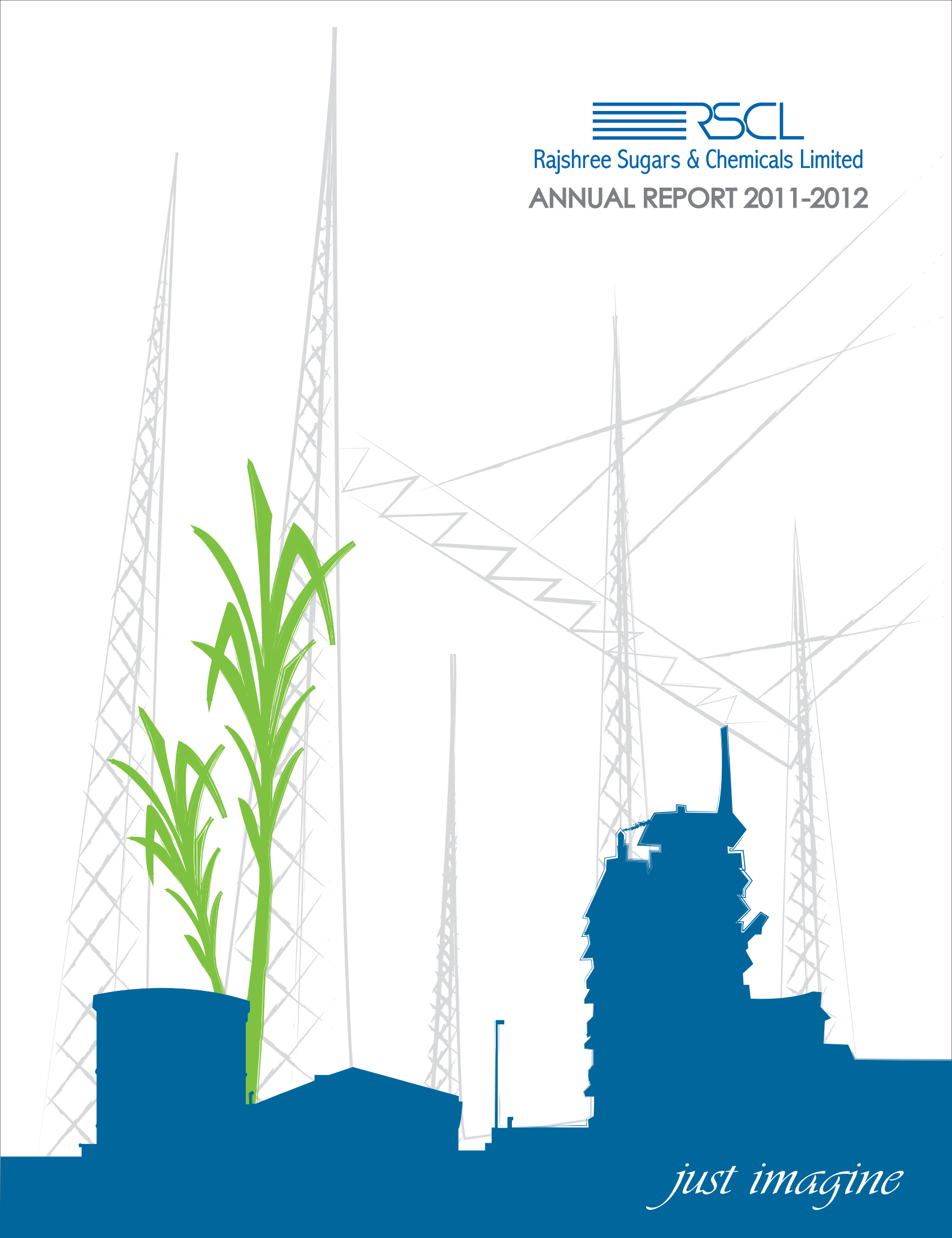




Rajshree Sugars & Chemicals Limited

ANNUAL REPORT 2011-2012



just imagine

BOARD OF DIRECTORS

Mr. RAJA M.J.ABDEEN

Dr. P SURULINARAYANASAMI

Mr. G.R. KARTHIKEYAN

Mr. G.S.V.SUBBA RAO

Mr. R.C.H.REDDY

Dr. K.MOHAN NAIDU

Mr. R VARADARAJAN
Wholetime Director

Ms. RAJSHREE PATHY
Chairperson and Managing Director

Auditors

M/s Srikishen & Co.
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore 641 006.

Chief Financial Officer

Mr. A. Sathyamurthy

Company Secretary

Mr. R. S. Gowdhaman

Registered Office

'The Uffizi'
338 Avanashi Road
Peelamedu
Coimbatore 641 004

**Factory Unit I
Sugar, Cogeneration & Distillery**

Varadarajnagar P.O.
PIN 625 562
Periyakulam Taluk
Theni District

**Factory Unit II
Sugar & Cogeneration**

Mundiyampakkam PO
PIN 605 601
Villupuram Taluk & District

**Factory Unit III
Sugar, Cogeneration & Distillery**

Semmedu Village, Gingee Taluk
PIN 604 153.
Villupuram District

Bankers

State Bank of India
State Bank of Mysore
State Bank of Hyderabad
UCO Bank
Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.

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DIRECTORS' REPORT

Your Directors have pleasure in presenting the 26th Annual Report with the audited financial statements for the year ended 31st March 2012.

	₹ in lakhs	
	2011-12	2010-11
FINANCIAL HIGHLIGHTS		
Total Income	71,728.17	62,127.11
Profit before Interest, Depreciation and exceptional items	10,022.70	5,904.72
Less: Interest	6,165.36	5,360.26
Depreciation	2,572.59	2,303.08
Exceptional items	1,477.65	--
Extraordinary items	25.00	2,500.00
Profit / (Loss) before Tax	(217.90)	(4,258.62)
Deferred tax asset	(40.75)	(585.94)
Income tax of prior years	--	19.07
Profit / (Loss) after Tax	(177.15)	(3,691.75)
Basic Earnings per Share of ₹10/- each before extraordinary items	(0.64)	(5.18)
Basic Earnings per Share of ₹10/- each after extraordinary items	(0.74)	(16.04)

DIVIDEND

Your Directors have not recommended any dividend for the financial year ended 31.3.2012 due to the loss incurred on account of exceptional items during the year 2011-12.

FINANCIAL PERFORMANCE

Your Company earned an income of ₹ 71,728.17 lakhs in the year 2011-12 as against ₹ 62,127.11 lakhs during the previous year. The Company has earned an operational profit of ₹ 1,284.75 lakhs as against the operational loss of ₹ 1,758.62 lakhs during the previous year. During the year under review the company incurred an expenditure of ₹ 1,366.81 lakhs towards settlement of sales tax issues under Samadhan scheme announced by the Tamil Nadu Sales Tax Department and ₹ 113.47 lakhs paid as compensation to the employees who opted for the voluntary separation scheme which resulted in a net loss of ₹ 177.15 lakhs. During the previous year the company incurred a one time expenditure of ₹ 2,500 lakhs towards settlement of Derivative disputes with Axis Bank Ltd. which resulted in a net loss of ₹ 3,691.75 lakhs.

OPERATIONAL PERFORMANCE

Sugar Division

The sugarcane crushing in 2011-12 has increased substantially (41%) over the previous year on account of adequate sugarcane planting in the command area of the factories and as a consequence to our sustained efforts in the Research & Development and cane extension activities. The average recovery of sugar was at 9.40% as against 8.98% in the previous year owing to quality of sugarcane crop and other favourable factors.

The Company produced 2.28 lakh tons of sugar as against 1.69 lakh tons in the previous year, registering a 35% increase. The Company sold 2.23 lakh tons (including exports) as against 1.82 lakh tons in the previous year.

The key operational data of our sugar division for the year 2011-12 are as follows :

Sugar Division - at a glance	2011-12	2010-11
Sugarcane crushed (Tons)	2,434,644	1,725,139
Recovery %	9.40	8.98
Sugar Produced (Tons)	228,802	154,970
Sugar Produced from Raw Sugar (Tons)	--	14,084
Total Sugar Produced (Tons)	228,802	169,054
Sugar Sold (Tons)		
-Domestic (including Levy)	178,508	165,452
-Exports	44,895	17,212

Cogeneration Division

The operations of cogeneration division across all the Units were satisfactory. The total power generated by the cogeneration division recorded a growth of 22%, largely owing to higher crushing and bagasse availability, coupled with better capacity utilisation. During the year under review, the total power generated by all our Units was 2,751 lakh units as against 2,258 lakh units. The company exported 1,877 lakh units as against 1,597 lakh units in the previous year.

The Company has received 66,515 units of carbon credits during the year ended 31st March 2012 which has been accounted during the year under review.

Distillery Division

The distillery performance was satisfactory during the year. The Company produced 92.76 lakh litres of Alcohol in 2011-12 as against 60.88 lakh litres of Alcohol in the previous year and sold 95.41 lakh litres of alcohol against 58.68 lakh litres of alcohol in the previous year.

Operations of subsidiary companies

Trident Sugars Limited

Our wholly owned subsidiary Company, Trident Sugars Limited, has crushed 4.07 lakh tons of sugarcane during the financial year 2011-12 as against 3.97 lakh tons in the previous year. The company produced 42,897 tons of sugar and sold 47,168 tons of sugar during the financial year as against 41,385 tons of production and 44,879 tons of sales in the previous year.

Rajshree Power Private Limited

There were no operations of the said subsidiary company during the year under review.

Accounts of Subsidiaries

Pursuant to the resolution passed in accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, by the Board of Directors at its meeting held on 19th May 2012, it was decided that the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Commencement of operation of new Distillery

As reported last year, your company has successfully commissioned its new green-field distillery with an installed capacity of 80 KL per day at Semmedu village, Gingee, Villupuram District in Tamilnadu and commenced operations on 27th April 2012. Thus, your company has now made Unit II (Mundiyampakkam) & Unit III (Semmedu) also integrated complexes with the molasses produced from Unit II & Unit III sugar divisions being the feedstock for conversion into alcohol in the new Distillery.

FUTURE OUTLOOK

As per the forecast of Department of Agriculture as well as Indian Sugar Mills Association, there is an increase in planting of sugarcane and hence sugarcane crushing for the next season is expected to be higher than the current season. The Union Government's recent decision to allow sugar export without quantitative restrictions would facilitate clearing up of inventory as well as stabilizing the domestic sugar price at reasonable levels.

India has tremendous renewable energy potential and the demand for biomass based green power sector is likely to grow exponentially. Thus, with the increase in cane crushing & hence bagasse availability, our cogeneration can optimize power generation and contribute to our profitability.

Recently, Government of Tamilnadu has announced its participation in the ethanol blending programme thereby allowing resumption of ethanol production in sugar mills. Your company with its new addition to production capacity sees a good potential in the ethanol production. By maintaining a proper product mix of alcohol for sale to potable, industrial & blending sector, your company would strive to derive the optimum realization.

Overall, with the outlook remaining positive, your company is committed to bettering the performance year after year and confident of improving the profitability.

DIRECTORS

M/s G.S.V.Subba Rao and Raja MJ Abdeen, Directors retire by rotation at the ensuing Annual General Meeting and are being eligible have offered themselves for reappointment.

AUDITORS

M/s Srikishen & Co, Chartered Accountants, the present auditors of the Company, retires at the ensuing Annual General Meeting and are eligible for reappointment. They have furnished necessary certificate in terms of Sec.224(1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A)

The particulars of the employees of the Company who were in receipt of remuneration, which in the aggregate exceeded the limits fixed under section 217(2A) of the Companies Act, 1956 is attached herewith.(Annexure 1).

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors confirm that in the preparation of annual financial statements for the financial year ended 31.3.2012;

- I. the applicable accounting standards have been followed;
- 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 and of the losses 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- IV. the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

ACKNOWLEDGEMENT

May **Goddess Lakshmi** shower Her blessings for the continued prosperity of the Company.

For and behalf of the Board

Place : Coimbatore
Date : 19th May 2012

RAJSHREE PATHY
Chairperson and Managing Director

ANNEXURE 1 TO DIRECTORS' REPORT

Statement under sub section 2A of section 217 of the Companies Act, 1956

S.No.	Name of the Employee	Designation	Remuneration for the year 2011-12	Qualification & Experience	Date of commencement of employment	Age	Last employment
1	Ms.Rajshree Pathy	Chairperson and Managing Director	₹ 15,009,360/-	B.Com 36 years	16.03.1989	56 years	General Manager Ganga Textiles Ltd

ANNEXURE 2 TO DIRECTORS' REPORT

(AS PER RULE 2 OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988)

A. CONSERVATION OF ENERGY:

During the year under review, the Company has taken various energy conservation measures including:

At Varadarajnagar (Unit-I)

- i. New maintenance free battery with auto charger was installed with 300kva DG set, which resulted in 75 litre of Diesel saving in every month.
- ii. 200HP Pre-leveler has been stopped during low crushing rate (below 2000 ton/day), which saved 1200 units of power during low crushing periods.
- iii. Lighting energy saver auto transformer tape position changed during off peak hours which saved 100 units per day.
- iv. 15 Nos. 250W SV lamps replaced by 150W lamp for street light in outer area, which saved 450 units of power per month.

At Mundiampakkam (Unit-II)

- v. One number of 7.5KW pump is used to transfer 'B' seed magma from Vacuum crystallizer to 'B' continuous Pan. Now this flow was made as gravity flow and the pump was permanently stopped. This enables saving of 43,740 Units of power per season.

At Semmedu (Unit-III)

- vi. Commissioned new parallel set evaporator with first 3 bodies as radial flow and took 3 body vapour to continuous pans and achieved steam % cane 35% (average) with the new set of evaporator in operation.
- vii. Introduced 75KW High capacity vacuum pump for mud filters operation and removed 2 nos 55KW (each) individual pumps. Energy savings achieved 10KWH.

The impact of the above measures are expected to reduce the consumption of energy substantially and consequently the cost of production.

Form A

(The total energy consumption and energy consumption per unit of production)

a. Power and Fuel Consumption

Particulars	Units	Sugar Division	Distillery Division	Co-generation Division
1. ELECTRICITY				
a. Purchased	KWH	9,92,690 (11,04,230)	59,560 (56,510)	7,59,210 (9,38,600)
Total amount	₹ in lakhs	89.31 (94.82)	4.99 (4.71)	75.01 (90.22)
Rate per unit	₹	9.00 (8.59)	8.38 (8.33)	9.88 (9.61)
b. Own Generation				
i) Through Diesel Gensets Qty. Produced	KWH	23,110 (17,508)	6,790 (1,950)	18,920 (15,422)
Units per ltr of Diesel		2.66 (2.34)	3.31 (2.37)	2.51 (1.70)
Cost per unit	₹	16.64 (17.07)	13.50 (16.74)	17.64 (23.57)
ii) Through steam turbine (Co-generation) Qty. consumed	KWH	5,63,92,360 (4,17,09,555)	15,72,670 (8,44,700)	2,94,91,970 (2,34,90,945)
Units per MT of steam		151 (161)	103 (94)	161 (169)
Cost/unit	Steam produced from own bagasse (Steam produced from own bagasse)			
2. COAL				
Quantity Consumed	MT	NIL (NIL)	NIL (NIL)	6,222 (23,465)
Total Value	₹ in lakhs	NIL (NIL)	NIL (NIL)	246.38 (776.23)
Average rate per unit	₹	NIL (NIL)	NIL (NIL)	3,960 (3,308)
3. FIRE WOOD				
Quantity Consumed	MT	NIL (NIL)	NIL (NIL)	20,117 (35,509)
Total value	₹ in lakhs	NIL (NIL)	NIL (NIL)	548.33 (845.10)
Average Rate	₹	NIL (NIL)	NIL (NIL)	2,726 (2,380)

Particulars	Units	Sugar Division	Distillery Division	Co-generation Division
4. COCONUT HUSK				
Quantity Consumed	MT	NIL (NIL)	NIL (NIL)	- (435)
Total value	₹ in lakhs	NIL (NIL)	NIL (NIL)	- (2.89)
Average Rate	₹	NIL (NIL)	NIL (NIL)	- (664)
5. CORN COBS				
Quantity Consumed	MT	NIL (NIL)	NIL (NIL)	- (72)
Total value	₹ in lakhs	NIL (NIL)	NIL (NIL)	- (1.00)
Average Rate	₹	NIL (NIL)	NIL (NIL)	- (1400)
6. OTHERS/INTERNAL GENERATION	Nil			

b. Consumption per unit of production

Product	Per Quintal of White Crystal Sugar	Per Litre of Alcohol
Electricity (KWH)	25.09 (25.38)	0.14 (0.15)

B. TECHNOLOGY ABSORPTION :
FORM B

(Research & Development and technology absorption)

Research & Development

1) Specific areas in which R&D carried out by the Company:

- a) Breeding - Varietal improvements program:
Identification of high yielding and high sugar varieties suitable for our command area in coordination with leading Research Institutions in the country
- b) Bio Technology:
Production of yellow mosaic disease (YLD) free and grassy shoot disease (GSD) free seedling through Production of breeder seed and supply for primary nursery through Tissue culture Technology:
- c) Pest and disease surveillance :
Production and supply of Trichogramma sp for the control of inter node borer and Pest survey in our command area. Establishment of biocontrol lab at Mundiampakkam and production of tetrastichus.

d) Research on Crop Agronomy

Soil health management, soil fertility mapping and Nutrient requirement studies of the command area.

2) Benefits derived as a result of above R&D:

- a) Obtained more than 150 promising hybrid clones from Sadhana Agri Tech, Bangalore and evaluated for its suitability, around 32 clones are superior to Co 86032 in quality. Varieties from AICRP (S), Co-ordinated Agronomic Experiments (CAE) are also studied.
- b) The R&D developed YLD and GSD free Tissue culture seedlings accredited by premier institutions like Sugarcane Breeding Institute, Coimbatore and used for breeder seed production.
- c) A rare parasite Tetrastichus sp was identified and mass production technique with artificial diet established at Mundiampakkam and successfully produced around 1.5 lakh insects and released to farmer field (2011-12). This will help to improve the yield of crop and quality of juice.
- d) The pathologist conducted survey of diseases (Red Rot) for better plant surveillance. Random pest and disease survey was done in all our units.
- e) Produced better quality disease free breeders seed 185% of the target.
- f) A beneficial parasite, highest ever released. Trichogramma sp own production was stepped-up to 16069 cc. Total issued to farmers was 28135 cc, in Unit-1, 44265 cc in Unit-2, organized through the outsourced agency.
- g) Soil fertility studies are under progress with Taminadu Agricultural University, Madurai campus.
- h) Extension and farmer training services are taking the technology to the farms with village meetings, demonstrations, etc.

3) Future plan of action:

- a) Establishment of soil Testing laboratory in Mundiampakkam.
- b) Fertility mapping of our command area and random soil analysis in all units.
- c) Development of nutrient and fertigation schedules for Drip Irrigation.
- d) Multiplication of superior clones from the Sadhana, AICRP (S) and CAE.
- e) Stabilization and increasing the production of trichogramma and tetrastichus.
- f) Screening of best varieties
- g) Pest disease surveillance

4) Expenditure on R & D	₹ in lakhs
(a) Capital	17.68
(b) Recurring	96.18
(c) Total	113.86
(d) Total R & D expenditure as a percentage of total turnover	0.16%

Technology absorption, adaptation and innovation

- 1) Efforts in brief towards technology absorption, adaptation and innovation.
 - a) Focus was given for implementation of nursery system and five yield improvement activities in extension.
 - b) Sugarcane Harvester Imported and the crop Agronomy to suit the harvesters are evolved.
 - c) A innovative technology, sustainable sugarcane Initiative(SSI) introduced and superior quality seedlings are produced.
- 2) Benefits derived as a result of the above efforts:
 - a) Focus was given to SSI chip bud method for nursery which gives better yield and cost reduction.
 - b) The Billet cane Harvester demonstration to promote wider spacing planting is on.
 - c) Entrepreneurs are identified and farmers services centre to provide farm Implements at the village level initiated.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned	₹ in lakhs
Foreign exchange earned	9,534.48
Foreign exchange outgo	5,390.58

The Company constantly utilizes the export possibilities to its fullest potential

ANNEXURE 3 TO DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of Governance

Rajshree Sugars believes that good corporate governance is essential to achieve long term corporate goals and enhance shareholder value. The company is committed to produce sugar and value added by-products of good quality and strive for continuous improvement in all spheres of its activities to create value that can be sustained over a long term for all its shareholders, employees, customers, government and lenders. Rajshree Sugars endeavours to ensure that high standards of ethical conduct are maintained throughout the organization.

2. Board of Directors

As on the date of this report, the Board of Directors of the Company is comprised of

- 1 Promoter Executive Director Ms. Rajshree Pathy
- 1 Non promoter Executive Director Mr. R. Varadarajan
- 2 Non-Independent Non-Executive Directors Mr. Raja M.J.Abdeen
Dr. P. Surulinarayanasami
- 4 Independent Non-Executive Directors Mr. G.R.Karthikeyan
Mr. R.C.H.Reddy
Mr. G.S.V.Subba Rao
Dr. K.Mohan Naidu

Attendance of Directors at Board meetings and Annual General meeting during the year 2011-12:

Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Last AGM attended	Membership in Board of other Companies	Membership in Committee of other Companies	Sitting fees paid for Board and Committee meetings (₹)
Ms.Rajshree Pathy	5	4	Yes	14	1	--
Mr. R.Varadarajan	5	5	Yes	5	1	--
Mr. G.R.Karthikeyan	5	5	Yes	3	--	1,10,000
Dr. P.Surulinarayanasami	5	4	Yes	1	--	40,000
Mr. Raja M.J.Abdeen	5	5	Yes	16	--	1,10,000
Mr. R.C.H. Reddy	5	4	Yes	6	2	80,000
Mr. G.S.V.Subba Rao	5	4	Yes	--	--	80,000
Dr. K.Mohan Naidu	5	5	Yes	1	1	1,00,000

During the year, the meetings were held on 18th May 2011, 10th August 2011, 14th September 2011, 10th November 2011 and 30th January 2012.

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members.

Mr.G.S.V.Subba Rao	(Chairman)	Non-Executive and Independent Director
Mr.G.R.Karthikeyan	(Member)	Non-Executive and Independent Director
Mr.R.C.H.Reddy	(Member)	Non-Executive and Independent Director
Mr.Raja M.J.Abdeen	(Member)	Non-Executive and Non-Independent Director
Dr.K.Mohan Naidu	(Member)	Non-Executive and Independent Director

The broad terms of reference are as follows:

- Review of company's financial reporting process and its financial statements
- Review of accounting and financial policies and practices
- Review of internal control systems
- Review of risk management policies and practices, listing and other legal requirements relating to financial statements
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Review of statement of significant related party transactions

During the year 2011-12, the meetings were held on 18th May 2011, 10th August 2011, 14th September 2011, 10th November 2011 and 30th January 2012. Members' attendance at the meetings was as follows:

Name of the Member	No. of meetings held	No. of meetings attended
Mr. G.S.V. Subba Rao	5	4
Mr. G.R. Karthikeyan	5	5
Mr. Raja M.J.Abdeen	5	5
Mr. R.C.H. Reddy	5	4
Dr. K. Mohan Naidu	5	5

4. Remuneration Committee

The Remuneration Committee constituted by the Board of Directors to approve remuneration to the Directors consists of the following Directors as members.

Mr.G.R.Karthikeyan	(Chairman)	Non-Executive and Independent Director
Mr.R.C.H.Reddy	(Member)	Non-Executive and Independent Director
Mr.Raja M.J.Abdeen	(Member)	Non-Executive and Non-Independent Director

During the year, one meeting of the Remuneration Committee was conducted on 18th May 2011. Members' attendance at the meeting was as follows:

Name of the Member	Meeting attended
Mr. G.R. Karthikeyan	1
Mr.Raja M.J.Abdeen	1
Mr.R.C.H.Reddy	--

The remuneration policy of the Company is to remunerate the Wholtime Directors commensurate with the operational and financial performance of the Company and the performance of the individuals.

The remuneration paid to Executive Directors for the year 2011-2012 was as follows (in ₹):

Managerial remuneration:	Ms. Rajshree Pathy	Mr. R.Varadarajan
Salary	1,50,00,000	45,86,667
Commission	--	--
Perquisites	9,360	9,34,360
Total	1,50,09,360	55,21,027

There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.

Since no remuneration is paid to Non-Executive Directors other than the sitting fee, no criteria of making payments to non-executive Directors.

The number of shares held by the non-executive Directors are as follows-

Name of Director	No. of shares held	% to the total shareholding of the company
Dr.P.Surulinarayanamsami	1,131,107	4.754
Mr.Raja M.J.Abdeen	1,010,000	4.245
Mr.G.R.Karthikeyan	1,040	0.004
Mr.R.C.H.Reddy	832	0.003
Dr.K.Mohan Naidu	1,000	0.004

5. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee is headed by Mr.RajaM.J.Abdeen, Non-Executive Director. Mr.R.S.Gowdhaman, Company Secretary is the Compliance Officer. During the year 2011-12, 4 complaints were received and all of them were resolved to the satisfaction of the shareholders. As of 31st March 2012, there are no complaints/queries pending reply. An exclusive email ID for addressing shareholders grievances, viz., investor@rajshreesugars.com is already available.

6. General Body meetings

Location and time for the last three Annual General Meetings

Year	Location	Date	Time	No. of special resolutions passed
2008-09	Conference Hall, Indian Chamber of Commerce & Industry, Coimbatore.	23.09.2009	3.00 PM	--
2009-10	--as above--	20.09.2010	3.00 PM	--
2010-11	--as above--	10.08.2011	11.00 AM	3

No special resolutions were put through postal ballot last year and there is no such proposal for this year also.

7. Disclosures

There are no material significant transactions with related parties viz. promoters, directors or the management, their subsidiaries or relatives conflicting with company's interests.

No penalty or strictures have been imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years. However, SEBI has raised certain queries during the year 2009-10 regarding acquisition of shares by one of the Directors, and the company has replied to the queries.

The Company does not have a Whistle Blower Policy. Access to the Audit Committee has not been denied to any personnel.

The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement. Constitution of Remuneration Committee as per the Non-mandatory requirement has been complied with.

Investor complaints of non-receipt of dividends, non-receipt of annual reports, etc. forwarded by SEBI are periodically resolved and uploaded into SCORES (SEBI Complaints Redress System) website and no complaints is pending during the year under review.

8 Means of Communication

The company is publishing audited financial results / quarterly unaudited financial results and notice advertisements in The Hindu-Business Line and Dinamani (vernacular language) regularly. The company has posted the corporate governance report, quarterly/annual results, shareholding pattern, etc. in the Company's Website www.rajshreesugars.com. The company has also updating with the requirements of Clause 54 of the Listing Agreement at the Company's Website as and when required.

9. General shareholder information

i. AGM Date, time and venue	8th August 2012 at 11.00 A.M Chamber Hall, Indian Chamber of Commerce and Industry, Avanashi Road, Coimbatore 641 018.
ii. Financial calender 2012-13 First quarterly results Second quarterly results Third quarterly results Audited yearly results	Before 15th August 2012 Before 15th November 2012 Before 15th February 2013 Before end of May 2013
iii. Book Closure Date	1st August 2012 to 8th August 2012

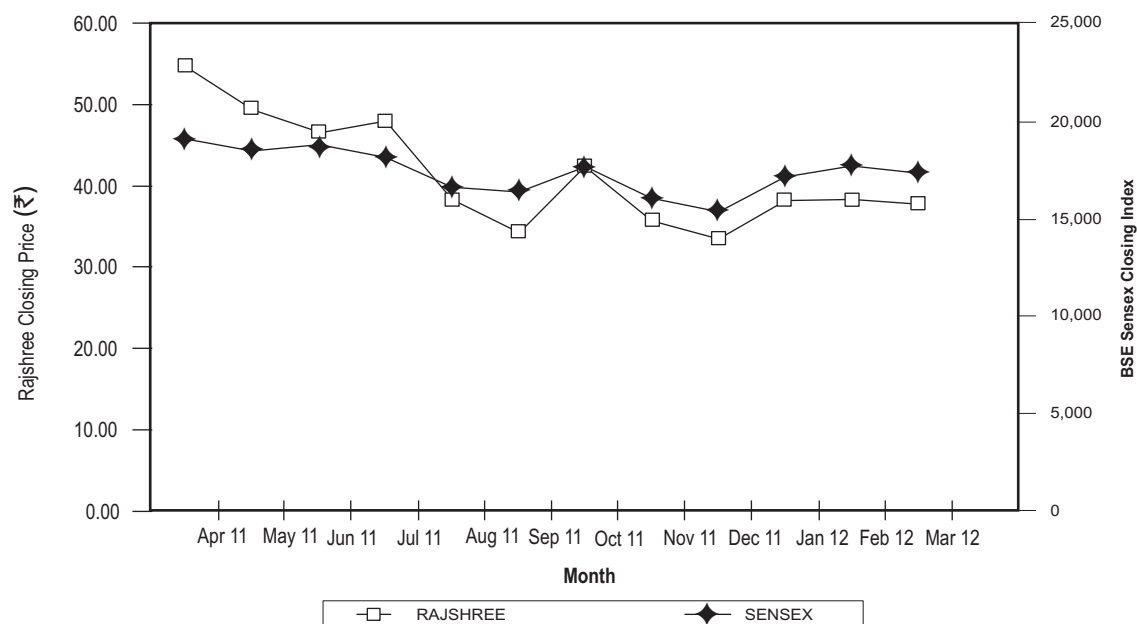
iv. Listing on Stock Exchange	Bombay Stock Exchange Limited National Stock Exchange of India Limited
v. Stock Code Bombay Stock Exchange Limited National Stock Exchange of India Limited	500354 RAJSREESUG

vi. Market Price Data High/Low during each month of the Financial Year 2011-12 (Bombay Stock Exchange)

Month	High (₹)	Low (₹)
April	61.90	54.50
May	57.45	46.50
June	53.00	43.55
July	50.90	45.50
August	49.00	34.00
September	41.95	32.10
October	44.80	32.50
November	43.80	32.50
December	36.90	28.85
January	43.80	32.15
February	41.45	35.55
March	40.50	35.00

vii. Performance in comparison to broad based indices such as BSE SENSEX, CRISIL index etc.

Rajshree Vs BSE SENSEX



viii. Registrars and Share Transfer Agents (for physical & demat shares)	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road Ganapathy Coimbatore 641 006.
ix. Share transfer system	Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects by the Committee which meets every week.

x. Distribution of shareholding as on 31st March 2012

No. of equity shares held	No. of Folios	No. of shares held	% of shareholding
Upto 5000	25,481	6,504,465	27.34
5001 to 10000	104	785,453	3.30
10001 to 20000	46	693,539	2.92
20001 to 30000	18	461,159	1.94
30001 to 40000	10	351,197	1.48
40001 to 50000	7	319,949	1.34
50001 to 100000	7	527,547	2.22
100001 and above	14	14,148,391	59.46
Total	25,687	23,791,700	100.00

xi. Shareholding pattern as on 31st March 2012

Category	No. of Folios	No. of shares held	% of shareholding
Promoters	4	8,713,380	36.62
Directors and their relatives	13	3,395,666	14.27
Mutual funds and UTI	14	624,027	2.62
Banks, Financial institutions and insurance companies	5	1,530	0.01
Corporate bodies	457	1,989,442	8.36
Indian public	25,051	8,768,418	36.86
NRIs and OCBs	143	299,237	1.26
GDRs	0	0	0
Total	25,687	23,791,700	100.00

xii. Dematerialisation of shareholding and liquidity	87.23% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xiii. Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and impact on equity	NIL
xiv. Plant locations	<u>Unit I - Sugar, Cogeneration & Distillery</u> Varadarajnagar PO, PIN 625 562. Periakulam Taluk, Theni District <u>Unit II - Sugar & Cogeneration</u> Mundiampakkam PO PIN 605 601. Villupuram Taluk & District <u>Unit III - Sugar, Cogeneration & Distillery</u> Semmedu Village, Gingee Taluk, PIN 604 153. Villupuram District
xv. Address for correspondence	"The Uffizi", 338 Avanashi Road Peelamedu, Coimbatore 641 004. Email ID: investor@rajshreesugars.com rscl@rajshreesugars.com

xvi. The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
30.09.2005	2004-2005	29.09.2012	29.10.2012
06.09.2006	2005-2006	05.09.2013	05.10.2013
10.09.2007	2006-2007	09.09.2014	09.10.2014
23.09.2009	2008-2009	22.09.2016	22.10.2016
20.09.2010	2009-2010	19.09.2017	19.10.2017

It may be noted that no claim of the shareholders will be entertained for the unclaimed / unpaid dividends after their credit to the Investors Education & Protection Fund.

In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for credit to the IEPF.

Compliance to Clause 5A of the Listing Agreement

The following is the compliance of Clause 5A of the Listing Agreement - Unclaimed shares pertaining to Public Issue / Rights Issue of the company.

Particulars	Number of shareholders	Number of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	26	8390
(ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	3	5208
(iii) Number of shareholders to whom shares were transferred from suspense account during the year;	3	5208
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	23	3182
(v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

CEO/CFO Certification

The certification as per clause 49 (V) of the Listing agreement has been submitted by the CEO and CFO of the Company to the Board of Directors.

Declaration under clause 49 of Listing Agreement by the Managing Director

The Shareholders,

I, Rajshree Pathy, Chairperson and Managing Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Board of Directors and Senior Management of Rajshree Sugars & Chemicals Limited.

Place :Coimbatore
Date : 19th May 2012

RAJSHREE PATHY
Chairperson and Managing Director

Compliance certificate from the Auditors of the Company

To
The Members of
M/s. Rajshree Sugars & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Rajshree Sugars & Chemicals Limited for the year ended 31.3.2012, as stipulated in clause 49 of the listing agreement of the said company, with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India, we have to state that based on the representation given by the Registrars of the Company to the Investors' Grievance Committee as on March 31, 2012, there were no investors' grievance matters against the Company remaining pending for more than 30 days.

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

For SRIKISHEN & CO.
Chartered Accountants
Reg No. 004009 S

Place:Coimbatore
Date: 19th May 2012

K.Murali Mohan
Membership No.14328
Auditors, Proprietor

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Development

World Sugar Production for 2011-12 has reached record levels thanks to improving crop outlook for Brazil and a continued supply of exportable surplus sugar from Thailand and India.

The quarterly market outlook of February, 2012 published by International Sugar Organisation indicates that after two years of a large statistical deficit and one season of balanced sugar production and consumption, the world sugar economy has a global surplus which may rise beyond 6 million tons. Tentative projections suggest that the world sugar balance will continue to remain in surplus in 2012-13 also.

Raw sugar prices in New York in the last week of April 2012 plunged to 20.5 cents, hitting an 11-month low. White sugar is currently trading around \$ 570 and raw sugar at 20.9 cents. Raw sugar prices are forecast at around 22 cents during the second quarter during the Brazilian centre south harvest and at around 24 cents at the end of 2012. White sugar is forecast at around \$600 during the second quarter and around the same at the end of 2012. Weather patterns could alter this price forecast. Another major factor determining sugar prices during 2012 will be the price of ethanol and as a consequence the decisions by Brazilian mills to divert cane to ethanol production.

In India, as per Indian Sugar Mills Association (ISMA) report, the sugar production upto the end of April, 2012 for the current sugar season is 251 lakh tons. This is almost 25 lakh tons more than the production upto the end of April, 2011 last year. Most of the increase has been contributed by Uttar Pradesh, which has seen an increase of almost 11 lakh tons, Maharashtra where the increase is about 5 lakh tons, Karnataka where the increase is almost 3 lakh tons and Tamilnadu where the sugar production is more by almost 4 lakh tons as compared to last year.

ISMA is absolutely certain that its earlier sugar production estimate of 260 lakh tons will be achieved. The balance 9 lakh tons beyond the 251 lakh tons already produced would come largely from Tamilnadu which is expected to still produce about 6.5 lakh tons between May and September in the current season, Maharashtra (2 lakh tons) and Karnataka (1 lakh ton).

As per press release of the Department of Agriculture, sugarcane for the next sugar season has been planted in 44.12 lakh hectare as compared to 43.23 lakh hectare last year on the corresponding period, which is 2% higher. Therefore, ISMA is quite certain that production in ensuing season 2012-13 starting from 1st October will be higher than the domestic consumption and India will continue to export sugar third year in a row.

An intense industry lobby has evoked a positive response from the Government with permission for export of 2 million tons since the beginning of this year. Though this export was linked to production numbers of each sugar factory, regular exporting factories were able to capitalize the tradability of sugar export entitlement. The Government had also released an

additional 1 million ton of export under this scheme but then on a national review, had thought fit to declare sugar export under Open General Licence (OGL) without quantitative restrictions, considering the comfortable position of domestic production and consumption.

The export of sugar helped in stabilizing the domestic price realization which hovered around ₹ 27,000/- per ton level throughout major part of the year 2011-12. Though international sugar prices have been depressed during the last quarter, the weakness of rupee has compensated the lower margins.

During the year, Government of Tamilnadu has hiked the SAP from ₹ 1,900/- per ton to ₹ 2,000/- per ton (linked to 9.5% recovery) plus a transport cost of ₹ 100/- per ton for the 2011-12 sugar season.

On the ethanol front, the outlook for global fuel ethanol production is forecast to rebound in 2012 after some sluggishness. Brazil and the USA will continue to be the main drivers. The ethanol programme in India has been sustained with the participation of the major sugar producing States. Tamilnadu had been kept out of the Ethanol supply programme due to focus of the State Government on ensuring availability of alcohol to the potable sector. Constant interaction by State Industry Associations with the Government has yielded positive results with the Government now being convinced that there is adequate molasses production and distillation capacity available in the State to ensure alcohol supply to both potable and ethanol sector. This ensures an alternative user for alcohol and will add to the profitability of the industry.

Risks and concerns

Your company continues to review and manage the risks emanating from such a dynamic environment. The management of the company reviews and monitors risks at periodic intervals. The major risks faced by the industry include sugarcane availability, price realization and regulatory control by Government, financial liquidity, amongst others.

Sugarcane availability

Sugarcane is the main raw material in sugar mills. Sugarcane cultivation is monsoon dependent. Hence it becomes unpredictable in adverse climatic conditions. Similarly other factors like scarcity of harvest labour, lower sugarcane realisations or cane payment arrears to growers, availability of attractive competitive/alternate crops will have a direct impact on cane availability and affect our business.

Risk Mitigation: The Company has mitigated this risk by following:

- Continuous yield improvement activities to obtain a better quality cane leading to a better recovery
- Close monitoring of cane development activities, which includes supply of good quality seeds, fertilisers and manure, among others.
- Promoting drip irrigation
- Careful monitoring of cane planting and harvesting schedule.
- Introduction of mechanical harvesters
- Timely cane payment to farmers and maintaining good relationship with them

Sugar price realisation risk

Being cyclical in nature, sugar price remains volatile and realisations get adversely affected during a downturn. Coupled with this, higher cane price affects profitability.

Risk mitigation: To address the challenge of cyclicity in the sugar business, the Company has adopted an integrated business model manufacturing sugar and also producing alcohol and cogenerating power from the sugarcane residue viz., molasses and bagasse. While Unit I (Varadarajnagar) is already an integrated complex, we have now made Unit II (Mundiyampakkam) and Unit III (Semmedu) also integrated complexes with the commissioning of a state of the art multi-pressure alcohol distillation plant.

The Company is also focusing on improving direct sales to institutional buyers to lock down on prices, thereby balancing the volatility of the market.

Regulatory risk

The sugar industry is closely regulated by both central and state governments by way of reservation of cane area, fixing sugarcane price, monthly release order mechanism for sugar trade, Levy obligation at a lower price etc.

Risk response: ISMA and South Indian Sugar Mills Association (SISMA) of which the Company is a member are in the process of presenting recommendation for appropriate policy changes to reduce governmental influence in the sugar sector and help decontrol the sugar industry.

Financial liquidity risk

Procurement of funds to meet working capital requirements and the payment of the interest and principal with respect to loans availed. The other associated risk is soaring interest rates.

During the year, the company's working capital was under tremendous stress due to delayed payments from Tamilnadu Electricity Board (TNEB). The financial stress of TNEB is being passed on to its constituent stakeholders and the sugar industry which cogenerates and supplies power to the State Grid, suffers as a consequence.

Risk response: As the Company has a sound credibility with the Banks, the Company has been able to arrange different financing options at economical and better cost of debt.

With the recent increase in power tariff coupled with financial restructuring, TNEB's financial position should improve and hence the company hopes to receive the payments without difficulty.

Internal control systems and their adequacy

The Company has a well-established internal control system in the form of well-documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures, to ensure proper functioning of operations. Moreover there exists an effective internal audit system, commensurate with the requirements of the company.

The Board, Audit Committee and the Management, review the findings and recommendations of the Internal Auditors and take corrective action, wherever necessary. Moreover the Audit Committee periodically interacts with Statutory Auditors and makes continuous assessments of the adequacy and effectiveness of the internal control systems.

Segment wise performance

The segments for the purpose of reporting are Sugar, Co-generation, Distillery and others consisting of property development. The segment wise performance is given below:

		(₹ in lakhs)	
Particulars	31.03.2012	31.03.2011	
Sales / Turnover			
Sugar	66,051	57,063	
Co-generation	10,822	9,567	
Distillery	2,221	1,620	
Profit / (Loss) before interest, depreciation and exceptional items			
Sugar	1,457	(924)	
Co-generation	5,950	4,831	
Distillery	895	591	

Financial performance and operational performance

The details of financial performance and operational performance are mentioned in the Directors' Report.

New Distillery Project in our Semmedu Unit

The Company has recently in April 2012 successfully commissioned green-field distillery with an installed capacity of 80 KL per day as part of integrated sugar complex in Semmedu, Gingee. The integrated model facilitates de-risking the cyclicity thereby generating better realisations. With this new addition, our total production capacity of industrial alcohol has gone up to 36 million litres per annum.

Cautionary statement

Statements in this Report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

AUDITOR'S REPORT

To

The Members of M/s Rajshree Sugars & Chemicals Limited

1. We have audited the attached Balance Sheet of M/s Rajshree Sugars & Chemicals Limited as at 31st March 2012, the Statement of Profit and Loss and 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.
2. 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 misstatements. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the annexure referred to 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representation received from the Directors as on 31st March 2012, and taken on record by the Board of Directors, in our opinion none of the Directors is disqualified as on that date, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956, and
 - 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 Loss for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For SRIKISHEN & CO.
Chartered Accountants
Reg No. 004009 S

Place: Coimbatore
Date: 19th May 2012

K. Murali Mohan
Membership No. 14328
Auditors, Proprietor

ANNEXURE TO THE AUDITORS' REPORT**(Referred to in paragraph 3 of our report of even date)**

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b. As explained to us, all the fixed assets have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such physical verification.
- c. The company has not disposed off substantial part of its fixed assets during the year.
- ii) a. The physical verification of inventory has been conducted by the management at reasonable intervals.
- 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. On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- iii) a. The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
- b. The Company has granted unsecured loan to its wholly owned subsidiary company. The maximum amount involved in the above transaction net of periodical repayments is ₹ 3,076.13 lakhs and the year end balance is ₹ 1,505.61 lakhs. In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions of the loan are not prima facie prejudicial to the interests of the company.
- c. In respect of said loan, the said principal and interest are payable on demand and therefore the question of overdue amounts does not arise.
- iv) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control systems.
- v) a. To the best of our knowledge and belief, and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations, such transactions have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.

- vi) In our opinion, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- viii) The Central Government has prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of certain products manufactured by the company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.
- ix) a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Customs duty, Excise duty, Service tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanation given to us no undisputed arrears of statutory dues were outstanding as at 31.03.2012 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed statutory dues which have not been deposited is as given below:

Name of the statute	Period to which amount relates	Nature of demand	Amount disputed (₹ in lakhs)	Forum where dispute is pending
TNGST	1995-96 to 1997-98	Interest on sales tax	42.50	High Court, Chennai
Service Tax	2006 -2007	Penalty	21.00	Commissioner (Appeals)
TNGST	2000-01 to 2004 - 05	Sales tax	256.82	1st Appellate Authority

- x) There are no accumulated losses at the end of the financial year 31.03.2012. The Company has not incurred cash loss during the financial year covered by our audit and has incurred cash loss in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The company has not issued any debentures till date.
- xii) During the year, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The provisions of special statute applicable to Chit fund, nidhi/mutual benefit fund / societies are not applicable to the Company.

- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments.
- xv) The Company has given corporate guarantee for loans taken from bank by its wholly owned subsidiary Company. According to the information and explanations given to us, the terms & conditions of the guarantee given are not prejudicial to the interests of the company.
- xvi) The Company has applied term loans for the purpose for which the loans were obtained during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the source and application of funds of the Company, we report that out of the funds raised on short term basis during the year, an amount of ₹ 1871.84 lakhs has been used for long term investments by way of part financing the acquisition of fixed assets.
- xviii) 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 any secured debentures during the year.
- xx) The Company has not raised any money by way of public issues during the year.
- xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no frauds on or by the Company has been noticed or reported during the year.

For SRIKISHEN & CO.
Chartered Accountants
Reg No. 004009 S

K.Murali Mohan
Membership No.14328
Auditors, Proprietor

Place:Coimbatore
Date: 19th May 2012

BALANCE SHEET AS AT 31st MARCH 2012

(₹ in Lakhs)

PARTICULARS	Note	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	2,379.17	2,379.17
(b) Reserves and surplus	B	9,560.93	9,738.07
		<u>11,940.10</u>	<u>12,117.24</u>
2 Non-current liabilities			
(a) Long-term borrowings	C	36,175.93	27,962.54
(b) Deferred tax liabilities (Net)	D	4,504.50	4,545.26
		<u>40,680.43</u>	<u>32,507.80</u>
3 Current liabilities			
(a) Short-term borrowings	E	14,393.32	13,576.99
(b) Trade payables	F	7,027.72	5,879.09
(c) Other current liabilities	G	14,482.88	9,955.64
(d) Short-term provisions	H	1,784.74	1,920.63
		<u>37,688.66</u>	<u>31,332.35</u>
TOTAL		<u>90,309.19</u>	<u>75,957.39</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	I	42,937.14	41,789.06
(ii) Intangible assets		332.18	-
(iii) Capital work-in-progress		13,237.37	2,168.12
(b) Non-current investments	J	4,764.47	4,764.47
(c) Long-term loans and advances	K	683.51	1,495.15
		<u>61,954.67</u>	<u>50,216.80</u>
2 Current assets			
(a) Current investments		-	-
(b) Inventories	L	14,508.46	13,127.36
(c) Trade receivables	M	6,628.46	3,154.43
(d) Cash and cash equivalents	N	943.30	1,808.89
(e) Short-term loans and advances	O	5,880.48	6,847.25
(f) Other current assets	P	393.82	802.66
		<u>28,354.52</u>	<u>25,740.59</u>
TOTAL		<u>90,309.19</u>	<u>75,957.39</u>
See accompanying notes to the financial statements			

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012

(₹ in Lakhs)

PARTICULARS	Note	31.03.2012	31.03.2011
I. Revenue from operations	Q	70,861.17	61,538.80
II. Other income	R	867.00	588.31
III. Total Revenue (I + II)		<u>71,728.17</u>	<u>62,127.11</u>
IV. Expenses:			
Cost of materials consumed	S	52,449.47	44,426.87
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	T	(1,291.70)	1,984.96
Employee benefits expense	U	2,652.18	2,421.91
Finance costs	V	6,165.36	5,360.26
Depreciation and amortization expense		2,572.59	2,303.09
Other expenses	W	7,895.52	7,386.13
Total expenses		<u>70,443.42</u>	<u>63,883.23</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,284.75	(1,756.12)
VI. Exceptional items		1,477.65	-
VII. Profit before extraordinary items and tax (V - VI)		<u>(192.90)</u>	<u>(1,756.12)</u>
VIII. Extraordinary Items		25.00	2,500.00
IX. Profit before tax (VII- VIII)		<u>(217.90)</u>	<u>(4,256.12)</u>
X Tax expense:			
(1) Current tax		-	2.50
(2) Deferred tax		(40.75)	(585.94)
(3) Prior year taxes		-	19.07
		<u>(40.75)</u>	<u>(564.37)</u>
XI Profit / (Loss) for the period from continuing operations (IX-X)		<u>(177.15)</u>	<u>(3,691.75)</u>
XII Profit / (Loss) from Discontinuing operations (after tax)		-	-
XIII Profit / (Loss) for the period (XI + XII)		<u>(177.15)</u>	<u>(3,691.75)</u>
XIV Earnings per equity share:			
(1) Basic		(0.74)	(16.04)
(2) Diluted		(0.74)	(16.04)
See accompanying notes to the financial statements			

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
A. SHARE CAPITAL		
AUTHORISED		
30,000,000 Equity Shares of Rs.10/- each (Previous year 30,000,000 Equity shares)	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED SUBSCRIBED & PAID UP: 2,37,91,700 Equity Shares of Rs.10/- each fully paid-up in cash	<u>2,379.17</u>	<u>2,379.17</u>
i) No of Equity Shares at the beginning of the year - 2,37,91,700. No of Equity Shares at the end of the year - 2,37,91,700.		
ii) No of Equity Shares at the beginning of previous year - 2,26,91,700. No of Equity Shares at the end of the previous year - 2,37,91,700. 11,00,000 Equity Shares allotted on preferential basis to Ms. Rajshree Pathy, Chairperson and Managing Director on 9.12.2010		
iii) Shareholder holding more than 5 percent shares: Ms. Rajshree Pathy :83,07,558 shares (Previous year:82,77,558 shares)		
B. RESERVES & SURPLUS		
i) General Reserve		
Opening Balance	8,000.00	8,000.00
Additions / Deductions during the year	-	-
Closing Balance	8,000.00	8,000.00
ii) Securities Premium Reserve		
Opening Balance	572.00	572.00
Additions / Deductions during the year	-	-
Closing Balance	572.00	572.00
iii) Surplus in Statement of Profit & Loss		
Opening Balance	1,166.07	4,857.82
Add: Profit / (Loss) after tax	(177.14)	(3,691.75)
Closing Balance	988.93	1,166.07
TOTAL	<u>9,560.93</u>	<u>9,738.07</u>
C LONG - TERM BORROWINGS		
SECURED LOANS		
Term Loans -		
a) From Banks	28,613.26	16,053.37
b) External Commercial Borrowings	5,419.53	9,137.62
c) From Other parties :		
i) Sugar Development Fund	1,999.00	2,572.35
ii) Sundaram Finance Limited - Hire Purchase	89.56	116.00
	2,088.56	2,688.35
UNSECURED LOANS		
Deposits	54.58	83.20
TOTAL	<u>36,175.93</u>	<u>27,962.54</u>

NOTES TO THE FINANCIAL STATEMENTS

Rate of Interest and Maturity Profile of Term Loans:

(₹ in Lakhs)

Rate interest	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
LIBOR+ 2.2%	5,419.50	-	-	-	-	-	-
4.00%	522.35	422.00	422.00	422.00	211.00	-	-
8.00%	314.29	314.29	314.29	314.29	314.26	-	-
12.75%	250.00	500.00	500.00	500.00	125.00	-	-
13.00%	-	750.00	1,500.00	1,500.00	1,500.00	1,500.00	750.00
13.06%	52.46	26.46	10.18	-	-	-	-
14.00%	40.00	10.00	-	-	-	-	-
14.40%	1,557.60	1,557.60	1,557.60	1,517.52	741.00	741.00	744.00
14.50%	990.00	1,500.00	1,500.00	1,800.00	1,860.00	-	-
14.75%	200.00	-	-	-	-	-	-
15.50%	672.00	656.00	-	-	-	-	-
TOTAL	10,018.20	5,736.35	5,804.07	6,053.81	4,751.26	2,241.00	1,494.00

Security details for the aforesaid Long term loans

- 1) Term loan ₹ 8,416.32 lakhs secured by exclusive 1st charge over the fixed assets purchased/ created out of the Bank finance for the Distillery project at Unit-III, Semmedu and 2nd charge over the sugar & cogeneration division assets of Unit-III at Semmedu.
- 2) Term loan ₹ 8,550.00 lakhs secured by exclusive 1st charge on cogeneration receivables of Unit-II at Mundiampakkam and Unit-III at Gingee and exclusive 1st charge on the cogeneration assets (including immovable properties) of Unit-II at Mundiampakkam.
- 3) Term loan ₹ 397.00 lakhs secured by 1st paripassu charge on the current assets of the Company and 1st paripassu charge on fixed & immovable assets of Unit-I at Varadarajnagar.
- 4) Term loan ₹ 2,000.00 lakhs secured by 1st paripassu charge on the current assets of the Company and 1st paripassu charge on fixed & immovable assets of sugar mill of Unit-II situated at Mundiampakkam.
- 5) Term loan ₹ 400.00 lakhs secured by 1st paripassu charge on the fixed & immovable assets of Sugar & Cogeneration plants of Unit-III situated at Semmedu, 2nd paripassu charge on the fixed assets of Unit-I situated at Varadarajnagar and 4th paripassu charge on sugar mill assets of Unit II situated at Mundiampakkam.
- 6) Term loan ₹ 90.00 lakhs secured by 1st paripassu charge on the fixed & immovable assets of Sugar & Cogeneration plants of Unit-III situated at Semmedu.

- 7) Term loan ₹ 70.00 lakhs secured by 1st paripassu charge on the current assets of the Company and 1st paripassu charge on fixed & immovable assets of sugar plant of Unit-II situated at Mundiampakkam.
- 8) Term loans under the Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU) aggregating to ₹ 60.55 lakhs secured by residual paripassu charge on the fixed assets of Unit-I situated at Varadarajnagar and residual paripassu charge on fixed assets of Unit-II situated at Mundiampakkam.
- 9) ECB loan of outstanding of ₹10,839.05 lakhs is secured by 1st paripassu charge on the fixed & immovable assets of Sugar & Cogeneration plants of Unit-III at Semmedu and 2nd charge on the current assets of sugar and cogeneration plants of Unit-III at Semmedu, which is subservient to the 1st charge in favour of working capital lenders of Unit-III.
- 10) Term loan ₹ 262.35 lakhs of Sugar Development Fund from Government of India is secured by way of exclusive 2nd charge on movable and immovable properties of Sugar & cogeneration plants of Unit-II situated at Mundiampakkam.
- 11) Term loan ₹ 2,110.00 lakhs secured by 1st paripassu charge on movable and immovable properties of Sugar & Cogeneration plants of Unit-III situated at Semmedu.
- 12) Term loan ₹ 200.00 lakhs is secured by issue of bank guarantee, which is secured by 2nd paripassu charge on the current assets of the Company.
- 13) Term loan ₹ 1,885.71 lakhs secured by 2nd charge on land and buildings of the Company at Golf links, New Delhi and subservient charge on the entire movable fixed assets of the company.
- 14) Term loan ₹1,875.00 Lakhs secured by 1st Paripassu charge on the entire fixed and immovable assets of the Company's Unit-I at Varadarajnagar and subservient charge on the entire movable fixed assets and current assets of the Company.
- 15) Term loan ₹ 7,500.00 Lakhs secured by way of 1st paripassu charge on the entire movable fixed assets of Factory Unit-I at Varadarajnagar, Unit-II at Mudiampakkam (excluding cogeneration unit), exclusive charge on piece of land and building thereon, if any, situated at Pallipuram Village, Kerala, exclusive Charge on the land and building of Corporate office at Coimbatore, exclusive charge on piece of land and building thereon at Vilankurichi, Coimbatore and residual charge on the entire current assets of the Company.
- 16) Term loan ₹ 89.56 lakhs secured by way of exclusive 1st charge on 1 No. of Machinery viz. John Deerewheel Cane located at Unit-II, Mundiampakkam.
- 17) Term loan ₹ 7,500.00 lakhs guaranteed by the Managing Director.
- 18) Term Loans guaranteed by others is Nil.
- 19) Period and amount of continuing default in respect of the aforesaid loans is Nil.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
D DEFERRED TAX LIABILITIES:		
Opening Balance	4,545.26	5,131.20
Add / (Less) : Provided/ (Reversed) during the year	(40.76)	(585.94)
	<u>4,504.50</u>	<u>4,545.26</u>
E SHORT - TERM BORROWINGS		
i) SECURED LOANS		
Loans repayable on demand from Banks:		
Cash Credit Account	11,893.32	13,576.99
UNSECURED LOANS		
From Bank	2,500.00	-
	<u>14,393.32</u>	<u>13,576.99</u>

SECURITY DETAILS FOR THE SHORT TERM LOANS

- 1) Working capital limit of ₹11,893.32 lakhs from consortium of bankers are secured by 1st paripassu charge on the current assets of the Company, 2nd paripassu charge on the fixed & immovable assets of Unit-I at Varadarajnagar and 4th paripassu charge on the fixed & immovable assets of sugar plant of Unit-II situated at Mundiampakkam.
- 2) Working capital limit of ₹ 500.00 lakhs secured by 1st paripassu charge on the Current Assets of the company. The loan has not been availed during the year.
- 3) Short Term Loan ₹ 3,000.00 lakhs guaranteed by the Managing Director.
- 4) Short Term Loans guaranteed by others is Nil.
- 5) Period and amount of default in respect of the aforesaid loans is Nil.

F TRADE PAYABLES

Due to Micro, Small & Medium Enterprises
Due to Others

-
7,027.72

-
5,879.09

G OTHER CURRENT LIABILITIES

- i) Current maturities of long term debt
- ii) Interest accrued but not due on borrowings
- iii) Unpaid Dividend

8,646.72
404.95
93.40

8,450.63
514.17
103.52

* The figures reflect the position as at March 31, 2012. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates

- iv) Other Payables :

Advance received from Customers
Statutory dues payables
Creditors for capital expenditure

2,723.55
939.81
1,674.45

67.97
819.35
-

5,337.81
14,482.88

887.32
9,955.64

H SHORT- TERM PROVISIONS

- i) Provisions for employee benefits:

Leave Salary entitlement
Gratuity contribution

25.22
238.92

19.04
378.96

264.14

398.00

- ii) Others

Provisions for Income tax
Provisions for Wealth Tax
Corporate Tax on Dividend

1,517.50
3.10
-
1,520.60
1,784.74

1,517.50
2.50
2.63
1,522.63
1,920.63

NOTES TO THE FINANCIAL STATEMENTS

NOTE I

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 31.03.2011	Additions For the Period	Deletions For the Period	As on 31.03.2012	Upto to 31.03.2011	For the year	Written Back	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
Land	819.52	3.83	-	823.35	-	-	-	-	823.35	819.52
Buildings	11,064.88	296.47	-	11,361.35	1,668.45	320.91	-	1,989.36	9,371.99	9,396.43
Plant & Machinery	41,760.29	3,154.91	87.90	44,827.30	11,172.90	2,121.32	76.21	13,218.01	31,609.29	30,587.39
Furniture & Fixtures	131.52	6.88	-	138.40	52.26	7.04	-	59.30	79.10	79.26
Vehicles	675.42	245.21	57.38	863.25	265.32	54.39	22.83	296.88	566.37	410.10
Office Equipments	139.28	8.11	-	147.39	52.92	6.07	-	58.99	88.40	86.36
Electrical Equipments	486.16	7.44	-	493.60	190.87	20.66	-	211.53	282.07	295.29
Tools & Equipments	88.14	0.95	-	89.09	44.80	3.08	-	47.88	41.21	43.34
Lab Equipments	95.88	8.50	-	104.38	24.51	4.51	-	29.02	75.36	71.37
Total	55,261.09	3,732.30	145.28	58,848.11	13,472.03	2,537.98	99.04	15,910.97	42,937.14	41,789.06
Intangible Assets										
SAP Software	-	366.79	-	366.79	-	34.61	-	34.61	332.18	-
Grand Total	55,261.09	4,099.09	145.28	59,214.90	13,472.03	2,572.59	99.04	15,945.58	43,269.32	41,789.06
Capital work in Progress										
2010-2011	49,534.60	5,822.17	95.69	55,261.08	11,180.99	2,303.09	12.05	13,472.03	41,789.05	38,353.61

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
J NON-CURRENT INVESTMENTS		
Unquoted Non - trade (at cost)		
i) Investment in Equity Instruments of body corporates: Subsidiaries:		
a) M/s. Trident Sugars Limited - 6,737,500 Equity shares of ₹ 10/- each at cost	4,763.37	4,763.37
b) M/s. Rajshree Power Private Limited 49,980 Equity shares of ₹ 10/- each at cost ₹ 2/- per share paid up.	1.00	1.00
	4,764.37	4,764.37
ii) Other non-current investments Investment in Post office	0.10	0.10
	4,764.47	4,764.47
K LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
i) Capital Advance	384.69	1,323.53
ii) Security Deposits	248.82	171.63
iii) Loans & Advances due by Director Land purchase advance	50.00	-
	683.51	1,495.16
L INVENTORIES		
Work-in-progress at cost	669.88	516.24
Finished Goods at Cost	11,944.62	10,730.26
Stock In Trade at Cost	540.89	540.89
Stores & Spares at cost	1,353.07	1,339.98
	14,508.46	13,127.36
M TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months.	152.11	8.29
Others	6,476.35	3,146.14
	6,628.46	3,154.43
N CASH AND CASH EQUIVALENTS		
Balance with Banks	235.55	1,164.71
Cash on hand	26.20	30.38
Bank deposits having more than 12 months maturity	44.00	44.00
Guarantee Margin Account	431.65	353.78
Deposit in Escrow Account	112.50	112.50
Dividend account	93.40	103.52
	943.30	1,808.89

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
O SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
i) Loans & Advances to Subsidiary company M/s. Trident Sugars Limited	<u>1,505.61</u>	<u>3,075.03</u>
	1,505.61	3,075.03
ii) Others		
Staff and other advance	63.66	214.59
Advance to suppliers	522.53	265.81
Advance Sales Tax	143.77	200.74
Advance Income - Tax	1,764.86	1,745.56
Excise Duty Deposits	1,221.00	1,186.40
Prepaid Expenses	<u>659.05</u>	<u>159.12</u>
	<u>4,374.87</u>	<u>3,772.22</u>
	<u>5,880.48</u>	<u>6,847.25</u>
P OTHER CURRENT ASSETS		
Income receivable	199.89	371.64
Interest receivable on Excise Duty Loan	<u>193.93</u>	<u>431.02</u>
	<u>393.82</u>	<u>802.66</u>
Q Revenue from Operations		
i) Sale of products	72,635.65	63,508.72
ii) Other operating revenue		
Sale of scrap	244.51	49.94
Export incentives	<u>196.04</u>	<u>-</u>
	<u>73,076.20</u>	<u>63,558.66</u>
LESS: Excise duty	<u>2,215.03</u>	<u>2,019.86</u>
Net Sales	<u>70,861.17</u>	<u>61,538.80</u>
R OTHER INCOME		
i) Interest Income - Others	219.44	399.76
ii) Other non- operating Income		
Insurance Claim	16.29	38.21
Rental Income	1.22	1.91
Other Miscellaneous Income	228.38	43.90
Net gain on foreign currency transactions / translations	341.75	104.14
Profit on Sale of Assets	<u>59.92</u>	<u>0.39</u>
	<u>867.00</u>	<u>588.31</u>
S COST OF MATERIALS CONSUMED		
Raw material	<u>52,449.47</u>	<u>44,426.87</u>
T CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE		
Opening Inventory		
Finished goods	10,730.26	13,038.38
Work in progress	465.35	353.71
Stock in trade	<u>540.89</u>	<u>510.15</u>
	<u>11,736.50</u>	<u>13,902.24</u>

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
Less : Closing inventory		
Finished goods	11,944.62	10,730.26
Work in progress	669.88	465.35
Stock in trade	540.89	540.89
	<u>13,155.39</u>	<u>11,736.50</u>
	(1,418.89)	2,165.74
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	<u>127.19</u>	<u>180.78</u>
	(1,291.70)	1,984.96
U EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	2,240.18	1,885.28
Contribution to Provident Fund & Other funds	89.31	276.48
Welfare Expenses	322.69	260.15
	<u>2,652.18</u>	<u>2,421.91</u>
V FINANCE COST		
a) Interest expense	5,813.52	4,970.61
b) Other borrowing costs	355.62	389.65
c) Net (gain) / loss on foreign currency transaction	(3.78)	-
	<u>6,165.36</u>	<u>5,360.26</u>
W OTHER EXPENSES		
Consumption of Stores	746.16	1,280.66
Consumption of Packing Materials	1,151.98	620.70
	<u>1,898.14</u>	<u>1,901.36</u>
Power & Fuel	1,018.45	1,391.22
Building rent	106.94	91.12
Repairs & Maintenance		
Building	102.00	135.35
Machinery	1,415.89	982.75
	<u>1,517.89</u>	<u>1,118.10</u>
Insurance Premium	123.67	146.93
Licence Fees & Tax	201.01	180.47
Selling Expenses	581.52	361.90
Cartage & Freight	635.10	625.22
Payment to Auditor's		
- Statutory Audit fees	4.00	4.00
- Taxation matters	2.00	2.00
- Certification *	0.97	1.46
* excluding ₹ 0.44 lacs considered under capital work in progress	<u>6.97</u>	<u>7.46</u>
Cost Audit fees	1.05	0.75
Miscellaneous Expenses	1,804.78	1,561.60
	<u>7,895.52</u>	<u>7,386.13</u>

As per our report of even date
For **Srikishen & Co**
Chartered Accountants
Reg No. 004009 S

K. Murali Mohan
Membership No. 14328
Auditors, Proprietor

R. Varadarajan
Wholetime Director

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 19th May 2012

A. Sathyamurthy
Chief Financial Officer

R.S. Gowdhaman
Company Secretary

NOTES TO FINANCIAL STATEMENTS**SIGNIFICANT ACCOUNTING POLICIES****X i) BASIS OF ACCOUNTING & REVENUE RECOGNITION**

The financial statements are prepared under historical costing convention on a going concern basis, with revenue recognised and expenses accounted on accrual concept (including provisions and adjustments) and in accordance with the applicable accounting standards referred to in sub section 3C of section 211 of the Companies Act, 1956.

ii) EMPLOYEE BENEFITS

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

iii) FIXED ASSETS

Fixed assets are stated at historical cost including allocable borrowing costs and exchange differences arising on reporting of long term Foreign currency loans relating to acquisition of fixed assets (as per option exercised in terms of clause 46 of AS 11) and net of specific subsidies, cenvat credit, if any and depreciation.

Preoperative expenses

Expenditure (including financing cost and exchange rate fluctuations relating to the borrowed funds for construction and acquisition of qualifying fixed assets) incurred on projects under implementation are treated as pre-operative expense pending allocation to the assets and are shown under "Capital Work in Progress" and transferred to the concerned assets on pro-rata basis after installation and commencement of operations.

iv) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out. Gains or losses on the settlement of these transactions, if any, within the same accounting year are recognized in the Statement of Profit & Loss prepared for the said year on a net off basis, except exchange differences arising on restatement of borrowings for acquisition of fixed assets, which restatement has been done taking into consideration the terms of relevant hedge / derivative contracts applicable. The monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year end are restated.

v) DERIVATIVE TRANSACTION

In respect of derivative contracts, bank charges, provision for losses on restatement and gains / losses on settlement are recognized alongwith the underlying transactions and charged to profit and loss account.

vi) INVENTORY VALUATION

Inventory is valued at lower of cost and net realizable value as under:

- a) Raw material is valued at cost on FIFO basis.
- b) In respect of sugar and industrial alcohol, cost is arrived at on historical cost basis after deducting the realisable value of the by products. In respect of manufactured finished goods, excise duty and cess payable are added to the cost, wherever applicable.
- c) In respect of immovable property cost is taken as the net payment for acquisition and expenses incurred therewith till the date of title perfection.
- d) In respect of semi finished goods (in process) cost is taken as cost of input raw materials and estimated cost of manufacture upto the various stages of completion.
- e) Stores and spares are valued at Weighted Average cost.

vii) INVESTMENTS

Investments are stated at cost inclusive of expenses incidental to acquisition.

viii) DEPRECIATION

Depreciation is provided on straight line method pro rated to the number of days used during the year in accordance with the provisions of Section 205 (2) (b) of the Companies Act, 1956. In respect of Plant and Equipment's costing ₹ 5,000/- or less, 100% depreciation is provided.

ix) INCOME AND EXPENDITURE RECOGNITION

Revenue on sales transactions is recognised as and when the property in the goods sold is transferred to the buyers for a definite consideration. Revenue from other sources and expenses are recognised on accrual basis.

x) EXCISE DUTY

Excise duty in respect of goods manufactured is accounted at the time of removal of goods from the factory for sale.

Cenvat credit, if any, in respect of capital goods is deducted from the respective assets and in respect of revenue items are deducted in the respective expenditure itself.

xi) TAXATION

Provision for taxation is made as per estimated total income after considering various reliefs admissible under the provisions of the Income Tax Act, 1961.

In accordance with the Accounting Standard 22, the deferred tax for the timing differences between the book and tax profits for the year is accounted for using the tax rates and laws in force as of the balance sheet date.

xii) TURNOVER

Sales are stated inclusive of excise duty and cess net of discount and rebate but exclusive of sales tax collected wherever applicable. Export sales include export incentives.

xiii) LEASED ASSETS

Operating lease rentals are expensed/recognized with reference to lease terms and other considerations.

xiv) IMPAIRMENT OF ASSETS

Impairment is recognized to the extent that the recoverable amount of an asset is less than its carrying amount and is charged to the Profit and Loss Account as prescribed in AS-28.

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
Y OTHER ADDITIONAL INFORMATION		
1) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
2) CIF Value of Imports		
a) Raw materials-Raw sugar	--	6,853.04
b) Capital Goods	25.10	148.81
c) Consumable spares	2.02	--
3) Earnings in Foreign Exchange		
a) Export of goods calculated on FOB basis	9,106.24	8,793.65
b) Sale of carbon credits	428.24	628.87
4) Expenditure in Foreign Currency		
a) Professional, Agency & Consultation services	23.86	17.07
b) Interest Payments	804.96	1,153.21
c) Dividend paid	--	34.36
d) Foreign Travel & Boarding	15.41	1.15
e) Registration & Membership Fees	20.71	21.99
5) Cost of Materials consumed		
a) Sugarcane	52,449.47	34,255.30
b) Raw Sugar	--	4,578.25
6) Consumption		
a) Raw Materials		
i) Imported	--	1,261.65 (3%)
ii) Indigenous	52,449.47 (100%)	37,571.90 (97%)
b) Stores & Spares		
i) Imported	2.02 (0.27)	--
ii) Indigenous	744.14 (99.73%)	2,213.37 (100%)
7) a) Amount of Dividend remitted in Foreign currencies	--	34.36
b) Number of Non-resident shareholders	--	127
c) Number of shares held by the above persons	--	24.44
d) Year to which the dividend related	--	Financial year 2009-10

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
8) The exchange difference arising on restatement of Foreign Currency loan (ECB), capitalized during the year.	1,711.27	3,579.26
9) Cost of renovation of property held under Property Development Division, included in repairs to building/ restatement of the closing inventory value of the immovable property	-	30.74
10) Carbon Emission Reductions (CERs) sold	428.24	628.87
11) Exceptional items comprises of		
a) Purchase tax interest paid under Samadhan Scheme	1,366.81	-
b) Payment under Voluntary Separation Scheme	113.47	-
c) Excess provision for tax on dividend reversed	2.63	-
12) Extraordinary items		
a) Amount of tender deposit forfeited and hence written off consequent to adverse decision of Karnataka High Court.	25.00	-
b) Previous Year- out of court settlement of dispute pertaining to Derivative Transaction with Axis Bank Ltd.	-	2,500.00
13) Capital and other commitments:		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for.	2,601.94	7,452.29
b) The company has subscribed 49,980 equity shares of ₹10/- each in Rajshree Power Private Limited (a subsidiary company), of which ₹ 2/- per share has been paid-up and the balance of ₹ 8/- per share is payable.	3.99	3.99
c) Other commitments	-	-
14) During the current financial year, the company held Five properties on lease for operating purpose and the future minimum lease payments are as under		
a) Not later than one year	21.00	40.59
b) Later than 1 year and not later than 5 years	48.00	68.59
c) Later than 5 years	85.00	94.88
d) Lease payments recognized in the Statement of Profit & Loss	44.00	41.38
15) Borrowing costs capitalized	162.42	17.96
16) Borrowing costs included in Capital Work in progress	281.48	107.76
17) Provision towards Gratuity and superannuation schemes has been made upto date as per the demands received from Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited based on actuarial valuation. Provision for leave encashment benefit has been made for the entire amount due and payable as at the close of the year.		

The disclosures required under Accounting Standard 15 "Employee Benefits" are as follows.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged off for the year as under:

Employer's Contribution to Provident Fund	89.42	(89.03)
Employer's Contribution to Superannuation Fund	30.81	(47.73)

Defined Benefit Plan

The employees' gratuity fund scheme managed by Life Insurance Corporation of India / HDFC Standard Life Insurance Company Limited is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
a. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	758.33	650.10
Current service cost	53.95	43.81
Interest cost	62.56	53.63
Benefits paid	(103.65)	71.15
Actuarial (gain)/loss	(152.61)	81.95
Defined Benefit obligation at year end	618.59	758.33
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	359.41	356.12
Expected return on plan assets	28.75	33.32
Employer contribution	105.00	40.00
Benefits paid	(103.65)	71.15
Actuarial (gain) / loss	(13.35)	1.12
Fair value of plan assets at year end	376.17	359.41
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31st March 2012	376.17	359.41
Present value of obligation as at 31st March 2012	618.59	758.33
Amount recognized in Balance Sheet	(242.42)	(398.92)
d. Expenses recognized during the year		
Current Service Cost	53.95	43.81
Interest Cost	62.56	53.63
Expected return on plan assets	(28.75)	33.32
Actuarial (gain) / loss	(139.26)	81.95
Net Cost	(51.50)	146.06
e. Investment details		
L.I.C. Group Gratuity policy	123.87	166.16
HDFC Group Gratuity policy	252.30	193.25
f. Actuarial assumptions		
Mortality Table (L.I.C)	1994-96	1994-96
Discount rate (per annum)	8.75%	8.25%
Expected rate of return on plan assets (per annum)	8.60%	8.625%
Rate of escalation in salary (per annum)	7.50%	7.50%

The estimates of rate of escalation in salary considered in actuarial valuation, taken into account the inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

18) Contingent Liabilities not provided for
a) Claims against the company not acknowledged as debt:

- i) Disputed interest on sales tax for the years 1995-96 to 1997-98 in respect of which stay from High Court at Chennai is obtained ₹ 42.50 lakhs (Previous year: ₹ 42.50 lakhs)
- ii) The Commissioner of Central Excise (Appeals) has upheld the order of the Central Excise department imposing a penalty of ₹ 21.92 lakhs in the matter of payment of service tax for agency fees and other charges paid towards ECB availed. The company has filed an appeal before CEGAT and the appeal is pending before the said Appellate Tribunal and hence no provision has been made.
- iii) Electricity generation tax demand for ₹ 248.09 lakhs has been raised in respect of captive consumption of electricity generated from cogeneration division. The same is disputed and contested in appeal. Hence not provided for.
- iv) In respect of additional demand of Sales tax received for the years 2000-2001 to 2004-2005 aggregating to ₹ 345.01 lakhs, no provision has been made in the accounts as the demand has been disputed before the first Appellate Authority. The amount of ₹ 126.65 lakhs paid towards statutory amount deposited before filing of appeal has been included under advance sales tax.

b) Guarantees

The Company has provided a corporate guarantee of ₹ 3983.21 lakhs to the Banks in respect of Term loans and cash credit facilities sanctioned to the subsidiary company, Trident Sugars Limited. (Previous year ₹ 3233.60 lakhs)

19) In terms of AS-28, the company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its Fixed assets. The exercise has not revealed any impairment of assets during the year 2011-12.

20) In respect of the property at Delhi wherein the 1st and 2nd floors were acquired during the year 2006-07, the ground floor portion was taken on a long term operational lease of 20 years on a monthly rental of ₹ 0.75 lakhs with option to renew for further 20 years on the same terms. The refundable interest free security deposit made and maintained in a separate escrow account with Bank for this purposes is ₹ 112.50 lakhs.

21) Deferred tax workings:

(₹ in Lakhs)

Particulars	Opening balance	Addition / (Reversal)	Closing balance
Deferred tax liabilities			
Depreciation	8,211.49	395.74	8,607.23
Total - A	8,211.49	395.74	8,607.23
Deferred tax assets			
Unabsorbed Depreciation and losses	2,667.45	465.69	3,133.14
Disallowance u/s 43 B	204.87	(58.65)	146.22
Payment under Voluntary Separation Scheme	-	29.45	29.45
Total - B	2,872.32	436.49	3,308.81
Net Deferred tax liability (A-B)	5,339.17	(40.75)	5,298.42
MAT Credit (C)	793.92	-	793.92
Net Deferred tax liability (A-B-C)	4,545.25	(40.75)	4,504.50

22) RELATED PARTY DISCLOSURE

Transactions with related parties

(₹ in Lakhs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Total
Remuneration paid					
Ms Rajshree Pathy	- (-)	150.09 (150.09)	- (-)	- (-)	150.09 (150.09)
Mr R Varadarajan	- (-)	55.21 (47.63)	- (-)	- (-)	55.21 (47.63)
Purchase of Goods					
Ms Aishwarya Pathy	- (-)	- (-)	9.96 (1.04)	- (-)	9.96 (1.04)
RSCL Properties (P) Ltd	- (-)	- (-)	- (-)	6.06 (14.63)	6.06 (14.63)
Greenplus Manures (P) Ltd	- (-)	- (-)	- (-)	14.29 (7.99)	14.29 (7.99)
Sale of goods					
Trident Sugars Ltd	4.87 (2.32)	- (-)	- (-)	- (-)	4.87 (2.32)
Purchase of Assets/ Accessories					
CAI Industries (P) Ltd	- (-)	- (-)	- (-)	16.97 (45.93)	16.97 (45.93)
Rajshree Automotive (P) Ltd	- (-)	- (-)	- (-)	0.31 (30.26)	0.31 (30.26)
Sale of Assets /Accessories					
Trident Sugars Ltd	1.13 (3.23)	- (-)	- (-)	- (-)	1.13 (3.23)
Receiving of Services					
CAI Industries (P) Ltd	- (-)	- (-)	- (-)	0.58 (0.04)	0.58 (0.04)
Aloha Tours & Travels (India) (P) Ltd	- (-)	- (-)	- (-)	2.04 (2.59)	2.04 (2.59)
Rajshree Automotive (P) Ltd	- (-)	- (-)	- (-)	0.34 (0.31)	0.34 (0.31)
Finance - Loans Given					
Trident Sugars Ltd	2,807.60 (1,357.31)	- (-)	- (-)	- (-)	2,807.60 (1,357.31)
Finance - Advance for purchase of property					
Ms Rajshree Pathy	- (-)	50.00 (-)	- (-)	- (-)	50.00 (-)

22) Transactions with related parties (Contd.)

(₹ in Lakhs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Total
Finance - Equity Contribution Received					
Ms Rajshree Pathy	- (-)	- (511.50)	- (-)	- (-)	- (511.50)
Finance - Equity Contribution Made					
Rajshree Power (P) Ltd	- (1.00)	- (-)	- (-)	- (-)	- (1.00)
Finance - Fixed Deposits Repaid					
Ms Rajshree Pathy	- (-)	- (120.00)	- (-)	- (-)	- (120.00)
Prana Ayurveda Coimbatore (P) Ltd	- (-)	- (-)	- (-)	10.00 (13.74)	10.00 (13.74)
Argead Enterprises(P) Ltd	- (-)	- (-)	- (-)	0.74 (-)	0.74 (-)
Finance - Fixed Deposits Received					
Prana Ayurveda Coimbatore (P) Ltd	- (-)	- (-)	- (-)	1.50 (10.00)	1.50 (10.00)
Interest paid					
Ms Rajshree Pathy	- (-)	- (3.38)	- (-)	- (-)	- (3.38)
Prana Ayurveda Coimbatore (P) Ltd	- (-)	- (-)	- (-)	0.59 (1.12)	0.59 (1.12)
Argead Enterprises (P) Ltd	- (-)	- (-)	- (-)	0.02 (0.07)	0.02 (0.07)
Interest received					
Trident Sugars Ltd	182.39 (354.70)	- (-)	- (-)	- (-)	182.39 (354.70)
Guarantee given					
Trident Sugars Ltd	3,983.21 (3,233.60)	- (-)	- (-)	- (-)	3,983.21 (3,233.60)
Lease rent paid					
Rajshree Spinning Mills Ltd	- (-)	- (-)	- (-)	5.02 (5.02)	5.02 (5.02)
OUTSTANDINGS					
Payable	4.00 (4.00)	950.00 (-)	- (6.25)	0.89 (26.10)	954.89 (36.35)
Receivable	1,505.61 (3,075.03)	- (-)	0.13 (-)	0.08 (0.02)	1,505.83 (3,075.05)

Note:

Names of Related parties and description of relationship

1. Holding Companies		
None		
2. Subsidiaries		
Trident Sugars Limited		
Rajshree Power Private Limited		
3. Fellow Subsidiaries		
None		
4. Associates		
None		
5. Key Management Personnel		
a) Ms. Rajshree Pathy		
b) Mr. R.Varadarajan		
6. Relatives of Key Management Personnel		
a) Ms. Aishwarya Pathy		
b) Mr Aditya Krishna Pathy		
7. Other Related Parties		
a) RSCL Properties Pvt Ltd		
b) Prana Ayurveda Coimbatore Pvt Ltd		
c) Argead Enterprises Pvt Ltd		
d) CAI Industries Pvt Ltd.		
e) Rajshree Automotive Pvt Ltd.		
f) Aloha Tours & Travels (India) Pvt Ltd		
g) Rajshree Spinning Mills Limited		
h) Raj Fabrics and Accessories (Cbe) Ltd		
i) Greenplus Manures Pvt Ltd		(₹ in Lakhs)
	31.03.2012	31.03.2011
23) Earnings per share		
a) Profit/(Loss) after exceptional, extraordinary items & tax	(177.15)	(3,691.75)
b) Weighted average number of equity shares of ₹ 10/-each outstanding during the year	23,791,700	23,032,248
c) Basic earnings per share of ₹ 10/- each (₹) before extraordinary/exceptional items	5.40	(5.18)
d) Basic earnings per share of ₹ 10/- each (₹) after extraordinary/exceptional items	(0.74)	(16.04)

24) Previous year figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

(₹ in Lakhs)

Cash Flow Statement for the Year ended	31.03.2012	31.03.2011
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	1,284.75	(1,756.12)
Adjustment for:		
Depreciation	2,572.59	2,303.09
Loss / (Profit) on sale of Fixed Assets	(45.43)	9.92
Interest paid	6,165.36	5,360.26
Interest received	(219.44)	(399.76)
Operating profit before working capital changes	9,757.83	5,517.39
Adjustments for:		
Trade and other receivables	(1,306.07)	(2,369.22)
Inventories	(1,381.10)	4,108.38
Trade payables	5,539.99	256.65
Cash generated from Operations	12,610.65	7,513.21
Direct taxes (paid) / Refund	19.29	(95.85)
Cashflow before extraordinary / Exceptional items	12,629.94	7,417.36
Extraordinary items & Exceptional items	(1,502.65)	(2,500.00)
Net cash from operating activities	11,127.29	4,917.36
B. Cash flow from investing Activities		
Purchase of Fixed Assets	(15,122.10)	(4,071.80)
Investment in Subsidiary company / Post office Deposit	-	(1.10)
Sale of Fixed Assets - Including compensation received on acquisition	45.43	18.88
Interest received	219.44	399.76
Net Cash used in Investing Activities	(14,857.24)	(3,654.26)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	511.50
Proceeds from / (Repayment of) long term borrowings	8,213.39	3,227.21
Proceeds from / (Repayment of) short term borrowings	816.32	(192.38)
Interest paid	(6,165.36)	(5,360.26)
Dividend paid including tax on dividend	-	(793.82)
Net Cash used in Financing Activities	2,864.35	(2,607.75)
Net Increase / (Decrease) in Cash and Cash Equivalents	(865.59)	(1,344.65)
Cash and cash equivalent as at the beginning of the Year	1,808.89	3,153.55
Cash and cash equivalent as at the close of the Year	943.30	1,808.89

As per our report of even date
For **Srikishen & Co**
Chartered Accountants
Reg No. 004009 S

K. Murali Mohan
Membership No. 14328
Auditors, Proprietor

R. Varadarajan
Wholetime Director

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 19th May 2012

A. Sathyamurthy
Chief Financial Officer

R.S. Gowdhaman
Company Secretary

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF RAJSHREE SUGARS & CHEMICALS LIMITED AND ITS SUBSIDIARY COMPANIES.

The Members of M/s Rajshree Sugars & Chemicals Limited

We have audited the attached consolidated Balance Sheet of Rajshree Sugars & Chemicals Limited and its subsidiary as at 31st March 2012, the consolidated Statement of Profit and Loss and the Consolidated Cash flow statement for the year ended on that date.

These financial statements are the responsibility of Rajshree Sugars & Chemicals Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. 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 statements. We believe that our audit provides a reasonable basis for our opinion.

We have audited the financial statements of the subsidiary M/s. Trident Sugars Limited, whose financial statements reflect total assets of ₹ 721.53 lakhs as at 31st March 2012 and total revenues of ₹ 12,910.72 lakhs and the net cash inflows amounting to ₹ 175.66 lakhs for the year then ended as considered in the Consolidated financial statements.

We have not audited the financial statements of the subsidiary M/s. Rajshree Power Private Limited, whose financial statements reflect total assets of ₹ 1.04 lakhs as at 31st March 2012 and total revenues of ₹ Nil and the net cash inflows amounting to ₹ Nil for the year then ended as considered in the Consolidated financial statements. These Financial statement has been audited by other auditors whose report has been furnished to us and our opinion is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Rajshree Sugars & Chemicals Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate audit reports on individual audited financial statements of Rajshree Sugars & Chemicals Limited and its aforesaid subsidiaries, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Rajshree Sugars & Chemicals Limited and its subsidiaries as at 31st March 2012;
- b) the Consolidated Statement of Profit and Loss gives a true and fair view of the consolidated results of operations of Rajshree Sugars & Chemicals Limited and its subsidiaries for the year then ended, and
- c) the Consolidated cash flow statement, of the cash flows of Rajshree Sugars & Chemicals Limited and its subsidiaries for the year then ended.

For SRIKISHEN & CO.
Chartered Accountants
Reg No. 004009 S

K.Murali Mohan
Membership No.14328
Auditors, Proprietor

Place:Coimbatore
Date: 19th May 2012

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2012

(₹ in Lakhs)

PARTICULARS	Note	31.03.2012	31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	2,379.17	2,379.17
(b) Reserves and surplus	B	8,766.48	8,780.21
		<u>11,145.65</u>	<u>11,159.38</u>
2 Non-current liabilities			
(a) Long-term borrowings	C	38,375.58	28,486.61
(b) Deferred tax liabilities (Net)	D	4,401.87	4,346.47
		<u>42,777.45</u>	<u>32,833.08</u>
3 Current liabilities			
(a) Short-term borrowings	E	16,452.11	16,253.86
(b) Trade payables	F	9,112.60	8,064.06
(c) Other current liabilities	G	15,267.46	10,424.04
(d) Short-term provisions	H	1,854.85	2,037.21
		<u>42,687.02</u>	<u>36,779.17</u>
TOTAL		<u>96,610.12</u>	<u>80,771.63</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	I	46,867.91	44,846.02
(ii) Intangible assets		3,579.57	3,247.39
(iii) Capital work-in-progress		13,887.54	2,692.23
(b) Non-current investments	J	0.10	1.10
(c) Long-term loans and advances	K	759.82	1,513.43
(d) Other non-current assets		0.46	-
		<u>65,095.40</u>	<u>52,300.17</u>
2 Current assets			
(a) Inventories	L	17,689.03	17,116.01
(b) Trade receivables	M	7,474.16	3,883.17
(c) Cash and cash equivalents	N	1,182.65	1,872.01
(d) Short-term loans and advances	O	4,761.30	4,741.53
(e) Other current assets	P	407.58	858.74
		<u>31,514.72</u>	<u>28,471.46</u>
TOTAL		<u>96,610.12</u>	<u>80,771.63</u>
See accompanying notes to the financial statements			

As per our report of even date

 For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan
 Membership No. 14328
 Auditors, Proprietor

R. Varadarajan
 Wholetime Director

Rajshree Pathy
 Chairperson and Managing Director

Place: Coimbatore
 Date : 19th May 2012

A. Sathyamurthy
 Chief Financial Officer

R.S. Gowdhaman
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012 (₹ in Lakhs)

PARTICULARS	Note	31.03.2012	31.03.2011
I. Revenue from operations	Q	83,630.19	73,797.88
II. Other income	R	826.31	236.67
III. Total Revenue (I + II)		<u>84,456.50</u>	<u>74,034.55</u>
IV. Expenses:			
Cost of materials consumed	S	61,400.54	52,781.05
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	T	(505.39)	3,138.30
Employee benefits expense	U	3,124.80	2,880.61
Finance costs	V	6,665.69	5,692.12
Depreciation and amortization expense		2,799.74	2,516.17
Other expenses	W	9,426.75	8,290.24
Total expenses		<u>82,912.13</u>	<u>75,298.49</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,544.37	(1,263.94)
VI. Exceptional items		1,477.65	-
VII. Profit before extraordinary items and tax (V - VI)		<u>66.72</u>	<u>(1,263.94)</u>
VIII. Extraordinary Items		25.00	2,500.00
IX. Profit before tax (VII- VIII)		<u>41.72</u>	<u>(3,763.94)</u>
X Tax expense:			
(1) Current tax		0.06	106.50
(2) Deferred tax		55.40	(560.07)
(3) Prior year taxes		-	46.41
		<u>55.46</u>	<u>(407.16)</u>
XI Profit / (Loss) for the period from continuing operations (IX-X)		<u>(13.74)</u>	<u>(3,356.78)</u>
XII Profit / (Loss) from Discontinuing operations (after tax)		-	-
XIII Profit / (Loss) for the period (XI + XII)		<u>(13.74)</u>	<u>(3,356.78)</u>
XIV Earnings per equity share:			
(1) Basic		(0.06)	(14.58)
(2) Diluted		(0.06)	(14.58)
See accompanying notes to the financial statements			

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
A. SHARE CAPITAL		
AUTHORISED		
30,000,000 Equity Shares of ₹ 10/- each (Previous year 30,000,000 Equity shares)	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED SUBSCRIBED & PAID UP:		
2,37,91,700 Equity Shares of ₹ 10/- each fully paid-up in cash	<u>2,379.17</u>	<u>2,379.17</u>
i) No of Equity Shares at the beginning of the year - 2,37,91,700. No of Equity Shares at the end of the year - 2,37,91,700.		
ii) No of Equity Shares at the beginning of previous year - 2,26,91,700. No of Equity Shares at the end of the previous year - 2,37,91,700. 11,00,000 Equity Shares allotted on preferential basis to Ms. Rajshree Pathy, Chairperson and Managing Director on 9.12.2010		
iii) Shareholder holding more than 5 percent shares: Ms. Rajshree Pathy :83,07,558 shares (Previous year:82,77,558 shares)		
B. RESERVES & SURPLUS		
i) General Reserve		
Opening Balance	8,000.00	8,000.00
Additions / (Deductions) during the year	-	-
Closing Balance	8,000.00	8,000.00
ii) Securities Premium Reserve:		
Opening Balance	572.00	572.00
Additions / (Deductions) during the year	-	-
Closing Balance	572.00	572.00
iii) Surplus in statement of Profit & Loss		
Opening Balance	208.21	3,565.00
Add: Profit / (Loss) after tax	(13.74)	(3,356.78)
Closing Balance	<u>194.48</u>	<u>208.21</u>
TOTAL	<u>8,766.48</u>	<u>8,780.21</u>
C LONG - TERM BORROWINGS		
SECURED LOANS		
Term Loans		
a) From Banks	30,413.26	16,177.79
b) External Commercial Borrowings	5,419.53	9,137.62
c) From Other parties :		
i) Sugar Development Fund	2,398.65	2,972.00
ii) Sundaram Finance Limited - Hire Purchase	<u>89.56</u>	<u>116.00</u>
	2,488.21	3,088.00
UNSECURED LOANS		
Deposits	<u>54.58</u>	<u>83.20</u>
TOTAL	<u>38,375.58</u>	<u>28,486.61</u>

Security details for the aforesaid long term loans, rate of interest and maturity profile

a) Rajshree Sugars & Chemicals Ltd.

These are set out under Company's standalone financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Trident Sugars Limited

(₹ in Lakhs)

Rate of Interest and Maturity Profile of Term Loans:

Rate of Interest	2013-14	2014-15	2015-16	2016-17	2017-18
4.00%	80.00	80.00	80.00	80.00	80.00
15.25%	600.00	600.00	600.00	-	-
Total	680.00	680.00	680.00	80.00	80.00

Security details for the aforesaid term loans

- 1) Corporate loan ₹ 1,800.00 lakhs secured by 1st pari-passu charge on the current assets of the company and 1st pari-passu charge on the Company's immovable and fixed assets at Madhunagar, Medak District.
- 2) Term loan ₹ 124.42 lakhs secured by 1st pari-passu charge on the Company's immovable properties and fixed assets at Madhunagar, Medak District and 3rd pari-passu charge on entire current assets of the company.
- 3) The aforesaid term loans aggregating to ₹ 1,924.42 lakhs guaranteed by the holding company.
- 4) Term loan ₹ 399.65 lakhs secured by exclusive 2nd Charge on all immovable and movable properties (save and except book debts) of company's sugar factory situated at Madhunagar, Medak District.
- 5) Term loans guaranteed by others is Nil.
- 6) Period and amount of continuing default in respect of the aforesaid loans is Nil.

PARTICULARS	31.03.2012	31.03.2011
D DEFERRED TAX LIABILITIES:		
Opening Balance	4,346.47	4,906.54
Add / (Less) : Provided/ (Reversed) during the year	55.40	(560.07)
	<u>4,401.87</u>	<u>4,346.47</u>
E SHORT - TERM BORROWINGS		
i) SECURED LOANS		
Loans repayable on demand from Banks:		
Cash Credit Account	13,952.11	16,253.86
UNSECURED LOANS		
From Bank	2,500.00	-
	<u>16,452.11</u>	<u>16,253.86</u>

Security details for short term loans

a) Rajshree Sugars & Chemicals Ltd.

These are set out under Company's standalone financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) Trident Sugars Ltd.

(₹ in Lakhs)

- 1) Working Capital limit of ₹ 2,058.79 lakhs secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3rd pari passu charge on immovable properties and fixed assets at Madhunagar, Medak District.
- 2) The aforesaid working capital limit of ₹ 2,058.79 is guaranteed by the holding company.
- 3) Short term loans guaranteed by others is Nil.
- 4) Period and amount of default in respect of the aforesaid loans is Nil.

PARTICULARS	31.03.2012	31.03.2011
F TRADE PAYABLES		
Due to Micro, Small & Medium Enterprises	-	-
Due to Others	<u>9,112.60</u>	<u>8,064.06</u>
G OTHER CURRENT LIABILITIES		
i) Current maturities of long term debt	8,771.13	8,882.94
ii) Interest accrued but not due on borrowings	434.82	528.01
iii) Unpaid Dividend	93.40	103.52
<i>* The figures reflect the position as at March 31, 2012. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates</i>		
iv) Other Payables		
Advance received from Customers	2,917.78	90.23
Statutory dues payables	1,214.04	819.34
Creditors for capital expenditure	<u>1,836.29</u>	<u>-</u>
	5,968.11	<u>909.57</u>
	<u>15,267.46</u>	<u>10,424.04</u>
H SHORT- TERM PROVISIONS		
i) Provisions for employee benefits		
Leave Salary entitlement	43.32	31.63
Gratuity contribution	<u>238.92</u>	<u>378.95</u>
	282.24	410.58
ii) Others		
Provisions for Income tax	1,569.50	1,621.50
Provisions for Wealth Tax	3.11	2.50
Corporate Tax on Dividend	<u>-</u>	<u>2.63</u>
	1,572.61	<u>1,626.63</u>
	<u>1,854.85</u>	<u>2,037.21</u>

NOTE I

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2011	Additions For the Period	Deletions For the Period	As on 31.03.2012	Upto to 31.03.2011	For the year	Written Back	Upto 31.03.2012	As on 31.03.2012	As on 31.03.2011
Tangible Assets										
Land	889.84	3.83	-	893.67	-	-	-	-	893.67	889.84
Buildings	11,648.40	440.84	-	12,089.24	1,803.09	338.94	-	2,142.03	9,947.21	9,845.31
Plant & Equipments	45,411.05	4,111.08	87.90	49,434.23	12,322.29	2,325.47	76.21	14,571.55	34,862.68	33,088.76
Furniture & Fixtures	149.99	7.23	-	157.22	60.89	8.22	-	69.11	88.11	89.10
Vehicles	713.78	245.21	57.38	901.61	279.81	58.03	22.83	315.01	586.60	433.97
Office Equipments	142.49	8.18	-	150.67	53.45	6.22	-	59.67	91.00	89.04
Electrical Equipments	486.16	7.44	-	493.60	190.87	20.66	-	211.53	282.07	295.29
Tools & Equipments	88.14	0.95	-	89.09	44.80	3.08	-	47.88	41.21	43.34
Lab Equipments	95.88	8.50	-	104.38	24.51	4.51	-	29.02	75.36	71.37
Total	59,625.73	4,833.26	145.28	64,313.71	14,779.71	2,765.13	99.04	17,445.80	46,867.91	44,846.02
Intangible Assets										
SAP Software	-	366.79	-	366.79	-	34.61	-	34.61	332.18	-
Grand Total	59,625.73	5,200.05	145.28	64,680.50	14,779.71	2,799.74	99.04	17,480.41	47,200.09	44,846.02
Capital work in Progress									13,887.54	2,692.23
2010-2011	53,796.28	5,925.14	95.69	59,625.73	12,275.60	2,516.17	12.05	14,779.72	44,846.01	41,520.68

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
J NON CURRENT INVESTMENTS		
Unquoted Non - trade (at cost)		
i) Investment in Equity Instruments of body corporates Subsidiary		
M/s. Rajshree Power Private Limited 49,980 Equity shares of ₹ 10/- each at cost ₹ 2/- per share paid up	-	1.00
	-	1.00
ii) Other non-current investments:		
Investment in Post office	0.10	0.10
	0.10	1.10
K LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
i) Capital Advance	435.63	1,323.52
ii) Security Deposits	274.19	189.91
iii) Loans & Advances due by Director Land purchase advance	50.00	-
	759.82	1,513.43
L INVENTORIES		
Work-in-progress at cost	710.52	606.18
Finished Goods at Cost	14,878.51	14,432.54
Stock In Trade at Cost	540.89	540.89
Stores & Spares at cost	1,559.11	1,536.40
	17,689.03	17,116.01
M TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	159.02	8.28
Others	7,315.14	3,874.89
	7,474.16	3,883.17
N CASH AND CASH EQUIVALENTS		
Balance with Banks	434.42	1,212.48
Cash on hand	31.68	35.73
Bank deposits having more than 12 months maturity	44.00	44.00
Guarantee Margin Account	466.65	363.78
Deposit in Escrow Account	112.50	112.50
Dividend account	93.40	103.52
	1,182.65	1,872.01

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
O SHORT TERM LOANS AND ADVANCES		
Staff and other advance	254.01	748.06
Advance to suppliers	561.71	601.64
Advance Sales Tax	143.77	200.74
Advance Income Tax	1,816.93	1,821.44
Excise Duty Deposits	1,302.34	1,199.33
Prepaid Expenses	682.54	170.32
	<u>4,761.30</u>	<u>4,741.53</u>
P OTHER CURRENT ASSETS		
Income receivable	200.59	371.80
Interest receivable on Excise Duty Loan	206.99	486.94
	<u>407.58</u>	<u>858.74</u>
Q Revenue from Operations		
i) Sale of products	85,982.61	76,314.96
ii) Other Operating Revenue		
Sale of Scrap	343.73	88.17
Export Incentives	196.04	-
	<u>86,522.38</u>	<u>76,403.13</u>
LESS: Excise Duty	2,892.19	2,605.25
Net Sales	<u>83,630.19</u>	<u>73,797.88</u>
R OTHER INCOME		
i) Interest Income - Others	38.16	45.72
ii) Other non- operating Income		
Insurance Claim	39.28	40.61
Rental Income	1.22	1.91
Other Miscellaneous Income	345.97	43.90
Net gain on foreign currency transactions / translations	341.76	104.14
Profit on Sale of Assets	59.92	0.39
	<u>826.31</u>	<u>236.67</u>
S COST OF MATERIALS CONSUMED		
Raw material	<u>61,400.54</u>	<u>52,781.05</u>
T CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE		
Opening Inventory		
Finished goods	14,432.54	18,006.52
Work in progress	555.29	384.94
Stock in trade	540.89	510.15
	<u>15,528.72</u>	<u>18,901.61</u>
Less : Closing inventory		
Finished goods	14,878.51	14,432.54
Work in progress	710.52	555.29
Stock in trade	540.89	540.89
	<u>16,129.92</u>	<u>15,528.72</u>
	<u>(601.20)</u>	<u>3,372.90</u>
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	95.80	234.60
	<u>(505.39)</u>	<u>3,138.30</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2012	31.03.2011
U EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages & Bonus	2,652.99	2,282.66
Contribution to Provident Fund & Other funds	126.58	311.62
Welfare Expenses	345.23	286.33
	<u>3,124.80</u>	<u>2,880.61</u>
V FINANCE COST		
a) Interest expense	6,276.94	5,283.38
b) Other borrowing costs	392.53	408.74
c) Net (gain) / loss on foreign currency transaction	(3.78)	-
	<u>6,665.69</u>	<u>5,692.12</u>
W OTHER EXPENSES		
Consumption of Stores	1,043.38	1,634.90
Consumption of Packing Materials	1,344.78	810.34
	<u>2,388.16</u>	<u>2,445.24</u>
Power & Fuel	1,049.77	1,418.41
Building rent	144.58	115.12
Repairs & Maintenance		
Building	134.49	170.45
Machinery	1,839.12	1,048.28
	<u>1,973.61</u>	<u>1,218.73</u>
Insurance Premium	133.86	159.04
Licence Fees & Tax	206.31	189.46
Selling Expenses - Freight outward	741.42	390.40
Cartage & Freight	656.64	625.22
Payment to Auditor's		
- Statutory Audit fees	5.00	5.00
- Taxation matters	2.30	2.80
- Certification*	1.14	1.62
* excluding ₹ 0.44 lacs considered under capital work in progress	<u>8.44</u>	<u>9.42</u>
Cost Audit fees	1.30	1.00
Miscellaneous Expenses	2,122.66	1,718.20
	<u>9,426.75</u>	<u>8,290.24</u>

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

X 1) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Rajshree Sugars & Chemicals Limited ('the company') and its subsidiary companies, Trident Sugars Limited and Rajshree Power Private Limited. The consolidated financial statements have been prepared on the following basis.

- i) The financial statements of the Company and its subsidiary companies have been prepared on a line-by-line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.
- ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iii) Goodwill represents the difference between the Company's share in the net worth of the subsidiary and the cost of acquisition of investment in the subsidiary. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.
- iv) The subsidiary companies considered in the Company financial statement are as follows

Name of the Company	Country of incorporation	% of voting power held	Proportion of ownership interest as on 31.3.2012 & 31.3.2011
Trident Sugars Limited	India	100%	100%
Rajshree Power (P) Ltd	India	99.96%	99.96%

2) Other significant accounting policies

These are set out under the 'Significant Accounting Policies' as given in the Company's standalone financial statements.

3) Capital and other commitments (₹ in Lakhs)

a) Estimated amount of contracts remaining to be executed on capital account and not provided for	1,901.89	7,890.79
b) Other commitments	-	-

4) Contingent Liabilities not provided for

- a) Claims against the company not acknowledged as debt:
 - i) Disputed interest on sales tax for the years 1995-96 to 1997-98 in respect of which stay from High Court at Chennai is obtained ₹ 42.50 lakhs (Previous year: ₹ 42.50 lakhs)
 - ii) The Commissioner of Central Excise (Appeals) has upheld the order of the Central Excise department imposing a penalty of ₹ 21.92 lakhs in the matter of payment of service tax for agency fees and other charges paid towards ECB availed. The company has filed an appeal before CEGAT and the appeal is pending before the said Appellate Tribunal and hence no provision has been made.
 - iii) Electricity generation tax demand for ₹ 248.09 lakhs has been raised in respect of captive consumption of electricity generated from cogeneration division. The same is disputed and contested in appeal. Hence not provided for.
 - iv) In respect of additional demand of Sales tax received for the years 2000-2001 to 2004-2005 aggregating to ₹ 345.01 lakhs, no provision has been made in the accounts as the demand has been disputed before the first Appellate Authority. The amount of ₹ 126.65 lakhs paid towards statutory amount deposited before filing of appeal has been included under advance sales tax.

- 5) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

- 6) Pursuant to the resolution passed in accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, by the Board of Directors at its meeting held on 19th May 2012, it was decided that the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

- 7) Financial information of subsidiaries (As required under the general Circular of the Ministry of Corporate Affairs):

(₹ in Lakhs)

Particulars	Trident Sugars Ltd		Rajshree Power (P) Ltd *	
	31.3.2012	31.3.2011	31.3.2012	31.3.2011
Share Capital	673.75	673.75	1.00	-
Reserves & Surplus	47.78	(115.63)	-	-
Total Assets	9,425.10	9,604.03	1.04	-
Total Liabilities	9,425.10	9,604.03	1.04	-
Investments	-	-	-	-
Turnover	12,769.03	12,259.09	-	-
Profit/(Loss) before tax	259.62	492.18	-	-
Provision for taxation	96.16	53.21	-	-
Profit/(Loss) after tax	163.41	334.97	-	-
Proposed dividend	-	-	-	-
* The Company is yet to commence its business activities.				

- 8) Information about segment: Primary segment - Business segments

(₹ in Lakhs)

	31.3.2012				31.3.2011			
	Sugar	Cogen	Distillery	Total	Sugar	Cogen	Distillery	Total
REVENUE								
External Sales	77,045.17	7,256.21	2,221.00	86,522.38	68,146.47	6,548.11	1,620.39	76,314.97
Inter-segment Sales	2,446.80	3,570.64	-	6,017.44	1,722.46	3,019.02	-	4,741.48
Total Revenue	79,491.97	10,826.85	2,221.00	92,539.82	69,868.93	9,567.13	1,620.39	81,056.45
RESULT								
Segment result	2,213.68	5,950.45	894.95	9,059.08	255.18	4,830.83	590.87	5,676.88
Unallocated corporate expenses				(849.02)				1,248.70
Operating Profit				8,210.06				4,428.18
Interest Expense				(6,665.69)				5,692.12
Interest Income				-				-
Income Taxes/Deferred Tax				55.46				(407.16)
Profit from ordinary activities				1,488.91				(856.78)
Extraordinary/Exceptional Items				(1,502.65)				(2,500.00)
Net Profit /(Loss)				(13.74)				(3,356.78)

	31.3.2012				31.3.2011			
	Sugar	Cogen	Distillery	Total	Sugar	Cogen	Distillery	Total
OTHER INFORMATION								
Segment assets	57,147.68	25,634.60	13,826.74	96,609.02	62,088.57	18,957.92	723.80	81,770.29
Unallocated Corporate assets				1.10				1.10
Total Assets				96,610.12				81,771.39
Segment Liabilities	61,832.15	12,406.39	9,653.32	83,891.86	51,253.63	13,383.78	1.50	64,638.91
Unallocated Corporate Liabilities				1,572.61				1,626.63
Total Liabilities				85,464.47				66,265.54
Capital Expenditure								-
Depreciation	1,518.51	1,220.49	60.74	2,799.74	1,326.85	1,139.06	50.26	2,516.17
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-

Notes:

- The Company has identified business segments as primary segments. The reportable business segments are based on segment results.
- Composition of the business segments and types of products in each of them is as under:
 - Sugar - White Crystal Sugar
 - Cogeneration - Cogeneration of Electricity
 - Distillery - Rectified spirit, Denatured Spirit, Anhydrous Alcohol & Organic Manure
 - Others - Property Development
- Inter Segment revenues are recognised at net realisable price and are eliminated in consolidation.
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- Secondary Segment:
Geographical segment has been identified as secondary segment based on segment revenue (₹ in Lakhs)

Domestic Sales	70,911.57	62,739.60
Export Sales including carbon credit	12,178.85	10,970.12
Total	83,090.42	73,709.72

9) Transactions with related parties

(₹ in Lakhs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Total
Remuneration paid				
Ms Rajshree Pathy	150.09	-	-	150.09
	(150.09)	(-)	(-)	(150.09)
Mr R Varadarajan	55.21	-	-	55.21
	(47.63)	(-)	(-)	(47.63)
Purchase of Goods				
Ms Aishwarya Pathy	-	9.96	-	9.96
	(-)	(1.04)	(-)	(1.04)
RSCL Properties (P) Ltd	-	-	6.06	6.06
	(-)	(-)	(14.63)	(14.63)
Greenplus Manures (P) Ltd	-	-	14.29	14.29
	(-)	(-)	(7.99)	(7.99)

9) Transactions with related parties (Contd.)

(₹ in Lakhs)

Particulars	Key Management Personnel	Relatives of Key Management Personnel	Other Related Parties	Total
Purchase of Assets/ Accessories				
CAI Industries (P) Ltd	-	-	16.97	16.97
	(-)	(-)	(45.93)	(45.93)
Rajshree Automotive (P) Ltd	-	-	0.31	0.31
	(-)	(-)	(30.26)	(30.26)
Receiving of Services				
CAI Industries (P) Ltd	-	-	0.58	0.58
	(-)	(-)	(0.04)	(0.04)
Aloha Tours & Travels (India) (P) Ltd	-	-	2.04	2.04
	(-)	(-)	(2.59)	(2.59)
Rajshree Automotive (P) Ltd	-	-	0.34	0.34
	(-)	(-)	(0.31)	(0.31)
Finance - Advance for purchase of property				
Ms Rajshree Pathy	50.00	-	-	50.00
	(-)	(-)	(-)	(-)
Finance - Equity Contribution Received				
Ms Rajshree Pathy	-	-	-	-
	(511.50)	(-)	(-)	(511.50)
Finance - Fixed Deposits Repaid				
Ms Rajshree Pathy	-	-	-	-
	(120.00)	(-)	(-)	(120.00)
Prana Ayurveda Coimbatore (P) Ltd	-	-	10.00	10.00
	(-)	(-)	(13.74)	(13.74)
Argead Enterprises(P) Ltd	-	-	0.74	0.74
	(-)	(-)	(-)	(-)
Finance - Fixed Deposits Received				
Prana Ayurveda Coimbatore (P) Ltd	-	-	1.50	1.50
	(-)	(-)	(10.00)	(10.00)
Interest paid				
Ms Rajshree Pathy	-	-	-	-
	(3.38)	(-)	(-)	(3.38)
Prana Ayurveda Coimbatore (P) Ltd	-	-	0.59	0.59
	(-)	(-)	(1.12)	(1.12)
Argead Enterprises (P) Ltd	-	-	0.02	0.02
	(-)	(-)	(0.07)	(0.07)
Lease rent paid				
Rajshree Spinning Mills Ltd	-	-	5.02	5.02
	(-)	(-)	(5.02)	(5.02)
OUTSTANDINGS				
Payable	950.00	-	0.89	950.89
	(-)	(6.25)	(26.10)	(32.35)
Receivable	-	0.13	0.08	0.21
	(-)	(-)	(0.02)	(0.02)

Note:

Names of Related parties and description of relationship

1. Holding Companies
None
2. Associates
None
3. Key Management Personnel
 - a) Ms. Rajshree Pathy
 - b) Mr. R.Varadarajan
4. Relatives of Key Management Personnel
 - a) Ms. Aishwarya Pathy
 - b) Mr Aditya Krishna Pathy
5. Other Related Parties
 - a) RSCL Properties Pvt Ltd
 - b) Prana Ayurveda Coimbatore Pvt Ltd
 - c) Argead Enterprises Pvt Ltd
 - d) CAI Industries Pvt Ltd.
 - e) Rajshree Automotive Pvt Ltd.
 - f) Aloha Tours & Travels (India) Pvt Ltd
 - g) Rajshree Spinning Mills Limited
 - h) Raj Fabrics and Accessories (Cbe) Ltd
 - i) Greenplus Manures Pvt Ltd

(₹ in Lakhs)

10) Earnings per share	31.03.2012	31.03.2011
a) Profit/(Loss) after exceptional, Extraordinary items & tax	(13.74)	(3,356.78)
b) Weighted average number of equity shares of ₹ 10/-each outstanding during the year	23,791,700	23,032,248
c) Basic earnings per share of ₹ 10/- each (₹) before extraordinary/exceptional items	6.25	(3.71)
d) Basic earnings per share of ₹ 10/- each (₹) after extraordinary/exceptional items	(0.06)	(14.58)

11) Previous year figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

Reg No. 004009 S

K. Murali Mohan

Membership No. 14328

Auditors, Proprietor

R. Varadarajan

Wholetime Director

Rajshree Pathy

Chairperson and Managing Director

Place: Coimbatore

Date : 19th May 2012

A. Sathyamurthy

Chief Financial Officer

R.S. Gowdhaman

Company Secretary

(₹ in Lakhs)

Consolidated Cash Flow Statement for the Year ended	31.03.2012	31.03.2011
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	66.72	(1,263.94)
Adjustment for:		
Depreciation	2,799.74	2,516.17
Loss / (Profit) on sale of Fixed Assets	(45.43)	9.92
Interest paid	6,665.69	5,692.12
Interest received	(38.16)	(45.72)
Operating profit before working capital changes	9,448.57	6,908.56
Adjustments for:		
Trade and other receivables	(2,400.93)	(2,953.19)
Inventories	(573.02)	5,292.85
Trade payables	5,709.61	604.73
Cash generated from Operations	12,184.23	9,852.96
Direct taxes (paid) / Refund	(4.56)	(95.94)
Cashflow before extraordinary items	12,179.68	9,757.03
Extraordinary items	(25.00)	(2,500.00)
Net cash from operating activities	12,154.68	7,257.03
B. Cash flow from investing activities		
Purchase of Fixed Assets	(16,349.13)	(4,223.88)
Investment in Subsidiary company / Post office Deposit	-	(1.10)
Sale of Fixed Assets - including compensation received on acquisition	45.43	18.88
Interest received	38.16	45.72
Net Cash used in investing activities	(16,265.54)	(4,160.39)
C. Cash Flow from financing activities		
Proceeds from issue of Share Capital	-	511.50
Proceeds from / (Repayment of) long term borrowings	9,888.97	1,788.61
Proceeds from / (Repayment of) short term borrowings	198.24	(314.50)
Interest paid	(6,665.69)	(5,692.12)
Dividend paid including tax on dividend	-	(793.82)
Net Cash used in Financing Activities	3,421.51	(4,500.33)
Net Increase / (Decrease) in Cash and Cash Equivalents	(689.35)	(1,403.69)
Cash and cash equivalent as at the beginning of the Year	1,872.01	3,275.70
Cash and cash equivalent as at the close of the Year	1,182.65	1,872.01

As per our report of even date
For **Srikishen & Co**
Chartered Accountants
Reg No. 004009 S

K. Murali Mohan
Membership No. 14328
Auditors, Proprietor

R. Varadarajan
Wholtime Director

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 19th May 2012

A. Sathyamurthy
Chief Financial Officer

R.S. Gowdhaman
Company Secretary

