01
SALE OF SERVICES				
Cane harvester hire charges		39.58		24.33
OTHER OPERATING REVENUE				
Duty draw back and other export incentives	237.74		203.28	
Sale of Scrap	4.13		71.05	
Carbon Credit Sale Income	68.92		--	
Insurance claim received for loss of stock	76.65		--	
		387.44		274.33
Revenue from operations (Gross)		136810.64		120954.85
Less : Excise duty		2836.45		2729.11
Revenue from operations (Net)		133974.19		118225.74
21 OTHER INCOME				
Interest Income				
From loans and advances	84.54		110.99	
From deposits	10.40		6.17	
		94.94		117.16
Dividend income from long term investments		4.47		4.47
Net gain on Foreign currency transactions & translation		--		68.25
Other non-operating income :				
Rent receipts from operating leases	45.29		41.19	
Profit on Sale of Fixed Assets	--		83.00	
Agricultural income (net of expenses directly attributable Rs.52.73 lakhs (P.Y.:Rs.41.61 lakhs))	15.67		6.03	
Miscellaneous income	32.96		2.64	
		93.92		132.86
TOTAL		193.33		322.74



PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
EXPENSES				
22 COST OF MATERIALS CONSUMED				
Opening Stock of Raw Materials :				
Molasses at Distillery Units	750.35		680.03	
Granite Rough Blocks	444.18		692.36	
Press-mud	2.78		1.94	
Bio-products	11.67		13.85	
		1208.98		1388.18
Add: Purchase of Raw Materials :				
Sugarcane	82443.68		69591.35	
Purchase Tax on sugar cane	1927.47		2114.80	
Sugarcane cess	261.48		283.29	
Freight and transport on sugar cane	3749.78		2786.94	
Molasses at Distillery Units	1000.25		1562.01	
Granite Rough Blocks	540.72		566.79	
Press-Mud	15.23		11.64	
Bio-products	38.30		6.13	
		89976.91		76922.95
		91185.89		78311.13
Less: Closing Stock of Raw Materials :				
Molasses at Distillery Units	803.25		750.35	
Granite Rough Blocks	11.30		444.18	
Press-mud	3.36		2.78	
Bio-products	53.91		11.67	
		871.82		1208.98
Raw Material Consumed		90314.07		77102.15
Packing Material Consumed		1983.39		2121.23
TOTAL		92297.46		79223.38
Details of Raw Materials Consumed				
Sugarcane (includes cost tax and freight)		88378.47		74776.38
Packing Material for Sugar		1983.39		2121.23
Molasses at Distillery Units		947.35		1491.69
Granite Rough Blocks		973.60		814.97
Press-Mud		14.65		10.80
Bio-products		--		8.31
TOTAL		92297.46		79223.38



PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
23 PURCHASE OF TRADED GOODS				
Sugar		1745.46		293.55
Granite Products		23.35		0.42
Fertilisers & Chemicals		130.54		112.50
TOTAL		1899.35		406.47
24 (INCREASE) / DECREASE IN INVENTORIES				
I. FINISHED GOODS:				
a. Opening Stock :				
Sugar	53522.93		45882.30	
Molasses at Sugar Units	689.05		817.15	
Bagasse	74.88		19.11	
Granite Products	369.15		577.90	
Industrial Alcohol	464.25		359.03	
Bio-Compost	3.53		0.55	
	55123.79		47656.04	
b. Closing Stock :				
Sugar	67507.76		53522.93	
Molasses at Sugar Units	938.85		689.05	
Bagasse	190.70		74.88	
Granite Products	603.15		369.15	
Industrial Alcohol	721.66		464.25	
Bio-Compost	1.32		3.53	
	69963.44		55123.79	
(a) - (b)		(14839.65)		(7467.75)
II. WORK IN PROGRESS :				
a. Opening Stock :				
Sugar	1004.64		831.36	
Molasses	57.53		74.71	
Press-mud	21.84		19.19	
	1084.01		925.26	
b. Closing Stock :				
Sugar	516.33		1004.64	
Molasses	39.02		57.53	
Press-mud	36.91		21.84	
	592.26		1084.01	
(a) - (b)		491.75		(158.75)



PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
III. OTHERS				
a. Opening Stock : Fertilisers & Chemicals	40.59		31.39	
b. Closing Stock : Fertilisers & Chemicals	40.04		40.59	
(a) - (b)		0.55		(9.20)
TOTAL		(14347.35)		(7635.70)
25 EMPLOYEE BENEFIT EXPENSES				
Salaries, wages and allowances		5313.89		4373.16
Contribution to Provident and other funds		485.72		460.32
Staff Welfare expenses		533.49		490.47
TOTAL		6333.10		5323.95
26 FINANCE COSTS				
Interest Expenses		4435.48		4942.34
Other Borrowing Costs		70.06		135.51
Net loss on Foreign currency transactions and translation		10.93		--
TOTAL		4516.47		5077.85
27 OTHER EXPENSES				
Consumption of stores and spare parts		2931.14		2349.15
Loose tools		8.81		4.16
Increase / (decrease) of excise duty on inventory		733.45		282.33
Power and fuel		2008.11		1742.49
Other Fuel for Co-Generation		2481.45		4298.09
Water charges		144.86		119.48
Rent		79.14		110.75
Lease / hire charges for equipments		--		0.02
Granite processing charges		190.85		334.03
Cane development expenses		880.38		915.05
Repairs and maintenance :				
Buildings	559.98		547.45	
Plant and Machinery	3459.80		2866.10	
Vehicles	389.98		375.98	
Others	114.91		109.81	
		4524.67		3899.34



PARTICULARS	Year ended 31.3.2013		Year ended 31.3.2012	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
Effluent disposal expenses		453.41		391.82
Insurance charges		171.07		157.14
Rates and taxes		1676.73		408.68
Telephone & Fax charges		63.01		62.25
Travelling expenses		215.97		185.98
Printing and Stationery		51.07		51.42
Directors' sitting fees		1.35		1.35
Advertisement		9.98		6.25
Other Administrative expenses		169.98		131.62
Freight and forwarding		927.43		939.37
Selling and distribution expenses		1218.85		1325.27
Sales commission		38.05		17.52
Donations		118.19		299.36
Legal and professional charges		113.36		59.39
Loss on sale of fixed assets		743.16		--
Auditor's Remuneration (net of service tax input credit where applicable)				
For statutory audit	8.43		8.27	
For taxation matters	11.63		5.43	
For company law matters	0.67		1.71	
For other services	2.21		1.88	
Reimbursement of expenses	0.25		1.23	
		23.19		18.52
Provision no longer required		59.43		94.34
Bad debts written off		0.51		27.21
TOTAL		20037.60		18232.38



PARTICULARS	For the Year Ended	
	31.3.2013	31.3.2012
	(Rs in Lakhs)	
28. EMPLOYEE BENEFIT PLANS		
Defined contribution plans		
Contribution made by the company to defined contribution plan which are recognised and charged to statement of profit and loss during the year are as under		
Provident Fund	291.22	243.58
Family Pension Fund	9.21	9.17
Employees State Insurance	2.59	3.02
Employees Group Gratuity	185.67	207.65
Employees Group Insurance Fund	6.82	7.12
TOTAL	495.51	470.54

29 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Contingent liabilities

- 29.1 The company has preferred a Writ Appeal before the Division Bench of the Hon'ble High Court Madras challenging the Order pronounced in Writ Petition No. 4030/2002 dated 28.02.2006 in connection with increase in rate of water charges and the method of computation of water charges pursuant to the G.O. No.474 dated 13.11.2001 for the water drawn for industrial purposes. The approximate amount under dispute is Rs. 368.98 Lakhs (Rs. 360.66 Lakhs)
- 29.2 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 275000 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)
- 29.3 Sugar Unit I at Sathyamangalam was allowed to sell 100% of the Sugar production as free sugar for 8 years from 1985-86 sugar season and pay excise duty on incentive sugar as applicable to levy sugar and to retain the difference in excise duty between levy and free sale sugar. In respect of incentive sugar sold by Unit I from 20.09.1991 to 31.01.1994, the Central Excise Department has issued show cause notices to the Company to show cause why the difference of Rs.33/- per quintal being the difference between duty on levy sugar and free sugar should not be demanded from the Company. The Company has filed Writ Petitions in Madras High Court and 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)
- 29.4 The Entry Tax of Rs. 289.56 lakhs (Rs. 287.54 Lakhs) on Inter-state purchase of rough blocks is disputed
- 29.5 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



- 29.6 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 2010-11. The quantum under dispute is Rs.1684.27 Lakhs.
- 29.7 As at the year end the Company has an obligation under EPCG Scheme to export sugar of a value of USD 10317105 and to export granite of a value of USD 3184080.
- 29.8 Estimated amount of contracts remaining to be executed on capital account - Tangible Assets not provided for is Rs. 13789.42 Lakhs (Rs. 967.87 Lakhs).

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

PARTICULARS		31.3.2013	31.3.2012
I	PRINCIPAL ACTUARIAL ASSUMPTIONS [Assumption]		
	Discount rate (%)	8.05	8.57
	Salary escalation rate (%)	7.50	7.50
	Expected return on plan assets (%)	--	--
	Attrition rate (%)	7.00	7.00
		(Rs in Lakhs)	
PARTICULARS		31.3.2013	31.3.2012
A	NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	Present Value of Defined Benefit Obligation	169.07	144.73
	Fair Value of Plan Assets	--	--
	Funded Status [Surplus/(Deficit)]	(169.07)	(144.73)
	Unrecognised Past Service Costs	--	--
	Net Asset / (Liability) Recognised in Balance Sheet	(169.07)	(144.73)
B	DISCLOSURE OF EMPLOYER EXPENSE		
	Current Service Cost (including risk Premium for fully insured benefits)	94.42	161.29
	Interest Cost	11.23	10.27
	Expected Return on Assets	--	--
	Curtailment Cost /(Credit)	--	--
	Settlement Cost / (Credit)	--	--
	Past Service Cost	--	--
	Actuarial (gains) and losses	(1.47)	(97.40)
	Total Employer Expense Recognised in the Statement of Profit & Loss	104.18	74.16



(Rs in Lakhs)

PARTICULARS		31.3.2013	31.3.2012
C	NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	Present Value of Defined Benefit Obligation	214.13	169.07
	Fair Value of Plan Assets	--	--
	Funded Status [Surplus / (Deficit)]	(214.13)	(169.07)
	Unrecognised Past Service Costs	--	--
	Net Asset / (Liability) recognised in Balance Sheet	(214.13)	(169.07)
D	CHANGE IN OBLIGATIONS AND ASSETS		
	Change in Obligations		
	Present Value of Defined Benefit Obligation at the Beginning of the period	169.07	144.73
	Employer Service Cost	94.42	161.29
	Interest Cost	11.23	10.27
	Curtailment Cost / (Credit)	--	--
	Settlement Cost / (Credit)	--	--
	Plan Amendments	--	--
	Acquisitions	--	--
	Actuarial (Gains) / Losses	(1.47)	(97.40)
	Benefit Payments	(59.12)	(49.82)
	Present Value of Defined Benefit Obligation at the end of the period	214.13	169.07
	Change in Assets		
	Fair value of Plan Assets at the Beginning of the Period	--	--
	Expected Return on Plan Assets (Para 108/109)	--	--
	Actuarial Gain / (Loss)	--	--
	Assets Distributed on Settlements	--	--
	Actual Company contributions Less Risk Premium	--	--
	Benefit Payments	(59.12)	(49.82)
	Fair Value of Plan Assets at the End of the Period	(59.12)	(49.82)
E	RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	Net Asset/(Liability) recognised in balance sheet		
	at the beginning of the year	(169.07)	(144.73)
	Employer Expenses	(104.18)	(74.16)
	Employer Contributions	59.12	49.82
	Acquisitions / Business Combinations	--	--
	Net Asset/(Liability) Recognised in Balance Sheet at the end of the year	(214.13)	(169.07)



31 Segment Information for the year ended 31st March 2013

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Sugar, Power, Distillery and others. Revenues and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment/manpower efforts. Income or Expenses which are not attributable or allocable to segments have been disclosed as unallocable Income / Expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical revenues are allocated based on the location of the customer.

(Rs in Lakhs)

PARTICULARS	Sugar		Power		Distillery		Unallocated		TOTAL	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
PRIMARY										
External Revenue	115719.27	100494.47	25187.50	25160.09	10410.82	9376.95	9054.15	7432.39	160371.74	142463.90
Operating Income	358.09	297.35	68.92	--	--	1.28	--	--	427.01	298.63
Intersegment Revenue	116077.36	100791.82	25256.42	25160.09	10410.82	9378.23	9054.15	7432.39	160798.75	142762.53
	13168.28	10527.70	12394.48	12815.66	6.11	6.80	1255.69	1186.63	26824.56	24536.79
	102909.08	90264.12	12861.94	12344.43	10404.71	9371.43	7798.46	6245.76	133974.19	118225.74
RESULT										
Segment Result	8762.46	4504.86	9253.17	7985.44	2081.83	2563.73	1787.05	1199.69	21884.51	16253.72
Add: Un allocable Income									67.41	67.36
Operating Profit									21951.92	16321.08
Less: Finance Costs									4516.47	5077.85
Tax expenses									3186.71	676.24
Profit after tax									14248.74	10566.99
OTHER INFORMATION										
Segment Assets	129476.24	115087.37	14811.47	17325.56	8791.29	8641.44	8135.49	6585.98	161214.49	147640.35
Segment Liabilities	15905.65	16301.69	2679.47	1702.40	155.67	92.13	1953.64	735.57	20694.43	18831.79
Capital expenditure	3664.18	3933.62	300.95	60.99	520.92	201.53	2071.80	118.36	6557.85	4314.50
Depreciation	2694.36	2639.83	2403.18	3158.89	533.36	530.61	364.54	347.59	5995.44	6676.92
Non - Cash expenses other than Depreciation	--	--	--	--	--	--	--	--	--	--
SECONDARY										
Revenue by Geographical Market										
India	88865.77	75562.72	12861.94	12344.43	10404.71	9371.43	3155.21	2137.82	115287.63	99416.40
Outside India	14043.31	14701.40	--	--	--	--	4643.25	4107.94	18686.56	18809.34

32. 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



BANNARI AMMAN SUGARS LIMITED

2 RELATIVES OF KEY MANAGEMENT PERSONNEL :

Sri SV Balasubramaniam

Relatives

Sri B Saravanan (Son)

Sri S V Alagappan (Brother)

Sri S V Arumugam (Brother)

Sri B Saravanan

Relatives

Sri S V Balasubramaniam (Father)

3 ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE :

Annamallai Retreading Company Private Limited

Annamallai Enterprise Limited

Bannari Amman Spinning Mills Limited

Bannari Amman Exports Limited

Madras Sugars Limited

Shiva Cargo Movers Limited

Shiva Distilleries Limited

Shiva Texyarn Limited

RELATED PARTY TRANSACTIONS

PARTICULARS	Key Managerial Personnel	Relatives of Key Managerial Personnel	Enterprises as described in (3) above
	(Amount in Rupees)		
Purchase of Goods			237523051 (71083736)
Sale of Goods		-- (58000)	443745553 (571560702)
Sale of Investment			14730000 (Nil)
Rendering of Service (Managerial Remuneration)	101858131 (69233734)		
Receiving services			936085 (341300)
Rent paid	120000 (120000)		1020000 (1260000)
Balance outstanding as on 31 st March 2013 is Nil (Nil)			



PARTICULARS	For the Year Ended	
	31.3.2013	31.3.2012
	(Rs in Lakhs)	
33 Details of government grants		
Government grants received by the Company during the year towards		
Duty drawback (recognised under Other operating revenues)	237.74	203.28
Other incentives (reimbursement central sales tax) (recognised under other income)	1.91	3.54
TOTAL	239.65	206.82

34 Earnings per share	2012 - 13	2011 - 12
a. Weighted average number of equity shares of Rs.10/-each		
(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)	14248.74	10566.99
c. Basic and diluted earnings per share (Rs.)	124.56	92.37

35 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 Accounting Standard 28

36 Details of research and development expenditure recognised as an expense

PARTICULARS	For the Year Ended	
	31.3.2013	31.3.2012
	(Rs in Lakhs)	
Materials	34.98	24.72

37 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

38 The annual increase in the rate of power charges for supplies made from 20 MW Cogeneration plant at Alathukombai Village Sathyamangalam 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



39 There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date

40 Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under :-

PARTICULARS	As at 31.3.2013		As at 31.3.2012		
	US DOLLAR	EURO	US DOLLAR	POUND STERLING	EURO
Receivables	1119618	382468	3305142	Nii	412329
Payables	74774	2606669	18351	Nii	814792
Advance for Purchase	130000	Nil	Nii	238915	125156

41 The dividend is paid to Non Resident shareholders in Indian Rupee by crediting to their Rupee Bank account.

PARTICULARS		Consumption (Amount Rs in Lakhs)	% to total consumption
42	Value of Raw Materials		
42.1	Imported Value of		
a.	Granite Blocks	30.09 (Nii)	1.47% (Nii)
b.	Spares and Components	75.80 (70.49)	2.89% (3.95%)
42.2	Indigenous Value of		
a.	Sugarcane	88382.41 (74776.38)	100% (100%)
b.	Granite Blocks	2021.32 (1737.40)	98.53% (100%)
c.	Molasses	4424.67 (3462.53)	100% (100%)
d.	Pressmud	17.44 (13.15)	100% (100%)
e.	Spares and Components	2547.67 (1714.42)	97.11% (96.05%)



PARTICULARS		Year ended 31.3.2013	Year ended 31.3.2012
		(Amount Rs in Lakhs)	
43	Value of Imports on C.I.F. basis:		
	a. Rough Granite Blocks	29.21	(Nil)
	b. Granite Slabs	22.90	(Nil)
	c. Components and spare parts	1341.42	1020.11
	d. Capital goods	1223.16	81.47
44	Expenditure in foreign currency :		
	a. Travelling	10.40	10.64
	b. Rates & taxes	Nil	23.13
	c. Sales commission	16.35	8.81
	d. Subscription	0.70	0.65
	e. Registration Fees	0.08	0.79
	f. Interest	Nil	20.15
45	Earnings in Foreign Exchange :		
	F . O . B Value of Exports	15554.18	18809.34

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30.5.2013

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary


Cash Flow Statement for the year ended 31.3.2013

	Year ended 31.3.2013	Year ended 31.3.2012		
<----- (Rs in lakhs) ----->				
A OPERATING ACTIVITIES				
Net profit before tax and extraordinary items		17435.45		11243.23
Adjustments for :				
Add :				
Depreciation	5995.44		6676.92	
Finance Costs	4516.47		5077.85	
Loss on sale of Fixed Assets	745.75		4.16	
		11257.66		11758.93
Less : Investment Income :				
Interest	94.95		117.16	
Dividend	4.47		4.47	
Profit on sale of Fixed Assets	2.59		87.15	
		102.01		208.78
Operating Profit before working capital changes		28591.10		22793.38
Adjustments for :				
Add :				
Inventories	(14709.20)		(8392.96)	
Debtors	(636.10)		500.29	
Short term loans and advances	(453.91)		596.53	
Other Current Assets	201.58		358.14	
Current Liabilities	6451.29		1520.39	
		(9146.34)		(5417.61)
Cash generated from operations		19444.76		17375.77
Less : Income tax		3612.49		309.75
Cash flow before extraordinary items		15832.27		17066.02
Net cash from operating activities		15832.27		17066.02



Cash Flow Statement for the year ended 31.3.2013 (contd...)

	Year ended 31.3.2013	Year ended 31.3.2012
	<----- (Rs in lakhs) ----->	
B INVESTING ACTIVITIES		
Interest Received	94.95	117.16
Dividend Received	4.47	4.47
Purchase of Fixed Assets	(7498.70)	(4549.14)
Purchase of Investments	(0.25)	(147.47)
Sale of Fixed Assets	1548.47	537.68
Sale of Investments	147.30	--
Net cash used in investing activities	(5703.76)	(4037.30)
C FINANCING ACTIVITIES		
Increase in borrowings	(4272.25)	(6182.75)
Finance Costs paid	(4658.95)	(5417.77)
Dividend paid (Gross)	(1329.55)	(1333.97)
Net cash from financing activities	(10260.75)	(12934.49)
Net increase in cash and cash equivalents (A+B+C)	(132.24)	94.23
Opening cash balance	475.02	380.79
Closing cash balance	342.78	475.02
	(132.24)	94.23

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

30.5.2013

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary


Financial Performance - Year Wise

(Rs in lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	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	111880.26	12692.25	7083.08	5609.17	100
2011-2012	1143.97	80355.33	126046.54	17920.15	6676.92	11243.23	100
2012-2013	1143.97	93055.51	148321.54	23430.89	5995.44	17435.45	125

* 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 29th Annual General Meeting held on 5th September 2013 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
29th Annual General Meeting of the Company to be held at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome
Post Coimbatore 641 014 on 5th September 2013 at 4.30 PM and at any adjournment thereof

Signed this day of 2013

Folio No :

DP-ID No :

Client ID No :



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

Book-Post

To



If undelivered please return to

BANNARI AMMAN SUGARS LIMITED




Regd. Off. : 1212 Trichy Road Coimbatore - 641 018 India

Phone : 0422 - 2302277 Fax : 0422 - 2309999

E-mail : basche@bannari.com Website : <http://www.bannari.com>

FORM - A

Covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	BANNARI AMMAN SUGARS LIMITED
2	Annual Financial Statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
	SRI B SARAVANAN Managing Director	
	SRI M RAMPRABHU Dy General Manager (Finance) (Discharging Finance Functions)	
	SRI P R VITTEL Partner P N Raghavendra Rao & Co Chartered Accountants Auditors of the Company	
	SRI V VENKATA REDDY Chairman - Audit Committee	