



23rd

Annual Report
2008 2009



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BOARD OF DIRECTORS

Mr. RAJA M.J.ABDEEN

Dr. P SURULINARAYANASAMI

Mr. G.R. KARTHIKEYAN

Mr. MYDUR ANAND **

Mr. G.S.V.SUBBA RAO

Mr. R.C.H.REDDY

Mr. R VARADARAJAN
Director & Chief Operating Officer

Ms. RAJSHREE PATHY
Chairperson and Managing Director

** Resigned on 29.1.2009

Auditors

M/s Srikishen & Co.
7, Seth Narayandas Layout
Street No.1, Tatabad
Coimbatore 641 012

Chief Financial Officer

Mr. A. Sathyamurthy

**General Manager (Finance) &
Company Secretary**

Mr. R. Anand

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**

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
Indian Bank

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 23rd Annual Report with the audited financial statements for the year ended 31st March 2009.

FINANCIAL HIGHLIGHTS

	2008-09 Rs.	2007-08 Rs.
Total Income	372,72,89,172	351,15,50,356
Profit before Interest, Depreciation and exceptional items	76,12,67,631	29,49,79,871
Less: Interest	26,00,06,375	14,12,63,223
Depreciation	13,56,09,790	10,56,36,112
Exceptional items	2,40,53,530	10,15,49,622
Profit before Tax	34,15,97,936	(5,34,69,086)
Direct taxes	4,17,50,000	13,75,000
Deferred taxes	7,70,50,000	(1,32,53,000)
Income tax of prior years	28,897	61,93,083
Profit after Tax	22,27,69,039	(4,77,84,169)
i) Transfer to General Reserve	2,00,00,000	NIL
ii) Proposed Dividend	2,26,91,700	NIL
iii) Provision for dividend tax	38,56,454	NIL
Basic / Diluted Earnings per Share of Rs.10/- each before extraordinary items	9.82	2.37
Basic / Diluted Earnings per Share of Rs.10/- each after extraordinary items	9.82	(2.11)

DIVIDEND

The Directors are pleased to recommend a dividend of Re.1/- per share.

FINANCIAL PERFORMANCE

Your Company earned an income of Rs. 372.73 crores in the year 2008-09 as against Rs.351.15 crores during the previous year. The Company earned an after tax profit of Rs 22.28 crores as against the loss of Rs.4.78 crores during the previous year. Higher profitability is on account of better price realization for sugar and alcohol during the year under review.

OPERATIONAL PERFORMANCE**Sugar Division**

Due to inadequate rainfall in the command area of the factories during the year, the sugarcane crushing has declined in 2008-09. The sugarcane crushed during the year 2008-09 were as follows:

	Sugarcane crushed (MT)	
	2008-09	2007-08
Unit I	329,249	720,841
Unit II	1,304,440	1,437,059
Unit III	107,302	----
Total	1,740,991	2,157,900

Your company has processed 1350 MT raw sugar in its Unit I and produced 1287 MT white sugar at an average recovery of 95.31%.

The Central Government has permitted to sell out the buffer stock allocated during last year which would enable the factories to liquidate their stocks.

During the year, the Company exported 37,987 MT of sugar as against the previous year export of 1,04,604 MT of sugar on account of acceptance of Indian sugar in the international market.

Distillery Division

The Company produced 1,11,93,124 litres of Alcohol in 2008-09 as against 1,01,03,154 litres of Alcohol in the previous year. The off-take of alcohol by the IMFS units in the state remained high and supported the marketing efforts of the Company. The ethanol blending programme of the Central Government has not been implemented in the State since the State Government has not accorded permission for supply of ethanol to the oil companies.

**Cogeneration of Power**

The Cogeneration plants in Unit I, II and III generated 17,88,53,778 units of electricity in 2008-09, as against 19,51,65,348 units of power generated during the previous year. After captive consumption, 11,71,62,370 units of power were exported to TNEB as against 12,05,22,889 units exported in the previous year. The Company has earned 77,914 units of carbon credits for the year ending 30.9.2008 as against 81,628 units earned in the corresponding previous year.

Commissioning of the new unit at Gingee

The new sugar and cogeneration units at Gingee Taluk, Villupuram District commenced its operations from January 2009.

Operations of subsidiary company

The wholly owned subsidiary Company, Trident Sugars Limited crushed 3,55,169 MT of sugarcane during the financial year 2008-09 as against 3,96,363 MT of sugarcane crushed in the previous year. The annual accounts of the subsidiary company is enclosed alongwith the accounts of the Company.

Issue of Preferential warrants

At the Extraordinary General Meeting held on 28th May 2009, the shareholders approved to issue 11,00,000 warrants on preferential basis to Ms. Rajshree Pathy, Chairperson and Managing Director at an exercise price of Rs. 62/- computed at Rs. 10/- per share with a premium of Rs. 52/- per share. The price has been worked out as per the formula laid down by SEBI.

FUTURE OUTLOOK

Sugarcane crushing for the year 2009-10 is expected to be lower than the crushing for the year 2008-09 on account of decrease in plantation of sugarcane in the command area. However, the Company is undertaking extensive cane development activities to encourage the farmers to continue sugarcane plantation which is likely to yield positive results in the long term.

The country's current sugar production would be 14.5 mln. tons as against the domestic requirement of 23 mln. tons. The Government of India has permitted the sugar factories to import raw sugar to meet the deficit of sugar production in the country during the year, without any conditions to sugar export obligations.

In view of the lesser cane availability, your company is utilizing the opportunity of processing raw sugar in our plants. To achieve this perspective, your company has so far imported about 10,000 tons of raw sugar for processing at our sugar plants in Tamilnadu.

DIRECTORS

Mr. Mydur Anand had resigned from the Board of Directors. Your Directors wish to place on record their appreciation of the contribution made by him to the growth of the Company during his tenure.

M/s R.C.H. Reddy and G.S.V.Subba Rao, Directors retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

AUDITORS

M/s Srikishen & Co, Chartered Accountants, the present auditors of the Company, retire 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

Your Directors state that in the preparation of the annual accounts;

- I. the applicable 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 profit of the company for that period;



- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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.

CONSERVATION OF ENERGY

Particulars required to be furnished under sub section 1(e) of section 217 of the Companies Act, 1956 are also annexed to this report. (Annexure 2)

CORPORATE GOVERNANCE

The Management discussion and analysis and the compliance of recommendations on corporate governance are annexed to this report. (Annexure 3)

ACKNOWLEDGEMENT

Your Directors thank the Banks and Financial Institutions for their valuable and timely financial assistance and support provided to the Company. Your Directors also thank the cane growers, suppliers, Government Institutions and others for the cooperation extended to the Company. The Board also places on record its appreciation of the dedicated services rendered by the employees of the Company.

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

For and on behalf of the Board

Place: Coimbatore
Date : 28th May 2009

RAJSHREE PATHY
Chairperson and Managing Director

Addendum to the Directors' Report**DERIVATIVE TRANSACTION**

The company had filed a case in the Madras High Court against Axis Bank to declare that the derivative contract it had entered into with it was void as it violated RBI regulations. A single judge of the Madras High Court had held that while the suit is maintainable, the injunction granted restraining the bank from enforcing the contract was vacated.

The bank then made a claim of Rs 40,27,91,929 /- against the company on 15th October 2008 and filed a recovery petition with the Debt Recovery Tribunal, Mumbai. In the meanwhile, on appeal by the company, a Division Bench of the Madras High Court on 20th October 2008, stayed the order of the single judge and passed status quo orders restraining both parties from proceeding further.

The Bank then filed a petition in the Supreme Court seeking transfer of the civil suit in the Madras High Court to the Debt Recovery Tribunal, Mumbai to be heard along with the banks recovery petition. The Supreme Court after having heard final arguments on this and various other cases of similar nature together on 13th February 2009, has reserved its judgment.

The status quo order of the Division Bench of the Madras High Court is therefore still in force.

For and on behalf of the Board

Place: Coimbatore
Date : 28th May 2009

RAJSHREE PATHY
Chairperson and Managing Director

ANNEXURE 1 TO DIRECTORS' REPORT

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

S.No.	Name of the Employee	Designation	Remuneration for the year 2008-09	Qualification & Experience	Date of commencement of employment	Age	Last employment
1	Ms.Rajshree Pathy	Chairperson and Managing Director	Rs. 1,56,54,434/-	B.Com 33 years	16.03.1989	53 years	General Manager Ganga Textiles Ltd
2	Mr.R.Varadarajan	Director and Chief Operating Officer	Rs.40,28,229/-	MBA 26 years	16.07.1987	51 years	Head, Department of Management Studies PSG College of Arts & Science
3	Mr. A. Sathyamurthy	Chief Financial Officer	Rs. 4,11,253/-	B.Com A.I.C.W.A 17 years	06.02.2009	38 years	Chief Financial Officer Supermarket in Aditya Birla Retail 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

In Mundiampakkam Unit, ACC fans were operated in variable speed mode, which resulted in reduction of energy conservation by 1920 Units, a day.

No additional investments and proposals were being carried on.

The total energy consumption and energy consumption per unit of production is given in Form A

Form A

Form for Disclosure of Particulars with respect to Conservation of Energy

a. Power and Fuel Consumption

Particulars	Unit	Sugar Division	Distillery Division	Co-generation Division
1. Electricity				
a. Purchased	KWH	15,75,545 (8,58,945)	52,440 (47,523)	63,617 (36,952)
Total amount	Rs. in lakhs	167.93 (109.86)	4.98 (4.14)	6.04 (3.22)
Rate per unit (including demand charges)	Rs.	10.66 (12.79)	9.50 (8.71)	9.50 (8.71)
b. Own Generation				
i) Through Diesel Gensets Qty. Produced	KWH	1,54,014 (57,470)	NIL (NIL)	NIL (NIL)
Units per ltr of Diesel		2.32 (2.05)	NIL (NIL)	NIL (NIL)
Cost per unit	Rs.	15.88 (16.53)	NIL (NIL)	NIL (NIL)
ii) Through steam turbine(Co-generation) Qty. consumed	KWH	3,99,36,304 (4,81,01,304)	18,13,610 (17,75,360)	1,96,71,026 (2,26,03,044)
Units per MT of steam		140 (152)	94 (116)	145 (156)
Cost/unit	Steam produced from own bagasse (Steam produced from own bagasse)			
2. Coal	Not Used			
3. Furnace Oil Quantity	Ltrs	NIL (NIL)	NIL (NIL)	Nil (16,000)
Total value	Rs. in lakhs	NIL (NIL)	NIL (NIL)	Nil (3.26)
Average rate	Rs.	NIL (NIL)	NIL (NIL)	Nil (20.40)

Particulars		Sugar Division	Distillery Division	Co-gen. Division
4. Firewood Quantity	MT	NIL (NIL)	NIL (NIL)	9,051 (1,873)
Total value	Rs. in Lakhs	NIL (NIL)	NIL (NIL)	186.76 (32.22)
Average Rate	Rs.	NIL (NIL)	NIL (NIL)	2,063 (1,720)
5. Others/internal generation - Bagasse Quantity	MT	10,436 (NIL)	NIL (NIL)	4,61,376 (5,75,506)
Total cost	Own Bagasse consumed (Own Bagasse consumed)			
Rate/unit				

b. Consumption per unit of production

Product	Per Quintal White Crystal Sugar	Per Litre Alcohol
Electricity (KWH)	24.73 (24.14)	0.17 (0.18)

B. TECHNOLOGY ABSORPTION:
FORM B

Form for disclosure of particulars with respect to absorption

Research and development

- Specific areas in which R & D carried out by the Company.
In Sugar Unit-I:
 - Effect of Mycorrhizal bio-fertilizer on sugarcane tissue culture seedlings.
 - Sugarcane tissue culture seedlings production through meristem culture technique.
- Benefits derived as a result of the above R & D
In Sugar Unit-I:
 - Production of healthy and robust sugarcane tissue culture seedlings.
 - Production of disease free seedlings and avoid spreading of devastating Yellow Leaf viral Disease.
- Expenditure on R & D

a. Capital	Rs. Nil
b. Recurring	Rs. 4,03,490/-
c. Total	Rs. 4,03,490/-
d. Total R & D expenditure as a percentage of total turnover	0.01%

Technology absorption, adaptation and innovation

- Efforts in brief towards technology absorption, adaptation and innovation.
In Sugar Unit-I:
 - Introduction of CHIP BUD technology for production of sugarcane seedlings.
 - Formulation of Biomixture for sugarcane.
- Benefits derived as a result of the above R & D
In Sugar Unit-I:
 - Low cost technology. Sugarcane after chipping cane be used for factory. Less seed rate per acre and gives higher yield.
 - Value addition of organic manure. Complete and effective organic food for sugarcane crop.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned
 Foreign exchange earned : Rs. 57,63,45,225/-
 Foreign exchange outgo : Rs. 14,36,21,740/-

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 shareholders' 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 met 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
- 3 Independent Non-Executive Directors	Mr. G.R.Karthikeyan Mr. R.C.H.Reddy Mr. G.S.V.Subba Rao

Attendance of Directors at Board meetings and Annual General meeting during the year 2008-09.

Name of Director	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 (Rs.)
Ms.Rajshree Pathy	7	Yes	14	--	--
Mr. R.Varadarajan	8	Yes	3	1	--
Mr. G.R.Karthikeyan	8	Yes	2	--	1,50,000
Dr. P.Surulinarayanasami	3	No	1	--	30,000
Mr. Raja M.J.Abdeen	7	Yes	13	--	1,30,000
Mr. Mydur Anand*	1	No	--	--	20,000
Mr. R.C.H. Reddy	7	Yes	5	1	1,30,000
Mr. G.S.V.Subba Rao	8	Yes	--	--	1,40,000

* Resigned from the Board on 29.1.2009.

8 Board meetings were held during the year on 30th May 2008, 19th June 2008, 28th July 2008, 25th August 2008, 29th September 2008, 23rd October 2008, 24th January 2009 and 13th March 2009.

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
Mr.Mydur Anand*	(Member)	Non-Executive and Independent Director

* till 29.1.2009

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



During the year 2008-09, 6 audit committee meetings were held on 30th May 2008, 19th June 2008, 28th July 2008, 25th August 2008, 23rd October 2008 and 24th January 2009. Members' attendance at the meetings were as follows:

Name of the Member	No. of meetings attended
Mr.G.S.V.Subba Rao	6
Mr.Mydur Anand	1
Mr.G.R. Karthikeyan	6
Mr.Raja M.J.Abdeen	5
Mr.R.C.H.Reddy	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
Mr.MydurAnand*	(Member)	Non-Executive and Independent Director

* till 29.1.2009

During the year, one meeting of the Remuneration Committee was held on 30th May 2008. Members' attendance at the meetings were as follows:

Name of the Member	No. of meetings attended
Mr.G.R. Karthikeyan	1
Mr.Mydur Anand	--
Mr.Raja M.J.Abdeen	1
Mr.R.C.H.Reddy	1

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

The remuneration paid to wholetime Directors for the year 2008-2009 were as follows (in Rs.):

Managerial remuneration:	Ms. Rajshree Pathy	Mr. R.Varadarajan
Salary	24,00,000	32,05,935
Commission	126,81,539	--
Perquisites	5,72,895	8,22,294
Total	156,54,434	40,28,229

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

	No. of shares
Dr.P.Surulinarayanasami	11,31,107
Mr.Raja M.J.Abdeen	10,10,000
Mr.G.R.Karthikeyan	1,040
Mr.R.C.H.Reddy	832
Mr.G.S.V.Subba Rao	None

5. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee is headed by Mr.Raja M.J.Abdeen, Non-Executive Director. Mr.R. Anand, General Manager (Finance) & Company Secretary is the compliance officer. During the year 2008-09, 29 complaints were received and all of them were resolved to the satisfaction of the shareholders. As of 31st March 2009, there are no complaints/queries pending reply. An exclusive email ID for addressing shareholders grievances, viz., investor@rajshreesugars.com has been created.

6. General Body meetings

Location and time for the last three Annual General Meetings

Year	AGM	Location	Date	Time	No. of special resolutions passed
2005-06	AGM	Chamber Hall, Indian Chamber of Commerce & Industry, Coimbatore.	06.09.2006	3.00 PM	1
2006-07	AGM	-- as above --	10.09.2007	3.00 PM	--
2007-08	AGM	-- as above --	29.09.2008	10.15 AM	3

No special resolutions were put through postal ballot last year and nor is there any proposal for this year.

7. Disclosures

There are no materially 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.

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.

8. Means of Communication

The company is publishing annual results, quarterly unaudited financial results and notice advertisements in The Hindu-Business Line and Dinamani (vernacular language) regularly. The company has posted the quarterly/annual results in the Company's Website www.rajshreesugars.com. The company is also displaying audited financial results, quarterly unaudited financial results, report on corporate governance and shareholding pattern etc. on the SEBI EDIFAR website.

9. General shareholder information

i. AGM Date, time and venue	23rd September 2009 at 3.00 P.M Chamber Hall, Indian Chamber of Commerce and Industry, Avanashi Road, Coimbatore 641 018.
ii. Financial calendar 2009-10 First quarterly results Second quarterly results Third quarterly results Audited yearly results	Before end of July 2009 Before end of October 2009 Before end of January 2010 Before end of June 2010
iii. Book Closure Date	16th September 2009 to 23rd September 2009
iv. Dividend payment date	On or after 23rd September 2009
v. Listing on Stock Exchange	Bombay Stock Exchange Limited National Stock Exchange of India Limited
vi. Stock Code The Stock Exchange, Mumbai National Stock Exchange of India Limited	500354 RAJSREESUG

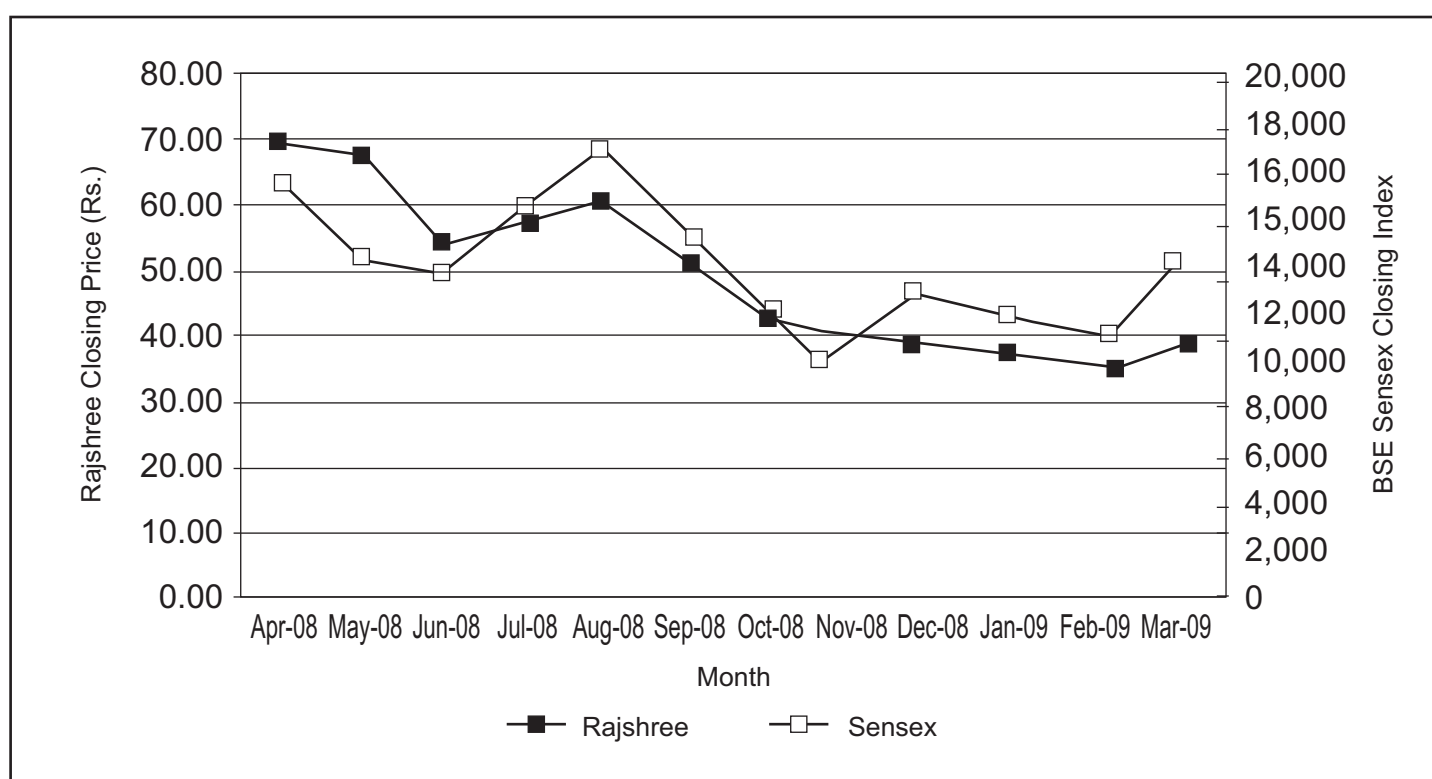


vii. Market Price Data High/Low during each month of the Financial Year 2008-09 (Bombay Stock Exchange)

Month	High (Rs.)	Low (Rs.)
April	65.00	51.00
May	65.00	52.00
June	59.00	45.00
July	62.30	49.00
August	81.30	58.15
September	74.00	47.10
October	56.00	33.00
November	46.75	30.05
December	50.00	33.00
January	54.00	40.25
February	45.25	38.20
March	51.95	32.05

viii. Performance in comparison to broad based indices such as BSE Sensex, CRISIL index etc.

Rajshree Vs BSE Sensex



ix. Registrars and Share Transfer Agents (for physical & demat shares)	M/s SKDC Consultants Limited No.7, Seth Narayandas Layout Street No.1 Tatabad P.O. Coimbatore 641 012.
x. 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.

xi. Distribution of shareholding as on 31st March 2009

No. of equity shares held	No. of Folios	No. of shares held	% of shareholding
Upto 5000	25,546	36,79,995	16.22
5001 to 10000	1,375	11,28,792	4.97
10001 to 20000	599	9,34,394	4.12
20001 to 30000	181	4,68,001	2.06
30001 to 40000	72	2,69,613	1.19
40001 to 50000	71	3,42,379	1.51
50001 to 100000	98	7,47,904	3.30
100001 and above	84	1,51,20,622	66.63
Total	28,026	2,26,91,700	100.00

xii. Shareholding pattern as on 31st March 2009

Category	No. of Folios	No. of shares held	% of shareholding
Promoters	4	86,68,359	38.20
Directors and their relatives	6	21,44,979	9.45
Mutual funds and UTI	14	11,980	0.05
Banks, Financial institutions and insurance companies	4	1,330	0.01
Corporate bodies	503	31,98,015	14.09
Indian public	27,368	83,38,971	36.75
NRIs and OCBs	127	3,28,066	1.45
GDRs	0	0	0
Total	28,026	22,691,700	100.00

xiii. Dematerialisation of shareholding and liquidity	83.24% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xiv. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity	NIL
xv. 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</u> Semmedu Village, Gingee Taluk, PIN 604 153. Villupuram District
xvi. Address for correspondence	<i>"The Uffizi"</i>, 338 Avanashi Road Peelamedu, Coimbatore 641 004. E-mail ID : investor@rajshreesugars.com rscl@rajshreesugars.com

xvii. The following are the details of dividends paid by the Company and their respective due dates of transfer to such fund of the Central Government, which remain unencashed.

Date of declaration of dividend	Dividend for the financial year	Due date of transfer to the Central Government
26.09.2002	2001-2002	25.10.2009
10.09.2003	2002-2003	09.10.2010
13.09.2004	2003-2004	12.10.2011
30.09.2005	2004-2005	29.10.2012
06.09.2006	2005-2006	05.10.2013
10.09.2007	2006-2007	09.10.2014



It may be noted that no claim of the shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investors Education & Protection Fund of the Central Government.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for transfer to the Central Government.

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 the 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 : 28th May 2009

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 31.3.2009, 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, 2009, 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

Place: Coimbatore
Date: 28th May 2009

K.Murali Mohan
Auditors, Proprietor
Membership No.14328

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure & developments and opportunities & threats

Lower national sugar production this current season has resulted in upward pressure on domestic prices. This is a politically sensitive issue at any time, but in an election year it becomes all the more a point of concern for the ruling party. This is especially so as planting decisions by farmers, and therefore Indian sugar availability are impacted by governmental policy.

During the current 2008-2009 sugar season has seen a dramatic fall in Indian sugar production to a low of 147 lac tons, almost half the 286 lac tons the country produced two seasons ago and the 263 lac tons produced last season. The main drivers behind this sharp decline are lower production in the two major sugarcane growing states, Maharashtra and Uttar Pradesh. The decline in planted area was driven by government policy as the authorities sought to readdress the balance of returns between sugarcane and alternative crops in order to encourage farmers to grow less cane which was in surplus the end of the previous season and instead grow more deficit crops such as wheat. The Government of India had announced high minimum support prices for crops like rice, wheat, maize and other cereals making them more remunerative to the farmer than the returns from sugarcane. The situation was aggravated by the surplus sugar production in the previous two seasons resulting in stretching financial resources of the sugar mills consequently delaying payments to cane farmers.

All this has resulted in an alarmingly low sugar production which is not likely to improve even during the 2009-10 season. The country, from having been an exporter of sugar during the last two seasons, has suddenly been forced to look at importing sugar to meet the huge gap in domestic production.

In an effort to control sugar prices, the government just before the elections introduced a slew of measures like permitting duty free import of raw sugar by the sugar mills upto 31.07.2009 and import of 10 lac tons of white sugar by designated public sector undertakings in the same period. Stock control limits were also imposed on the sugar dealers to discourage hoarding and ensure continuous supply of sugar into the market. The Government has also banned further trading in sugar in an attempt to curtail rise in price.

India's sudden entry into the world market to import huge quantities of raw sugar has only driven up the prices to levels which do not find parity with the prevailing prices in the domestic market. The anticipated shortfall in sugar production and therefore expectation of higher sugar prices have so far not resulted in an increase in sugarcane planting for the season.

The lower production conversely, augurs well for the sugar industry in the ensuing financial year with an inevitable increase in sugar prices. The shortfall in sugarcane production will also have an impact on the availability of molasses for alcohol distillation, therefore leading to higher prices both for molasses and alcohol.

After a long debate the Tamilnadu Electricity Regulatory Commission (TNERC) has come out with its latest order on pricing of power purchased from bagasse based cogeneration units commissioned after 19th September 2008. The increase in purchase price of power is beneficial to the company's newly commissioned Unit III at Gingee.

Segment wise performance

The segments for the purpose of reporting are Sugar, Distillery and others consisting of property development. The sugar segment includes both sugar and cogeneration divisions. The sugar segment achieved a sales turnover of Rs. 335.32 crores as against Rs.312.85 crores in the previous year while the Distillery segment recorded a turnover of Rs 28.87 crores as against Rs.24.00 crores recorded in the previous year. The sugar segment earned a profit before interest & taxes of Rs 58.10 crores as against Rs. 7.54 crores earned in the previous year while the Distillery division earned Rs. 13.56 crores against Rs.16.24 crores earned during the previous year. The operational performance of the segments are given under the Directors' Report.

Outlook

The sugar production for the season 2008-09 is expected to be around 147 lac tons and the production for the season 2009-10 is not likely to improve beyond 15% of current production. The lower sugarcane availability will drive up both sugar and molasses prices. The huge deficit in sugar production also gives an opportunity for the sugar mills to import raw sugar and process into white sugar for sale into the domestic market. This would enable the sugar mills to augment its capacity utilization and add to their revenues.

Risks and Concerns

Though government intervention in the mechanics of the sugar market is well intentioned, it often has adverse consequences for the industry, as the restrictions on the commercial dynamics dampens the price discovery function of the market. The high prices obtaining for sugar in the coming months may encourage industry to raise the sugarcane price to be competitive against alternate crops in a desperate attempt to increase sugarcane production. What is needed is a balance between sugarcane production and sugar demand to ensure remunerative prices for the sugarcane farmer and make sugar available to the consumer at reasonable prices while ensuring that the sugar mill is able to sustain itself and act as a catalyst in the growth of the Indian Sugar Industry.

Derivatives Transactions

The company had filed a case in the Madras High Court against Axis Bank to declare that the derivative contract it had entered into with it was void as it violated RBI regulations. A single judge of the Madras High Court had held that while the suit is maintainable, the injunction granted restraining the bank from enforcing the contract was vacated.

The bank then made a claim of Rs.40,27,91,929/- against the company on 15th October 2008 and filed a recovery petition with the Debt Recovery Tribunal, Mumbai. In the meanwhile, on appeal by the company, a Division Bench of the Madras High Court on 20th October 2008, stayed the order of the single judge and passed status quo orders restraining both parties from proceeding further.

The Bank then filed a petition in the Supreme Court seeking transfer of the civil suit in the Madras High Court to the Debt Recovery Tribunal, Mumbai to be heard along with the banks recovery petition. The Supreme Court after having heard final arguments on this and various other cases of similar nature together on 13th February 2009, has reserved its judgment.

The status quo order of the Division Bench of the Madras High Court is therefore still in force.

Internal control systems and their adequacy

The Company has installed proper internal control systems for the various functional areas. The checks and control measures are effective and adequate.

Financial performance and operational performance

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

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 2009 and also the Profit and Loss Account 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) *In our opinion and subject to Note No.29 of notes on accounts, regarding non accounting of loss on forex derivative contracts (disputed), the Balance Sheet, Profit and Loss Account 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 2009, and taken on record by the board of directors, in our opinion none of the director 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, *subject to the non recognition of mark to market loss on forex derivative contract (disputed), resulting in the profit for the year being overstated to the extent of the said loss not accounted*, 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 2009
 - ii. in the case of the Profit and Loss Account, of the Profit 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

K.Murali Mohan
Auditors, Proprietor
Membership No:14328

Place: Coimbatore
Date : 28th May 2009

ANNEXURE TO THE AUDITOR'S 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 and the year end balance is Rs. 21,33,68,450/-. In our opinion and according to the information and explanations given to us, the rate of interest & other terms and 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 or any other relevant provisions 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 31.03.2009 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 (Rs. in lacs)	Forum where dispute is pending
Tamil Nadu General Sales Tax	1995-96 to 1997-98	Interest on sales tax	42.50	High Court, Chennai
Service Tax		Penalty	21.00	Commissioner (Appeals)

- x) There are no accumulated losses at the end of the financial year 31.03.2009. The Company has not incurred any cash loss during the financial year covered by our audit and 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 no funds raised on short-term basis have been used for long term investments during the year.
- 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 during the year.
- 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

Place: Coimbatore
Date : 28th May 2009

K.Murali Mohan
Auditors, Proprietor
Membership No:14328


BALANCE SHEET AS AT 31st MARCH 2009

AS AT 31.03.2008 Rs.	PARTICULARS	SCHEDULE	AS AT 31.03.2009 Rs.
I. SOURCES OF FUNDS			
	1.SHAREHOLDERS' FUNDS		
226,917,000	(a) Share Capital	"A"	226,917,000
737,512,457	(b) Reserves & Surplus	"B"	933,733,342
			1,160,650,342
	2. LOAN FUNDS		
2,990,846,678	(a) Secured	"C"	3,986,992,810
10,548,000	(b) Unsecured	"D"	4,534,000
			3,991,526,810
326,417,123	3.DEFERRED TAX		403,467,123
4,292,241,258	TOTAL		5,555,644,275
II. APPLICATION OF FUNDS			
	1. FIXED ASSETS	"E"	
2,570,289,371	(a) Gross Block		4,999,512,701
760,351,694	(b) Less: Depreciation		894,062,157
1,809,937,677	(c) Net Block		4,105,450,544
1,726,980,203	(d) Capital Work in Progress		4,504,947
3,536,917,880			4,109,955,491
476,336,768	2. INVESTMENTS	"F"	476,336,768
	3. CURRENT ASSETS AND LOANS & ADVANCES		
972,889,238	(a) Inventories	"G"	1,045,741,891
205,747,744	(b) Sundry Debtors	"H"	118,334,561
45,419,722	(c) Cash and Bank Balances	"I"	166,668,169
520,673,371	(d) Loans & Advances	"J"	743,288,555
1,744,730,075			2,074,033,176
	LESS: CURRENT LIABILITIES AND PROVISIONS		
1,464,368,465	(a) Current Liabilities	"K"	1,036,382,792
1,375,000	(b) Provisions	"L"	68,298,368
1,465,743,465			1,104,681,160
278,986,610	NET CURRENT ASSETS		969,352,016
4,292,241,258	TOTAL		5,555,644,275

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

31.03.2008 Rs.	PARTICULARS	SCHEDULE	31.03.2009 Rs.
	I. INCOME		
3,469,108,819	Gross Sales		3,690,509,781
120,324,870	LESS: Excise Duty		135,164,299
3,348,783,949	Net Sales		3,555,345,482
42,441,537	Other Income	"M"	36,779,391
12,605,191	Increase / (Decrease) in Stock	"N"	25,279,598
3,403,830,677	TOTAL		3,617,404,471
	II. EXPENDITURE		
2,472,151,500	Raw material consumed	"O"	2,174,256,544
317,048,254	Manufacturing Expenses	"P"	342,028,923
179,002,586	Employee Cost	"Q"	193,156,114
141,263,223	Interest (Refer Note No: 21)	"R"	260,006,375
139,790,811	Administrative Expenses	"S"	146,695,259
857,655	Loss in Sugar Trading - NCDEX		-
105,636,112	Depreciation		135,609,790
3,355,750,141	TOTAL		3,251,753,005
48,080,536	Profit before Exceptional items and Tax		365,651,466
68,482	ADD: Compensation on acquisition - Surplus (Refer note No: 26)		733,155
79,995	LESS: Prior period Expense - Sales tax / Expenses		24,786,685
	LESS: Extraordinary items		
12,546,998	- Loss on sale of discarded assets		-
69,434,921	- Disputed Purchase tax		-
19,556,190	- Loss in Forex Derivative transaction		-
(53,469,086)	Profit / (Loss) before tax		341,597,936
-	LESS: Provision for - Tax		40,000,000
(13,253,000)	- Deferred Tax Liability / (Asset)		77,050,000
90,000	- Wealth Tax		150,000
1,285,000	- Fringe Benefit Tax		1,600,000
6,193,083	Income Tax paid / (Refund) of Prior Year		28,897
(47,784,169)	Profit / (Loss) after tax		222,769,039
55,296,626	ADD: Balance b/f from the previous year		7,512,457
-	Transfer to General Reserve		20,000,000
-	Proposed Dividend		22,691,700
-	Tax on Dividend		3,856,454
7,512,457	Balance Carried Over		183,733,342
2.37	Basic / Diluted Earnings per Share of Rs.10/- each before extraordinary items		9.82
(2.11)	Basic / Diluted Earnings per Share of Rs.10/- each after extraordinary items		9.82

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2009**

31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
	SCHEDULE "A" SHARE CAPITAL AUTHORISED	
<u>300,000,000</u>	30,000,000 Equity Shares of Rs.10/- each	<u>300,000,000</u>
	ISSUED, SUBSCRIBED & PAID UP:	
<u>226,917,000</u>	22,691,700 Shares of Rs.10/- each fully paid-up	<u>226,917,000</u>
	SCHEDULE "B" RESERVES & SURPLUS RESERVES	
730,000,000	General Reserve	
-	Balance brought forward	730,000,000
<u>730,000,000</u>	Transfer from Profit & Loss account	<u>20,000,000</u>
7,512,457		<u>750,000,000</u>
<u>737,512,457</u>	Balance in Profit & Loss A/c	<u>183,733,342</u>
		<u>933,733,342</u>
	SCHEDULE "C" SECURED LOANS	
	1. TERM LOANS	
166,155,000	A. From Financial institutions & SDF	341,175,000
736,423,025	B. From Banks	1,251,777,913
1,251,500,000	C. ECB from Banks	1,445,250,000
	2. CASH CREDIT	
836,768,653	From Banks	<u>948,789,897</u>
<u>2,990,846,678</u>		<u>3,986,992,810</u>
	SCHEDULE "D" UNSECURED LOANS	
10,548,000	Fixed Deposit	4,534,000
<u>10,548,000</u>		<u>4,534,000</u>

SCHEDULE "E" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2008 Rs.	Additions Rs.	Deletions Rs.	As on 31.03.2009 Rs.	As on 1.4.2008 Rs.	For the Year Rs.	Withdrawn Rs.	Upto 31.03.2009 Rs.	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
Land	73,146,500	8,793,080	76,995	81,862,585	-	-	-	-	81,862,585	73,146,500
Buildings	576,699,106	413,512,670	-	990,211,776	92,014,369	18,135,739	-	110,150,108	880,061,668	484,684,737
Plant & Machinery	1,812,587,790	1,996,979,781	861,460	3,808,706,111	624,101,942	110,996,272	861,460	734,236,754	3,074,469,357	1,188,485,848
Office Equipments	9,650,195	1,118,745	-	10,768,940	3,746,661	505,221	-	4,251,882	6,517,058	5,903,534
Furniture	5,845,113	1,728,690	-	7,573,803	3,806,193	293,540	-	4,099,733	3,474,070	2,038,920
Vehicles	35,814,822	6,276,037	1,167,171	40,923,688	18,815,590	2,986,420	1,004,039	20,797,971	20,125,717	16,999,232
Electrical Equipments	45,406,312	1,925,478	-	47,331,790	12,712,970	2,175,333	-	14,888,303	32,443,487	32,693,342
Tools & Equipments	6,778,415	876,045	-	7,654,460	3,504,060	309,089	-	3,813,149	3,841,311	3,274,355
Lab Equipments	4,361,118	166,530	48,100	4,479,548	1,649,909	208,176	33,828	1,824,257	2,655,291	2,711,209
Total	2,570,289,371	2,431,377,056	2,153,726	4,999,512,701	760,351,694	135,609,790	1,899,327	894,062,157	4,105,450,544	1,809,937,677
Work in Progress									4,504,947	1,726,980,203
Previous year	2,518,103,038	91,520,373	39,334,040	2,570,289,371	665,948,556	105,868,788	11,465,650	760,351,694	1,809,937,677	1,852,154,482



31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
	SCHEDULE "F"	
	Investment - Unquoted - non-trade	
	Investment in Subsidiary Company	
	Trident Sugars Limited	
476,336,768	67,37,500 shares of Rs.10/- each at cost	476,336,768
	SCHEDULE "G"	
	INVENTORIES	
	As certified by the Managing Director and valued	
130,708	Raw materials at cost	28,314,165
808,458,879	Finished Goods at Cost (Previous year at net realisable value)	839,085,688
19,856,729	Stock in Process at cost	27,650,251
91,381,664	Stores & Spares at cost	99,676,529
53,061,258	Immovable Property at cost	51,015,258
972,889,238		1,045,741,891
	SCHEDULE "H"	
	SUNDRY DEBTORS	
	UNSECURED & CONSIDERED GOOD	
8,094,722	Outstanding for more than six months	1,095,449
197,653,022	Others	117,239,112
205,747,744		118,334,561
	SCHEDULE "I"	
	CASH & BANK BALANCES	
666,026	Cash on hand	1,394,413
	with Scheduled Banks	
9,476,213	In Current Account	9,209,391
20,764,921	In Deposit Account	144,390,000
11,225,363	In Unpaid Dividend Account	9,694,773
3,287,199	In Current Account with MDCC bank	1,979,592
45,419,722	(Maximum balance due at any time during the year Rs.36,65,613/- Previous year Rs 80,42,173/-)	166,668,169
	SCHEDULE "J"	
	LOANS & ADVANCES	
	Recoverable in cash or in kind	
	Unsecured considered good	
239,792,831	Advances to Ryots, Staff and others	221,457,644
10,278,914	Advances for Capital expenditure	18,252,235
46,854,419	Advances to Subsidiary company - Trident Sugars Limited	213,368,450
10,056,090	Earnest, Security & Other Deposits	10,693,596
161,958,538	Excise deposits including Cenvat credits	180,424,305
38,177,442	Advance Income Tax	78,897,300
13,555,137	Prepaid expenses	20,195,025
520,673,371		743,288,555

31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
SCHEDULE "K"		
CURRENT LIABILITIES		
	Sundry Creditors	
-	Due to micro, small and medium enterprises	-
1,251,094,394	Due to others for purchases	681,505,777
67,972,342	Due to others for expenses	93,476,532
14,067,423	Due for Other finances	20,989,423
11,508,714	Advances received from customers	118,531,012
41,578,040	Excise Duty payable - Finished Goods Stock	52,672,719
	Investors Education and Protection fund shall be credited	
11,225,363	by the unpaid dividends *	9,694,773
47,365,999	Interest accrued but not due	59,512,556
19,556,190	Other liability	-
<u>1,464,368,465</u>		<u>1,036,382,792</u>
* The figures reflect the position as at March 31, 2009. The actual amount to be transferred to the Investors Education and Protection fund in this respect shall be determined on the due dates.		
SCHEDULE "L"		
PROVISIONS		
1,375,000	Provision for Income Tax, Wealth Tax & FBT	41,750,214
-	Corporate Tax on Dividend	3,856,454
-	Proposed Dividend	22,691,700
<u>1,375,000</u>		
		<u>68,298,368</u>
SCHEDULE "M"		
OTHER INCOME		
179,179	Interest Income	80,648
	Interest received from Subsidiary Company	
6,931,570	TDS Rs.31,96,226/-	14,105,143
805,527	Interest on Term deposits TDS Rs.15,28,378/-	7,050,077
735	Profit on sale of assets	39,603
14,824,208	Miscellaneous Income	10,180,153
-	Exchange rate fluctuations	2,677,502
4,083,000	Forex derivative contract receipt (Refer note No. 29)	-
15,617,318	Insurance claim receipts	2,646,265
<u>42,441,537</u>		<u>36,779,391</u>
SCHEDULE "N"		
STOCK DIFFERENTIAL		
819,488,269	Opening stock of Finished goods	808,458,879
18,165,337	Opening stock in process	19,856,729
53,061,258	Opening property stock in trade	53,061,258
808,458,879	Closing stock of Finished goods	839,085,688
19,856,729	Closing stock in process	27,650,251
53,061,258	Closing property stock in trade	51,015,258
<u>(9,337,998)</u>		<u>36,374,331</u>
	(Add) / Less: Excise Duty on Increase	
(21,943,189)	/Decrease in stocks of Finished Goods	11,094,733
<u>12,605,191</u>		<u>25,279,598</u>

31.03.2008 Rs.	PARTICULARS		31.03.2009 Rs.
	SCHEDULE "O"		
	RAW MATERIAL CONSUMED		
268,791	Opening stock - raw materials	130,708	
2,297,903,103	Purchase of Raw materials	2,006,726,682	
-	Raw sugar purchases	52,516,274	
34,051,806	Transport Charges	30,326,536	
129,355,975	Purchase Tax	104,234,324	
10,702,533	Cess	8,636,185	
2,472,282,208			2,202,570,709
	LESS:		
130,708	Closing stock - raw materials including raw sugar stock		28,314,165
2,472,151,500			2,174,256,544
	SCHEDULE "P"		
	MANUFACTURING EXPENSES		
216,682,297	Consumption of Stores	238,871,296	
5,006,417	Other Manufacturing Expenses	5,180,408	
25,541,633	Excise duty expenses	31,653,269	
17,048,349	Power & Fuel	18,152,673	
	Repairs & Maintenance		
8,105,740	Building	3,008,699	
20,373,822	Machinery	18,146,243	
9,274,661	Vehicles	10,444,540	
15,015,335	Others	16,571,795	
317,048,254			342,028,923
	SCHEDULE "Q"		
	EMPLOYEE COST		
114,356,950	Salaries, Wages & Bonus	129,950,571	
52,797,300	Welfare Expenses	49,955,849	
11,848,336	Contribution to P F & Other funds	13,249,694	
179,002,586			193,156,114
	SCHEDULE "R"		
	INTEREST & FINANCIAL CHARGES		
47,856,740	On Term Loan	90,138,599	
1,020,962	On Fixed Deposit	743,639	
92,385,521	On Others	169,124,137	
141,263,223			260,006,375
	SCHEDULE "S"		
	ADMINISTRATIVE EXPENSES		
1,963,765	Building rent	2,079,103	
5,122,731	Licence Fees & Tax	7,454,158	
9,750,974	Insurance Premium	11,559,978	
71,369,034	Selling Expenses / Export expenses	39,776,027	
-	Brokerage & Commission	7,500	
5,057,520	Managerial remuneration	19,682,663	
580,000	Directors sitting fees	600,000	
	<u>Auditor's remuneration</u>		
250,000	- Statutory Audit fees	250,000	
60,000	- Taxation matters	105,000	
5,000	- Certification (Excluding Rs. 6,000 relating to capital WIP)	45,500	
36,000	Cost Audit fees	36,000	
87,651	Loss on Sale of Assets	26,654	
115,000	Charity & Donation	3,605,000	
1,020,729	Exchange rate Fluctuations	-	
44,372,407	Other Expenses	61,467,676	
139,790,811			146,695,259

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2009
1. SIGNIFICANT ACCOUNTING POLICIES
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. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account / work-in-progress.

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 newly inserted 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 Profit & Loss Account 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:

- 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.
- In respect of immovable property cost is taken as the net payment for acquisition and expenses incurred therewith till the date of title perfection.
- 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.
- Stores and spares are valued at Weighted Average cost basis.

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 machinery costing less than Rs.5,000/-, 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 and are accounted as liabilities on the due dates.

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. Cenvat credit 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 includes 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 Accounting Standard 28.

2. LICENCED AND INSTALLED CAPACITY AND PRODUCTION

PRODUCT	LICENSED CAPACITY	INSTALLED CAPACITY	PRODUCTION		UNIT
			2008-2009	2007-2008	
Sugar	N.A	11000 TCD	169753	202828	MT
Molasses	N.A	N.A	75328	95687	MT
Bagasse	N.A	N.A	512283	625672	MT
Industrial Alcohol	45 KLPD	45 KLPD	11193124	10103154	Lit
Electricity	N.A	54.5 MW	178853778	1951165348	KWH
Organic Manure	N.A	30 T/Day	6465	8641	MT

3. QUANTITATIVE PARTICULARS
A) RAW MATERIAL CONSUMED

(Value Rs. in Lakhs)

PRODUCT	UNIT	2008 - 2009		2007 - 2008	
		QTY.	VALUE	QTY.	VALUE
SUGARCANE	MT	1740991	21500.54	2157900	24721.51
MOLASSES	MT	50088	--	42556	--
BAGASSE	MT	482102	--	592842	--
RAW SUGAR	MT	1350	242.02	--	--

B) PARTICULARS IN RESPECT OF STOCK AND SALE OF GOODS MANUFACTURED (Value Rs. in Lakhs)

PRODUCT	UNIT	OPENING STOCK		CLOSING STOCK		SALES	
		QTY	VALUE	QTY	VALUE	QTY	VALUE
SUGAR	MT	53993 (55559)	7838.83 (7861.89)	47032 (53993)	7759.64 (7838.83)	176713 (204618)	28152.73 (26159.48)
MOLASSES	MT	6303 (20103)	92.45 (212.57)	13062 (6303)	353.31 (92.45)	18480 (66929)	263.85 (128.08)
BAGASSE	MT	2100 (1300)	3.06 (1.98)	2000 (2100)	3.20 (3.06)	28169 (38006)	190.14 (229.20)
ALCOHOL	LIT	811170 (551376)	119.98 (83.92)	1561420 (811170)	236.40 (119.98)	10437457 (9839099)	2766.61 (2260.63)
ELECTRICITY	KWH	-- --	-- --	-- --	-- --	117162370 (120522889)	3518.24 (3741.75)
ORGANIC MANURE	MT	1035 (1318)	30.74 (10.80)	1557 (1035)	38.31 (30.74)	5928 (8923)	118.54 (139.30)

C) PARTICULARS IN RESPECT OF STOCK AND SALE OF TRADING GOODS (Value Rs. in lakhs)

PRODUCT	UNIT	OPENING STOCK		CLOSING STOCK		PURCHASES		SALES	
		QTY	VALUE	QTY	VALUE	QTY	VALUE	QTY	VALUE
PROPERTY	NOS	7 (7)	530.61 (530.61)	6 (7)	510.15 (530.61)	- (-)	- (-)	1 (-)	20.46 (-)

4. Estimated amount of contracts pending to be executed on capital account as on 31.03.2009 is Rs.45.05 lacs (Previous year:Rs.4238.42 lakhs)

5. CONTINGENT LIABILITIES NOT PROVIDED FOR

- 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 Rs.42,49,634/- (Previous year: Rs.42,49,634/-)
- The Government had fixed the SMP for the sugar season 2003-04 at Rs.730/- per ton linked to 8.5% base recovery and the same has been contested before the Honourable High Court at Chennai which had admitted the petition and stayed the notification. The disputed liability amounting to Rs.171.67 lakhs and the additional sales tax of Rs.4.29 lakhs on the same, payable for the financial year 2003-04 and the disputed liability of Rs.99.57 lakhs and the additional sales tax of Rs.2.50 lakhs payable for the financial year 2004-05 has not been provided for in the accounts.
- The Company has provided a corporate guarantee of Rs.17.95 crores to State Bank of India in respect of Term loan and cash credit facilities sanctioned to the subsidiary company, Trident Sugars Limited. (Previous year Rs.17.95 crores).
- The Company has filed a review petition before the High Court of Judicature, Madras at Chennai in relation to the writ appeals with respect to purchase tax and the decision in the matter has been deferred by the High Court till disposal of similar issues by the Supreme Court in other cases. Hence no provision is made for other charges, if any, in this regard. The amount is indeterminate at this juncture.
- The Commissioner of Central Excise (Appeals) has upheld the order of the Central Excise department imposing a penalty of Rs.21 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.
- The company has export obligation of 3000 tons of white sugar on account of import of raw sugar under advance license scheme.
- Electricity generation tax demand for Rs. 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.

6. SECURED LOANS

- Term loans from Bank of India with limit of Rs. 15 crores are secured by:
 - Fixed & movable properties of sugar unit at Varadarajnagar (Unit-I), Theni District; and
 - 1st charge on Block Assets of Sugar Plant at Mundiampakkam (Unit-II), Villupuram District; and
 - Exclusive 1st charge on office premises (1st & 2nd Floor) at New Delhi.
- Short term Bridge loan from IFCI Limited with limit of Rs. 21 Crores, availed against the amount sanctioned by the Sugar Development Fund (Government of India) is secured by first charge on the Company's movable and immovable properties of Unit-I.

- c) Term loans aggregating to Rs. 33 Crores (State Bank of India Rs. 13 Crores, UCO Bank Rs. 10 Crores and Indian Bank Rs. 10 Crores) are secured by:
- 1st paripassu charge on the block assets of the cogeneration plant of Unit-II and
 - 2nd paripassu charge on the current assets of the Company; and
 - 3rd paripassu charge on the fixed assets of Unit-II.
- d) Term loans from Bank of India with limit of Rs. 6.60 Crores is secured by:
- 1st paripassu charge on the block assets of the cogeneration plant at Mundiampakkam, Villupuram District; and
 - 3rd paripassu charge on the co-generation project at Gingee, Villupuram District (Unit-III)
- e) Term loan from State Bank of Mysore with limit of Rs. 10 Crores is secured by:
- 1st paripassu charge on the fixed assets of sugar plant at Unit-III
 - 2nd paripassu charge on the fixed assets of Unit II
 - 3rd charge on co-generation assets of Unit II
 - 4th charge on sugar mill assets of Unit II.
- f) Term loan from State Bank India with limit of Rs. 12 Crores is secured by:
- 1st paripassu charge on the fixed assets of Unit-III; and
 - Equitable mortgage of land and buildings thereon at SF No.375/1B1 - Extent 79 cents and 253 sq ft of land with buildings thereon at SF No.376/1A, 4 acres, 39 cents & 183 sq ft both situated at Vilankurichi village, Coimbatore North Taluk, Ganapathy.
- g) Term loan from Bank of India with limit of Rs. 2 Crores is secured by 1st paripassu charge on the fixed assets of Unit-III.
- h) ECB loan of Rs. 125.15 crores is secured by 1st paripassu charge on the plant and machineries and 2nd charge on current assets of sugar and co-generation plants at Unit-III.
- i) Term loan from Bank of India with limit of Rs. 5.83 Crores is secured by :
- Exclusive 1st charge on office premises (1st & 2nd Floor) at New Delhi; and
 - 3rd paripassu charge on the fixed assets of co-generation plant at Unit-II.
- j) Term loan from State Bank of India with limit of Rs. 30 Crores is secured by 1st paripassu charge on the current assets of the Company and a term loan of Rs.25 crores is secured by 1st paripassu charge on the current assets of the company & 1st paripassu charge on the sugar mill assets of Unit -II at Mundiampakkam.
- k) Term loan from State Bank of Hyderabad with limit of Rs. 5 Crores is secured by:
- 1st paripassu charge on the current assets of the Company ; and
 - 2nd paripassu charge on the fixed assets of sugar unit at Mundiampakkam, Villupuram District.
- l) Term loan of Rs.17.49 crores from Sugar Development Fund is secured by way of exclusive second charge on plant and machineries, equipments, furniture and fittings related to cogeneration and sugar factory at Mundiampakkam and by way of exclusive second charge on immovable properties of the Company at Mundiampakkam.
- m) Term loans aggregating to Rs. 28.40 Crores (State Bank of Hyderabad Rs. 2.45 crores, State Bank of India Rs. 12.25 crores, UCO Bank Rs. 3.90 crores, State Bank of Mysore Rs. 4.90 crores and Bank of India Rs. 4.90 crores) received under the Scheme for Extending Financial Assistance to Sugar Undertakings are secured by Residual charge on paripassu basis on the fixed assets of Unit-I and Unit-II.
- n) Working capital limits of Rs.120 crores from consortium bankers are secured by hypothecation of current assets of the Company on 1st charge basis and guaranteed by a Director. It is also secured by way of 2nd charge on immovable properties and plant and machineries of sugar and cogeneration units at Varadarajnagar and 3rd charge on immovable properties and plant and machineries of cogeneration plant at Mundiampakkam and 4th charge on immovable properties and plant and machineries of Unit-II.
- o) Loan of Rs.9 crores from State Bank of India is secured by:
- 1st charge on receivables from TNEB
 - 2nd paripassu charge on plant and machineries of sugar & cogeneration units at Varadarajnagar.
 - 3rd paripassu charge on cogeneration plant of Unit-II
 - 4th paripassu charge on sugar pant of Unit-II.

7. MANAGERIAL REMUNERATION

	2008-09 Rs.	2007-08 Rs.
Salary	56,05,935	45,84,000
Commission	1,26,81,539	-
Company's contribution to Provident Fund	18,720	18,720
Monetary value of perquisites	43,200	43,200
Contribution to Superannuation Fund	4,21,125	2,64,000
Reimbursement of Medical Expenses	2,45,567	1,47,000
Encashment of Earned leave	3,20,548	-
Leave Travel Allowance	3,46,029	-
	<u>1,96,82,663</u>	<u>50,57,520</u>



Rajshree Sugars & Chemicals Limited

Computation of Net Profit under section 198/349 of the Companies Act, 1956.

Profit before taxation	34,15,97,936	(5,34,69,086)
Add: Depreciation as per books	13,56,09,790	10,56,36,112
Loss on sale of assets	26,654	87,651
Remuneration - Managing Director	1,56,54,434	24,30,960
Remuneration - Whotetime Director	40,28,229	26,26,560
Directors' sitting fees	6,00,000	5,80,000
	<u>49,75,17,043</u>	<u>5,78,92,197</u>
Less: Depreciation u/s 350	13,56,09,790	10,58,68,788
Profit on sale of assets	39,603	735
Compensation on aquisition - Surplus	7,33,155	68,482
	<u>13,63,82,548</u>	<u>10,59,38,005</u>
Net Profit for the year	36,11,34,495	(4,80,45,808)
Less: Carried forward loss as per last BS	4,80,45,808	0
Net profit	<u>31,30,88,687</u>	<u>(4,80,45,808)</u>
Remuneration @ 5% above to the Managing Director	<u>1,56,54,434</u>	<u>NIL</u>

8. No amount is due to Micro, Small and Medium Enterprises in respect of sundry creditors. This is as per information available with the company about the status of the parties concerned.

	2008-09 Rs.	2007-08 Rs.
9. CIF Value of Imports		
- Raw materials-Raw sugar	5,25,16,274	NIL
- Capital Goods	NIL	5,16,22,300
- Consumable spares	NIL	NIL
10. Earnings in Foreign Exchange		
a) Export of goods calculated on FOB basis	53,81,13,685	117,76,93,608
b) Sale of carbon credits	4,87,16,023	7,19,14,997
c) Interest receipts	3,43,136	1,87,42,897
d) Receipt under forex derivative contract disputed	NIL	40,83,000
11. Expenditure in Foreign Currency		
i) Professional & Consultation and services	NIL	9,93,250
ii) Interest on ECB	13,95,49,961	10,01,58,646
iii) Others	40,71,779	18,54,720
12. Consumption		
a) Raw materials		
i) Imported	2,42,02,109 (1.11%)	NIL (0%)
ii) Indigenous	215,00,54,435 (98.89%)	247,21,51,500 (100%)
b) Stores & spares		
i) Imported	Rs. NIL (0%)	NIL (0%)
ii) Indigenous	Rs. 23,88,71,296 (100%)	21,66,82,297 (100%)
13. a) Amount of Dividend remitted during the year in Foreign Exchange currencies	Rs. NIL	49,571
b) Number of Non-resident shareholders	NIL	127
c) Number of shares held by the above persons	NIL	24,71,591
14. Tax deducted at source on interest income	Rs. 47,24,604	19,05,612
Tax deducted at source on Consultancy	Rs. 1,73,596	NIL
Tax deducted at source on rental income	Rs. 6,11,646	7,32,212
Tax deducted at source on compensation	Rs. 25,379	NIL

15. 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	Rs.82,78,046 (Rs.80,94,972)
Employer's Contribution to Superannuation Fund	Rs.49,71,648 (Rs.37,53,364)

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.

a. Reconciliation of opening and closing balances of Defined Benefit obligation (Rs.)

	31.03.2009	31.03.2008
Defined Benefit obligation at beginning of the year	5,52,49,734	4,98,57,145
Current service cost	37,42,023	51,19,295
Interest cost	47,19,341	43,49,713
Actuarial (gain)/loss	(27,50,053)	(28,66,355)
Benefits paid	-	(12,10,064)
Defined Benefit obligation at year end	6,09,61,045	5,52,49,734

b. Reconciliation of opening and closing balances of fair value of plan assets (Rs.)

Fair value of plan assets at beginning of the year	3,91,62,778	3,91,67,799
Expected return on plan assets	18,05,524	30,85,021
Actuarial (gain) / loss	(31,76,015)	(18,79,978)
Employer contribution	20,00,000	--
Benefits paid	(67,52,201)	(12,10,064)
Fair value of plan assets at year end	3,30,40,086	3,91,62,778

c. Reconciliation of fair value of assets and obligations (Rs.)

Fair value of plan assets as at 31 st March 2009	3,30,40,086	3,91,62,778
Present value of obligation as at 31 st March 2009	6,09,61,045	5,52,49,734
Amount recognized in Balance Sheet	(2,79,20,959)	(1,60,86,956)

d. Expenses recognized during the year (Rs.)

Current Service Cost	37,42,023	51,19,295
Interest Cost	47,19,341	43,49,713
Expected return on plan assets	18,05,524	30,85,021
Actuarial (gain) / loss	(31,76,015)	(9,86,377)
Net Cost	34,79,825	53,97,610

e. Investment details (Rs.)

L.I.C. Group Gratuity policy	2,27,00,236	2,66,48,088
HDFC Group Gratuity policy	1,03,39,850	1,25,14,690

f. Actuarial assumptions

Mortality Table (L.I.C)	1994-96	1994-96
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (p.a)	8%	8%
Rate of escalation in salary (p.a)	5%	5%

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

16. Quantum of Excise Duty included in closing stock of finished goods is Rs.5,26,72,719/- (Previous year : Rs.4,15,78,040/-).
17. Borrowing costs capitalized during the year is Rs. 16,83,52,475 /- (Previous year : Rs.12,06,897/-). Borrowing cost included in Capital Work in progress- Rs.Nil/- (Previous year Rs.11,11,20,203/-)
18. Foreign currency loan (ECB) liability has been restated on 31.03.2009. The exchange difference arising on restatement of the above loan amounting to Rs. 19.37 Crores has been capitalized during the year.
19. Interest receipt of Rs.3,43,136/- is credited in capital work in progress.(Previous year: Rs.1,95,02,045/-)
20. Interest on Fixed deposits include Rs. 6,48,935/- (Previous year - Rs.3,67,394/-) paid to Ms.Rajshree Pathy, Chairperson and Managing Director in respect of fixed deposits held by her.
21. Interest charges is net of amount due Rs.1,03,61,589/- (Previous year - Rs.4,05,83,408/-) from Directorate of Sugar, Government of India towards buffer stock interest subsidy claim. This amount will be disbursed by them progressively. Amount received till date is Rs.82,24,513/-.
22. 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 2008-09.
23. 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 Rs.75,000/- 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 Rs.1,62,50,000/-. The lease rent amounting to Rs.9 lakhs (Previous year Rs.9 lakhs) has been charged to profit and loss account.

The future minimum lease payments are as under:

	2008-09	2007-08
Not later than one year	9.00	9.00
Later than 1 year and not later than 5 years	36.00	36.00
Later than 5 years	112.75	121.75

24. The Company has operating leases on premises leased to parties. The leases are for period of 36 months from the date of inception. The lease rentals received are included in the profit and loss account. Lease rental commitments from the parties are as follows.

	2008-09	2007-08
Not later than one year	41.03	12.82
Later than 1 year and not later than 5 years	73.75	13.70
Later than 5 years	Nil	Nil

Fixed assets provided on operating lease to the parties.

Building	Cost	70.27	79.46
	Depreciation	9.19	9.19
	Net book value	61.08	70.27

25. Company during the year ended 31.3.2007 had been awarded a compensation of Rs.48,34,458/- by the State Government in respect of part of land and portion of building thereon acquired by them for extension of National Highway in Mundiampakkam, Villupuram District. A balance amount of Rs.11,83,051/- is yet due from the State Government.
26. Company during the year ended 31.3.2009 had been awarded a compensation of Rs.8,10,150/- by the State Government in respect of further acquisition of part of land including structures thereon acquired by them for extension of National Highway in Mundiampakkam, Villupuram District. A balance amount of Rs.5,63,750/- is yet due from the State Government. The surplus realized has been shown under exceptional item.
27. Prior year expenses includes sales tax of earlier years paid as per pre-assessment notice amounting to Rs.2,39,86,511/-, reimbursement of traveling expenses to director amounting to Rs.5,84,766/- and other administrative expenses amounting to Rs. 2,15,408/-.

28. Pre-operative expenses included under Capital work in progress at Unit III at Gingee have been transferred to the respective assets as on date of commencement of commercial operations as under on a pro-rata basis:

	Rs.
Building	6,90,70,195
Plant & Machinery	34,57,44,128
Total	<u>41,48,14,323</u>

29. The company has filed a suit in the Madras High Court to declare void the derivative contract entered into with Axis Bank. The bank raised a claim of Rs.40.28 crores (including the amount due on expiry of the first leg and the amount due on the preclosure of the second leg which is expiring on 15.06.2009) and also filed a petition with Debt Recovery Tribunal, Mumbai. The Company has obtained a status quo order from the Division Bench of the Madras High Court.

The Bank has then filed a petition in the Supreme Court seeking transfer of the Company's suit from the Madras High Court to the Debt Recovery Tribunal, Mumbai. In the meanwhile, the status quo order of the Madras High Court remains valid in place. As the matter is still subjudice, no provision has been made for the amount or any part thereof in the accounts.

30. Deferred tax workings:

Particulars	Opening balance (Rs.)	Addition / Reversal (Rs.)	Closing balance (Rs.)
Deferred tax liabilities			
Depreciation	34,81,53,486	23,30,34,803	58,11,88,289
Total - A	34,81,53,486	23,30,34,803	58,11,88,289
Deferred tax assets			
Compensation under VRS	17,65,086	(10,77,007)	6,88,079
Unabsorbed losses	95,61,739	11,28,38,531	12,24,00,270
Disallowance u/s 43 B	1,04,09,538	42,24,402	1,46,33,940
Total - B	2,17,36,363	11,59,85,926	13,77,22,289
Net Deferred tax liability (A-B)	32,64,17,123	11,70,48,877	44,34,66,000
MAT Credit (C)	0	4,00,00,000	4,00,00,000
Net Deferred tax liability (A-B-C)	32,64,17,123	7,70,48,877	40,34,66,000

31. **Information about Segments: Primary segment - Business segments** (Rs. in Thousands)

Particulars	Sugar	Distillery	Others	Consolidated Total
REVENUE				
External Sales	33,99,071	2,91,439	-	36,90,510
Inter-segment Sales	88,634	-	-	88,634
Total Revenue	34,87,705	2,91,439	-	37,79,144
RESULT				
Segment result	5,80,224	1,35,550	-	7,15,774
Unallocated corporate expenses				90,116
Operating Profit				6,25,658
Interest Expense				2,60,006
Interest Income				-
Income Taxes				1,18,829
Profit from ordinary activities				2,46,823
Extraordinary Loss				(24,054)
Net Profit				2,22,769
OTHER INFORMATION				
Segment assets	65,70,143	90,182	-	66,60,325
Unallocated corporate assets	-	-	-	-
Total Assets				66,60,325
Segment Liabilities	50,27,480	430	-	50,27,910
Unallocated Corporate Liabilities				68,298
Total Liabilities				50,96,208
Capital Expenditure				-
Depreciation	1,30,623	4,987	-	1,35,610
Non-cash expenses other than depreciation	-	-	-	-



Notes:

a. The Company has identified business segments as primary segments. The reportable business segments are based on segment results.

b. Composition of the business segments and types of products in each of them is as under:

- | | |
|----------------|--|
| i. Sugar | White Crystal Sugar & Cogeneration of Electricity |
| ii. Distillery | Rectified Spirit, Denatured Spirit, Anhydrous Alcohol & Organic Manure |
| iii. Others | Property Development |

c. Inter Segment revenues are recognised at net realisable price as on the date of transaction and are eliminated in consolidation.

d. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

e. Secondary Segment:

Geographical segment has been identified as secondary segment based on segment revenue.

Domestic Sales	Rs. 303,10,52,393
Export Sales including carbon credit sales	Rs. 65,94,57,388
Total	Rs. 369,05,09,781

Export sales were to Sri Lanka, China and West Asian countries.

32. RELATED PARTY DISCLOSURE

Transactions with related parties

(Value in Rs.)

Particulars	Subsidiaries	Key Management Personnel	Relatives of key Management personnel	Other Related Parties	Total
Remuneration	-- (-)	1,56,54,434 (50,75,520)	-- (-)	-- (-)	1,56,54,434 (50,75,520)
Purchase of Goods	-- (-)	-- (-)	3,71,325 (1,57,489)	15,47,518 (10,91,587)	19,18,843 (12,49,076)
Purchase of Assets / materials	-- (-)	-- (-)	-- (-)	11,21,781 (4,99,437)	11,21,781 (4,99,437)
Sale of Assets / materials	28,85,319 (53,82,214)	-- (-)	-- (-)	-- (-)	28,85,319 (53,82,214)
Rendering of Services	-- (-)	-- (-)	-- (-)	64,626 (72,802)	64,626 (72,802)
Receiving of Services	-- (-)	-- (-)	-- (-)	34,12,724 (36,19,019)	34,12,724 (36,19,019)
Finance (including loans and equity contributions In cash or kind)	17,22,98,737 (3,19,17,133)	-- (-)	-- (-)	-- (-)	17,22,98,737 (3,19,17,133)
Interest paid	-- (-)	-- (3,67,394)	-- (-)	75,890 (-)	75,890 (3,67,394)
Interest received	1,41,05,143 (69,31,570)	-- (-)	-- (-)	-- (-)	1,41,05,143 (69,31,570)
Guarantee on behalf of Subsidiary company	17,95,00,000 (17,95,00,000)	-- (-)	-- (-)	-- (-)	17,95,00,000 (17,95,00,000)
Lease rent paid	-- (-)	-- (-)	-- (-)	-- (1,93,960)	-- (1,93,960)
Vehicle repairs	-- (-)	-- (-)	-- (-)	13,425 (33,505)	13,425 (33,505)
Rent received	-- (-)	-- (-)	-- (-)	20,000 (48,000)	20,000 (48,000)
Outstandings					
Payable	-- (-)	-- (-)	-- (12,734)	1,68,328 (2,48,584)	1,68,328 (2,61,318)
Receivable	21,33,68,450 (4,68,54,419)	-- (-)	-- (-)	13,750 (41,427)	21,33,82,200 (4,68,95,846)



Note:

Names of related parties and description of relationship

1. Holding Companies		
None		
2. Subsidiaries		
Trident Sugars 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		
Ms.Aiswarya Pathy		
7. Other Related Parties		
a. RSCL Properties Pvt Ltd		
b. Prana Ayurveda Coimbatore Pvt Ltd		
c. CAI Industries Ltd.		
d. Rajshree Automotive Ltd.		
e. Aloha Tours & Travels (India) Pvt Ltd		
f. P S G G M Trust		
g. Rajshree Spinning Mills Limited		
h. Raj Fabrics and Accessories (Cbe) Ltd		
i. Greenplus Manures Pvt Ltd		
33. Earnings per share	31.03.09	31.03.08
	Rs.	Rs.
a) Net profit before extraordinary items	22,27,69,039	5,37,53,940
Net profit after extraordinary items	22,27,69,039	(4,77,84,169)
b) Weighted average number of equity shares of Rs.10/-each outstanding during the year	2,26,91,700	2,26,91,700
c) Basic/Diluted earnings per share		
Before extraordinary items	9.82	2.37
After extraordinary items	9.82	(2.11)
34. Previous year figures have been regrouped wherever necessary to conform to current year's classification. Paise are rounded off to the nearest rupee.		

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary



Cash Flow Statement for the Year ended	31.03.2009 Rs.	31.03.2008 Rs.
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	365,651,466	48,080,536
Adjustment for:		
Depreciation	135,609,790	105,636,112
Loss / Profit on sale of Fixed Assets	(12,949)	86,916
Unrealised foreign exchange (gain) / Loss	0	(122,896)
Interest paid	260,006,375	141,263,223
Interest received	(21,235,868)	(7,916,276)
Operating profit before working capital changes	740,018,814	287,027,615
Adjustments for:		
Trade and other receivables	(94,482,143)	108,025,572
Inventories	(72,852,653)	4,883,637
Trade payables	(427,985,673)	551,245,441
Cash generated from Operations	144,698,345	951,182,265
Direct taxes (paid) / Refund	(42,123,541)	(6,331,826)
Cashflow before extraordinary items	102,574,804	944,850,439
Extraordinary items	(24,786,685)	(104,216,489)
Net cash from operating activities	77,788,119	840,633,950
B. Cash flow from investing activities		
Purchase of Fixed Assets	(515,151,800)	(1,662,181,935)
Sale of Fixed Assets - including compensation received on acquisition	1,000,503	15,302,958
Acquisition of Subsidiary	-	-
Interest received	21,235,868	7,916,276
Net Cash used in investing activities	(492,915,429)	(1,638,962,701)
C. Cash Flow from financing activities		
Proceeds from issue of Share Capital	-	-
Proceeds from / (Repayment of) long term borrowings	684,360,888	781,274,881
Proceeds from / (Repayment of) short term borrowings	112,021,244	54,575,199
Interest paid	(260,006,375)	(141,263,223)
Dividend paid including tax on dividend	-	(92,918,540)
Net Cash used in Financing Activities	536,375,757	601,668,317
Net Increase / (Decrease) in Cash and Cash Equivalents	121,248,447	(196,660,434)
Cash and cash equivalent as at the beginning of the Year	45,419,722	242,080,156
Cash and cash equivalent as at the close of the Year	166,668,169	45,419,722

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
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Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE****I Registration Details**

Registration No .	: L01542TZ1985PLC001706	State Code	: 18
Balance Sheet date	: 31-March-2009		

II Capital raised during the year (Amount in Rs. thousands)

Public Issue	: Nil	Rights Issue	: NIL
Bonus Issue	: Nil	Private placement	: NIL

III Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities	: 55,55,644	Total Assets	: 55,55,644
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Sources of Funds

Paid-up Capital	: 2,26,917	Reserves & Surplus	: 9,33,733
Secured Loans	: 39,86,993	Unsecured Loans	: 4,534
Deferred Tax	: 4,03,467		

Application of Funds

Net fixed assets	: 41,09,955	Investments	: 4,76,337
Net current assets	: 9,69,352	Misc. Expenditure	: --
Accumulated losses	: --		

IV Performance of Company (Amount in Rs. thousands)

Total Income	: 36,17,404	Total Expenditure	: 32,51,753
Profit Before Tax	: 3,65,651	Profit after tax	: 2,22,769
Earnings per share (Rs.)	: 9.82	Dividend Rate	: 10%

V Generic Names of three principal products/services of Company (as per monetary terms)

Item Code No. (ITC Code)	: 17011100
Product Description	: White Crystal Sugar
Item Code No. (ITC Code)	: 29.05
Product Description	: Industrial Alcohol
Item Code No. (ITC Code)	: Not Applicable
Product Description	: Electricity

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary



**STATEMENT SHOWING HOLDING COMPANY'S INTEREST IN ITS
SUBSIDIARY COMPANY PURSUANT TO THE PROVISION OF
SEC. 212 OF THE COMPANIES ACT, 1956**

01	Name of the Subsidiary	Trident Sugars Limited
02	Financial year of the subsidiary	31 st March 2009
03	Shares of the subsidiary held by Rajshree Sugars & Chemicals Limited and extent of holding as on 31 st March 2009	
	a) Number & Face Value	67,37,500 Fully paid-up Equity shares of Rs.10/- each
	b) Extent of Holding	100%
04	The net aggregate amount of Profit/(Loss) of the subsidiary for the above financial year so far as it concerns the members of the holding company	(in Rs.)
	a) Dealt within the accounts of Rajshree Sugars & Chemicals Limited for the year ended 31 st March 2009	NIL
	b) Not dealt within the accounts of Rajshree Sugars & Chemicals Limited for the year ended 31 st March 2009	3,32,42,167/-
05	Net aggregate amount of profits/(losses) for the previous financial year of the subsidiary since it became subsidiary so far as they concerned members of Rajshree Sugars & Chemicals Limited	
	a) Dealt within the accounts of Rajshree Sugars & Chemicals Limited for the year ended 31 st March 2009	Not Applicable
	b) Not dealt within the accounts of Rajshree Sugars & Chemicals Limited for the year ended 31 st March 2009	(17,65,63,266/-)

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary



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

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 2009, the consolidated Profit and Loss account and the 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, whose financial statements reflect total assets of Rs.62,60,34,432/- as at 31st March 2009 and total revenues of Rs.77,82,09,403/- and the net cash flows amounting to Rs.37,26,612/- for the year then ended.

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 subsidiary 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 subsidiary, 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 subsidiary as at 31st March 2009;
- b) the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Rajshree Sugars & Chemicals Limited and its subsidiary for the year then ended, and
- c) the Consolidated cash flow statement, of the cash flows of Rajshree Sugars & Chemicals Limited and its subsidiary for the year then ended.

For **SRIKISHEN & Co.**
Chartered Accountants

Place: Coimbatore
Date : 28th May 2009

K.Murali Mohan
Auditors, Proprietor
Membership No:14328

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009**

AS AT 31.03.2008 Rs.	PARTICULARS	SCHEDULE	AS AT 31.03.2009 Rs.
	I. SOURCES OF FUNDS		
226,917,000	1.SHAREHOLDERS' FUNDS		
730,000,000	(a) Share Capital	"A"	226,917,000
	(b) Reserves & Surplus	"B"	776,167,478
			1,003,084,478
	2. LOAN FUNDS		
3,427,394,433	(a) Secured	"C"	4,375,226,687
10,548,000	(b) Unsecured	"D"	4,534,000
			4,379,760,687
288,391,123	3.DEFERRED TAX		370,983,904
4,683,250,556	TOTAL		5,753,829,069
	II. APPLICATION OF FUNDS		
	1. FIXED ASSETS	"E"	
3,304,496,951	(a) Gross Block		5,748,381,300
828,055,395	(b) Less: Depreciation		982,497,707
2,476,441,556	(c) Net Block		4,765,883,593
1,779,598,716	(d) Capital Work in Progress		52,004,947
4,256,040,272			4,817,888,540
	2. CURRENT ASSETS AND LOANS & ADVANCES		
1,289,301,458	(a) Inventories	"F"	1,228,998,341
208,441,291	(b) Sundry Debtors	"G"	128,218,263
46,306,519	(c) Cash and Bank Balances	"H"	171,281,578
511,097,343	(d) Loans & Advances	"I"	575,007,301
2,055,146,611			2,103,505,483
	LESS: CURRENT LIABILITIES AND PROVISIONS		
1,808,024,098	(a) Current Liabilities	"J"	1,094,096,796
3,207,802	(b) Provisions	"K"	73,468,158
1,811,231,900			1,167,564,954
243,914,711	NET CURRENT ASSETS		935,940,529
183,295,573	3. PROFIT & LOSS ACCOUNT		-
4,683,250,556	TOTAL		5,753,829,069

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

**CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009**

31.03.2008 Rs.	PARTICULARS	SCHEDULE	31.03.2009 Rs.
	I. INCOME		
3,983,011,343	Gross Sales		4,522,478,506
169,216,512	LESS: Excise Duty		196,076,794
3,813,794,831	Net Sales		4,326,401,712
41,369,695	Other Income	"L"	29,827,421
27,089,204	Increase / (Decrease) in Stock	"M"	(94,766,158)
3,882,253,730	TOTAL		4,261,462,975
	II. EXPENDITURE		
2,929,665,897	Raw material Consumed	"N"	2,596,405,545
383,722,431	Manufacturing Expenses	"O"	406,867,877
213,337,458	Employee Cost	"P"	227,219,732
180,511,043	Interest	"Q"	311,826,816
156,465,087	Administrative Expenses	"R"	155,551,522
857,655	Loss in Sugar Trading - NCDEX		-
121,402,732	Depreciation		156,341,639
3,985,962,303	TOTAL		3,854,213,131
(103,708,573)	Profit before Exceptional items and Tax		407,249,844
-	ADD: Prior period Income		684,268
68,482	Compensation on acquisition - Surplus		733,155
30,657,301	LESS: Prior period Expense-Sales tax / Expenses		24,786,685
41,553,469	Impairment of assets		-
	LESS: Extraordinary items		
12,546,998	- Loss on sale of discarded assets		-
69,434,921	- Disputed Purchase tax		-
19,556,190	- Loss in Forex Derivative transaction		-
(277,388,970)	Profit / (Loss) before tax		383,880,582
-	LESS: Provision for - Tax		43,275,000
(60,854,000)	- Deferred Tax Liability / (Asset)		82,592,781
90,000	- Wealth Tax		150,000
1,460,000	- Fringe Benefit Tax		1,800,000
6,262,465	Income Tax paid / (Refund) of Prior Year		51,596
(224,347,435)	Profit / (Loss) after tax		256,011,205
41,051,862	ADD: Balance b/f from the previous year		(183,295,573)
-	Transfer to General Reserve		20,000,000
-	Proposed Dividend		22,691,700
-	Tax on Dividend		3,856,454
(183,295,573)	Balance Carried Over		26,167,478
(5.41)	Basic / Diluted Earnings per Share of Rs.10/- each before extraordinary items		11.28
(9.89)	Basic / Diluted Earnings per Share of Rs.10/- each after extraordinary items		11.28

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

**SCHEDULES FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2009**

31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
	SCHEDULE "A"	
	SHARE CAPITAL	
	AUTHORISED	
300,000,000	30,000,000 Equity Shares of Rs.10/- each	300,000,000
	ISSUED, SUBSCRIBED & PAID UP:	
226,917,000	22,691,700 Shares of Rs.10/- each fully paid-up	226,917,000
	SCHEDULE "B"	
	RESERVES & SURPLUS	
	RESERVES	
730,000,000	General Reserve	
-	Balance brought forward	730,000,000
730,000,000	Transfer from Profit & Loss account	20,000,000
-		750,000,000
730,000,000	Balance in Profit & Loss A/c	26,167,478
		776,167,478
	SCHEDULE "C"	
	SECURED LOANS	
	1. TERM LOANS	
166,155,000	A. From Financial Institutions & SDF	341,175,000
985,383,016	B. From Banks	1,451,474,008
1,251,500,000	C. ECB from Banks	1,445,250,000
	2. CASH CREDIT	
1,024,356,417	From Banks	1,137,327,679
3,427,394,433		4,375,226,687
	SCHEDULE "D"	
	UNSECURED LOANS	
10,548,000	Fixed Deposit	4,534,000
10,548,000		4,534,000

SCHEDULE "E" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2008 Rs.	Additions Rs.	Deletions Rs.	As on 31.03.2009 Rs.	As on 1.4.2008 Rs.	For the Year Rs.	Withdrawn Rs.	Upto 31.03.2009 Rs.	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
Goodwill	324,739,375	-	-	324,739,375	-	-	-	-	324,739,375	324,739,375
Land	77,034,326	11,937,131	76,995	88,894,462	-	-	-	-	88,894,462	77,034,326
Buildings	632,445,090	413,512,670	-	1,045,957,760	100,565,836	19,771,220	-	120,337,056	925,620,704	531,879,254
Plant & Machinery	2,157,152,406	2,008,464,324	861,460	4,164,755,270	681,960,380	129,784,805	861,460	810,883,725	3,353,871,545	1,475,192,026
Office Equipments	9,787,844	1,134,995	-	10,922,839	3,769,551	511,864	-	4,281,415	6,641,424	6,018,293
Furniture	7,472,588	1,744,865	-	9,217,453	4,343,006	397,165	-	4,740,171	4,477,282	3,129,582
Vehicles	37,894,476	6,276,037	1,167,171	43,003,342	19,549,685	3,183,987	1,004,039	21,729,633	21,273,709	18,344,791
Electrical Equipments	46,831,313	1,925,478	-	48,756,791	12,712,970	2,175,333	-	14,888,303	33,868,488	34,118,343
Tools & Equipments	6,778,415	876,045	-	7,654,460	3,504,057	309,089	-	3,813,146	3,841,314	3,274,358
Lab Equipments	4,361,118	166,530	48,100	4,479,548	1,649,910	208,176	33,828	1,824,258	2,655,290	2,711,208
Total	3,304,496,951	2,446,038,075	2,153,726	5,748,381,300	828,055,395	156,341,639	1,899,327	982,497,707	4,765,883,593	2,476,441,556
Work in Progress									52,004,947	1,779,598,716
Previous year	2,518,103,038	91,520,373	39,334,040	2,570,289,371	665,948,556	105,868,788	11,465,650	760,351,694	1,809,937,677	1,852,154,482



31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
SCHEDULE "F"		
INVENTORIES		
	As certified by the Managing Director and valued	
130,708	Raw materials at cost	28,314,165
1,094,588,991	Finished Goods at Cost (Previous year at net realisable value)	997,971,437
26,416,750	Stock in Process at cost	28,274,250
115,103,751	Stores & Spares at cost	123,423,231
53,061,258	Immovable Property at cost	51,015,258
<u>1,289,301,458</u>		<u>1,228,998,341</u>
SCHEDULE "G"		
SUNDRY DEBTORS		
UNSECURED & CONSIDERED GOOD		
8,367,215	Outstanding for more than six months	1,386,746
200,074,076	Others	126,831,517
<u>208,441,291</u>		<u>128,218,263</u>
SCHEDULE "H"		
CASH & BANK BALANCES		
795,508	Cash on hand	1,548,869
	<u>with Scheduled Banks</u>	
10,179,479	In Current Account	13,668,344
20,764,921	In Deposit Account	144,390,000
11,225,363	In Unpaid Dividend Account	9,694,773
3,341,248	In Current Account with MDCC bank	1,979,592
	(Maximum balance due at any time during the year Rs. 2,18,60,270/- Previous year Rs 2,17,31,303/-)	
<u>46,306,519</u>		<u>171,281,578</u>
SCHEDULE "I"		
LOANS & ADVANCES		
	Recoverable in cash or in kind	
	Unsecured considered good	
266,876,495	Advances to Ryots, Staff and others	261,684,521
10,278,914	Advances for Capital expenditure	18,252,235
11,263,621	Earnest, Security & Other Deposits	12,297,351
170,258,214	Excise deposits including Cenvat credits	182,257,310
38,354,246	Advance Income Tax	79,086,347
14,065,853	Prepaid expenses	21,429,537
<u>511,097,343</u>		<u>575,007,301</u>

31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
SCHEDULE "J"		
CURRENT LIABILITIES		
	Sundry Creditors	
-	Due to micro, small and medium enterprises	-
1,549,368,103	Due to others for purchases	713,364,752
82,997,620	Due to others for expenses	97,879,446
18,442,659	Due for Other finances	27,038,040
11,971,129	Advances received from customers	122,592,835
66,054,344	Excise Duty payable - Finished Goods Stock	64,014,394
	Investors Education and Protection fund shall be credited by the unpaid dividends *	9,694,773
11,225,363	Interest accrued but not due	59,512,556
48,408,690	Other liability	-
19,556,190		
<u>1,808,024,098</u>		<u>1,094,096,796</u>
* The figures reflect the position as at March 31,2009. The actual amount to be transferred to the Investors Education and Protection fund in this respect shall be determined on the due dates.		
SCHEDULE "K"		
PROVISIONS		
323,379	Provision for Gratuity	-
1,334,423	Provision for leave salary	1,694,790
1,550,000	Provision for Income Tax, Wealth Tax & FBT	45,225,214
-	Corporate Tax on Dividend	3,856,454
-	Proposed Dividend	22,691,700
<u>3,207,802</u>		<u>73,468,158</u>
SCHEDULE "L"		
OTHER INCOME		
241,437	Interest Income (TDS Rs. 12,243/-)	142,906
805,527	Interest on Term deposits TDS Rs. 15,28,378/-	7,050,077
735	Profit on sale of assets	39,603
20,405,531	Miscellaneous Income	17,271,068
-	Exchange rate Fluctuations	2,677,502
4,083,000	Forex derivative contract receipt	-
<u>15,833,465</u>	Insurance claim receipts	<u>2,646,265</u>
<u>41,369,695</u>		<u>29,827,421</u>
SCHEDULE "M"		
STOCK DIFFERENTIAL		
1,088,138,681	Opening stock of Finished goods	1,094,588,991
25,023,759	Opening stock in process	26,416,750
53,061,258	Opening property stock in trade	53,061,258
1,094,588,991	Closing stock of Finished goods	997,971,437
26,416,750	Closing stock in process	28,274,250
<u>53,061,258</u>	Closing property stock in trade	<u>51,015,258</u>
<u>7,843,301</u>		<u>(96,806,054)</u>
	(Add) / Less: Excise Duty on Increase /Decrease in stocks of Finished Goods	
<u>(19,245,903)</u>		<u>(2,039,896)</u>
<u>27,089,204</u>		<u>(94,766,158)</u>



31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
	SCHEDULE "N"	
	RAW MATERIAL CONSUMED	
268,791	Opening stock - raw materials	130,708
2,725,099,801	Purchase of Raw materials	2,409,565,720
-	Raw sugar purchases	52,516,274
40,590,127	Transport Charges	28,326,330
153,135,353	Purchase Tax	125,544,493
10,702,533	Cess	8,636,185
2,929,796,605		2,624,719,710
	LESS:	
130,708	Closing stock - raw materials	28,314,165
2,929,665,897		28,314,165
		2,596,405,545
	SCHEDULE "O"	
	MANUFACTURING EXPENSES	
248,368,857	Consumption of Stores	289,939,952
5,899,285	Other Manufacturing Expenses	5,272,328
25,541,633	Excise duty expenses	31,653,269
21,342,491	Power & Fuel	20,322,950
	Repairs & Maintenance	
10,155,818	Building	3,684,060
41,085,026	Machinery	24,444,739
10,209,628	Vehicles	11,140,960
21,119,693	Others	20,409,619
383,722,431		406,867,877
	SCHEDULE "P"	
	EMPLOYEE COST	
141,218,766	Salaries, Wages & Bonus	155,954,439
57,903,408	Welfare Expenses	55,716,900
14,215,284	Contribution to P F & Other funds	15,548,393
213,337,458		227,219,732
	SCHEDULE "Q"	
	INTEREST & FINANCIAL CHARGES	
64,094,548	On Term Loan	111,794,462
1,020,962	On Fixed Deposit	743,639
115,395,533	On Others	199,288,715
180,511,043		311,826,816
	SCHEDULE "R"	
	ADMINISTRATIVE EXPENSES	
1,963,765	Building rent	2,079,103
6,306,321	Licence Fees & Tax	8,051,976
11,291,394	Insurance Premium	13,220,437
71,378,157	Selling Expenses / Export expenses	40,604,683
-	Brokerage & Commission	344,007
5,057,520	Managerial remuneration	19,682,663
580,000	Directors sitting fees	600,000
	Auditor's remuneration	
350,000	- Statutory Audit fees	350,000
85,000	- Taxation matters	138,708
5,000	- Certification (excluding Rs 6000 relating to capital WIP)	68,941
61,000	Cost Audit fees	61,000
87,651	Loss on Sale of Assets	26,654
115,000	Charity & Donation	3,625,000
1,020,729	Exchange rate fluctuations	-
58,163,550	Other Expenses	66,698,350
156,465,087		155,551,522

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2009
PRINCIPLES OF CONSOLIDATION

1. The consolidated financial statements relates to Rajshree Sugars & Chemicals Limited ('the company') and its wholly owned subsidiary, Trident Sugars Limited. The consolidated financial statements have been prepared on the following basis.

- i) The financial statements of the Company and its subsidiary company 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 networth of the subsidiary and the cost of acquisition of investment in the subsidiary. For this purpose, the Company's share of networth 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.

2. SIGNIFICANT ACCOUNTING POLICIES
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 the 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. Actuarial gain and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account / work-in-progress.

iii) FIXED ASSETS

Fixed assets are stated at historical cost including allocable borrowing costs and net of specific subsidies, cenvat credit, if any, and depreciation.

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 Profit & Loss Account prepared for the said year on a net off basis. 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 realisable value as under:

- a) 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.
- b) In respect of immovable property cost is taken as the net payment for acquisition and expenses incurred therewith till the date of title perfection.
- c) 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.
- d) Stores and spares are valued at Weighted Average cost basis.

vii) INVESTMENTS

Investments, if any, 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 machinery costing less than Rs.5,000/-, 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 and are accounted as liabilities on the due dates.

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. Cenvat credit 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 includes 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 by the ICAI in Accounting Standard 28.

3. Estimated amount of contracts pending to be executed on capital account as on 31.3.2009 is Rs.45.05 lakhs. (Previous year Rs. 4238.42 lakhs)

4. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a. 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 Rs.42,49,634/- (Previous year: Rs.42,49,634/-)
- b. The Government had fixed the SMP for the sugar season 2003-04 at Rs.730/- per ton linked to 8.5% base recovery and the same has been contested before the Honourable High Court at Chennai which had admitted the petition and stayed the notification. The disputed liability amounting to Rs.171.67 lakhs and the additional sales tax of Rs.4.29 lakhs on the same, payable for the financial year 2003-04 and the disputed liability of Rs.99.57 lakhs and the additional sales tax of Rs.2.50 lakhs payable for the financial year 2004-05 has not been provided for in the accounts.
- c. The Company has provided a corporate guarantee of Rs.17.95 crores to State Bank of India in respect of Term loan and cash credit facilities sanctioned to the subsidiary company, Trident Sugars Limited. (Previous year Rs.17.95 crores).
- d. The Company has filed a review petition before the High Court of Judicature, Madras at Chennai in relation to the writ appeals with respect to purchase tax and the decision in the matter has been deferred by the High Court till disposal of similar issues by the Supreme Court in other cases. Hence no provision is made for other charges, if any, in this regard. The amount is indeterminate at this juncture.
- e. The Commissioner of Central Excise (Appeals) has upheld the order of the Central Excise department imposing a penalty of Rs.21 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.
- f. The company has export obligation of 3000 tons of white sugar on account of import of raw sugar under advance license scheme.
- g. Electricity generation tax demand for Rs. 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.

5. SECURED LOANS

- a) Term loans from Bank of India with limit of Rs. 15 crores are secured by:
 - i. Fixed & movable properties of sugar unit at Varadarajnagar (Unit-I), Theni District; and
 - ii. 1st charge on Block Assets of Sugar Plant at Mundiampakkam (Unit-II), Villupuram District; and
 - iii. Exclusive 1st charge on office premises (1st & 2nd Floor) at New Delhi.
- b) Short-term Bridge loan from IFCI Limited with limit of Rs. 21 Crores, availed against the amount sanctioned by the Sugar Development Fund (Government of India) is secured by first charge on the Company's movable and immovable properties of Unit-I.
- c) Term loans aggregating to Rs. 33 Crores (State Bank of India Rs. 13 Crores, UCO Bank Rs. 10 Crores and Indian Bank Rs. 10 Crores) are secured by:
 - i. 1st paripassu charge on the block assets of the cogeneration plant of Unit-II and
 - ii. 2nd paripassu charge on the current assets of the Company; and
 - iii. 3rd paripassu charge on the fixed assets of Unit-II.
- d) Term loans from Bank of India with limit of Rs. 6.60 Crores is secured by:
 - i. 1st paripassu charge on the block assets of the cogeneration plant at Mundiampakkam, Villupuram District; and
 - ii. 3rd paripassu charge on the co-generation project at Gingee, Villupuram District (Unit-III)
- e) Term loan from State Bank of Mysore with limit of Rs. 10 Crores is secured by:
 - i. 1st paripassu charge on the fixed assets of sugar plant at Unit-III; and
 - ii. 2nd paripassu charge on the fixed assets of Unit-II.
- f) Term loan from State Bank India with limit of Rs. 12 Crores is secured by:
 - i. 1st paripassu charge on the fixed assets of Unit-III; and
 - ii. Equitable mortgage of land and buildings thereon at SF No.375/1B1 - Extent 79 cents and 253 sq ft of land with buildings thereon at SF No.376/1A, 4 acres, 39 cents & 183 sq ft both situated at Vilankurichi village, Coimbatore North Taluk, Ganapathy.
- g) Term loan from Bank of India with limit of Rs. 2 Crores is secured by 1st paripassu charge on the fixed assets of Unit-III.
- h) ECB loan of Rs.125.15 crores is secured by 1st paripassu charge on the plant and machineries and 2nd charge on current assets of sugar and co-generation plants at Unit-III.
- i) Term loan from Bank of India with limit of Rs. 5.83 Crores is secured by :
 - i. Exclusive 1st charge on office premises (1st & 2nd Floor) at New Delhi; and
 - ii. 3rd paripassu charge on the fixed assets of co-generation plant Unit-II.
- j) Term loan from State Bank of India with limit of Rs. 30 Crores is secured by 1st paripassu charge on the current assets of the Company and a term loan of Rs.25 crores is secured by 1st paripassu charge on the current assets of the company & 1st paripassu charge on the sugar mill assets of Unit -II at Mundiampakkam.
- k) Term loan from State Bank of Hyderabad with limit of Rs. 5 Crores is secured by:
 - i. 1st paripassu charge on the current assets of the Company ; and
 - ii. 2nd paripassu charge on the fixed asset of sugar unit at Mundiampakkam, Villupuram District.
- l) Term loan of Rs.17.49 crores from Sugar Development Fund is secured by way of exclusive second charge on plant and machineries, equipments, furniture and fittings related to cogeneration and sugar factory at Mundiampakkam and by way of exclusive second charge on immovable properties of the Company at Mundiampakkam.
- m) Term loans aggregating to Rs. 28.40 crores (State Bank of Hyderabad Rs. 2.45 crores, State Bank of India Rs. 12.25 crores, UCO Bank Rs. 3.90 crores, State Bank of Mysore Rs. 4.90 crores and Bank of India Rs. 4.90 crores) received under the Scheme for Extending Financial Assistance to Sugar Undertakings are secured by Residual charge on paripassu basis on the fixed assets of Unit-I and Unit-II.
- n) Working capital limits of Rs.120 crores from consortium bankers are secured by hypothecation of current assets of the Company on first charge basis and guaranteed by a Director. It is also secured by way of second charge on immovable properties and plant and machineries of sugar and cogeneration units at Varadarajnagar and third charge on immovable properties and plant and machineries of cogeneration unit at Mundiampakkam and fourth charge on immovable properties and plant and machineries of Unit-II.
- o) Loan of Rs.9 crores from State Bank of India is secured by:
 - i. 1st charge on receivables from TNEB.
 - ii. 2nd paripassu charge on plant and machineries of sugar & cogeneration units at Varadarajnagar.
 - iii. 3rd paripassu charge on cogeneration plant of Unit-II
 - iv. 4th paripassu charge on sugar plant of Unit-II.
- p) Term loans of Rs.24.75 crores from Banks are secured by pari passu first charge on the Company's immovable properties and fixed assets at Madhunagar, Medak District and pari passu second charge on entire current assets of the company.
- q) Working capital loans of Rs.20 crores are secured by pari passu first charge on Company's current assets and pari passu second charge on Company's immovable properties and fixed assets at Madhunagar, Medak District.
- r) The term loan of Rs.6.42 crores sanctioned under SEFASU, 2007 is secured by residual charge on the fixed assets at Madhunagar, Medak District.

6. No amount is due to micro, small and medium enterprises in respect of sundry creditors. This is as per information available with the company about the status of the parties concerned.
7. 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.
8. Quantum of Excise Duty included in closing stock of finished goods is Rs.6,40,14,394 /- (Previous year Rs. 6,60,54,344/-).
9. Borrowing costs capitalized during the year is Rs.16,83,52,475/- (Previous year Rs.69,05,112/-).

10. Deferred tax workings: (Rs.in lakhs)

Particulars	Opening balance	During the year	Closing balance
Deferred tax liabilities			
Depreciation	3,903.63	2,383.23	6,286.86
Total (A)	3,903.63	2,383.23	6,286.86
Deferred tax assets			
Unabsorbed depreciation/losses	806.06	1,209.08	2,015.14
Expenses charged to Profit & Loss A/c but allowable in Income Tax on payment basis	213.66	(51.78)	161.88
Total (B)	1,019.72	1,157.30	2,177.02
Net Deferred tax liability (A-B)	2,883.91	1,225.93	4,109.84
Less: MAT Credit (C)	0.00	400.00	400.00
Net Deferred tax liability(A-B-C)	2,883.91	825.93	3,709.84

11. Information about Segments: Primary segment - Business segments (Rs. in Thousands)

Particulars	Sugar	Distillery	Others	Total
REVENUE				
External Sales	42,31,040	2,91,439	--	45,22,479
Inter-segment Sales	88,634	--	--	88,634
Total Revenue	43,19,674	2,91,439	--	46,11,113
RESULT				
Segment result	6,87,748	1,35,550	--	8,23,298
Unallocated corporate expenses				90,116
Operating Profit				7,33,182
Interest Expense				3,25,932
Interest Income				--
Income Taxes				1,27,870
Profit from ordinary activities				2,79,380
Extraordinary items				(23,369)
Net Profit				2,56,011
OTHER INFORMATION				
Segment assets	71,96,178	90,182	--	72,86,360
Unallocated corporate assets				
Total Assets				72,86,360
Segment Liabilities	56,82,971	430	--	56,83,401
Unallocated Corporate Liabilities				77,293
Total Liabilities				57,60,694
Capital Expenditure				
Depreciation	1,51,355	4,987	--	1,56,342
Non-cash expenses other than depreciation	--	--	--	--



Notes:

- a. The Company has identified business segments as primary segments. The reportable business segments are based on segment results.
- b. Composition of the business segments and types of products in each of them is as under:
- | | |
|----------------|--|
| i. Sugar | White Crystal Sugar & Cogeneration of Electricity |
| ii. Distillery | Rectified Spirit, Denatured Spirit, Anhydrous Alcohol & Organic Manure |
| iii. Others | Property Development |
- c. Inter Segment revenues are recognised at net realisable price and are eliminated in consolidation.
- d. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.
- e. Secondary Segment:
- Geographical segment has been identified as secondary segment based on segment revenue.
- | | |
|--|--------------------------|
| Domestic Sales | Rs. 386,30,21,118 |
| Export Sales including carbon credit sales | Rs. 65,94,57,388 |
| Total | <u>Rs. 452,24,78,506</u> |

12. RELATED PARTY DISCLOSURE

Transactions with related parties

(Value In Rs.)

Particulars	Key Management Personnel	Relatives of key Management personnel	Other Related Parties	Total
Remuneration	1,56,54,434 (50,57,520)	-- (-)	-- -	1,56,54,434 (50,57,520)
Purchase of Goods	-- (-)	3,71,325 (1,57,489)	15,47,518 (10,91,587)	19,18,843 (12,49,076)
Purchase of Assets	-- (-)	-- (-)	11,21,781 (4,99,437)	11,21,781 (4,99,437)
Sale of Assets	-- (-)	-- (-)	-- (-)	-- (-)
Rendering of Services	-- (-)	-- (-)	64,626 (72,802)	64,626 (72,802)
Receiving of Services	-- (-)	-- (-)	34,12,724 (36,19,019)	34,12,724 (36,19,019)
Finance (including loans and equity contributions In cash or kind)	-- (-)	-- (-)	-- (-)	-- (-)
Interest paid	-- (3,67,394)	-- (-)	-- (-)	-- (3,67,394)
Interest received	-- (-)	-- (-)	-- (-)	-- (-)
Vehicle repairs	-- (-)	-- (-)	13,425 (33,505)	13,425 (33,505)
Rent received	-- (-)	-- (-)	20,000 (48,000)	20,000 (48,000)
<u>Outstandings</u>				
Payable	-- (-)	-- (12,734)	-- (2,48,584)	-- (2,61,318)
Receivable	-- (-)	-- (-)	-- (41,427)	-- (41,427)



Note:

Names of related parties and description of relationship

1. Holding Companies
None
2. Subsidiaries
None
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
Ms.Aiswarya Pathy
7. Other Related Parties
 - a. RSCL Properties Pvt Ltd.
 - b. Prana Ayurveda Coimbatore Pvt. Ltd.
 - c. CAI Industries Ltd.
 - d. Rajshree Automotive Ltd.
 - e. Aloha Tours & Travels (India) Pvt. Ltd.
 - f. P S G G M Trust
 - g. Rajshree Spinning Mills Ltd.
 - h. Raj Fabrics and Accessories (Cbe) Ltd.
 - i. Greenplus Manures Pvt. Ltd.

13. Previous year figures have been regrouped wherever necessary to conform to current year's classification. Paise are rounded off to the nearest rupee.

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary



Consolidated Cash Flow Statement for the Year ended	31.03.2009 Rs.	31.03.2008 Rs.
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	407,249,844	(103,708,573)
Adjustment for:		
Depreciation	156,341,639	121,402,732
Loss / Profit on sale of Fixed Assets	(12,949)	86,916
Unrealised foreign exchange (gain) / Loss	0	(122,896)
Interest paid	311,826,816	180,511,043
Interest received	(7,192,983)	(1,046,964)
Operating profit before working capital changes	868,212,367	197,122,258
Adjustments for:		
Trade and other receivables	57,045,171	120,187,252
Inventories	60,303,117	(18,974,314)
Trade payables	(713,566,935)	688,624,027
Cash generated from Operations	271,993,720	986,959,223
Direct taxes (paid) / Refund	(42,333,483)	(6,597,584)
Cashflow before extraordinary items	229,660,237	980,361,639
Extraordinary items	(24,425,796)	(134,793,795)
Net cash from operating activities	205,234,441	845,567,844
B. Cash flow from investing activities		
Purchase of Fixed Assets	(524,694,306)	(1,781,493,887)
Sale of Fixed Assets - including compensation received on acquisition	1,000,503	15,302,958
Acquisition of Subsidiary	-	-
Interest received	7,192,983	1,046,964
Net Cash used in investing activities	(516,500,820)	(1,765,143,965)
C. Cash Flow from financing activities		
Proceeds from issue of Share Capital		
Proceeds from / (Repayment of) long term borrowings	635,096,992	916,294,881
Proceeds from / (Repayment of) short term borrowings	112,971,262	78,438,508
Interest paid	(311,826,816)	(180,511,043)
Dividend paid including tax on dividend	-	(92,918,540)
Net Cash used in Financing Activities	436,241,438	721,303,806
Net Increase / (Decrease) in Cash and Cash Equivalents	124,975,059	(198,272,315)
Cash and cash equivalent as at the beginning of the Year	46,306,519	244,578,834
Cash and cash equivalent as at the close of the Year	171,281,578	46,306,519

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director & Chief Operating Officer

Rajshree Pathy
Chairperson and Managing Director

Place: Coimbatore
Date : 28th May 2009

A. Sathyamurthy
Chief Financial Officer

R. Anand
Company Secretary

Ms. RAJSHREE PATHY
Managing Director

Mr. R. ANNADURAI
Director

Auditors

Registered Office

Factory

Bankers

23rd Annual Report 2008 - 2009

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 7th Annual Report with the audited financial statements for the year ended 31st March 2009.

Financial highlights

	2008-09 (Rs.in Lakhs)	2007-08 (Rs.in Lakhs)
Total Income	8391.22	5197.62
Profit before Interest and depreciation	1282.56	(898.43)
Interest	659.26	461.79
Depreciation	207.32	157.67
Exceptional Items	--	415.53
Prior period expenses	--	305.77
Profit before tax	415.98	(2239.19)
Provision for taxation	34.76	1.75
Add: Excess provision reversed	6.84	--
Provision for deferred tax	55.42	(476.01)
Income tax of prior period	0.22	0.69
Profit after tax	332.42	(1765.63)

Dividend

The Board of Directors have not recommended dividend for the year 2008-09.

Financial performance

The Company has earned a net profit of Rs.332.42 lakhs during 2008-09 as against a net loss of Rs.1765.63 lakhs in the previous year.

Operations

During the year under review, the factory has crushed 3,55,169 MT of sugarcane as against 3,96,363 MT of sugarcane crushed in the previous year. The lower crushing is due to diversion of cane to other factories by the farmers because of higher prices.

Future outlook

With the expected normal monsoon this year, the sugarcane crushing for the year 2009-10 is expected to be sustained at last year's level. As part of the expansion program, the crushing capacity has been increased from 2500 TCD to 3000 TCD in the first phase and in the next phase, the crushing capacity is proposed to be increased to 3500 TCD.

Directors

Mr.R.Varadarajan and Mr.R. Annadurai, Directors retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Auditors

M/s Srikishen & Co., Chartered Accountants, the present auditors of the Company, retire 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)

None of the employees of the Company were in receipt of remuneration, which in the aggregate exceeded the limits fixed under sub-section (2A) of the Section 217 of the Companies Act, 1956.

Directors' responsibility statement

Your Directors state that in the preparation of the annual accounts;

- I. the applicable 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 profit of the company for that period;
- III. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of 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.

Conservation of energy

Particulars required to be furnished under sub section 1(e) of section 217 of the Companies Act, 1956 are also annexed to this report.

Acknowledgement

Your Directors thank the Banks and Financing Institutions for their valuable and timely financial assistance and support provided to the Company. Your Directors also thank the cane growers, suppliers, Government Institutions and others for the cooperation extended to the Company. The Board also places on record its appreciation of the dedicated services rendered by the employees of the Company.

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

For and on behalf of the Board

Place: Coimbatore
Date : 28th May 2009

RAJSHREE PATHY
Managing Director

ANNEXURE 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:

Energy conservation measures taken during the year.

NIL

The total energy consumption and energy consumption per unit of production is given in Form A

Form A

Form for Disclosure of Particulars with respect to Conservation of Energy

a. Power and Fuel Consumption

S.No.	Power details	2008-09	2007-08
1	a) Electricity purchased (No. of units) Total amount (Rs.) Rate per unit (Rs.)	4,07,764 21,85,782 5.36	6,28,484 28,06,439 4.46
	b) Own generation		
	i)Through Diesel Generators (units) Units per Ltr of Diesel Cost per unit (Rs.)	1,37,592 4.23 8.59	1,73,064 3.52 9.71
	ii)Through steam turbine (units) Units per MT of bagasse Cost per unit (Rs.)	49,90,000 44 Own bagasse	74,69,500 185 Own bagasse
2	Coal consumed (Qty, Value, Avg Rate)	Nil	Nil
3	Furnace Oil consumed (Qty, Value, Avg. rate)	Nil	Nil
4	Firewood consumed (MT) Value of firewood consumed (Rs.) Avg. rate (Rs.)	Nil Nil Nil	277 3,18,435 1,150

b. Consumption per unit of production

Product	White crystal sugar 2008-09	White crystal sugar 2007-08
Electricity (units per Qtl of sugar)	15.75	22.16

B. TECHNOLOGY ABSORPTION:

FORM B

Form for disclosure of particulars with respect to absorption

Research and development

1. Specific areas in which R & D carried out by the Company and benefits derived

Nil

2. Expenditure on R & D

(a) Capital	Rs. Nil
(b) Recurring	Rs. Nil
(c) Total	Rs. Nil
(d) Total R & D expenditure as a percentage of total turnover	Nil

Technology absorption, adaptation and innovation

Efforts in brief towards technology absorption, adaptation and innovation and benefits derived

Nil

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total foreign exchange used and earned

Foreign exchange earned	:	Rs. Nil
Foreign exchange outgo	:	Rs. Nil

To

The Members of M/s Trident Sugars Limited

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009
- ii. in the case of the Profit and Loss Account, of the Profit 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

Place: Coimbatore
Date : 28th May 2009

K. Murali Mohan
Auditors, Proprietor
Membership No:14328

**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. In our opinion the company has not disposed a substantial part of its fixed assets during the year.
- (ii) a. Physical verification of inventory has been conducted by the management at reasonable intervals during the year.
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 taken unsecured loan from its holding company, company covered in the register maintained under section 301 of the Companies Act. The maximum amount involved in the above transaction net of periodical repayments is Rs.21,33,68,450/- and the year end balance is Rs. 21,33,68,450/-.
b. The Company has not granted any loans to the Companies, firms covered in the register maintained section 301 of the Companies Act.
c. In our opinion and according to the information and explanations given to us, the rate of interest & other terms and conditions of the loan taken are not prima facie prejudicial to the interests of the company.
d. In respect of said loan, 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 and according to the information and explanations given to us, the Company has not obtained any deposit from public during the year.
- 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 31.03.2009 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 (Rs. in lacs)	Forum where dispute is pending
APST	2006 - 07	Sales Tax	30.13	Sales Tax Appellate Tribunal, Hyderabad

- x) The accumulated losses are more than fifty percentage of its net worth. The company has not incurred cash loss during the financial year covered by our audit. The company 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) During the year the Company has not given any guarantee for loans taken by others, from banks or financial institutions.
- xvi) The Company has not availed any new term loan 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 no funds raised on short-term basis have been used for long-term investments.
- 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 during the year.
- xix) In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our audit report.
- xx) During the period covered by our audit report, the Company has not raised any money by public issues.
- 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

Place: Coimbatore
Date : 28th May 2009

K. Murali Mohan
Auditors, Proprietor
Membership No:14328

BALANCE SHEET AS AT 31st MARCH 2009

AS AT 31.03.2008 Rs.	PARTICULARS	SCHEDULE	AS AT 31.03.2009 Rs.
I. SOURCES OF FUNDS			
	1.SHAREHOLDERS' FUNDS		
67,375,000	(a) Share Capital	"A"	67,375,000
57,250,000	(b) Reserves & Surplus	"B"	57,250,000
			124,625,000
	2. LOAN FUNDS		
436,547,755	(a) Secured	"C"	388,233,877
45,819,713	(b) Unsecured	"D"	213,368,450
			601,602,327
606,992,468	TOTAL		726,227,327
II. APPLICATION OF FUNDS			
	1. FIXED ASSETS	"E"	
409,468,205	(a) Gross Block		424,129,224
67,703,701	(b) Less: Depreciation		88,435,550
341,764,504	(c) Net Block		335,693,674
52,618,513	(d) Capital Work in Progress		47,500,000
394,383,017			383,193,674
38,026,000	2. DEFERRED TAX ASSET		32,483,219
	3. CURRENT ASSETS AND LOANS & ADVANCES		
316,412,220	(a) Inventories	"F"	183,256,451
2,693,547	(b) Sundry Debtors	"G"	9,883,702
886,797	(c) Cash and Bank Balances	"H"	4,613,409
37,278,391	(d) Loans & Advances	"I"	45,087,196
357,270,955			242,840,758
	LESS: CURRENT LIABILITIES AND PROVISIONS		
344,690,339	(a) Current Liabilities	"J"	57,714,004
1,832,802	(b) Provisions	"K"	5,169,790
346,523,141			62,883,794
10,747,814	NET CURRENT ASSETS		179,956,964
163,835,637	4. PROFIT & LOSS ACCOUNT		130,593,470
606,992,468	TOTAL		726,227,327

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director

Rajshree Pathy
Managing Director

Place: Coimbatore
Date : 28th May 2009

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

31.03.2008 Rs.	PARTICULARS	SCHEDULE	31.03.2009 Rs.
I. INCOME			
513,902,524	Gross Sales		831,968,725
48,891,642	LESS: Excise Duty		60,912,495
465,010,882	Net Sales		771,056,230
5,859,728	Other Income	"L"	7,153,173
14,484,013	Increase / (Decrease) in Stock	"M"	(120,045,755)
485,354,623	TOTAL		658,163,648
II. EXPENDITURE			
457,514,397	Rawmaterial Consumed	"N"	422,149,001
66,674,177	Manufacturing Expenses	"O"	64,838,954
34,334,872	Employee Cost	"P"	34,063,618
46,179,390	Interest	"Q"	65,925,584
16,674,276	Administrative Expenses	"R"	8,856,263
15,766,620	Depreciation		20,731,849
637,143,732	TOTAL		616,565,269
(151,789,109)	Profit / (Loss) for the year		41,598,379
0	Add: Excess provision of earlier years reversed (Refer Note No.13)		684,268
(151,789,109)	Profit Before Tax		42,282,647
30,577,306	LESS: Prior period expenses		-
41,553,469	Impairment of assets		-
69,382	Income Tax paid / (Refund) of Prior Year		22,699
-	LESS: Provision for - Income Tax		3,275,000
(47,601,000)	- Deferred Tax (Net)		5,542,781
175,000	- Fringe Benefit Tax		200,000
(176,563,266)	Profit / (Loss) for the year after taxation		33,242,167
12,727,629	ADD: Balance b/f from the previous year		(163,835,637)
(163,835,637)	Balance Carried Over		(130,593,470)
(20.04)	Basic / Diluted Earnings per Share of Rs. 10/- each before extraordinary item		4.93
(26.21)	Basic / Diluted Earnings per Share of Rs. 10/- each after extraordinary item		4.93

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director

Rajshree Pathy
Managing Director

Place: Coimbatore
Date : 28th May 2009

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2009

31.03.2008 Rs.	PARTICULARS	31.03.2009 Rs.
	SCHEDULE "A"	
	SHARE CAPITAL	
	AUTHORISED	
<u>100,000,000</u>	10,000,000 Equity Shares of Rs.10/- each	<u>100,000,000</u>
	ISSUED, SUBSCRIBED & PAID UP:	
<u>67,375,000</u>	6,737,500 Shares of Rs.10/- each fully paid-up in cash The entire share capital of the company is held by the holding company M/s. Rajshree sugars & Chemicals Limited, and its nominees	<u>67,375,000</u>
	SCHEDULE "B"	
	RESERVES & SURPLUS	
	RESERVES	
<u>57,250,000</u>	Securities Premium Account	
<u>57,250,000</u>	Balance brought forward	<u>57,250,000</u>
	SCHEDULE "C"	
	SECURED LOANS	
	1. TERM LOANS	
248,959,991	From Banks	199,696,095
	2. CASH CREDIT	
<u>187,587,764</u>	From Banks	<u>188,537,782</u>
<u>436,547,755</u>		<u>388,233,877</u>
	SCHEDULE "D"	
	UNSECURED LOANS	
<u>45,819,713</u>	Inter corporate deposit from holding company	<u>213,368,450</u>

SCHEDULE "E" - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2008 Rs.	Additions for the Period Rs.	Deletions for the Period Rs.	As on 31.03.2009 Rs.	Up to 31.03.2008 Rs.	For the Year Rs.	Written Back Rs.	Upto 31.03.2009 Rs.	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
Land	3,887,826	3,144,051	-	7,031,877	-	-	-	-	7,031,877	3,887,826
Buildings	55,745,984	-	-	55,745,984	8,551,466	1,635,481	-	10,186,947	45,559,037	47,194,518
Plant & Machinery	344,375,204	11,371,520	-	355,746,724	57,077,217	18,519,235	-	75,596,452	280,150,272	287,297,987
Data Processing Equit	1,614,413	113,023	-	1,727,436	781,223	269,298	-	1,050,521	676,915	833,190
Office Equipments	137,649	16,250	-	153,899	22,889	6,643	-	29,532	124,367	114,760
Furniture	1,627,474	16,175	-	1,643,649	536,815	103,625	-	640,440	1,003,209	1,090,659
Vehicles	2,079,655	-	-	2,079,655	734,091	197,567	-	931,658	1,147,997	1,345,564
Total	409,468,205	14,661,019	-	424,129,224	67,703,701	20,731,849	-	88,435,550	335,693,674	341,764,504
Work in Progress									47,500,000	52,618,513
Previous year 2007-08	291,075,428	118,392,777	-	409,468,205	51,937,081	15,766,620	-	67,703,701	341,764,504	239,138,346

31.03.2008 Rs.	PARTICULARS		31.03.2009 Rs.
	SCHEDULE "F"		
	INVENTORIES		
	As certified by the Managing Director and valued		
286,130,112	Finished Goods at coast (PY net realisable value)	158,885,749	
6,560,021	Stock in Process at cost	624,000	
23,722,087	Stores & Spares at cost	23,746,702	
<u>316,412,220</u>			<u>183,256,451</u>
	SCHEDULE "G"		
	SUNDRY DEBTORS		
	UNSECURED & CONSIDERED GOOD		
272,493	Outstanding for more than six months	291,297	
2,421,054	Others	9,592,405	
<u>2,693,547</u>			<u>9,883,702</u>
	SCHEDULE "H"		
	CASH & BANK BALANCES		
129,482	Cash on hand	154,456	
	with Scheduled Banks		
703,266	In Current Account	4,352,443	
	with Unscheduled Banks		
54,049	Andra Pradesh Gramina Vikas Bank	106,510	
<u>886,797</u>	(Maximum balance due at any time during the year Rs. 1,81,94,657/- Previous year Rs. 1,36,89,130/-)		<u>4,613,409</u>
	SCHEDULE "I"		
	LOANS & ADVANCES		
	Recoverable in cash or in kind		
	Unsecured considered good		
27,083,664	Advances to Ryots, Staff and others	40,226,877	
1,207,531	Earnest, Security & Other Deposits	1,603,755	
8,299,676	Excise deposits including Cenvat credits	1,833,005	
176,804	Advance Income Tax, TDS, FBT	189,047	
510,716	Prepaid expenses	1,234,512	
<u>37,278,391</u>			<u>45,087,196</u>
	SCHEDULE "J"		
	CURRENT LIABILITIES		
	Sundry Creditors		
-	Due to micro, small and medium enterprises	-	
298,273,709	Due to others for purchases	31,858,975	
15,025,278	Due to others for expenses	4,402,914	
4,375,236	Due for Other finances	6,048,617	
1,034,706	Due to Holding Company	-	
462,415	Advances received from customers	4,061,823	
24,476,304	Excise Duty payable - Finished Goods stock	11,341,675	
1,042,691	Interest accrued but not due	-	
<u>344,690,339</u>			<u>57,714,004</u>

31.03.2008 Rs.	PARTICULARS		31.03.2009 Rs.
	SCHEDULE "K"		
	PROVISIONS		
175,000	Provision for Tax	3,475,000	
323,379	Provision for Gratuity	-	
1,334,423	Provision for Leave Salary	1,694,790	
<u>1,832,802</u>			<u>5,169,790</u>
	SCHEDULE "L"		
	OTHER INCOME		
62,258	Interest Income (TDS Rs. 12,243/-)	62,258	
5,581,323	Miscellaneous Income	6,371,583	
216,147	Insurance claim receipts	719,332	
<u>5,859,728</u>			<u>7,153,173</u>
	SCHEDULE "M"		
	STOCK DIFFERENTIAL		
268,650,412	Opening stock of Finished goods	286,130,112	
6,858,422	Opening stock in process	6,560,021	
286,130,112	Closing stock of Finished goods	158,885,749	
<u>6,560,021</u>	Closing stock in process	<u>624,000</u>	
17,181,299		(133,180,384)	
(2,697,286)	(Add) / Less: Excise Duty on Increase/Decrease in stocks of Finished Goods	13,134,629	
<u>14,484,013</u>			<u>(120,045,755)</u>
	SCHEDULE "N"		
	RAW MATERIAL CONSUMED		
433,735,019	Purchase of Raw materials	400,838,832	
23,779,378	Purchase Tax	21,310,169	
<u>457,514,397</u>			<u>422,149,001</u>
	SCHEDULE "O"		
	MANUFACTURING EXPENSES		
16,659,750	Consumption of Stores	38,249,474	
15,026,810	Consumption of Packing Materials	12,819,182	
892,868	Other Manufacturing Expenses	91,920	
4,294,142	Power & Fuel	2,170,277	
	Repairs & Maintenance		
2,050,078	Building	675,361	
20,711,204	Machinery	6,298,496	
934,967	Vehicles	696,420	
<u>6,104,358</u>	Others	<u>3,837,824</u>	
<u>66,674,177</u>			<u>64,838,954</u>
	SCHEDULE "P"		
	EMPLOYEE COST		
29,897,461	Salaries, Wages & Bonus	30,048,061	
1,752,879	Welfare Expenses	1,409,418	
2,684,532	Contribution to P F & Other funds	2,606,139	
<u>34,334,872</u>			<u>34,063,618</u>

31.03.2008 Rs.	PARTICULARS		31.03.2009 Rs.
	SCHEDULE "Q"		
	INTEREST & FINANCIAL CHARGES		
16,237,808	On Term Loan	21,655,863	
29,941,582	On Others	44,269,721	
<u>46,179,390</u>			<u>65,925,584</u>
	SCHEDULE "R"		
	ADMINISTRATIVE EXPENSES		
1,183,590	Licence Fees & Tax	597,818	
1,540,420	Insurance Premium	1,660,459	
9,123	Selling Expenses	828,656	
0	Brokerage & Commission	336,507	
	<u>Auditor's remuneration</u>		
100,000	- Statutory Audit fees	100,000	
25,000	- Taxation matters	33,708	
0	- Certification	23,441	
25,000	Cost Audit fees	25,000	
49,426	Ground Rent	65,515	
-	Charity & Donation	20,000	
5,440,282	Transport charges - Sugarcane diversion expenses	-	
8,301,435	Other Expenses	5,165,159	
<u>16,674,276</u>			<u>8,856,263</u>

SCHEDULE - S

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

(Annexed to and forming part of Balance Sheet as at 31st March, 2009 and Profit and Loss Account for the year ended on that date)

1. SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention

The financial statements are prepared under historical costing convention on a going concern basis, with revenue recognized and expenses accounted on accrual concept (including provisions and adjustments) and in accordance with the applicable accounting standards.

(b) Fixed Assets

Fixed Assets are stated at their Purchase cost less accumulated depreciation. Cost includes attributable expenses, pre-operational expenses, financing costs during the period of construction for qualifying assets and excludes Cenvat and Service Tax benefit enjoyed, if any.

(c) Preoperative expenses

Expenditure (including financing cost 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".

(d) Depreciation

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

(e) Inventories

Inventories are valued as under:

- | | |
|---------------------|--|
| i) Stores & Spares | - At Cost on weighted average basis |
| ii) By-products | - At net realisable value |
| iii) Finished Goods | - At Cost or net realisable value whichever is lower |
| iv) Work-in-Process | - At Cost or net realisable value whichever is lower |

(f) Employee Benefits

Contribution to Provident Fund made to appropriate authorities is charged to revenue. In respect of Gratuity, the company's contribution, calculated on actuarial basis, to the Group Gratuity Scheme of Life Insurance Corporation of India is charged to revenue. Amount payable towards leave encashment benefit as at the close of this year has been provided for in its entirety.

(g) Excise Duty

Excise duty payable on finished products/by-products held as stock at the year end has been provided for as expenditure for the year and included in the valuation of Closing Stock.

(h) Taxation

Tax expenses for the year comprising current tax and deferred tax are considered in determining the net profit for the year. Provision is made for the Current Tax based on tax liability computed in accordance with relevant tax rates and tax laws. Provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

(i) Earning Per Share

The earnings for the purpose of ascertaining the Company's EPS, comprises the net profit/(loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

(j) Impairment of Assets

Impairment is ascertained at each Balance Sheet date in respect of cash generating units and impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on their appropriate discount factor.

(k) Provisions and Contingent Liability

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Control of the Company.

(l) Income and Expenditure Recognition

Revenue on sales transactions is recognized as and when the property in goods sold is transferred to the buyers for a definite consideration. Income & Expenditure are recognized on accrual basis.

2. Licenced and installed capacity and production

Product	Licensed	Installed	Production		Unit
			2008-09	2007-08	
Sugar	NA	3000 TCD	35694.50	37315.90	MT
Molasses	NA	--	18205.90	22931.40	MT

3. Quantitative Particulars:
A. Raw material Consumed

(Value : Rs. in Lacs)

Product	Unit	2008-09		2007-08	
		Qty	Value	Qty	Value
Sugarcane	MT	355169	4221.49	396363	4575.14

B. Particulars in respect of stock and sale of goods manufactured

(Value : Rs. in Lacs)

Product	Unit	Opening Stock		Closing Stock		Sales	
		Qty	Value	Qty	Value	Qty	Value
Sugar	MT	18989.70 (18560.70)	2662.56 (2513.00)	10444.20 (18989.70)	1512.85 (2662.56)	44240.00 (36886.90)	6764.88 (4428.41)
Molasses	MT	8745.30 (7634.595)	198.74 (173.49)	2322.67 (8745.30)	76.01 (198.74)	24628.53 (21820.70)	815.73 (155.41)

4. Estimated amount of contracts remaining to be executed on Capital Account not provided for as on 31st March 2009 is Rs. Nil (Previous year Rs. Nil)

5. Contingent Liabilities not provided for :

- (a) Bank Guarantees outstanding
(b) Sales Tax

31.03.2009

Nil
30.13*

(Rs in lacs)
31.03.2008

Nil
Nil

* Appeal is pending before the Sales Tax Appellate Tribunal for the financial year 2006-07

6. Term loans from Banks are secured by pari passu first charge on the Company's immovable properties and fixed assets at Madhunagar, Medak Dist. and pari passu second charge on entire current assets of the company.

Working capital loans are secured by pari passu first charge on Company's current assets and pari passu second charge on Company's immovable properties and fixed assets at Madhunagar, Medak District.

The term loans and working capital limits are further secured by a corporate guarantee from Rajshree Sugars & Chemicals Ltd, the holding company.

Term loan sanctioned under SEFASU, 2007 is secured by residual charge on the fixed assets at Madhunagar, Medak District.

7. The Company is engaged in manufacturing and sale of sugar, which as per Accounting Standard AS- 17 is considered only reportable business segment. The geographical segment is not relevant as there are no exports.
8. No amount is due to Micro, Small and Medium Enterprises in respect of sundry creditors. This is as per the information available with the company about the status of the parties concerned.
9. Quantum of Excise duty included in closing stock of finished goods is Rs. 1,13,41,675/- (Previous year Rs. 2,44,76,304/-).
10. Borrowing costs capitalized during the year is Rs.Nil. (Previous year Rs.56,98,215/-) Borrowing cost included in Capital Work in Progress is Rs.Nil (Previous year Rs.5,21,314/-).
11. Interest charges is net of amount due Rs.21,98,902/- (Previous year - Rs.76,36,240/-) from Directorate of Sugar, Government of India towards buffer stock interest subsidy claim. This amount will be disbursed by them progressively. Entire amount is outstanding as on date.
12. Contributions towards Gratuity scheme has been made up to date as per the demands received from Life Insurance Corporation of India, based on actuarial valuation.

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

Defined Contribution Plan:

Contributions to Defined contribution plan, recognized and charged off for the year is as under:

Employer's contribution to Provident Fund	Rs. 22,98,699/-	Rs.26,84,532/-
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Defined Benefit Plan:

The employee's gratuity fund scheme managed by Life Insurance Corporation of India 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.

a. Reconciliation of opening and closing balances of Defined Benefit obligation (Rs.)	31.03.2009	31.03.2008
Defined benefit obligation at beginning of the year	45,57,826	52,94,064
Current service cost	3,64,626	4,46,917
Interest Cost	4,46,917	4,23,525
Actuarial (gain)/loss	4,77,228	(13,79,118)
Benefits paid	(5,52,533)	(2,27,562)
Defined benefit obligation at end of the year.	52,94,064	45,57,826
b. Reconciliation of opening and closing balances of fair value of plan assets (Rs.)		
Fair value of plan assets at beginning of the year	77,57,311	73,27,883
Expected return on plan assets	6,93,049	6,56,990
Actuarial (gain)/ loss	NIL	NIL
Employer contribution	NIL	NIL
Benefits paid	(5,52,533)	(2,27,562)
Fair value of plan assets at year end	78,97,827	77,57,311
Actual return on plan assets	6,93,049	6,56,990
c. Reconciliation of fair value of assets and obligations (Rs.)		
Fair value of plan assets as at 31 st March 2009	78,97,827	77,57,311
Present value of obligation as at 31 st March 2009	52,94,064	45,57,826
Amount recognized in Balance Sheet	(26,03,763)	(33,40,001)
d. Expenses during the year (Rs.)		
Current service cost	4,46,917	4,46,917
Interest cost	3,64,626	4,23,525
Expected return on plan assets	(6,93,049)	(6,56,990)
Actuarial (gain)/loss	4,77,228	(13,79,118)
Net cost	5,95,722	(11,65,666)

e. Investment details:

L.I.C. Group gratuity policy

f. Actuarial assumptions

Mortality table (L.I.C)	1994-96	1994-96
Discount rate (per annum)	8%	8%
Expected rate of return on plan assets (p.a)	8%	8%
Rate of escalation in salary (p.a)	5%	5%

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

13. Excess provision of earlier years written back aggregating to Rs.6,84,268/- includes amount provided for contribution to LIC under Group Gratuity Assurance Scheme of Rs.5,72,036/- and Gratuity payable of Rs.1,12,232/-.

14. Related Party Disclosures (where transactions have taken place)

- (i) Key Managerial Personnel
Ms. Rajshree Pathy

- (ii) Holding company: Rajshree Sugars & Chemicals Limited

- (iii) The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in lakhs)

Nature of Transaction	Parties referred to In (i) above	Parties referred to in (ii) above
Purchase of Fixed Assets	--	0.00 (50.44)
Purchase of Stores & Consumables	--	-- (3.38)
Sale of Stores & Consumables	--	28.85 (0.00)
Interest Paid	--	(141.05) (69.32)
Finance Opening	--	458.20 (717.42)
Loan taken	--	1722.99 (319.17)
Loan repaid	--	47.50 (632.00)
Closing	--	(2133.69) (458.20)
Credit Balances as at 31.03.2009	--	0.00 (10.35)

15. Break up of deferred tax liability/ assets and reconciliation of current year deferred tax charges:

(Rs. In Lakhs)

Particulars	Opening balance	Charge/Credit for the year	Closing balance
Deferred tax Assets			
Unabsorbed Depreciation/losses	710.44	80.70	791.14
Expenses charged to Profit & Loss account but allowable in Income Tax on payment basis	91.91	(83.25)	8.66
Total A	802.35	(2.55)	799.80
Deferred tax Liability			
Tax impact of difference between amount of fixed assets in the financial statements and the Income Tax Return	422.09	52.88	474.97
Total B	422.09	52.88	474.97
Total A-B	380.26	(55.43)	324.83

16. Earnings/(loss) per Share:	Year ended	Year ended
	31.03.2009	31.03.2008
a) Net Profit/(loss) attributable to Shareholders (Rs)		
(i) before extra ordinary items	33,242,167	(135,009,797)
(ii) after extra ordinary items	33,242,167	(176,563,266)
b) Weighted Average No. of Equity Shares	6,737,500	6,737,500
c) Basic Earnings/(loss) per Share of Rs.10/- each(Rs)		
(i) Before extra - ordinary items	4.93	(20.04)
(ii) After extra - ordinary items	4.93	(26.21)

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

- 17.** Remuneration paid to Whole Time Director Rs. Nil (Rs. Nil)
- 18.** In the opinion of Board of Directors, the Current Assets, Loans & Advances have a value on realisation equal to the amounts at which they are stated in the Balance Sheet, in the ordinary course of business.
- 19.** Balances under Current Liabilities and Loans & Advances are subject to the confirmation. However the management does not expect any material revenue impact in this regard.
- 20.** Raw materials and stores & spares parts consumed are 100% indigenous.
- 21.** CIF value of imports during the year is Rs. Nil (Previous year Rs. Nil)
- 22.** Expenditure in Foreign currency Rs. Nil (Previous year Rs. Nil)
- 23.** Earnings in Foreign currency Rs. Nil (Previous year Rs. Nil)
- 24.** Previous year figures have been regrouped wherever necessary to conform to current year's classification. Paise are rounded off to the nearest rupee.

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director

Rajshree Pathy
Managing Director

Place: Coimbatore
Date : 28th May 2009

Cash Flow Statement for the Year ended

**31.03.2009
Rs.**

**31.03.2008
Rs.**

Cash Flow Statement for the Year ended

A. Cash Flow from Operating activities:

Net Profit before taxation & extraordinary items 41,598,379 (151,789,109)

Adjustment for:

Depreciation 20,731,849 15,766,620

Interest paid 65,925,584 46,179,390

Interest received (62,258) (62,258)

Operating profit before working capital changes 128,193,554 (89,905,357)

Adjustments for:

Trade and other receivables (14,998,960) 38,145,610

Inventories 133,155,769 (23,857,951)

Trade payables (286,430,079) 137,120,270

Cash generated from Operations (40,079,716) 61,502,572

Direct taxes (paid) / Refund (22,699) (69,382)

Cashflow before extraordinary items (40,102,415) 61,433,190

Extraordinary items 0 (30,577,306)

Net cash from operating activities (40,102,415) 30,855,884

B. Cash flow from investing Activities

Purchase of Fixed Assets (9,542,506) (119,311,952)

Sale of Fixed Assets - -

Interest received 62,258 62,258

Net Cash used in Investing Activities (9,480,248) (119,249,694)

C. Cash Flow from Financing Activities

Proceeds from / (Repayment of) long term borrowings 120,184,877 156,824,628

Proceeds from / (Repayment of) short term borrowings (950,018) (23,863,309)

Interest paid (65,925,584) (46,179,390)

Dividend paid including tax on dividend - -

Net Cash used in Financing Activities 53,309,275 86,781,929

Net Increase / (Decrease) in Cash and Cash Equivalents 3,726,612 (1,611,881)

Cash and cash equivalent as at the beginning of the Year 886,797 2,498,678

Cash and cash equivalent as at the close of the Year 4,613,409 886,797

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director

Rajshree Pathy
Managing Director

Place: Coimbatore
Date : 28th May 2009

**Information required as per Part IV of Schedule VI of the Companies Act, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration Details

Registration No .	: U15424TZ2002PLC013368	State Code	: 18
Balance Sheet date	: 31-March-2009		

II Capital raised during the year (Amount in Rs. thousands)

Public Issue	: Nil	Rights Issue	: NIL
Bonus Issue	: Nil	Private placement	: NIL

III Position of mobilisation and deployment of funds (Amount in Rs. thousands)

Total Liabilities	: 7,26,227	Total Assets	: 7,26,227
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Sources of Funds

Paid-up Capital	: 67,375	Reserves & Surplus	: 57,250
Secured Loans	: 3,88,234	Unsecured Loans	: 2,13,368

Application of Funds

Net fixed assets	: 3,83,194	Investments	: Nil
Net current assets	: 1,79,957	Deferred Tax Asset	: 32,483
Accumulated losses	: 1,30,593	Misc. Expenditure	: Nil

IV Performance of Company (Amount in Rs. thousands)

Total Income	: 6,58,164	Total Expenditure	: 6,16,565
Profit Before Tax	: 42,283	Profit after tax	: 33,242
Earnings per share (Rs.)	: 4.93	Dividend Rate %	: Nil

**V Generic Names of three principal products/services of Company
(as per monetary terms)**

Item Code No. (ITC Code)	: 17011100
Product Description	: White Crystal Sugar

As per our report of even date
For **Srikishen & Co**
Chartered Accountants

K. Murali Mohan
Auditors, Proprietor
Membership No. 14328

R. Varadarajan
Director

Rajshree Pathy
Managing Director

Place: Coimbatore
Date : 28th May 2009

