



17th ANNUAL REPORT 2001



"Profitable growth continues"



BANNARI AMMAN SUGARS LIMITED

स्वे स्वे कर्मण्यमिरतः संसिद्धिं लभते नरः ।
स्वकर्मनिरतः सिद्धिं यथा विन्दति तच्छृणु ॥

BHAGAVADGITA (CHAPTER 18 VERSE 45)

A man who delights in his own duty gains success. Listen to how one devoted to his own duty finds success.

Our Motto and Objectives

Motto

Strive to perform best at all times

Objectives

Our endeavour is to :

- ◆ identify and improve the processes to have a continuous upgradation of the quality of the end products
- ◆ serve in the best interest of cane growers and shareholders
- ◆ maximise productivity by optimising all inputs
- ◆ expand and diversify utilising by-products in a planned manner

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Corporate Overview

Bannari Amman Sugars Limited continues to be one of the India's leading private sector sugar manufacturers. The company's sugar manufacturing units are located in Tamilnadu and Karnataka with an installed capacity of 2500 TCD and 5000 TCD respectively. The company has established a modern co-generation plant having installed capacity of 16 MW in Karnataka. The company has also a distillery and a Bio-Compost unit both located in Tamilnadu. In all these divisions, the by-products of the company are effectively used. The company also has a Granite Processing Unit adjacent to its Tamilnadu sugar unit.

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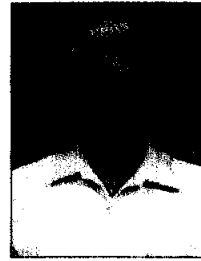
Bannari Amman Sugars is committed to consistently pursue profitable growth opportunities and enhance value for all its stake holders. Towards this goal, further expansion of the sugar unit and the implementation of co-generation project in Tamilnadu are in progress.



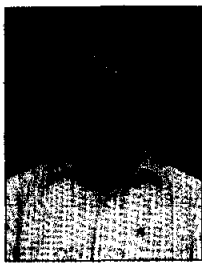
Board of Directors



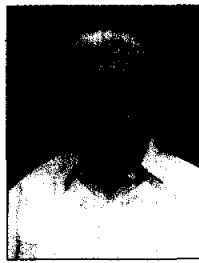
Sri S V Balasubramaniam
Chairman & Managing Director



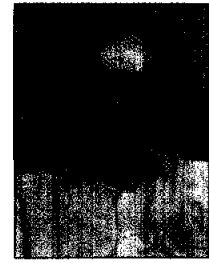
Sri V Venkata Reddy
Vice Chairman



Sri S V Alagappan



Sri K S Ramaswamy



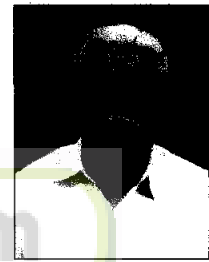
Sri S G Subrahmanyam



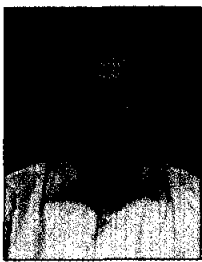
Sri P L Sivanappan



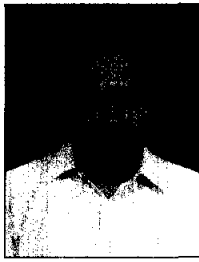
Dr K S Thirumalaiswamy



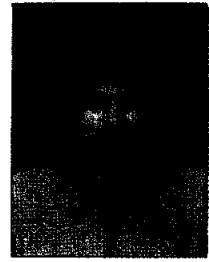
Sri A K Perumalsamy



Sri S V Arumugam



Sri E P Muthukumar



Sri B Saravanan
Joint Managing Director

Management Team

Sri S V Balasubramaniam
Chairman & Managing Director

Sri V Venkata Reddy
Vice Chairman

Sri B Saravanan
Joint Managing Director

Sri V Narayan
Senior Vice President (Sugar Unit-II)

Sri N Solairajan
Vice President (Head Office)

Sri P Dharmalingam
Vice President (Sugar Unit-I)

Sri V Haridas
Vice President (Granite)

Sri R Murugesan
General Manager (Finance)

Sri V L Rajagopal
General Manager (Technical)

Sri A Ramaswamy
General Manager (Distillery Division)

Sri K Sundaramoorthi
General Manager (Distillery-Factory)

Sri S Venugopalan
Company Secretary

Auditors

M/s P N Raghavendra Rao & Co
Chartered Accountants

Internal Auditors

M/s Srivatsan & Gita
Chartered Accountants

Registered Office

252 Mettupalayam Road
Coimbatore 641 043
Tamilnadu

Phone : 91-422-450045

Fax : 91-422-431199

E-mail : bascbe@vsnl.com

Website : http://www.bannari.com

Manufacturing Facilities

Sugar Unit-I & Granite Processing

Alathukombai
Erode District
Tamilnadu

Sugar Unit-II & Co-generation

Alaganchi
Mysore District
Karnataka

Distillery

Sinnapuliyur
Erode District
Tamilnadu

Bio-Compost

Modur
Erode District
Tamilnadu

Bankers

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

Registrars and Share Transfer Agents

M/s. Cameo Corporate Services Ltd.
Subramaniam Building, V Floor
1, Club House Road, Chennai - 600 002



Highlights Of The Financial Year

Operational Highlights

Sugar Division

	Tamilnadu Unit		Karnataka Unit	
	2000-2001	1999-2000	2000-2001	1999-2000
Installed Capacity (TCD)	2500	2500	5000	2500
Crushing Period (Days)	317	307	258	244
Cane Crushed (Lakh Tonnes)	9.31	8.67	10.31	7.02
Recovery Rate (%)	10.97	10.77	10.23	10.05
Sugar Production (Lakh Qtls)	10.19	9.31	10.51	7.03

Distillery Division

	2000-2001	1999-2000
Installed Capacity (Million Ltrs)	16.33	16.33
Production (B Ltrs)		
Rectified Spirit	20,06,333	25,69,657
Neutral Spirit	1,05,34,426	88,83,484

Granite Division

	2000-2001 (in sq.m)	1999-2000 (in sq.m)
GRANITE SLABS		
Installed Capacity	50000	50000
Production	33833	27862
GRANITE TILES		
Installed Capacity	10000	10000
Production	6843	7293
MONUMENTS		
Production	3759	2898

Co-generation

	2000-2001
Installed Capacity	16MWH
Power Generated (KWH)	44554000
Power Exported to Grid (KWH)	34531000

Financial Highlights – Company as a whole

(Rs in Lakhs)

	2000-2001	1999-2000
Gross Sales	28393.46	21774.34
PBIDT	5835.18	3672.66
Interest	2179.30	1248.09
Depreciation	1710.46	675.51
PBT	1945.42	1749.06
Income tax	167.00	252.00
PAT	1778.42	1497.06
Dividend (%)	27	25
Networth	13682.80	12025.13
Total Capital Employed	36045.59	29996.04



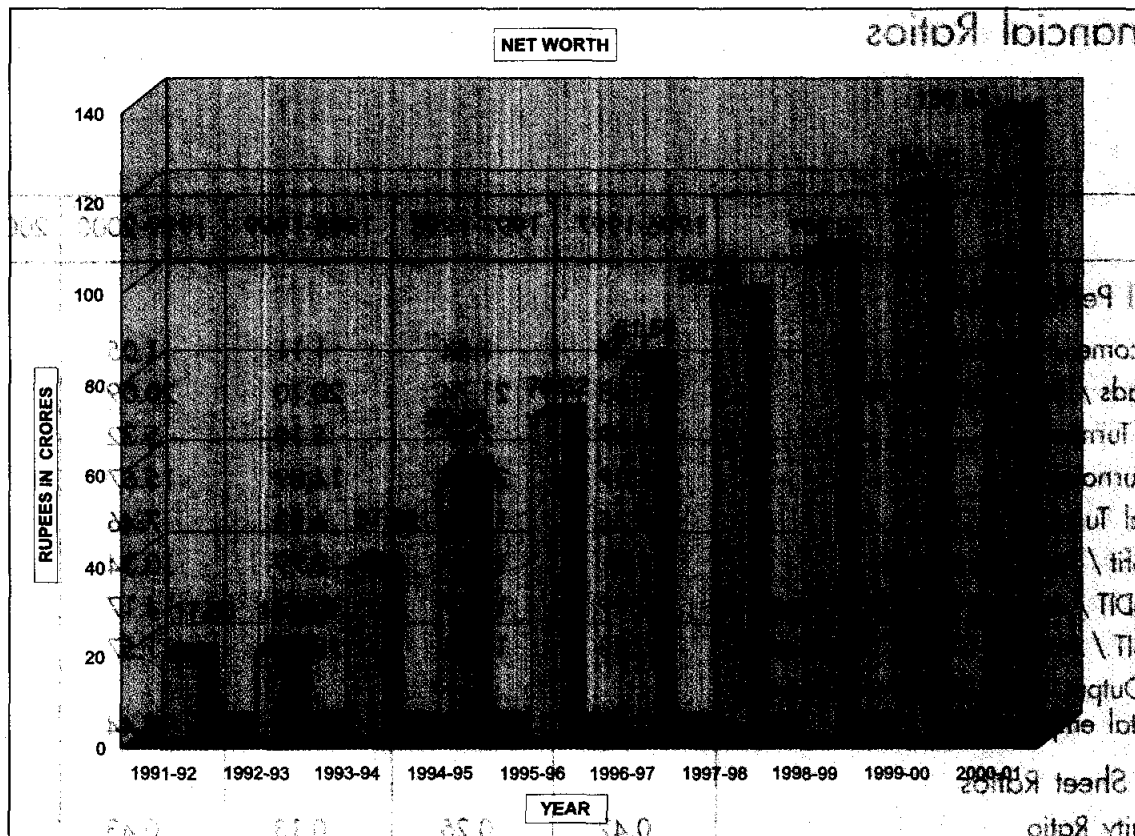
Key Financial Data

(Rs. in lakhs)

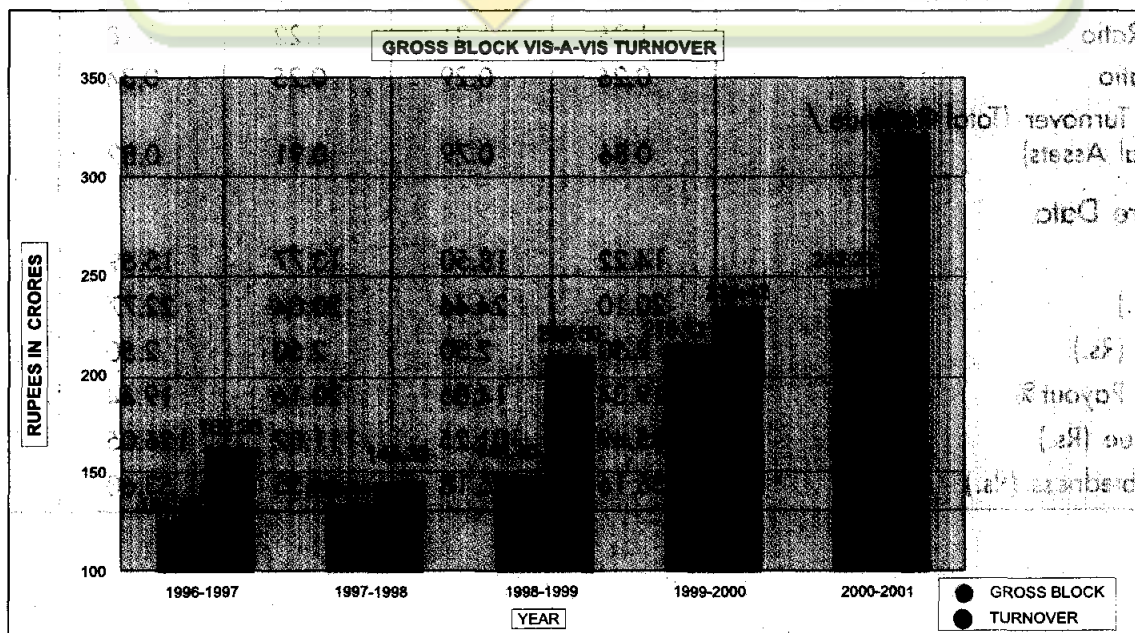
	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
Turnover	16233.19	14432.88	20949.94	23442.11	32109.81
Other Income	217.88	207.91	232.00	245.34	378.32
Total Income (Incl. Stock Adj.)	16973.25	15372.98	22315.69	24746.29	33706.43
Raw Materials	9510.13	7614.91	13349.98	14703.99	18568.01
Excise Duty	455.34	691.71	940.37	1075.77	1215.43
Overhead & Other Expenses	4141.40	3666.81	4945.79	5282.12	8066.22
Gross Profit	2953.89	3399.55	3079.55	3684.41	5856.77
PBDIT	2986.09	3440.55	3119.20	3672.66	5835.18
Depreciation	560.90	568.50	598.43	675.51	1710.46
Interest	1068.97	1106.74	1068.43	1248.09	2179.30
Pre-tax profit	1356.22	1765.31	1452.34	1749.06	1945.42
Tax	*	*	139.10	252.00	167.00
Post Tax Profit	1356.22	1765.31	1313.24	1497.06	1778.42
Equity Capital	953.97	953.97	953.97	953.97	953.97
Reserves	7201.67	8704.64	9737.98	11071.16	12728.83

Turnover = Net Sales + Closing Stock — Opening Stock

* Rs. 162.58 lakhs and Rs. 171.64 lakhs have been paid as Minimum Alternative Tax for the years 1996-97 and 1997-98 respectively. The MAT paid is treated as advance tax subject to adjustment as provided under Section 115JAA of the Income Tax Act 1961.



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Key Financial Ratios

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001
Financial Performance					
Other Income / Turnover %	1.34	1.44	1.11	1.05	1.18
Over heads / Total Turnover %	21.53	21.74	20.10	20.09	24.41
Interest / Turnover %	6.59	7.67	5.10	5.32	7.18
PBDIT / Turnover %	18.39	23.84	14.89	15.67	18.17
NP / Total Turnover %	8.35	12.23	6.93	7.46	6.06
Cash Profit / Total Turnover %	11.81	16.17	9.79	10.34	11.39
ROCE (PBDIT / Average Capital Employed) %	18.99	19.77	15.77	14.17	17.67
ROCE (PBIT / Average Capital Employed) %	15.43	16.51	12.75	11.57	12.49
Capital Output Ratio (Turnover / Average Capital employed)	103.23	82.93	105.92	90.44	97.24
Balance Sheet Ratios					
Debt Equity Ratio (long term Debt to equity)	0.42	0.25	0.13	0.43	0.44
Debtors' Turnover (Days)	18	20	17	20	24
Inventory Turnover (Days)	149	159	155	180	197
Current Ratio	1.26	1.31	1.22	1.18	1.21
Quick Ratio	0.26	0.29	0.25	0.34	0.33
Average Turnover (Total Revenue / Total Assets)	0.86	0.79	0.91	0.82	0.94
Per Share Data					
EPS (Rs.)	14.22	18.50	13.77	15.69	18.64
CEPS (Rs.)	20.10	24.46	20.04	22.77	36.57
Dividend (Rs.)	2.50	2.50	2.50	2.50	2.70
Dividend Payout %	19.34	14.86	20.16	19.44	15.96
Book Value (Rs.)	85.49	101.25	111.82	126.05	143.43
Net Indebtedness (Rs.)	36.16	25.18	14.55	53.60	62.58

Turnover = Net Sales + Closing Stock — Opening Stock