

29<sup>th</sup>Annual Report 2012 - 2013



BANNARI AMMAN SUGARS LIMITED

#### Motto

Strive to perform best at all times

# **Objectives**

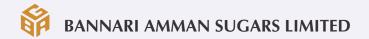
#### Our endeavour is to

- 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

Contents	Page	No
Board of Directors	1	
Notice to Shareholders	2	
Financial Highlights	4	
Key Financial Ratios	5	
Directors' Report	6	
Corporate Governance & Shareholders' Information	12	
Management Discussion & Analysis Report	. 19	
Auditors' Certificate on Corporate Governance	23	
Auditors' Report to the Members	24	
Balance Sheet	28	
Statement of Profit and Loss	29	
Notes forming part of	30	
Cash Flow Statement	54	
Financial Performance - Year Wise	56	

#### **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.



Chairman

Vice Chairman

Managing Director

#### **Board of Directors**

Sri S V Balasubramaniam

Sri V Venkata Reddy

Sri B Saravanan

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 PN 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: bascbe@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**

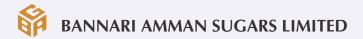
- To consider and adopt the audited Statement of Profit and Loss for the year ended 31st March 2013 and the audited Balance Sheet as at that date and Directors' Report and the Auditors' Report thereon
- 2. To declare dividend on equity shares
- To appoint a Director in the place of Sri V Venkata Reddy who retires by rotation and is eligible for re-appointment 3.
- To appoint a Director in the place of Sri A K Perumalsamy who retires by rotation and is eligible for re-appointment 4.
- To appoint a Director in the place of Sri T Gundan who retires by rotation and is eligible for re-appointment 5.
- To appoint Auditors and fix their remuneration 6.

Coimbatore 30.5.2013

By Order of the Board C PALANISWAMY Company Secretary

#### Note

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A 1. 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 5<sup>th</sup> 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 31" 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

- 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



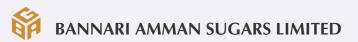
# **Financial Highlights**

(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	1 <i>77</i>	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) - Pref (Rs)	10.00 9.00	10.00	10.00	10.00	12.50
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

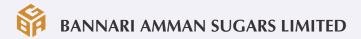
Your Directors have pleasure in presenting the 29th Annual Report together with audited accounts of the Company for the year ended 31st March 2013

(Rs in Lakhs)

	Financia	ıl Year
Financial Results	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**

		Unit - I ai, Tamilnadu		Unit - II Karnataka		Jnit - III Karnataka		Jnit - IV tu, 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

- 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
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with iii. the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- 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 PN 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

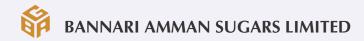
Particulars of Last It Employment	Vice Chairman Sakthi Sugars Limited	Joint Managing Director Shiva Distilleries Limited
Date of Commencement of Employment	9.10.1985	5.7.2000
Experience in Years	48	16
Age in Years as on 31.3.2013	73	40
Qualification	B Com ACA, ACS	B Com
Remuneration Received (Rs in lakhs)	606.909	408.59
Designation/ Nature of Duties	Chairman	Managing Director
Name	Sri S V Balasubramaniam	Sri B Saravanan
N N N	-	2

# Note

- 1 The nature of employment is contractual
- Sri SV Balasubramaniam is related to Sri B Saravanan Managing Director Sri SV Alagappan and Sri SV 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

By Order of the Board
S V BALASUBRAMANIAM
Chairman

Coimbatore 30.5.2013



#### 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

	Elect (Un		Furna (L	ce Oil tr)		ners nes)
Financial Year	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Sugar	27.04/Qtl	28.01/Qtl				

#### **Technology Absorption**

- 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/-: Rs 3497916/-> Recurring : Rs 3777460/-> Total

> 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

- 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

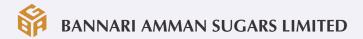
#### **Board of Directors**

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	Number of Board Committee Memberships held in other Companies		Number of Board Meetings	Last AGM Attended
Directors	Companies	Chairman	Member	Attended	Allended
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**

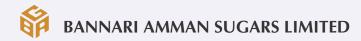
The Remuneration Committee consists of following 3 independent directors No executive director is on the Committee

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

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

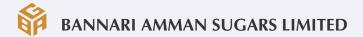
The Company received 7 complaints from the shareholders during the financial year 2012-2013 All the complaints have been resolved to the satisfaction of shareholders No complaint was pending as on 31.3.2013

#### **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 <sup>th</sup>	6.9.2010	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM
27 <sup>th</sup>	15.9.2011	-do-	4.30 PM
28 <sup>th</sup>	6.9.2012	-do-	4.30 PM

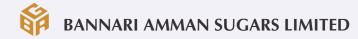
Special resolutions approving the appointment of Sri S V Balasubramaniam as Chairman with substantial powers of management were passed at the Annual General Meeting held on 6.9.2010 At present there is no proposal for passing any special resolution

#### **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

: 4.30 PM Time

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

#### Financial Calendar

30th May 2013 Results Announced

On or before 7th August 2013 Posting of Annual Report

3<sup>rd</sup> September 2013 by 4.30 PM Last date for receipt of Proxy Forms

Dividend Payment Date On or before 16.9.2013

: Within 45 days from the end of each quarter Announcement of Quarterly Results

# 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:

		BSE		SEN	SEX
	Month	High (Rs. Ps)	Low (Rs. Ps)	High	Low
APRIL	2012	620.00	527.10	17664.10	1 <i>7</i> 010.16
MAY		615.00	498.00	17432.33	15809.71
JUNE		659.00	575.05	17448.48	1 <i>574</i> 8.98
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 500041

Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001

National Stock Exchange of India Limited **BANARISUG** 

"Exchange Plaza"

Bandra-Kurla Complex Bandra (E) Mumbai 400 051

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

	Year	Dividend on Equity Shares (in %)
Dividend	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



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 Sinnapuliyur Village Erode District Tamilnadu II Alaganchi Village Mysore District Karnataka

#### **Bio-Compost**

I Modur Village Erode District Tamilnadu II Alaganchi Village Mysore District Karnataka

#### Wind Mills

Radhapuram Irukkandurai and Karunkulam Villages Thirunelveli District Tamilnadu

# **Address for Correspondence**

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

The Company Secretary Bannari Amman Sugars Limited 1212 Trichy Road Coimbatore 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)

		(110. 111 2011
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 m<sup>3</sup> 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 RO 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**

То

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**

То

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

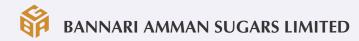
For P N RAGHAVENDRA RAO & CO

Chartered Accountants

P R VITTEL

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

Coimbatore 30.5.2013



#### 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 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

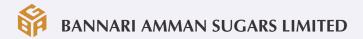
### **Opinion**

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:

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

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in 1. 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

For P N RAGHAVENDRA RAO & CO

**Chartered Accountants** 

**PRVITTEL** 

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

Coimbatore 30.5.2013

#### **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

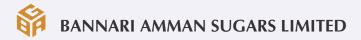
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit we report that:

#### 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

- 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 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
  - 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
- In our opinion and according to the information and explanations given to us there exists an and adequate internal control 4 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 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
  - in our opinion and according to the information furnished to us the transactions made in pursuance of contacts 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
- In our opinion the company has an internal audit system commensurate with the size and nature of its business 7
- 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 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
  - 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	Nature of	Amount	Period to which the	Forum where dispute is pending
Statute	Dues	(Rs in Lakhs)	Amount Relates	
Income Tax Act 1961	Income Tax	1684.27	Assessment Year 2010 - 11	CIT (Appeals), Coimbatore



- The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our 10 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
- According to the information and explanations given to us the Company has not granted loans and advances on the basis 12 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
- The company has raised new term loans during the year The term loans outstanding at the beginning of the year and 16 those raised during the year have been applied for the purpose for which they have been raised
- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the 17 Company we report that no funds raised on short term basis have been used for long term investments
- According to the information and explanations given to us the Company has not made any preferential allotment of 18 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

For P N RAGHAVENDRA RAO & CO

**Chartered Accountants** 

**PRVITTEL** 

**Partner** M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore 30.5.2013



# Balance Sheet as at 31.3.2013

	PARTICULARS		Notes	As at 3 Details	1.3.2013 Total	As at 3° Details	1.3.2012 Total
	FARTICULARS		No	(Rs in		(Rs in	
l. EQ	UITY AND LIABILITIES						
_	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 lia bilities		10	7839.68		8558.10	
	d) Short term provisions		11	4714.87		4333.18	
					62437.40		59554.53
		TOTAL			171474.60		156271.86
II. ASS	SETS						
(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

П

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

PRVITTEL SVBALASUBRAMANIAM BSARAVANAN
Partner Chairman Managing Director

M No 200/18111

ICAI Firm Regn. No: 003328S

Company Secretary

Company Secretary

# Statement of Profit and Loss for the year ended 31.3.2013

	PARTICULARS	Notes No	Details	d 31.3.2013 Total lakhs)	Year ende Details (Rs in	d 31.3.2012 Total 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	
Ш	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
Χ	Tax Expenses					
	a) Current tax		3497.58		2248.30	
	b) MAT credit entitlement		(614.35)		(1223.11)	
	c) Deferred tax		303.48	3186.71	(348.95)	676.24
ΧI	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

Chairman

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 **S V BALASUBRAMANIAM**  **B SARAVANAN** 

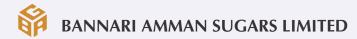
Partner M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore 30.5.2013

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

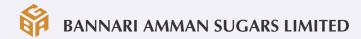
Sawn Granite slabs and process stock

At weighted average cost or Net
Realisable value whichever is lower

At cost or net realisable value whichever is lower

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
- Provision, Contingent liabilities & Contingent assets: Provision is recognised only when there is a present 1.8 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
- 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 recogonised 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  ${\sf Export}$  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  $\mathsf{paid}/\mathsf{received}$  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 actuarian 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 The cash flows from operating investing and financing activities of the company are cash receipts or payments 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 Total (Rs in lakhs)	As at 31.3.2012 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

	As at 31.3.2013		As at 31.3.2012	
PARTICULARS	No. of shares	Amount (Rs. in lakhs)	No. of	Amount (Rs. in lakhs)
Equity shares			Jiid. 63	(rist iii taiais)
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

	As at 31.3.2013		As at 31.3.2012	
Name of the Shareholder	No. of	% of	No. of	% of
	shares	holding	shares	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 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 Details Total (Rs in lakhs)		As at 31.3.2012 Details Total	
			(Rs in lakhs)	
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

Rupee term loan of Rs.  $2800 \, L_{akhs}$  (Rs.  $4200 \, L_{akhs}$ ) 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

- The two years Corporate Loan of Rs. 1875 lakhs (Rs. 5625 lakhs) from Canara Bank is against assignment of receivables 4.2 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
- Loan from Sugar Development Fund (Government of India) availed for modernisation/expansion of Sugar Unit | 4.3 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 |
  - 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
- 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 (Nil) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit
  - 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
- 46 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 (Nil) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit
  - 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 | | and | |
  - 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 Details Total (Rs in lakhs)		As at 31.3.2012 Details Total (Rs in lakhs)	
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				
UNSECURED :		29762.08		19958.69
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 NiI (NiI)

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



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  $\mathsf{Bank}'\mathsf{s}$  base rate plus 0.50% and 2.75% per annum

8.4 The Unsecured Short term Ioan 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 Total (Rs in lakhs)	As at 31.3.2012 Total (Rs in lakhs)
9 TRADE PAYABLES		
- Purchases and Services	11234.41	7706.55
- Expenses	1886.36	1530.13
TOTA	L 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

	As at 31.3.2013	As at 31.3.2012
PARTICULARS	Total	Total
	(Rs in lakhs)	(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 <sup>-</sup> tax	-	728.17
TOTAL	4714.87	4333.18

**NON - CURRENT ASSETS** 

12 FIXED ASSETS (Tangible Assets)

12 FIXED ASSETS		(Tangible Assets)								(Rs in Lakhs)
		GROSS BLOCK	BLOCK			DEPRECIATION	ATION		NET BLOCK	OCK
DETAILS	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	ł	-	:	1	3251.82	3420.38
Land - Lease hold	1.23	1	0.02	1.21	1	-	1	;	1.23	1.21
Buildings	25028.27	3575.17	7.83	28595.61	4824.08	809.74	1	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	1	280.96	283.30	273.10
Office Equipments	592.58	28.74	:	621.32	323.22	58.74	1	381.96	269.36	239.36
Live Stock	15.29	1.28	0.95	15.62	:	1	:	:	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 Total (Rs in lakhs)	As at 31.3.2012 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 Snares (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

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

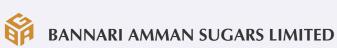


PARTICULARS	As at 3 Details			As at 31.3.2012 Details Total	
	(Rs in	lakhs)	(Rs in	lakhs)	
14 LONG TERM LOANS AND ADVANCES					
(Unsecured - considered good)		0100.07		0000	
Capital Advances		3100.97		3202.3	
Security Deposits		181.24		146.9	
Advance payment of Income Tax		1545.90 4950.30		1544.8	
MAT Credit Entitlement  Balance with Government Authorities		148.44		4335.6 148.4	
TOTAL		9926.58			
TOTAL		9920.30		9378.2	
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		1208.9	
Work in Progress:		071.02		1200.0	
Sugar	516.33		1004.64		
Molasses	39.02		57.53		
Press mud	36.91		21.84		
		592.26		1084.0	
Finished Goods:		0.10			
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		55123.7	
Stores and spare parts		4389.14		3707.4	
Loose tools		21.31		21.4	
Others		143.99		127.1	
TOTAL		75981.96		61272.7	
16 TRADE RECEIVABLES					
(Unsecured - considered good)					
a. Exceeding six months from the date of		000404		1000	
due for payment		2394.34		1980.2	
b. Others		7670.50		7448.4	
TOTAL		10064.84		9428.7	



PARTICULARS	As at 31.3.2013 Details Total (Rs in lakhs)		As at 31.3.2012 Details Total (Rs in lakhs)	
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	01/07	54.10	457.04
		316.07		457.21
TOTAL		342.78		475.02
18 SHORT TERM LOANS AND ADVANCES				
(Unsecured - considered good)		25.55		70.44
Security deposits		35.55		78.41
Advance to staffs for expenses		156.68 427.93		186.62 446.16
Prepaid expenses  Balance with Government Authorities		488.35		947.28
Others - Advances recoverable in cash or kind		2455.39		1555.04
Advance Income Tax		103.52		1555.04
TOTAL		3667.42		3213.51
IOTAL		0007.42		3213.31
19 OTHER CURRENT ASSETS				
(Unsecured - considered good)				
Interest accrued on deposits		16.22		11.97
Government subsidies receivable		1276.37		1380.50
nterest subsidies receivable		33.43		135.47
Income receivable		9.49		9.15
TOTAL		1335.51		1537.09

PARTICULARS	Details	d 31.3.2013 Total lakhs)	Year ended 31.3.201 Details Tota (Rs in lakhs)	
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 Details Total		Details	d 31.3.2012 Total
	(Rs in	lakhs)	(Rs in	lakhs)
Bio-Diesel			12.30	
P <sub>ressmud</sub>	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	1901.25	174.17	477.01
SALE OF SERVICES		1701.25		477.01
Cane harvestor 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	
Trom deposits	10110	94.94	0117	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	Details	d 31.3.2013 Total lakhs)	Year ended 31.3.2012 Details Total (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	
	53.91		11.67	
Bio-products	55.91	871.82	11.07	1208.98
Raw Material Consumed		90314.07		77102.15
		1983.39		
Packing Material Consumed				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
Dio products				0.51



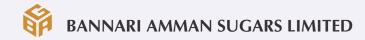
PART	ICULARS	Details	d 31.3.2013 Total lakhs)	Year ended 31.3.2012 Details Total (Rs in lakhs)	
		(115 111			
23 PURCHASE OF	FRADED GOODS				
Sugar			1745.46		293.55
Granite Products			23.35		0.42
Fertilisers & Chem	iicals		130.54		112.50
	TOTA	L	1899.35		406.47
24 (INCREASE) / D	ECREASE IN INVENTORIES				
I. FINISHED GC	OODS:				
a. Opening	Stock:				
Sugar		53522.93		45882.30	
_	s at Sugar Units	689.05		817.15	
Bagasse		74.88		19.11	
	Products	369.15		577.90	
	ı Alcohol	464.25		359.03	
Bio-Com		3.53		0.55	
Die Gein	post	55123.79		47656.04	
b. Closing	Stock:	33123.73		47030.04	
Sugar		67507.76		53522.93	
	s at Sugar Units	938.85		689.05	
Bagasse		190.70		74.88	
Granite	Products	603.15		369.15	
Industria	I Alcohol	721.66		464.25	
Bio-Com		1.32		3.53	
		69963.44		55123.79	
(a) - (b)		3333.11	(14839.65)	00120170	(7467.75
II. WORK IN PR					,
a. Opening					
Sugar		1004.64		831.36	
Molasse	s	57.53		74.71	
P <sub>ress</sub> -mi		21.84		19.19	
		1084.01		925.26	
b. Closing	Stock:				
Sugar		516.33		1004.64	
Molasse		39.02		57.53	
Press-mi	ad	36.91		21.84	
		592.26		1084.01	
(a) - (b)			491.75		(158.75



PARTICULARS	Details	d 31.3.2013 Total lakhs)	Year ended 31.3.201 Details Tota (Rs in lakhs)	
III. OTHERS  a. Opening Stock: Fertilisers & Chemicals	40.59		31.39	
ь. Closing Stock: Fertilisers & Chemicals	40.04		40.59	
( ) ( )		0.55		(0.20)
(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
ncrease / (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	Details	d 31.3.2013 Total lakhs)	Details	d 31.3.2012 Total 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	00.10	1.23	40.50
2		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 | 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** 

	FARTICULARS	31.3.2013	31.3.2012
ī	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
Α	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)
В	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)

		(Ks in Lakhs)
PARTICULARS	31.3.2013	31.3.2012
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	(214.10)	(100.07)
Net Asset / (Liability) recognised in Balance Sheet	(214.13)	(169.07)
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 Pian 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)
RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
${\sf Net}$ ${\sf Asset}/({\sf Liability})$ 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	Տս <u>զ</u> 2012-13	•	Pow 2012-13		Distil 2012-13		Unallo 2012-13		TO <sup>2</sup>	
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
	116077.36	100791.82	25256.42	25160.09	10410.82	9378.23	9054.15	7432.39	160798.75	142762.53
Intersegment Revenue	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 SV Balasubramaniam, Chairman Sri B Saravanan, Managing Director

#### RELATIVES OF KEY MANAGEMENT PERSONNEL:

Sri SV Balasubramaniam

Relatives

Sri B Saravanan (Son)

SriSV Alagappan (Brother)

SriSV Arumugam (Brother)

Sri B Saravanan

Relatives

SriSV Balasubramaniam (Father)

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

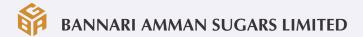
Shiva Cargo Movers Limited

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 (N <sub>ii</sub> )
Rendering of Service (Managerial Remuneration)	101858131 (69233734)		
Receiving services			936085 (341300)
Rent paid	120000 (120000)		1020000 (1260000)
Balance outstanding as on 31" March 2013 is Nii (Nii)			



		For the Yea		
	PARTICULARS	31.3.2013 31.3.2012 (Rs in Lakhs)		
3 <b>D</b> e	etails of government grants			
	overnment grants received by the Company			
	Duty drawback (recognised under Other operating revenues)	237.74	203.28	
Other incentives (reimbursement central sales tax )		1.91	3.5	
	TOTAL	239.65	206.82	
4 <b>E</b> c	arnings 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	

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 <b>31.3.2013</b> 31.3.2012 (Rs in Lakes)	
Materials	34.98	24.72

- Previsous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's 37 classification / disclosure
- The annual increase in the rate of power charges for supplies made from 20 MW Cogeneration plant at Alathukombai 38 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

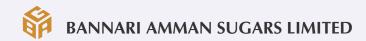


- 39 There are no derivative financial instruments either for hedging or for speculation outstanding as at the Balance Sheet date
- 40 Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

PARTICULARS	As at 31	.3.2013	As at 31.3.2012			
PARTICULARS	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	

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 (N <sub>ii</sub> )	1.47% (N <sub>ii</sub> )
ь. Spares and Components	<b>75.80</b> (70.49)	<b>2.89</b> % (3.95%)
42.2 Indigenous Value of		
a. Sugarcane	<b>88382.41</b> (74776.38)	<b>100</b> % (100%)
ь. Granite Blocks	<b>2021.32</b> (1737.40)	<b>98.53</b> % (100%)
c. Molasses	<b>4424.67</b> (3462.53)	<b>100</b> % (100%)
d. Pressmud	<b>17.44</b> (13.15)	<b>100</b> % (100%)
e. Spares and Components	<b>2547.67</b> (1714.42)	<b>97.11%</b> (96.05%)



	PARTICULARS	Year ended 31.3.2013 (Amount R	Year ended 31.3.2012 s in Lakhs)
43	Value of Imports on C.I.F. basis:		
	a. Rough Granite Blocks	29.21	(Nii)
	b. Granite Slabs	22.90	(Nii)
	c. Components and spare parts	1341.42	1020.11
	d. Capital goods	1223.16	81.47
4	Expenditure in foreign currency :		
	a. Travelling	10.40	10.64
	ь. 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
5	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

 $P_{artner}$ 

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

		ended .2013	31.3	ended 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:				
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 ende 31.3.201 <		.2013		
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

**PRVITTEL** 

30.5.2013

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

**S V BALASUBRAMANIAM** Chairman

**B SARAVANAN** Managing Director

Company Secretary

**C PALANISWAMY** 



#### **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 <sub>months</sub> )	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

<sup>\*</sup> Turnover = Net Sales + Closing Stock - Opening Stock

<sup>\*</sup> Excludes inter-segment transfers



Regd Office: 1212 Trichy Road Coimbatore 641 018

#### ATTENDANCE SLIP

Folio IVo	•
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 Residency 2/2 Avinashi Road Civil Ae	Annual General Meeting held on 5 <sup>th</sup> September 2013 at 4.30 PM at Jenneys rodrome Post Coimbatore 641 014
	Member's / Proxy's Signature
	RI AMMAN SUGARS LIMITED  ffice: 1212 Trichy Road Coimbatore 641 018  PROXY FORM
	PROXITORIVI
I/W <sub>e</sub>	of being
a Member / Members of Bannari Ar	mman 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
29" Annual General Meeting of the Co	mpany to be held at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome
Post Coimbatore 641014 on 5" Septem	mber $2013$ at $4.30\mathrm{PM}$ and at any adjournment thereof
Signed this	day of
Folio No :	
DP-ID No :	Affix Revenue Stamp
Client ID No :	Samp



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

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: bascbe@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 <sup>st</sup> March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
	SRI B SARAVANAN Managing Director	asn
	SRI M RAMPRABHU Dy General Manager (Finance) (Discharging Finance Functions)	Dum Kally
	SRI P R VITTEL Partner P N Raghavendra Rao & Co Chartered Accountants Auditors of the Company	W
	SRI V VENKATA REDDY Chairman - Audit Committee	Vi renout

