



28th Annual Report 2011 - 2012



BANNARI AMMAN SUGARS LIMITED

Motto

Strive to perform best at all times

Objectives

Our endeavour is to

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

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IMPORTANT COMMUNICATION

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

**Board of Directors**

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

Auditors

M/s P N Raghavendra Rao & Co
Chartered Accountants

Internal Auditors

M/s Srivatsan & Gita
Chartered Accountants

M/s Bakthavachalam & Co
Chartered Accountants

Cost Auditor

Sri M Nagarajan
Cost Accountant

Company Secretary

Sri C Palaniswamy

Bankers

Punjab National Bank
Bank of Baroda
Canara Bank
The Federal Bank Limited
The Karur Vysya Bank Limited
Union Bank of India
Indian Overseas Bank
State Bank of Travancore
State Bank of India
State Bank of Hyderabad
Bank of India
The Lakshmi Vilas Bank Limited
Axis Bank Limited

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 28th 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 6th day of September 2012 at 4.30 PM to transact the business set out in the agenda below

You are requested to make it convenient to attend the meeting

Agenda

1. To consider and adopt the audited Statement of Profit and Loss for the year ended 31st March 2012 and the audited Balance Sheet as at that date and Directors' Report and the Auditors' Report thereon
2. To declare dividend on equity shares
3. To appoint a Director in the place of Sri S V Alagappan who retires by rotation and is eligible for re-appointment
4. To appoint a Director in the place of Sri S V Arumugam who retires by rotation and is eligible for re-appointment
5. To appoint a Director in the place of Sri E P Muthukumar who retires by rotation and is eligible for re-appointment
6. To appoint Auditors and fix their remuneration

SPECIAL BUSINESS

7. To consider and if thought fit to pass with or without modification the following resolution as an Ordinary Resolution

RESOLVED that Dr M P Vijayakumar who was co-opted as Additional Director by the Board of Directors with effect from 14.11.2011 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company liable to retire by rotation

Coimbatore
25.5.2012

By Order of the Board
C PALANISWAMY
Company Secretary

Note

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY
2. Proxies in order to be effective should be deposited with the company forty eight hours before the meeting
3. The Register of Members and the Share Transfer Books of the company will remain closed from 1st September 2012 to 6th September 2012 (both days inclusive)
4. The equity dividend if declared will be paid to those members whose names appear on the Register of Members of the company as on 6.9.2012. 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 31.8.2012
5. The company has transferred unclaimed dividends upto the financial year ended 31st March 2004 to General Revenue Account/Investor Education and Protection Fund of the Central Government. The dividend declared for the financial year 2005 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

**EXPLANATORY STATEMENT UNDER SECTION 173 OF THE COMPANIES ACT 1956****Item No. 7**

Dr M P Vijayakumar aged 63 years was co-opted as Additional Director on 14.11.2011. In terms of Section 260 of the Companies Act 1956 read with Article 74 of Company's Articles of Association Dr M P Vijayakumar holds office upto the date of ensuing Annual General Meeting. A notice proposing Dr M P Vijayakumar as a Director has been received from a member of the company along with requisite deposit

Dr M P Vijayakumar IAS (Rtd) is a post graduate in Economics and a member of Institute of Cost and Works Accountant of India (AICWA). He also holds Degree in Law. He was conferred doctoral degree in Education and Management by Alagappa University. He joined Tamilnadu Government Civil Service in the year 1975 and occupied various positions in the Government including position as District Collector, Commissioner of Chennai Corporation etc., He served as General Manager of Government Undertakings viz., SIPCOT, SIDCO etc., and as Managing Director of Tamilnadu State Marketing Corporation Limited and Southern Agrifurane Industries Limited. He does not hold any shares in the company. He does not hold any other directorship

None of the Directors of the Company is concerned or interested in the said resolution except Dr M P Vijayakumar who is seeking appointment

Coimbatore
25.5.2012

By Order of the Board
C PALANISWAMY
Company Secretary

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 S V Alagappan, B.Com., BL., aged 70 years, is associated with the company as Director since 29.9.1988. He has more than 40 years of managerial experience. He is the Managing Director of Shiva Texyarn Limited. He does not hold any shares in the company

Other Directorships

1. Madras Sugars Limited
2. Shiva Mills Limited
3. Anamallais Agencies Private Limited
4. Anamallais Cars Private Limited
5. Annamallai Retreading Company Private Limited
6. Bannari Amman Automobiles Private Limited
7. Shiva Automobiles Private Limited
8. Vadivelan Enterprises Private Limited



BANNARI AMMAN SUGARS LIMITED

Sri S V Arumugam, B.Sc., ACA., aged 63 years, is associated with the company as Director since 28.11.1994. He has more than 25 years of managerial experience. He is the Managing Director of Bannari Amman Spinning Mills Limited and Bannari Amman Apparel Private Limited. He does not hold any shares in the company

Other Directorships

- 1 Annamallai Infrastructures Limited
- 2 Bannari Amman Flour Mill Limited
- 3 Madras Sugars Limited
- 4 Sakthi Murugan Transports Limited
- 5 Shiva Taxyarn Limited
- 6 SIMA Textile Processing Centre Limited
- 7 Apptex Manpower Development Services Limited
- 8 The Cotton Textiles Export Promotion Council
- 9 Confederation of Indian Textile Industry
- 10 Anamallais Agencies Private Limited
- 11 Anamallais Automobiles Private Limited
- 12 Anamallais Motors Private Limited
- 13 Bannari Techno Park Private Limited
- 14 Kwaloty Clothes Private Limited
- 15 Murugan Enterprise Private Limited
- 16 Senthil Infrastructure Private Limited
- 17 Vedanayagam Enterprises Private Limited

Membership of Committees in other public companies

Shiva Taxyarn Limited - Investors' Grievance Committee

Sri E P Muthukumar, B.E., aged 59 years, is associated with the Company as Director since 6.2.1984. He has 35 years of experience in sugarcane cultivation. He is holding 1000 shares of Rs. 10/- each in the Company

Other Directorships

- 1 Geo Edge Technologies Private Limited
- 2 Stream Technologies Private Limited



Financial Highlights

(Rs in Lakhs)

Financial Year	2007-08	2008-09	2009-10	2010-11	2011-12
Turnover	60608.73	67404.42	85346.50	111880.36	126046.54
Other Income	2182.59	1727.03	897.93	452.90	322.74
Total Income	62791.32	69131.45	86244.43	112333.26	126369.28
Raw Materials	37868.60	34324.72	42995.38	73309.74	79223.38
Traded Goods	21.45	--	--	110.69	406.47
Overhead & Other Exp	16772.67	17250.85	18910.88	23905.18	23741.43
PBIDT	8128.60	17555.88	24338.17	15007.65	22998.00
Depreciation	3481.86	3408.23	3834.06	7083.08	6676.92
Finance Cost	730.68	958.14	530.34	2315.40	5077.85
Pre-Tax Profit	3916.06	13189.51	19973.77	5609.17	11243.23
Tax	(318.20)	1206.74	5610.44	303.03	676.24
Post-Tax Profit	4234.26	11982.77	14363.33	5306.14	10566.99
Equity Capital	1143.97	1143.97	1143.97	1143.97	1143.97
Reserves	43825.26	54270.49	67301.16	71273.33	80355.33

Turnover = Net Sales + Closing Stock – Opening Stock

The figures of the financial year 2010-11 and 2011-12 are regrouped in accordance with the revised schedule VI to the Companies Act, 1956

Key Financial Ratios

Financial Year	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12
Financial Ratios					
Other Income/Turnover %	3.60	2.56	1.05	0.40	0.26
Overheads/Turnover %	26.50	26.19	23.09	21.37	18.84
Finance Cost /Turnover %	1.21	1.42	0.62	2.07	4.03
PBIDT/Turnover %	13.41	26.05	28.52	13.41	18.25
NP/Total Turnover %	6.46	19.57	23.40	5.01	8.92
Cash Profit/Total Turnover %	12.21	24.62	27.90	11.34	14.22
ROCE (PBIDT/Average Capital Employed) %	11.35	21.55	28.60	14.36	18.94
ROCE (PBIT/Average Capital Employed) %	6.49	17.36	24.09	7.58	13.44
Capital Output Ratio (Turnover / Average Capital Employed)	84.62	82.73	100.29	107.06	103.82
Balance Sheet Ratios					
Debt Equity Ratio (Long Term Debt to Equity)	0.31	0.22	0.23	0.07	0.06
Debtors' Turnover (Days)	50	38	19	32	27
Inventory Turnover (Days)	167	136	79	173	177
Current Ratio	2.37	1.63	1.72	1.15	1.29
Quick Ratio	1.24	0.80	1.04	0.27	0.25
Average Turnover Ratio (Total Revenue / Total Assets)	0.71	0.81	0.87	0.55	0.76
Per Share Data					
EPS (Rs)	35.31	103.05	125.56	46.38	92.37
CEPS (Rs)	65.75	132.84	159.07	108.30	150.74
Dividend / Share - Equity (Rs)	7.00	10.00	10.00	10.00	10.00
- Pref (Rs)	9.00	9.00	--	--	--
Dividend (Rs in Lakhs)	1131.25	1532.76	1338.39	1333.97	1329.55
Net Profit after tax (Rs in Lakhs)	4234.26	11982.77	14363.33	5306.14	10566.99
Book Value (Rs)	393.10	484.40	598.31	633.03	712.43

Turnover = Net Sales + Closing Stock - Opening Stock

The ratios of the financial year 2010-11 and 2011-12 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 28th Annual Report together with audited accounts of the Company for the year ended 31st March 2012

(Rs in Lakhs)

Financial Results	Financial Year	
	2011-12	2010-11
Profit for the year before depreciation	17920.15	12692.25
Less : Depreciation	6676.92	7083.08
Profit Before Tax	11243.23	5609.17
Less : Provisions : Current Tax	2248.30	627.48
MAT Credit Entitlement	(1223.11)	(1114.55)
Deferred Tax	(348.95)	790.10
Profit After Tax	10566.99	5306.14
Add : Surplus brought forward from previous year	1134.62	1262.45
Amount available for appropriation	11701.61	6568.59
Appropriations		
Provision for diminution in value of investment (Long term)	155.44	--
Provision for Proposed Dividend on equity shares	1143.97	1143.97
Provision for Tax on Dividend	185.58	190.00
Transfer to General Reserve	9000.00	4100.00
Surplus carried over to Balance Sheet	1216.62	1134.62
TOTAL	11701.61	6568.59

Dividend

Your Directors have recommended dividend of Rs 10/- per equity share of Rs 10/- each (100% on equity capital)

Review of Operations

Sugar Division

	Sugar Unit - I Alathukombai, Tamilnadu		Sugar Unit - II Alaganchi, Karnataka		Sugar Unit - III Kunthur, Karnataka		Sugar Unit - IV Kolundampattu, Tamilnadu	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
No of days crushed	212	244	262	278	251	198	265	217
Sugarcane crushed (Lakh tonnes)	5.68	5.09	14.28	11.85	4.66	3.50	9.99	5.41
Raw Sugar Processed (Lakh tonnes)	--	0.28	--	0.33	--	--	--	0.06
Recovery (%)	10.31	9.99	10.90	10.57	11.04	10.87	9.73	9.29
Sugar produced (Lakh quintals)								
- From Cane	5.81	5.06	15.56	12.51	5.15	3.75	9.72	5.03
- From Raw Sugar	--	2.70	--	3.11	--	--	--	0.53

During the financial year 2011-12 the company had crushed 34.61 lakh tonnes of cane compared to 25.85 lakh tonnes in the previous year. The recovery had increased in all the sugar units. The volume of sugar sales had also increased substantially which yields improved results. The stock of sugar continues to be at high levels resulting in increased finance costs.

Out of four sugar plants three sugar plants are integrated with Co-generation facilities. The company is planning to establish a 20 MW Co-generation plant in its sugar factory at Kunthur Village, Karnataka besides expanding the crushing capacity from 2500 TCD to 3600 TCD. Effective use of by-products has ensured significant value addition. In spite of unfavourable monsoon the company is expected to maintain sugar cane crush at 35 lakh tonnes. Any increase in sugar price would benefit the company

Co-generation of Power

The Co-generation plants had generated 419.80 million units of power and exported 291.98 million units of power to grids compared to the generation of 409.64 million units and export of 291.06 million units in the previous year. Continuous delay in making payments by the State grids significantly affects the liquidity position of the company

Distillery Division

During the year the distillery units had produced 28.55 million B.Ltrs of Alcohol as against 25.95 million B.Ltrs in the previous year

Granite Division

In the Granite Processing Unit 119397 square metres of Granite Slabs and 16727 square metres of Tiles were produced compared to production of 110667 square metres of Granite Slabs and 13675 square metres of Tiles in the last year

Wind Mill

Wind Mills had generated 14.38 million units of power and exported 12.78 million units to grid compared to the generation of 15.12 million units and export of 13.27 million units



Prospects for the Current Year 2012 - 2013

It is estimated to crush 35 lakh tonnes of Sugarcane in aggregate. It is estimated to produce 160 Lakh B.Ltrs of alcohol in the Distillery Unit in Tamilnadu and 150 Lakh B.Ltrs of alcohol in Distillery Unit in Karnataka. The working results of the Company are expected to be satisfactory

Fixed Deposit

The company has no fixed deposits as on 31.3.2012

Directors

Sri S V Alagappan, Sri S V Arumugam and Sri E P Muthukumar are the Directors retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment

Dr M P Vijayakumar IAS (Rtd) was co-opted as Additional Director on 14.11.2011. He holds office upto the date of ensuing Annual General Meeting. A notice has been received from a member proposing him as a Director.

Particulars of Employees

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

Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo

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

Audit Committee

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

Directors' Responsibility Statement

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

- i. they have followed the applicable accounting standards in the preparation of annual accounts
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2011-2012 and of the profit of the company for that period
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- iv. they have prepared the annual accounts on a going concern basis

Corporate Governance

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

Auditors

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

Cost Audit

Sri M Nagarajan Cost Accountant Coimbatore has been appointed as Cost Auditor to conduct cost audit of sugar, industrial alcohol and electricity units for the financial year 2011-2012 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
25.5.2012

By Order of the Board
S V BALASUBRAMANIAM
Chairman

Annexure-I

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

Sl No	Name	Designation/ Nature of Duties	Remuneration Received (Rs in lakhs)	Qualification	Age in Years as on 31.3.2012	Experience in Years	Date of Commencement of Employment	Particulars of Last Employment
1	Sri S V Balasubramaniam	Chairman	414.85	B Com ACA, ACS	72	47	9.10.1985	Vice Chairman Sakthi Sugars Limited
2	Sri B Saravanan	Managing Director	277.49	B Com	39	15	5.7.2000	Joint Managing Director Shiva Distilleries Limited

Note

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

Coimbatore
25.5.2012

By Order of the Board
S V BALASUBRAMANIAM
Chairman



Annexure-II

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

A Conservation of Energy

- (a) Energy conservation measures taken
 - Conventional gear drives have been replaced by planetary gear drives.
 - 9-ATA steam has been replaced for super heated sugar washing system by installing plate heat exchanger
 - VFD (variable frequency drive) has been installed for various applications in the sugar factories.
 - Harmonic Filters have been installed in mill drives.
- (b) Additional investment and proposals if any being implemented for reduction of consumption of energy
 - No significant additional investment is envisaged 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 31.3.2012	Year ended 31.3.2011
1 ELECTRICITY		
(a) Purchased		
Units	819096	700162
Total Amount (Rs)	4591651	3866238
Rate Per Unit (Rs)	5.61	5.52
(b) Own Generation		
(i) Through Diesel Generator		
Units	330287	332466
Units per Ltr of Diesel Oil	2.85	2.83
Cost per Unit (Rs)	14.90	13.30
(ii) Through Steam Turbine/Generator		
Units	99645818	89007143
Units per Ltr of Fuel Oil/Gas	--	--
Cost per Unit	Own Bagasse is used	Own Bagasse is used
2 COAL (specify quantity and where used)	Not Used	Not Used
3 FURNACE OIL	Not Used	Not Used
4 OTHERS	Not Used	Not Used



II Consumption per Unit of Production

Financial Year	Electricity (Units)		Furnace Oil (Ltr)		Others (Tonnes)	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Sugar	27.81/Qtl	27.54/Qtl	--	--	--	--

B Technology Absorption

I Research and Development (R & D)

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

- The Coordinated Agronomic Experimental (CAE) Trials are being conducted in association with Tamilnadu Agricultural University, Coimbatore and Sugarcane Breeding Institute, Coimbatore to study the performance and suitability of new clones viz. 04Si33, 04Si35 in our areas
- As a part of R & D program, we are familiarizing sub surface drip system with wider row planting to pave way to go in for introducing mechanical harvesting in large manner.
- In order to identify new varieties suitable for Southern Karnataka varietal trials were conducted under Institute Industry Interface (III) Programme launched by Sugarcane Breeding Institute Coimbatore and as a result a new variety viz. Co0323 has been identified for further multiplication

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

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

3 Future Plan of action

- In the distillery division, in depth study is in progress to adopt new technologies for spent wash utilisation with energy conservation

4 Expenditure on R & D

- Capital : Rs 1229329/-
- Recurring : Rs 2471931/-
- Total : Rs 3701260/-
- Total R & D expenditure as a percentage of total turnover : Negligible

II Technology absorption adaptation and innovation

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

C Foreign Exchange Earnings and Outgo

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

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

II Total foreign exchange used and earned

- Total foreign exchange used : Rs 1165.75 lakhs
- Total foreign exchange earned : Rs 18809.34 lakhs

Coimbatore
25.5.2012

By Order of the Board
S V BALASUBRAMANIAM
Chairman

Corporate Governance

Company's Philosophy on Code of Corporate Governance

The company is committed to maintain high standards of corporate governance

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

Board of Directors

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

Category and Name of the Directors	Number of Directorships held in other Public Companies	Number of Board Committee Memberships held in other Companies		Number of Board Meetings Attended	Last AGM Attended
		Chairman	Member		
Executive					
Sri S V Balasubramaniam	10	--	1	5	YES
Sri B Saravanan	9	--	1	5	YES
Non-Executive					
Sri S V Alagappan	3	--	--	4	YES
Sri S V Arumugam	10	--	1	4	YES
Non-Executive-Independent					
Sri V Venkata Reddy	2	1	--	4	YES
Sri A K Perumalsamy	--	--	--	5	YES
Sri E P Muthukumar	--	--	--	5	YES
Sri T Gundan	3	1	--	4	YES
Sri M P Vijayakumar*	--	--	--	1	NO

* Sri M P Vijayakumar was co-opted as Additional Director on 14.11.2011

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 23.5.2011 22.7.2011 15.9.2011 14.11.2011 and 9.2.2012. 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 at 1212 Trichy Road Coimbatore 641 018 on 23.5.2011 22.7.2011 14.11.2011 and 9.2.2012

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

The Audit Committee shall inter-alia review the following

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

Remuneration Committee

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

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

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

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

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



Details of Shareholding of Non-Executive Directors as on 31.3.2012

Name of the Director	No of Shares held
Sri V Venkata Reddy	26010
Sri E P Muthukumar	1000
Sri A K Perumalsamy	1500
Sri S V Alagappan	NIL
Sri S V Arumugam	NIL
Sri T Gundan	NIL
Sri 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 15 complaints from the shareholders during the financial year 2011-2012. All the complaints have been resolved to the satisfaction of shareholders. No complaint was pending as on 31.3.2012

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
25 th	23.9.2009	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM
26 th	6.9.2010	-do-	4.30 PM
27 th	15.9.2011	-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 26th Annual General Meeting held on 6.9.2010. At present there is no proposal for passing any special resolution through postal ballot

Disclosures

- None of the transactions with related parties during the year 2011-2012 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 newspapers. 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 6th September 2012
 Time : 4.30 PM
 Venue : Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

Financial Calendar

Results Announced : 25th May 2012
 Posting of Annual Report : On or before 9th August 2012
 Last date for receipt of Proxy Forms : 4th September 2012 by 4.30 PM
 Dividend Payment Date : 15.9.2012
 Announcement of Quarterly Results : Within 45 days from the end of each quarter

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

1.9.2012 to 6.9.2012 (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 2011 to March 2012 were given below

Month	BSE		SENSEX	
	High (Rs Ps)	Low (Rs Ps)	High	Low
APRIL 2011	636.80	563.05	19811.14	18976.19
MAY	588.95	528.00	19253.87	17786.13
JUNE	606.90	522.00	18873.39	17314.38
JULY	623.80	525.55	19131.70	18131.86
AUGUST	625.00	468.95	18440.07	15765.53
SEPTEMBER	658.95	600.00	17211.80	15801.01
OCTOBER	615.00	575.00	17908.13	15745.43
NOVEMBER	609.85	489.90	17702.26	15478.69
DECEMBER	599.00	500.00	17003.71	15135.86
JANUARY 2012	646.00	500.10	17258.97	15358.02
FEBRUARY	713.00	595.00	18523.78	17061.55
MARCH	725.00	530.00	18040.69	16920.61

Based on the closing quotation of Rs 549.80 as at 30.3.2012 at the Bombay Stock Exchange the market capitalisation of the company was Rs 628.95 Crores



Share Details

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

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

The Company has paid the annual listing fees for the year 2012-2013 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 96.08% shares of the company have been dematerialised. ISIN allotted to our company is INE459A01010

Share Transfer Agent

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

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

Share Transfer System

The Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee which usually meets twice in a month

Dividend	Year	Dividend on Equity Shares (in %)
	2007-2008	70
	2008-2009	100
	2009-2010	100
	2010-2011	100
	2011-2012	100 (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 to the shareholders. The details as required under Clause 5A (II) of the Listing Agreement are as follows



BANNARI AMMAN SUGARS LIMITED

Aggregate number of shareholders at the beginning of the year	-	32
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	-	5216
Number of shareholders claimed	-	4
Aggregate number of shareholders at the end of the year	-	28
Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	-	5016
The company has dematerialized the above shares		

Shareholding Pattern as on 31.3.2012

Category	No of Shares	%
1. Promoters	6260276	54.72
2. UTI & Mutual Funds	100	-
3. Banks, Financial Institutions & Insurance Companies	264	-
4. Foreign Institutional Investors	22392	0.20
5. Private Corporate Bodies	1000170	8.74
6. Indian Public	3943189	34.48
7. NRI/OCB's	212901	1.86
8. Clearing Members	358	-
9. Trusts	50	-
Total	11439700	100.00

Plant Locations

Sugar Unit I Co-Generation Bio-Diesel & Granite Processing

Alathukombai Village Erode District Tamilnadu

Sugar Unit II & Co-Generation

Alaganchi Village Mysore District Karnataka

Sugar Unit III

Kunthur Village
Chamarajanagar District Karnataka

Sugar Unit IV & Co-Generation

Kolundampattu Village
Thiruvannamalai District Tamilnadu

Distillery

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

Bio-Compost

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

Wind Mills

Radhapuram Irukkandurai and Karunkulam
Villages Thirunelveli District Tamilnadu

Address for Correspondence

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

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



Management Discussion and Analysis Report

World Sugar Industry

The International Sugar Organisation (ISO) estimates world sugar production at 173 million tonnes and consumption at 168 million tonnes for the season (Oct-Sep) 2011-12. Compared to last season, a marginal surplus is registered in the world production

International sugar prices have been volatile. With major sugar producers such as Brazil, India and Thailand reporting surplus output, prices have dropped from about \$784 a tonne in January 2011 to about \$650 in December, 2011 and now \$570 in May 2012. The prices are expected to firm up

Indian Sugar Industry

India is the second largest producer and largest consumer of sugar in the world. About 50 million farmers and their dependants are involved in the industry. The Indian sugar factories are located largely in rural areas and directly contributing to rural economic development and employment. Industrial users viz. beverage, biscuit, confectionary manufacturers are the largest consumers of Indian sugar accounting to 65% of the Indian sugar production

The comparative sugar production in the last two sugar seasons (Oct-Sep) are given below:

Particulars	2010-11	2011-12 (Est.)
	(In lakh tonnes)	
Opening Stock as on 1 st Oct	49.80	68.00*
Production	243.94	260.00
Total Availability	293.74	328.00
Demand		
- Internal consumption	207.69	215.00
- Exports	26.00	35.95
Closing Stock	60.05	77.05

Source : ISMA Journal May, 2012

*As posted in the website of Dept. of Food & Public Distribution.

The Indian sugar production registered a sharp increase in the last two sugar years which was 189.12 lakh tonnes in the sugar year 2009-2010. Improved sugar production with an opening stock of 68 lakh tonnes in the current season has increased the sugar supply in the market. The prices may improve on continuation of export under OGL

Recent Developments

In addition to the earlier release of 35 lakh tonnes for export upto February, 2012, the Government of India has now allowed export of sugar under OGL upto September 2012, dispensing with the requirement of obtaining release orders

Duty free import of sugar is extended till 30th June 2012

Quarterly release mechanism has been restored after a gap of three years

Opportunities

Permission for export of sugar, restoration of quarterly release mechanism etc., would certainly help the industry to some extent. Implementation of Thorat Committee recommendations on co-generation and framing of comprehensive ethanol policy and linking the ethanol price to petrol price based on Chaudhuri Committee recommendations would benefit the industry immensely

Threats

Uncertainty in availability of sugarcane, increased cost of raw materials, lack of mechanization in cane harvesting, uncertain policies over import-export, regulatory control over power purchase, uncertainty in ethanol blending and pricing policy delay in making payments by the State grids etc., are the factors having impact on the performance

Internal Control Systems and Their Adequacy

The internal controls are periodically reviewed by the management. The checks and control systems are considered adequate

Human Resources

Excellent relationship is maintained with employees. The total number of employees of the company as on 31.3.2012 is 1830

Corporate Social Responsibility

Your company has been actively implementing various programmes on community development and environment enrichment through its CSR wing Bannari Rural Foundation

Community Development Programmes Implemented during the year 2011 - 2012

- Appointed 150 additional teachers for strengthening the Government High and Higher Secondary Schools in Tamilnadu
- 10 Community sanitary complexes and 2 human biogas plants are being maintained in Sathyamangalam and Anamalai Blocks in Tamilnadu
- Contributed to State Government for constructing community toilets, human biogas plant & landscape works under self sufficiency scheme at Sathyamangalam and Anamalai Blocks
- Constructed compound wall and renovated student's toilets in Government Boys Higher Secondary School, Sathyamangalam
- Distributed teaching learning materials to 1500 students studying in 21 Panchayat Union Schools
- Running a mobile tailoring training centre and 40 women have been trained during 2011 - 12



- Eye camps are being organized on 4th Saturday of every month through Sankara Eye Hospital, Coimbatore and performed cataract operations for 600 eye patients
- Employed a doctor to visit 4 times in a month for a general check-up of the inmates in Bharathiar Santhi Illam, a Senior Citizen Home at Rajan Nagar near Sathyamangalam

Environment Enrichment

- Planted varieties of tree saplings in 5 acres of Government Land under drip irrigation system in I N Pudur near Sathyamangalam
- Maintaining a mini community park and play area developed at Komarapalayam colony for the benefit of children and general public
- Planted avenue trees in the campus of Government Schools and Government Hospital in Sathyamangalam





Declaration on Code of Conduct

To

The Members of
Bannari Amman Sugars Limited

In compliance with the requirements of clause 49 of the listing agreement with the stock exchanges, I declare that the Board of Directors and Members of Senior Management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2012

Coimbatore
25.5.2012

S V BALASUBRAMANIAM
Chairman

Auditors' Certificate on Corporate Governance

To

The Members of
Bannari Amman Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Sugars Limited for the year ended on 31st March 2012, as stipulated in clause 49 of the listing agreement of the said company with Stock Exchanges

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company

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

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

Coimbatore
25.5.2012

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

P R VITTEL
Partner

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



AUDITORS' REPORT TO THE MEMBERS OF BANNARI AMMAN SUGARS LIMITED

We have audited the attached Balance Sheet of M/s Bannari Amman Sugars Limited as at 31.3.2012, Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit

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

- I As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we furnish below a statement on the matters specified in paragraphs 4 and 5 of the said Order
- i In respect of its fixed assets
- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification
- c) During the year the Company has not disposed off substantial part of fixed assets
- ii In respect of its inventories
- a) The inventories have been physically verified by the management. In our opinion the frequency of verification is reasonable
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- c) The Company is maintaining proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records
- iii a) The Company has not granted any loans secured or unsecured to companies firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956
- b) The Company has not taken any inter-corporate deposit from a company covered in the register maintained under section 301 of the Companies Act, 1956
- iv In our opinion and according to the information and explanations given to us there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory fixed assets and with regard to the sale of goods 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
- v a) In our opinion and according to the information and explanations given to us the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered



BANNARI AMMAN SUGARS LIMITED

- b) In our opinion and according to the information and explanations furnished to us the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act 1956 and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
- vi 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
- vii In our opinion the Company has an internal audit system commensurate with the size and nature of its business
- viii 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 Section 209 (1) (d) of the Companies Act 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the same
- ix In respect of statutory dues
- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date they became payable
- b) The disputed statutory dues aggregating to Rs 695.40 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under :

Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	695.40	April 2008 to March 2009	The Commissioner of Income Tax (Appeals) Coimbatore

- x The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year
- xi In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of dues to financial institutions or banks
- xii In our opinion and according to the information and explanation give to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares debentures and other securities
- xiii In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company
- xiv In our opinion the Company is not dealing in 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
- xv According to information and explanations given to us the Company has not given any guarantee for loans taken by others from banks or financial institutions
- xvi In our opinion the term loans have been applied for the purpose for which they have been raised



- xvii According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company we report that the no funds raised on short term basis have been used for long term investment
- xviii According to the information and explanations given to us the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act 1956
- xix The Company has not issued debentures during the year
- xx The Company has not raised any money by way of public issue during the year
- xxi According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the course of our audit
- II Further to the above we report that
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account
- d) In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956
- e) On the basis of written representations received from the directors as on 31st March 2012 and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31st March 2012 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956
- f) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2012
- (ii) In the case of the Statement of Profit and Loss of the Profit for the year ended on that date and
- (iii) In case of the Cash Flow Statement of the cash flows for the year ended on that date

Coimbatore
25.5.2012

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S



Balance Sheet as at 31.3.2012

PARTICULARS	Notes No	As at 31.3.2012		As at 31.3.2011	
		Details	Total	Details	Total
		(Rs in lakhs)		(Rs in lakhs)	
I. EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
a) Share Capital	2	1143.97		1143.97	
b) Reserves and Surplus	3	80355.33		71273.33	
			81499.30		72417.30
(2) NON-CURRENT LIABILITIES					
a) Long term borrowings	4	5140.23		5368.39	
b) Deferred tax liabilities (Net)	5	8841.94		9190.89	
c) Other Long term liabilities	6	1717.25		3532.39	
d) Long term provisions	7	188.33		144.73	
			15887.75		18236.40
(3) CURRENT LIABILITIES					
a) Short term borrowings	8	37426.57		40954.37	
b) Trade payables	9	9236.68		8797.43	
c) Other current liabilities	10	9920.27		8726.91	
d) Short term provisions	11	2301.29		1529.18	
			58884.81		60007.89
TOTAL			156271.86		150661.59
II. ASSETS					
(1) NON-CURRENT ASSETS					
a) Fixed Assets					
i) Tangible assets	12	68589.24		71406.35	
ii) Capital work in progress		2310.29		2075.66	
b) Non - current investments	13	66.97		74.93	
c) Long - term loans and advances	14	9378.24		8209.76	
			80344.74		81766.70
(2) CURRENT ASSETS					
a) Inventories	15	61272.76		52879.80	
b) Trade Receivables	16	9428.74		9929.03	
c) Cash and cash equivalents	17	475.02		380.79	
d) Short - term loans and advances	18	3213.51		3810.04	
e) Other current assets	19	1537.09		1895.23	
			75927.12		68894.89
TOTAL			156271.86		150661.59

Significant Accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **P N RAGHAVENDRA RAO & CO**

Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

25.5.2012

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary



Statement of Profit and Loss for the year ended 31.3.2012

PARTICULARS	Notes No	Year ended 31.3.2012		Year ended 31.3.2011	
		Details	Total	Details	Total
		(Rs in lakhs)		(Rs in lakhs)	
I REVENUE FROM OPERATIONS (GROSS)	20	121139.95		84578.86	
Less : Excise duty		2729.11		1901.98	
Revenue from operations (Net)		118410.84		82676.88	
II Other Income	21	322.74		452.90	
III Total Revenue (I + II)			118733.58		83129.78
IV EXPENSES					
Cost of materials consumed	22	79223.38		73309.75	
Purchase of traded goods	23	406.47		110.69	
Changes in inventories of finished goods and work-in-progress	24	(7635.70)		(29203.49)	
Employee benefit expenses	25	5323.95		4446.39	
Finance Costs	26	5077.85		2315.40	
Depreciation and amortisation expenses		6676.92		7083.08	
Other Expenses	27	18417.48		19458.79	
TOTAL EXPENSES			107490.35		77520.61
V PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)			11243.23		5609.17
VI Exceptional items			--		--
VII PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)			11243.23		5609.17
VIII Extraordinary Items			--		--
IX PROFIT BEFORE TAX (VII -V III)			11243.23		5609.17
X Tax Expenses					
a) Current tax		2248.30		627.48	
b) MAT credit entitlement		(1223.11)		(1114.55)	
c) Deferred tax		(348.95)		790.10	
			676.24		303.03
XI PROFIT FOR THE PERIOD (IX - X)			10566.99		5306.14
XII Earnings per Share [Basic and diluted] (Rs.)			92.37		46.38

Significant Accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

P R VITTEL
Partner
M No 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore
25.5.2012

S V BALASUBRAMANIAM
Chairman

B SARAVANAN
Managing Director

C PALANISWAMY
Company Secretary



Notes forming part of financial statements for the year ended 31.03.2012

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
- Raw material, consumables, stores & spares and others
- (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

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

1.6 **Revenue Recognition :** All Income and Expenses are accounted on accrual basis. The turnover is accounted without considering inter-division transfers for own consumption

- 1.7 **Foreign Currency Transactions :** Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the balance sheet date are reported using the closing rate or at the rate that is likely to be realised from / required to disburse. The gain or loss due to increase or decrease in value of reporting currency due to fluctuations in rates of exchange are recognized in the Statement of Profit and Loss
- 1.8 **Provision, Contingent Liabilities & Contingent Assets :** Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are shown by way of notes. Contingent assets are neither recognised nor disclosed in the financial statements
- 1.9 **Impairment of Assets :** Impairment of assets are assessed as at the close of each financial year and appropriate provision if any, are recognised and given effect to the accounts
- 1.10 **Taxation :** Current tax is determined at the current rates of Income Tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act, 1961. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the company
- 1.11 **Deferred Tax :** Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws that have been substantially enacted as at the balance sheet date. The deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that these would be realized in future
- 1.12 **Government Grants :** Government grants are recognized based on the reasonable assurance that the Company will comply with the condition attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same
- 1.13 **Segment Reporting :** The segment reporting is in line with the accounting policies of the Company. Inter segment transactions have been accounted for, based on the price which has been arrived at considering cost and market price. Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable with the respective segments. Business segments are identified on the basis of the nature of products, the risk/return profile of individual business, the organizational structure and the internal reporting system of the Company
- 1.14 **Leases :** The Company's significant leasing arrangements are operating leases and cancelable in nature. The lease rentals paid/received under such agreements are accounted in the statement of profit and loss
- 1.15 **Employee Benefits :** Provident Fund, Employees State Insurance and Gratuity are defined contribution schemes and contributions are charged to statement of profit and loss of the year in which the contributions to the respective funds are due. Gratuity liability to the Employees on actuarial basis has been accounted in full. The Company has opted for LIC group gratuity scheme. For calculating gratuity liability the premium ascertained by LIC has been taken into account. Long term accumulated absences are provided based on the actuarial valuation



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- 1.16 **Excise Duty :** The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the statement of profit and loss . The Excise Duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for difference between opening and closing stock of finished goods
- 1.17 **Cash Flow Statement :** Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any difference are accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information
- 1.18 **Borrowing Cost :** Borrowing cost which are directly attributable to the construction of qualifying assets are capitalised as a part of the cost of the asset

2 SHARE CAPITAL

PARTICULARS	As at 31.3.2012	As at 31.3.2011
	Total (Rs in lakhs)	Total (Rs in lakhs)
AUTHORISED		
2,90,00,000 Equity shares of Rs 10/- each (2,90,00,000) of Equity Shares of Rs. 10/- each)	2900.00	2900.00
21,00,000 Redeemable Preference shares of Rs 100/- each (21,00,000 Redeemable Preference shares of Rs 100/- each)	2100.00	2100.00
	5000.00	5000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,14,39,700 Equity Shares of Rs. 10/- each (1,14,39,700 Equity Shares of Rs. 10/- each)	1143.97	1143.97

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

PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Equity shares				
At the beginning of the period	11439700	1143.97	1143700	1143.97
At the end of the period	11439700	1143.97	1143700	1143.97

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

Name of the Shareholder	As at 31.3.2012		As at 31.3.2011	
	No. of shares	% of holding	No. of shares	% of holding
i. Sri S V Balasubramaniam	1056232	9.23	1056232	9.23
ii. M/s Shiva Distilleries Ltd	3948013	34.51	3948013	34.51

c. Terms / rights attached to equity shares

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



PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
3. RESERVES AND SURPLUS				
Capital Reserve		656.25		656.25
Capital Redemption Reserve		1846.00		1846.00
Securities Premium account		8503.35		8503.35
General Reserve				
Opening Balance	59133.11		55033.11	
Add :Transfer from statement of profit and loss	9000.00		4100.00	
Closing balance		68133.11		59133.11
Surplus in the statement of profit and loss				
Opening balance	1134.62		1262.45	
Add: Profit after tax for the year	10566.99		5306.14	
	11701.61		6568.59	
Less : Appropriations:				
Provision for Diminution in Value of Investment (long term)	155.44		--	
Provision for Proposed Dividend on Equity Shares	1143.97		1143.97	
Provision for Tax on Dividend	185.58		190.00	
Transferred to General Reserve	9000.00		4100.00	
	10484.99		5433.97	
Closing balance		1216.62		1134.62
TOTAL		80355.33		71273.33

PARTICULARS	As at 31.3.2012	As at 31.3.2011
	Total (Rs in lakhs)	Total (Rs in lakhs)
4 LONG TERM BORROWINGS		
Secured :		
Term Loan from banks	4675.00	4200.00
Term Loan from Sugar Development Fund	465.23	1065.56
Loan under SEFASU notified by the Central Government	--	102.83
TOTAL	5140.23	5368.39



BANNARI AMMAN SUGARS LIMITED

- 4.1 Rupee term loan of Rs. 4200 Lakhs (Rs.5600 Lakhs) is secured by pari passu charge on the movable plant and machinery and pari passu second charge on the current assets of the Co-generation Plant at Sugar Unit IV. The loan is further secured by mortgage on lands admeasuring 50.93 acres and buildings thereon pertaining to the Co-generation Plant at Sugar Unit-IV

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

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

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

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

- 4.3 Loan from Sugar Development Fund (Government of India) availed for modernisation/expansion of sugar unit - I amounting to Rs. 775.39 Lakhs (Rs. 1085.55 Lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit - I

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

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

- 4.4 Loan from Sugar Development Fund (Government of India) availed for co-generation plant in unit-II, amounting to Rs. 290.17 Lakhs (Rs.580.34 Lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit-II

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal and interest thereon commenced after the expiry of three years and in ten equal half yearly instalments. The Loan was disbursed during the financial year 2005

Out of the above loan, amount repayable within twelve months is Rs.290.17 lakhs (Rs.290.17 Lakhs) which is grouped under other current liabilities

- 4.5 Term loan of Rs. 136.84 lakhs (Rs.2379.55 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 in secured by residual third charge on all fixed assets forming part of block assets and land and buildings of Sugar Units - I, II and III

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

The loan amount repayable within twelve months is Rs 136.84 lakhs (Rs 2276.72 lakhs) is grouped under other current liabilities



PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
5 DEFERRED TAX LIABILITIES				
Deferred tax liabilities arising on account of depreciation		8841.94		9190.89
6 OTHER LONG TERM LIABILITIES				
a) Trade payables		908.91		937.90
b) Others:				
i) Payable on purchase of fixed assets	669.72		2317.25	
ii) Interest accrued but not due on borrowings	138.62		277.24	
		808.34		2594.49
TOTAL		1717.25		3532.39
7 LONG TERM PROVISIONS				
Provision for employee benefits - compensated absences		188.33		144.73
8 SHORT TERM BORROWINGS				
Loan from banks repayable on demand				
SECURED :				
Cash Credit Loan	19958.69		15903.49	
Packing Credit loan	--		83.78	
		19958.69		15987.27
UNSECURED :				
Short Term Loan from banks	16300.00		13000.00	
Overdraft Account from banks	1167.88		2483.60	
Buyers Credit	--		9483.50	
		17467.88		24967.10
TOTAL		37426.57		40954.37



- 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 and Axis 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 31.3.2012 is Rs. 19810.30 Lakhs (Rs. 15903.49 Lakhs)

The availed limits are repayable on demand and carries interest ranges between Bank's base rate plus 0.50% and 3% 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 31.3.2012 is Nil (Rs. 83.78 lakhs)

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 31.3.2012 is Rs. 148.39 Lakhs (Nil)

The cash credit limits are repayable on demand and carries interest ranges between Bank's base rate plus 0.85% and 1% per annum

- 8.4 The Unsecured Short term loan of Rs. 3300 lakhs (Nil) from Rabo Bank is repayable within six months from the date of availment and carries interest at the rate of 10.95% per annum

The Unsecured Short term loan of Rs. 5000 lakhs (Nil) from HDFC Bank Ltd is repayable within six months from the date of availment and carries interest at the rate of 11% per annum

The Unsecured Short term loan of Rs. 8000 lakhs (Rs. 7000 Lakhs) from Axis Bank Ltd is repayable within six months from the date of availment and carries interest at the rate of 10.50% per annum

The Unsecured Short term loan availed from Yes Bank was repaid in full (Rs. 6000 lakhs)

The Unsecured Overdraft loan of Rs. 267.24 Lakhs (Rs. 2483.60 Lakhs) from ICICI Bank Ltd is repayable on demand and carries interest at the rate of Base rate plus 1.75% per annum

The Unsecured Cash Credit loan of Rs. 900.64 Lakhs (Nil) from IDBI Bank Ltd is repayable on demand and carries interest at Base rate plus 1% per annum



PARTICULARS	As at 31.3.2012	As at 31.3.2011
	Total (Rs in lakhs)	Total (Rs in lakhs)
9 TRADE PAYABLES		
- Purchases and Services	7706.55	7555.46
- Expenses	1530.13	1241.97
TOTAL	9236.68	8797.43

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

PARTICULARS	As at 31.3.2012	As at 31.3.2011
	Total (Rs in lakhs)	Total (Rs in lakhs)
10 OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings	6975.52	5943.93
Interest accrued but not due on borrowings	251.51	452.81
Unpaid Dividend	54.10	49.07
Statutory remittances	2455.56	2069.81
Trade or security deposits received	74.41	55.32
Advance from customers	109.14	141.40
Others	0.03	14.57
TOTAL	9920.27	8726.91
11 SHORT TERM PROVISIONS		
For employee benefits - bonus/exgratia	243.57	195.21
For proposed dividend	1143.97	1143.97
For tax on proposed dividend	185.58	190.00
For Income-tax	728.17	--
TOTAL	2301.29	1529.18

NON - CURRENT ASSETS

12 FIXED ASSETS (Tangible Assets)

(Rs in Lakhs)

DETAILS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2011	Additions	Deduction / Adjustments	As at 31.3.2012	Upto 31.3.2011	For the year	Withdrawn	Upto 31.3.2012	As at 31.3.2011	As at 31.3.2012
Land - Free hold	3161.39	98.69	8.26	3251.82	--	--	--	--	3161.39	3251.82
Land - Lease hold	1.25	--	0.02	1.23	--	--	--	--	1.25	1.23
Buildings	22866.24	2162.03	--	25028.27	4045.94	778.14	--	4824.08	18820.30	20204.19
Plant and Machinery	82511.36	1914.61	695.57	83730.40	34521.87	5695.80	287.93	39929.74	47989.49	43800.66
Furniture and Fixtures	453.99	84.94	--	538.93	234.50	21.13	--	255.63	219.49	283.30
Office Equipments	564.58	28.00	--	592.58	267.35	55.87	--	323.22	297.23	269.36
Live Stock	12.62	4.11	1.44	15.29	--	--	--	--	12.62	15.29
Motor Vehicles	1352.31	22.12	81.78	1292.65	447.73	125.98	44.45	529.26	904.58	763.39
T O T A L	110923.74	4314.50	787.07	114451.17	39517.39	6676.92	332.38	45861.93	71406.35	68589.24
Capital Works-in- Progress	2075.66	2310.29	2075.66	2310.29	--	--	--	--	2075.66	2310.29
Total for the year	112999.40	6624.79	2862.73	116761.46	39517.39	6676.92	332.38	45861.93	73482.01	70899.53
Total for the previous year	106726.28	9594.32	3321.20	112999.40	33021.65	7083.08	587.34	39517.39	73704.63	73482.01



PARTICULARS	As at 31.3.2012	As at 31.3.2011
	Total (Rs in lakhs)	Total (Rs in lakhs)
13. NON - CURRENT INVESTMENTS		
I. NON-TRADE, QUOTED-AT COST-FULLY PAID UP		
a. INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) 84,375 Equity Shares (P.Y: 84,375) of Sakthi Finance Ltd of Rs.10 each	30.09	30.09
ii) 10,000 Equity Shares (P.Y: 10,000) of Bank of Baroda of Rs.10 each	8.50	8.50
iii) 73,400 Equity Shares (P.Y: 73,400) of Indraprastha Medical Corporation Limited of Rs.10 each	7.34	7.34
iv) 14,300 Equity Shares (P.Y: 14,300) of Indian Overseas Bank of Rs.10 each	3.43	3.43
v) 38,000 Equity Shares (P.Y: 38,000) of DCM Shriram Industries Ltd of Rs.10 each	44.22	44.22
vi) 5,07,938 Equity Shares (P.Y: Nil) of Servalakshmi Paper Ltd of Rs.10 each	147.30	Nil
	240.88	93.58
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	0.95	0.77
T O T A L (QUOTED & UNQUOTED)	242.23	94.75
Less : Provision for diminution in value of investment in respect of item No. a (i), (v) & (vi)	175.26	19.82
T O T A L	66.97	74.93
Aggregate cost of Quoted Investments	240.88	93.58
Aggregate market value of Quoted Investments	142.04	175.05
Aggregate provision for diminution in value of investment	175.26	19.82
Aggregate cost of unquoted Investments	1.35	1.17

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



PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
14 LONG TERM LOANS AND ADVANCES				
UNSECURED, CONSIDERED GOOD				
Capital Advances		3202.36		3239.59
Security Deposits		146.95		177.09
Advance payment of Income Tax		1544.81		1532.07
MAT Credit Entitlement		4335.68		3112.57
Balance with Government Authorities		148.44		148.44
TOTAL		9378.24		8209.76
CURRENT ASSETS				
15 INVENTORIES (Valued at lower of cost and net realizable value)				
Raw material :				
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		15.50	
		1208.98		1389.83
Work in Progress :				
Sugar	1004.64		831.36	
Molasses	57.53		74.71	
Press mud	21.84		19.19	
		1084.01		925.26
Finished Goods :				
Sugar	53522.93		45882.30	
Molasses at Sugar Units	689.05		817.15	
Bagasse	74.88		19.11	
Granite Products	369.15		577.90	
Industrial Alcohol	464.25		359.03	
Bio-Compost	3.53		0.55	
		55123.79		47656.04
Stores and spare parts		3707.43		2786.51
Loose tools		21.45		7.87
Others		127.10		114.29
TOTAL		61272.76		52879.80
16 TRADE RECEIVABLES				
(Unsecured - considered good)				
a. Exceeding six months from the date of due for payment		1980.26		438.78
b. Others		7448.48		9490.25
TOTAL		9428.74		9929.03



PARTICULARS	As at 31.3.2012		As at 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
17 CASH AND CASH EQUIVALENTS				
Cash on hand		17.81		13.28
Balances with Scheduled Banks :				
in Current Accounts	389.61		304.94	
in Deposit Accounts	13.50		13.50	
in Unpaid Dividend Accounts	54.10		49.07	
		457.21		367.51
TOTAL		475.02		380.79
18 SHORT TERM LOANS AND ADVANCES				
(Unsecured - considered good)				
Security deposits		78.41		31.58
Advance to staffs for expenses		186.62		168.05
Prepaid expenses		446.16		301.56
Balance with Government Authorities		947.28		1796.52
Others - Advances recoverable in cash or kind		1555.04		1500.09
Advance Income Tax		--		12.24
		3213.51		3810.04
19 OTHER CURRENT ASSETS				
(Unsecured - considered good)				
Interest accrued on deposits		11.97		13.93
Government subsidies receivable		1380.50		1469.21
Interest subsidies receivable		135.47		399.98
Income receivable		9.15		12.11
		1537.09		1895.23

PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
20 REVENUE FROM OPERATIONS				
SALE OF PRODUCTS				
MANUFACTURED GOODS				
Sugar	91105.39		56639.52	
Molasses	1026.77		502.44	
Granite Products	6247.81		4159.84	
Industrial Alcohol	9075.39		8871.75	
Bio-Compost	312.09		324.08	
Power	12344.42		13547.35	



PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
Bio-Diesel	12.30		29.23	
Pressmud	1.62		0.19	
Bio-products	53.39		45.04	
		120179.18		84119.44
TRADED GOODS				
Sugar	302.01		34.39	
Granite Products	0.83		3.78	
Fertilisers & Chemicals	174.17		129.76	
		477.01		167.93
SALE OF SERVICES				
Cane harvester hire charges		24.33		16.45
OTHER OPERATING REVENUE				
Contract receipts	185.10		46.01	
Duty draw back and other export incentives	203.28		86.09	
Sale of Scrap	71.05		22.31	
Carbon Credit Sale Income	--		120.63	
		459.43		275.04
Revenue from operations (Gross)		121139.95		84578.86
Less : Excise duty		2729.11		1901.98
Revenue from operations (Net)		118410.84		82676.88
21 OTHER INCOME				
Interest Income				
From loans and advances	110.99		86.61	
From deposits	6.17		60.52	
		117.16		147.13
Dividend income from long term investments		4.47		15.63
Net gain on Sale of long term investments		--		212.44
Net gain on Foreign currency transactions & translation		68.25		12.26
Other non-operating income :				
Rent receipts from operating leases	41.19		13.22	
Profit on Sale of Fixed Assets	83.00		27.25	
Agricultural income (net of expenses directly attributable Rs.41.61 lakhs (P.Y.:Rs.28.81 lakhs))	6.03		7.96	
Miscellaneous income	2.64		17.01	
		132.86		65.44
TOTAL		322.74		452.90



PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
EXPENSES				
22 COST OF MATERIALS CONSUMED				
Opening Stock of Raw Materials :				
Raw Sugar	--		3785.66	
Molasses at Distillery Units	680.03		716.02	
Granite Rough Blocks	692.36		383.69	
Press-mud	1.94		2.63	
Bio-products	13.85		23.42	
		1388.18		4911.42
Add: Purchase of Raw Materials :				
Sugarcane	69591.35		47317.32	
Purchase Tax on sugar cane	2114.80		1534.05	
Sugarcane cess	283.29		186.97	
Freight and transport on sugar cane	2786.94		2008.53	
Raw Sugar	--		14264.67	
Molasses at Distillery Units	1562.01		1356.17	
Granite Rough Blocks	566.79		984.74	
Press-Mud	11.64		3.60	
Bio-products	6.13		18.49	
		76922.95		67674.54
		78311.13		72585.96
Less: Closing 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		15.50	
		1208.98		1389.83
Raw Material Consumed		77102.15		71196.13
Packing Material Consumed		2121.23		2113.62
TOTAL		79223.38		73309.75
Details of Raw Materials Consumed				
Sugarcane (includes cost, tax and freight)		74776.38		51046.87
Packing Material for Sugar		2121.23		2113.62
Raw Sugar		--		18050.33
Molasses at Distillery Units		1491.69		1392.16
Granite Rough Blocks		814.97		676.07
Press-Mud		10.80		4.29
Bio-products		8.31		26.41
TOTAL		79223.38		73309.75



PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
23 PURCHASE OF TRADED GOODS				
Sugar		293.55		33.95
Granite Products		0.42		--
Fertilisers & Chemicals		112.50		76.74
TOTAL		406.47		110.69
24 (INCREASE) / DECREASE IN INVENTORIES				
I. FINISHED GOODS:				
a. Opening Stock :				
Sugar	45882.30		16444.06	
Molasses at Sugar Units	817.15		935.81	
Bagasse	19.11		37.69	
Granite Products	577.90		320.73	
Industrial Alcohol	359.03		801.71	
Bio-Compost	0.55		2.43	
	47656.04		18542.43	
b. Closing Stock :				
Sugar	53522.93		45882.30	
Molasses at Sugar Units	689.05		817.15	
Bagasse	74.88		19.11	
Granite Products	369.15		577.90	
Industrial Alcohol	464.25		359.03	
Bio-Compost	3.53		0.55	
	55123.79		47656.04	
(a) - (b)		(7467.75)		(29113.61)
II. WORK IN PROGRESS :				
a. Opening Stock :				
Sugar	831.36		669.66	
Molasses	74.71		99.96	
Granite Products	--		31.20	
Press-mud	19.19		28.66	
	925.26		829.48	
b. Closing Stock :				
Sugar	1004.64		831.36	
Molasses	57.53		74.71	
Press-mud	21.84		19.19	
	1084.01		925.26	
(a) - (b)		(158.75)		(95.78)



PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
III. OTHERS				
a. Opening Stock : Fertilisers & Chemicals	31.39		35.65	
b. Closing Stock : Fertilisers & Chemicals	40.59		29.75	
(a) - (b)		(9.20)		5.90
TOTAL		(7635.70)		(29203.49)
25 EMPLOYEE BENEFIT EXPENSES				
Salaries, wages and allowances		4373.16		3429.96
Contribution to Provident and other funds		460.32		549.72
Staff Welfare expenses		490.47		466.71
TOTAL		5323.95		4446.39
26 FINANCE COSTS				
Interest Expenses		4942.34		2215.65
Other Borrowing Costs		135.51		99.75
TOTAL		5077.85		2315.40
27 OTHER EXPENSES				
Consumption of stores and spare parts		2349.15		1856.59
Loose tools		4.16		4.37
Increase / (decrease) of excise duty on inventory		282.33		804.92
Power and fuel		1742.49		1318.58
Other Fuel for Co-Generation		4298.09		8091.02
Water charges		119.48		122.04
Rent		110.75		57.84
Lease / hire charges for equipments		0.02		--
Granite processing charges		519.13		1150.28
Cane development expenses		915.05		987.96
Repairs and maintenance :				
Buildings	547.45		394.36	
Plant and Machinery	2866.10		1843.03	
Vehicles	375.98		349.55	
Others	109.81		91.57	
		3899.34		2678.51



PARTICULARS	Year ended 31.3.2012		Year ended 31.3.2011	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
Effluent disposal expenses		391.82		301.72
Insurance charges		157.14		129.57
Rates and taxes		408.68		224.79
Telephone & Fax charges		62.25		59.58
Travelling expenses		185.98		188.01
Printing and Stationery		51.42		44.71
Directors' sitting fees		1.35		1.33
Advertisement		6.25		13.42
Other Administrative expenses		131.62		126.23
Freight and forwarding		939.37		324.88
Selling and distribution expenses		1325.27		440.53
Sales commission		17.52		42.65
Donations		299.36		387.81
Legal and professional charges		59.39		87.27
Auditor's Remuneration (net of service tax input credit, where applicable)		18.52		14.18
For statutory audit	8.27		7.72	
For taxation matters	5.43		3.91	
For company law matters	1.71		0.61	
For other services	1.88		1.71	
Reimbursement of expenses	1.23		0.23	
		18.52		14.18
Provision no longer required		94.34		--
Bad debts written off		27.21		--
TOTAL		18417.48		19458.79



PARTICULARS	For the Year Ended	
	31.3.2012	31.3.2011
	(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	243.58	244.23
Family Pension Fund	9.17	9.18
Employees State Insurance	3.02	3.65
Employees Group Gratuity	207.65	298.19
Employees Group Insurance Fund	7.12	4.65
TOTAL	470.54	559.90

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. 360.66 Lakhs (Rs. 352.34 Lakhs)
- 29.2. Sugar Unit-I at Sathyamangalam was permitted to sell 100% of the sugar production as Free Sugar for a period of 8 years from 1985-86 Sugar Season. Chief Director (Sugar), Directorate of Sugar, Department of Food, New Delhi, has restricted the entitlement of Free sale Sugar Incentive to 2,75,000 quintals production per season by a subsequent notification. A Writ Petition has been filed in the Madras High Court Challenging the restriction imposed and interim injunction has been obtained. By virtue of injunction order the entire production was sold as Free Sugar. The approximate unprovided quantum under dispute is Rs. 683.35 Lakhs (Rs.683.35 lakhs).
- 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. 287.54 lakhs (Rs. 284.78 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.



BANNARI AMMAN SUGARS LIMITED

- 29.6. The Company has been asked to pay Electricity Tax of 10 Paise per unit with effect from 16th June 2003 for the electricity consumed from own captive power generators which has been disputed by filing a Writ Petition before the Hon'ble High Court of Madras. The approximate quantum under dispute is Rs. 213.85 Lakhs (Rs. 194.02 Lakhs).
- 29.7. 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 2009-10. The quantum under dispute is Rs.695.40 Lakhs.
- 29.8. As at the year end the Company has an obligation under EPCG Scheme to export sugar of a value of USD 97,25,647 and to export granite of a value of USD 79,87,176.
- 29.9. Estimated amount of contracts remaining to be executed on capital account - Tangible Assets not provided for is Rs. 967.87 Lakhs (Rs. 1134.56 lakhs).

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

PARTICULARS		31.3.2012	31.3.2011
I	PRINCIPAL ACTUARIAL ASSUMPTIONS [Assumption]		
	Discount rate	8.57%	8.00%
	Salary escalation rate	7.50%	7.50%
	Expected return plan assets	--	--
	Attrition rate	7.00%	7.00%
			(Rs in Lakhs)
PARTICULARS		31.3.2012	31.3.2011
A	NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	Present Value of Defined Benefit Obligation	144.73	117.75
	Fair Value of Plan Assets	--	--
	Funded Status [Surplus/(Deficit)]	(144.73)	(117.75)
	Unrecognised Past Service Costs	--	--
	Net Asset / (liability) Recognised In Balance Sheet	(44.73)	(117.75)
B	DISCLOSURE OF EMPLOYER EXPENSE		
	COMPONENTS OF EMPLOYER EXPENSE		
	Current Service Cost (including risk Premium for fully insured benefits)	161.29	15.21
	Interest Cost	10.27	9.06
	Expected Return on Assets	--	--
	Curtailment Cost /(Credit)	--	--
	Settlement Cost / (Credit)	--	--
	Past Service Cost	--	--
	Actuarial (gains) and losses	(97.40)	11.74
	Total Employer Expense Recognised in the Statement of Profit & Loss	74.16	36.01



(Rs in Lakhs)

PARTICULARS		31.3.2012	31.3.2011
C	NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	NET ASSET (LIABILITY) RECOGNISED		
	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)
D	CHANGE IN OBLIGATIONS AND ASSETS		
	Change in Obligations		
	Present Value of Defined Benefit Obligation at the Beginning of period	144.73	117.75
	Employer Service Cost	161.29	15.21
	Interest Cost	10.27	9.06
	Curtailment Cost / (Credit)	--	--
	Settlement Cost / (Credit)	--	--
	Plan Amendments	--	--
	Acquisitions	--	--
	Actuarial (Gains) / Losses	(97.40)	11.74
	Benefit Payments	(49.82)	(9.03)
	Present Value of Defined Benefit Obligation at the end of period	169.07	144.73
	Change in Assets		
	Fair value of Plan Assets at Beginning of Period	--	--
	Expected Return on Plan Assets (Para 108/109)	--	--
	Actuarial Gain / (Loss)	--	--
	Assets Distributed on Settlements	--	--
	Actual Company contributions Less Risk Premium	--	9.03
	Benefit Payments	(49.82)	(9.03)
	Fair Value of Plan Assets at the End of the Period	(49.82)	--
E	RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET		
	Net Asset/(liability) recognised in balance sheet at the beginning of the year	(144.73)	(117.75)
	Employer Expenses	(74.16)	(36.01)
	Employer Contributions	49.82	9.03
	Acquisitions / Business Combinations	--	--
	Net Asset/(Liability) Recognised in Balance Sheet at the end of the year	(169.07)	(144.73)



31. Segment Information for the year ended 31st March 2012

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

(Rs in Lakhs)

PARTICULARS	Sugar		Power		Distillery		Unallocated		TOTAL	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
PRIMARY										
External Revenue	100494.47	64237.83	25160.09	27713.88	9376.95	9190.52	7432.39	5139.30	142463.90	106281.53
Operating Income	297.35	117.00	--	120.63	1.28	0.72	185.10	53.13	483.73	291.48
Intersegment Revenue	100791.82	64354.83	25160.09	27834.51	9378.23	9191.24	7617.49	5192.43	142947.63	106573.01
	10527.70	8759.76	12815.66	14166.53	6.80	7.58	1186.63	962.26	24536.79	23896.13
	90264.12	55595.07	12344.43	13667.98	9371.43	9183.66	6430.86	4230.17	118410.84	82676.88
RESULT										
Segment Result	4504.86	(1512.02)	7985.44	7442.06	2563.73	1838.84	1199.69	43.04	16253.72	7811.92
Add: Un allocable Income									67.36	112.65
Operating Profit									16321.08	7924.57
Less: Finance Costs									5077.85	2315.40
Tax expenses									676.24	303.03
Profit after tax									10566.99	5306.14
OTHER INFORMATION										
Segment Assets	115087.37	107259.52	17325.56	19138.02	8641.44	8673.59	6585.98	6803.56	147640.35	141874.69
Segment Liabilities	16301.69	13714.68	1702.40	58.60	92.13	202.01	735.57	735.59	18831.79	14710.88
Capital expenditure	3933.62	3121.25	60.99	2585.32	201.53	147.23	118.36	1664.86	4314.50	7518.66
Depreciation	2639.83	2840.97	3158.89	3456.32	530.61	526.84	347.60	258.95	6676.93	7083.08
Non - Cash expenses other than Depreciation	--	--	--	--	--	--	--	--	--	--
SECONDARY										
Revenue by Geographical Market										
India	75562.72	51503.74	12344.43	13667.98	9371.43	9183.66	2322.92	1386.27	99601.50	75741.65
Outside India	14701.40	4091.33	--	--	--	--	4107.94	2843.90	18809.34	6935.23

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

1. KEY MANAGEMENT PERSONNEL :

- Sri S V Balasubramaniam, Chairman
- Sri B Saravanan, Managing Director



2. RELATIVES OF KEY MANAGEMENT PERSONNEL :

Sri S V Balasubramaniam

Relatives :

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

Sri B Saravanan

Relatives:

Sri S V Balasubramaniam (Father)

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

- 1. Annamallai Retreading Company (P) Limited
- 2. Annamallai Enterprise (P) Limited
- 3. Bannari Amman Spinning Mills Limited
- 4. Bannari Amman Exports Limited
- 5. Madras Sugars Limited
- 6. Shiva Cargo Movers Limited
- 7. Shiva Distilleries Limited
- 8. Shiva Texyarn Limited
- 9. Vedanayagam Hospital 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			71,083,736 (1,973)
Rendering of Service (Managerial Remuneration)	69,233,734 (37,635,438)		
Sale of Goods		58,000 (36,000)	571,560,702 (475,534,359)
Sale of Shares		Nil (21,034,990)	Nil (13,570,750)
Receiving services (Tyre Retreading Charges)			341,300 (260,770)
Rent paid	120,000 (120,000)		1,260,000 (360,000)
Inter Corporate Deposit and other advances			Nil (500,000,000)
Interest on Inter Corporate Deposit			Nil (12,339,043)
Balance outstanding as on 31st March 2012 is Nil (Nil)			



PARTICULARS	For the Year Ended	
	31.3.2012	31.3.2011
(Rs in Lakhs)		
33. Details of government grants		
Government grants received by the Company during the year towards		
Duty drawback (recognised under Other operating revenues)	203.28	86.09
Other incentives (reimbursement central sales tax) (recognised under other income)	3.54	6.23
TOTAL	206.82	92.32

34 Earnings per share	2011 - 12	2010 - 11
(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)	10566.99	5306.14
(c) Basic and diluted earnings per share (Rs.)	92.37	46.38

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

36. Details of research and development expenditure recognised as an expense

PARTICULARS	For the Year Ended	
	31.3.2012	31.3.2011
(Rs in Lakhs)		
Materials	24.72	14.61

37. The Revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

38. The annual increase in the rate of power charges for supplies made from 20 MW Cogeneration plant at Alathukombai Village, Sathyamangalam, Erode District, Tamilnadu to Tamilnadu Electricity Board as prescribed in the Power Purchase Agreement entered, has not been provided in the books, considering the uncertainty in the realisation of the same.



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

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

PARTICULARS	As at 31.3.2012			As at 31.3.2011		
	US DOLLAR	POUND STERLING	EURO	US DOLLAR	POUND STERLING	EURO
Loan outstanding	Nil	Nil	Nil	6531150.00	Nil	Nil
Receivables	3305142.20	Nil	412329.12	685675.50	Nil	260526.77
Payables	18350.50	Nil	814792.18	367519.50	Nil	842877.74
Advance for Purchase	Nil	238915.00	125155.80	Nil	205000.00	2384.80

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

PARTICULARS	Consumption (Amount Rs in Lakhs)	% to total consumption
42. Value of Raw Materials		
42.1 Imported Value of		
a. Raw Sugar	Nil (18050.33)	Nil (100%)
b. Spares and Components	70.49 (58.33)	3.95% (4.38%)
42.2 Indigenous Value of		
a. Sugarcane	74776.38 (51046.87)	100% (100%)
b. Granite Blocks	1737.40 (1570.56)	100% (100%)
c. Molasses	3462.53 (4017.53)	100% (100%)
d. Pressmud	13.15 (6.50)	100% (100%)
e. Spares and Components	1714.42 (1274.91)	96.05% (95.62%)



PARTICULARS	Year ended 31.3.2012	Year ended 31.3.2011
	(Amount Rs in Lakhs)	
43. Value of Imports on C.I.F. basis:		
a. Raw Sugar	Nil	(14726.75)
b. Components and spare parts	1020.11	(796.55)
c. Capital goods	81.47	(406.79)
44. Expenditure in foreign currency :		
1. Travelling	10.64	(19.21)
2. Rates & taxes	23.13	(Nil)
3. Sales commission	8.81	(9.78)
4. Subscription	0.65	(0.96)
5. Registration Fees	0.79	(0.42)
6. Interest	20.15	(28.37)
45. Earnings in Foreign Exchange :		
F . O . B Value of Exports	18809.34	(6935.23)

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

P R VITTEL
Partner
M No 200/18111
ICAI Firm Regn. No: 003328S
Coimbatore
25.5.2012

S V BALASUBRAMANIAM
Chairman

B SARAVANAN
Managing Director

C PALANISWAMY
Company Secretary



Cash Flow Statement for the year ended 31.3.2012

	Year ended 31.3.2012	Year ended 31.3.2011
<----- (Rs in lakhs) ----->		
A OPERATING ACTIVITIES		
Net profit before tax and extraordinary items	11243.23	5609.17
Adjustments for :		
Add :		
Depreciation	6676.92	7083.08
Finance Costs	5077.85	2315.40
Loss on sale of Fixed Assets	4.16	6.80
	11758.93	9405.28
Less : Investment Income :		
Interest	117.16	147.13
Dividend	4.47	15.63
Profit on sale of Fixed Assets	87.15	34.05
Profit on sale of Investments	--	212.44
	208.78	409.25
Operating Profit before working capital changes	22793.38	14605.20
Adjustments for :		
Add :		
Inventories	(8392.96)	(26215.51)
Debtors	500.29	(5437.55)
Short term loans and advances	596.53	(365.30)
Other Current Assets	358.14	655.01
Current Liabilities	850.67	13.55
	(6087.33)	(31349.80)
Cash generated from operations	16706.05	(16744.60)
Less : Income tax	309.75	36.73
Cash flow before extraordinary items	16396.30	(16781.33)
Net cash from operating activities	16396.30	(16781.33)



Cash Flow Statement for the year ended 31.3.2012 (contd...)

	Year ended 31.3.2012	Year ended 31.3.2011
	<----- (Rs in lakhs) ----->	
B INVESTING ACTIVITIES		
Interest Received	117.16	147.13
Dividend Received	4.47	15.63
Purchase of Fixed Assets	(4549.14)	(7353.28)
Purchase of Investments	(147.47)	(0.15)
Sale of Fixed Assets	537.68	520.08
Sale of Investments	--	527.44
Net cash used in investing activities	(4037.30)	(6143.15)
C FINANCING ACTIVITIES		
Increase in borrowings	(5513.30)	26809.15
Interest paid	(5417.77)	(2652.22)
Dividend paid (Gross)	(1333.97)	(1338.39)
Net cash from financing activities	(12264.77)	22818.54
Net increase in cash and cash equivalents (A+B+C)	94.23	(105.94)
Opening cash balance	380.79	486.73
Closing cash balance	475.02	380.79
	94.23	(105.94)

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

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Coimbatore

25.5.2012

S V BALASUBRAMANIAM

Chairman

B SARAVANAN

Managing Director

C PALANISWAMY

Company Secretary


Financial Performance - Year Wise

(Rs in lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
1985-1986	373.26	85.15	1421.08	247.65	192.32	55.33	15
1986-1987	374.81	150.60	1585.78	258.56	117.68	140.88	15
1987-1989 (18 months)	374.95	558.79	3157.49	743.55	200.87	542.68	25
1989-1990	375.00	821.84	2941.28	479.29	127.04	352.25	18
1990-1991	375.00	1097.53	3035.74	470.31	169.05	301.26	20
1991-1992	375.00	1381.32	4354.55	572.49	244.04	328.45	21
1992-1993	375.00	1526.96	6154.24	623.38	415.35	208.03	21
1993-1994	753.97	3004.49	5502.34	486.04	382.17	103.87	21
1994-1995	953.97	4937.00	12219.55	853.98	403.98	450.00	22
1995-1996	953.97	6107.79	15686.98	1895.45	533.78	1361.67	24
1996-1997	953.97	7201.67	16133.02	1884.43	560.90	1323.53	25
1997-1998	953.97	8704.64	14229.49	2292.81	568.50	1724.31	25
1998-1999	953.97	9737.98	20572.87	2009.33	598.43	1410.60	25
1999-2000	953.97	11071.16	23242.80	2425.92	675.51	1750.41	25
2000-2001	953.97	12728.83	30792.42	3655.88	1710.46	1945.42	27
2001-2002	953.97	12296.57	36158.79	4727.63	1652.41	3075.22	33
2002-2003	953.97	13265.96	34823.17	4429.97	2160.88	2269.09	30
2003-2004	953.97	16192.33	45778.58	7298.47	2705.14	4593.33	36
2004-2005	953.97	20070.14	38318.31	8826.31	3200.10	5626.21	45
2005-2006	953.97	27158.61	49408.86	13878.66	4307.00	9571.66	70
2006-2007	953.97	40572.76	69116.18	14570.19	3734.83	10835.36	70
2007-2008	1143.97	43825.26	60608.73	7397.92	3481.86	3916.06	70
2008-2009	1143.97	54270.49	67404.42	16597.74	3408.23	13189.51	100
2009-2010	1143.97	67301.16	85346.50	23807.83	3834.06	19973.77	100
2010-2011	1143.97	71273.33	111880.26	12692.25	7083.08	5609.17	100
2011-2012	1143.97	80355.33	126046.54	17920.15	6676.92	11243.23	100

* Turnover = Net Sales + Closing Stock – Opening Stock

* Excludes inter-segment transfers



BANNARI AMMAN SUGARS LIMITED

Regd Office : 1212 Trichy Road Coimbatore 641 018

ATTENDANCE SLIP

Folio No :

DP-ID No :

Client ID No :

Name of the Shareholder :

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

I hereby record my presence at the 28th Annual General Meeting held on 6th September 2012 at 4.30 PM at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014



Member's / Proxy's Signature



BANNARI AMMAN SUGARS LIMITED

Regd Office : 1212 Trichy Road Coimbatore 641 018

PROXY FORM

I/We of being

a Member / Members of Bannari Amman Sugars Ltd., hereby appoint

of or failing him

of or failing him

of as my/our proxy to attend and vote for me / us / on my / our behalf at the

28th Annual General Meeting of the Company to be held at Jenneys Residency 2/2 Avinashi Road Civil Aerodrome

Post Coimbatore 641 014 on 6th September 2012 at 4.30 PM and at any adjournment thereof

Signed this day of 2012

Folio No :

DP-ID No :

Client ID No :



Note

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

Book - Post

To



If undelivered please return to

BANNARI AMMAN SUGARS LIMITED

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

Phone : 0422 - 2302277 Fax : 0422 - 2309999

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