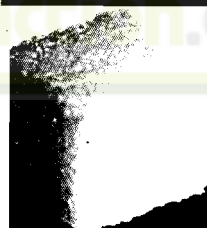
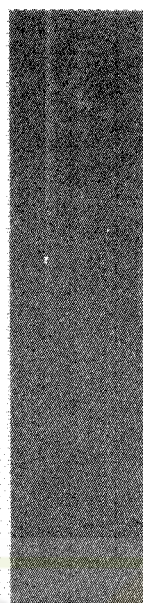


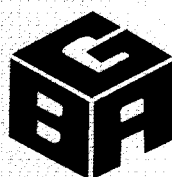


22nd annual report
2005 - 2006



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reaching greater heights



BANNARI AMMAN SUGARS LIMITED

Board of Directors

Chairman's Letter

Key Financial Data

Key Financial Ratios

Directors' Report

Corporate Governance &
Shareholders' Information

Management Discussion and Analysis

Auditor's Report

Balance Sheet

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Profit and Loss Account

Schedules

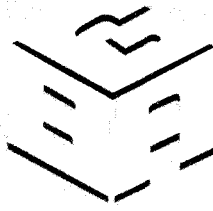
Cash Flow Statement

Cane Crush and Recovery

Financial Performance

**Sincerity in the discharge of one's chosen profession / work is duty.
Every work attains nobility when it is performed with devotion and sincerity.
Let us devote ourselves to the duties allotted to us or chosen by us.**

Bhagavadgita (Chapter 18 Verses 45 & 46)



BANNARI AMMAN SUGARS LIMITED

MOTTO

Strive to perform best at all times

OBJECTIVES

Our endeavour is to



Identify and improve the processes to have a continuous upgradation of the quality of the end products



Serve in the best interest of cane growers and shareholders



Maximise productivity by optimising all inputs



Expand and diversify utilising by-products in a planned manner

Bannari Amman Sugars Limited is engaged in the manufacture of sugar, industrial alcohol, bio-compost, granite products and generation & distribution of power.

SUGAR UNIT - TAMILNADU

Located in the eastern bank of river Bhavani at Alathukombai village near Sathyamangalam in the State of Tamilnadu, India. Average rainfall 600-700 mm per annum and the temperature 26°C - 38°C.

Started with an installed capacity of 1250 TCD in the year 1986; expanded to 2500 TCD in the year 1997 and to 4000 TCD in the year 2003.

More than 20000 families are benefited by way of direct and indirect employment.

Provides various infrastructure facilities viz. check dams, ponds, roads, lightings, sanitation, etc.

Health care provided by establishing a medical centre and conducting medical camps in villages.

Created educational awareness among the rural people.

Converted a rural village into not only a business centre but also an educational centre by attracting educational institutions from Kinder Garden to professional education.

More than 10000 sugar cane growers - 10000 hectares under cane - average yield 101 MT/hectare.

60 acres R&D farm for trials and demonstrations on new cane cultivation technologies, tests for suitability of new varieties, multiplying suitable cane varieties and conduct of coordinated Agronomic Experiment trials.

More than 90% of the cane area has high yield, high recovery mid-maturity variety viz. Co.86032.

Created unique record in maiden cane crush by working continuously for 507 days.

**PERFORMANCE -
OPERATIONAL****Financial
Year****No. of days
Crushed****Sugarcane
Crushed (in MTs)****Recovery %**

2001-2002

324

10,19,640

10.95

2002-2003

304

9,21,443

10.71

2003-2004

296

8,50,221

10.67

2004-2005

250

1,98,949

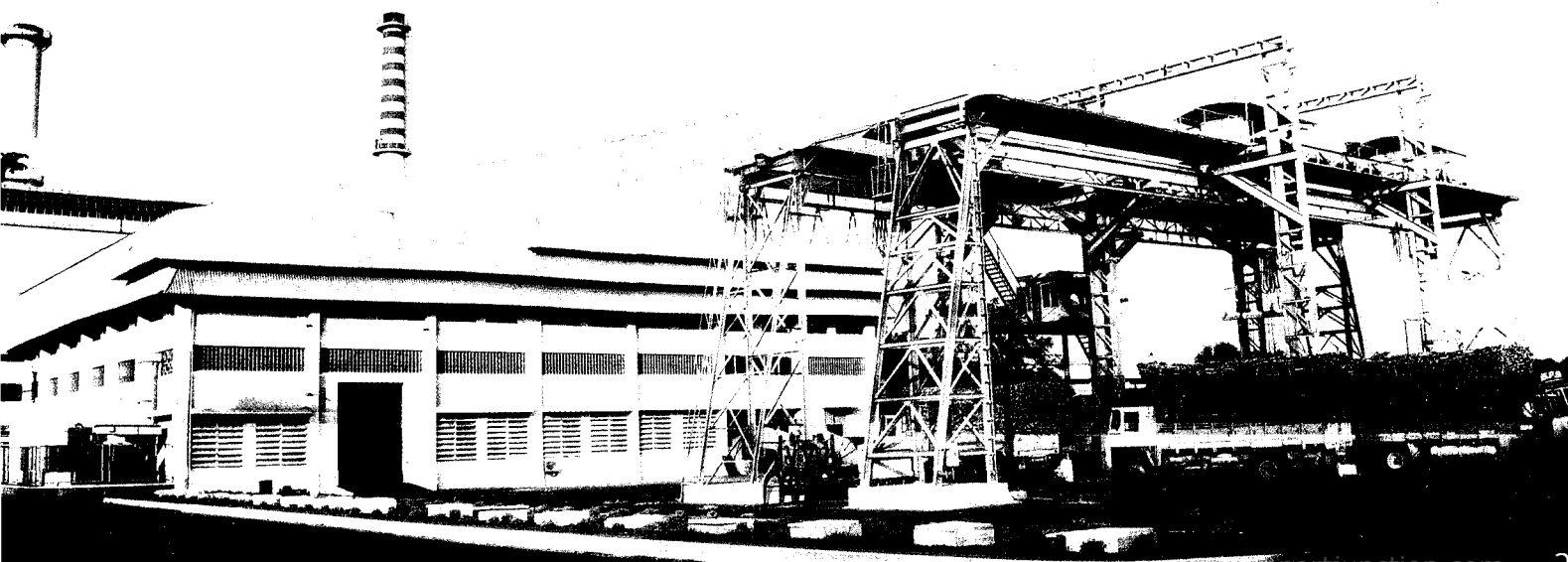
10.40

2005-2006

316

6,85,835

9.93



SUGAR UNIT - KARNATAKA

Located at Alaganchi Village near Nanjangud in the State of Karnataka, India. River Kabini, catering major portion of cane area, is a perennial river. Average rainfall 650- 750 mm and the temperature 15°C to 35°C.

Started with an installed capacity of 2500 TCD in the year 1992 and expanded to 5000 TCD in the year 2000. Expansion to 7500 TCD is under completion.

More than 30000 families are benefited by way of direct and indirect employment.

Provides various infrastructure facilities viz. water ponds, drinking water, roads, lightings, etc., to the rural surroundings.

Conducted free medical camps and eye camps in rural areas.

More than 28000 sugar cane growers - 20000 hectares under cane - average yield of 102MT/hectare.

25 acres of R&D farm to develop genotype varieties and also used to multiple tissue culture seedlings; Conducting coordinated Agronomic Experiment trials.

More than 80% of the cane area are planted with high yield high recovery variety viz. Co.86032.

PERFORMANCE - OPERATIONAL

Financial Year	No. of days Crushed	Sugarcane Crushed (in MTs)	Recovery %
2001-2002	267	12,61,299	10.71
2002-2003	270	13,21,328	10.87
2003-2004	282	14,40,125	10.85
2004-2005	264	8,83,981	10.04
2005-2006	240	10,33,059	10.61



CO - GENERATION

Tamilnadu

Bagasse based extraction-cum-condensing Turbo Generator set of 20MW Co-Generation plant synchronised with the Government Grid on 26-8-2002.

Aggregate power generated since commencement till 31 - 03 - 2006 is 494.46 million units.

Aggregate power exported to Government Grid since commencement till 31 - 03 - 2006 is 364.87 million units.

Karnataka

First Co-generation plant of 16 MW was installed in the year 2000 and expanded to 36 MW in the year 2004.

Two numbers of bagasse based Co-generation Systems of 16 MW and 20 MW Steam Turbo Generators.

Aggregate power generated since commencement till 31 - 03 - 2006 is 545.18 million units.

Aggregate power exported to Government Grid since commencement till 31 - 03 - 2006 is 398.90 million units.

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GRANITE UNIT - TAMILNADU

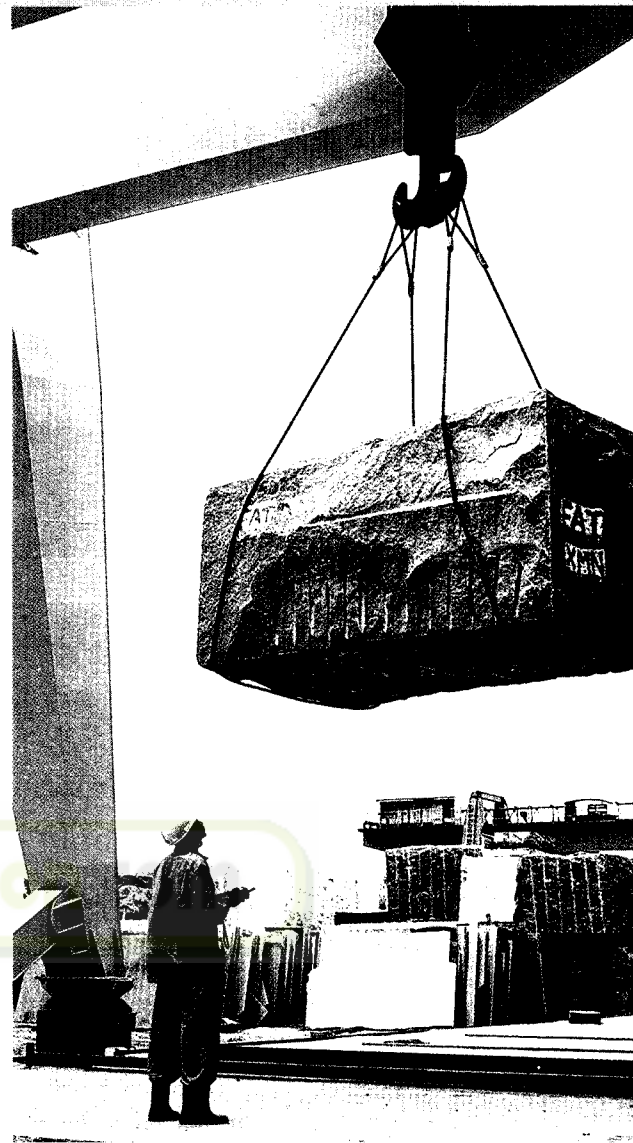
Located adjacent to Sugar Unit-I.

One of the most modern granite units in the Country using Imported Machinery.

Engaged in the production and export of granite slabs, tiles and monuments.

The important colour materials processed are Paradiso, Lillet, Tanbrown, Saffire Blue, Kashmir Gold, Yellow Jubrana, Black absolute, Black galaxy etc.,

Our main exports are to USA, Europe and Australia.



DISTILLERY UNIT - TAMILNADU

Located at Sinnapuliur Village near Erode in the State of Tamilnadu, India.

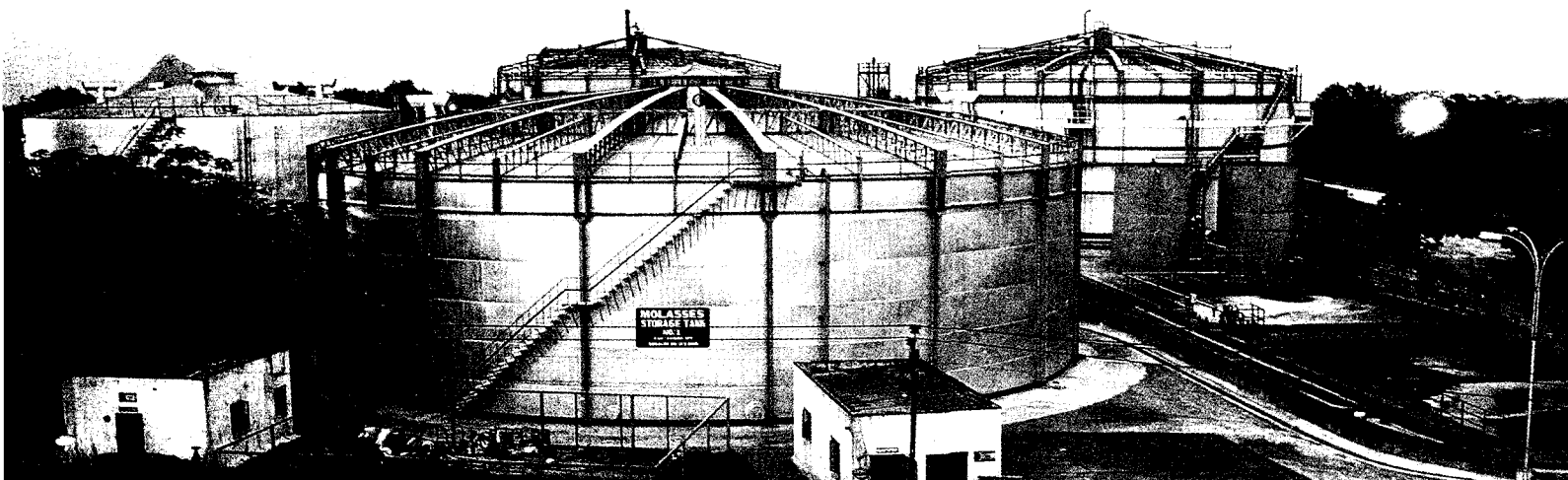
One of the most modern distillery units in the Country adopting HIFERM-C continuous fermentation techniques.

Installed Capacity of 60 Kilo liters of Spirit per day.

Engaged in the production of Rectified Spirit, Neutral Spirit, Denatured Spirit, etc.

Two bio-gas plants are installed for effectively treating the spentwash let-out and for harnessing the valuable bio-gas generated in the anaerobic treatment process for final use as fuel in the boilers.

Green-Belt has been developed by planting large number of trees all-around the distillery.



DISTILLERY UNIT - KARNATAKA



Located adjacent to Sugar Unit - II.

Distillery with latest Technology viz., HIFERM-C continuous fermentation with energy efficient multi pressure distillation plant.

The Distillery plant is designed with reboilers and recycling of spentwash and achieving spentwash generation of 8 Ltrs / Ltr of Alcohol.

Installed Capacity of 60 Kilo liters of Spirit per day.

Commissioned in March 2005.

Engaged in the production of Rectified Spirit, Neutral Spirit and Denatured Spirit.

BIO-COMPOST

Tamilnadu

Located at Modur Village near Sathyamangalam in the State of Tamilnadu, India.

Sugar Factory press-mud waste is converted into useful Bio-compost manure using the organo mineral rich spentwash generated from the distillery, during alcohol production.

Strong foundation for "RECYCLE-REUSE- REDUCE " concept leading to "Waste into Wealth".

Established a full fledged Bio-compost monitoring laboratory to analyse the input materials used for composting, finished product and soil samples.

Market for compost manure is steadily on the increase as more and more farmers are on the lookout for compost organic manure.

SALIENT FEATURES OF ENRICHED BIO-COMPOST

Boosts crop yield.

Bio-compost helps the farmers to minimise the usage of chemical fertilizer.

Enhances the growth of soil microflora.

Increases the water retention capacity of the sandy soil.

Altogether improves the soil structure, texture and organic content of the soil, for better crop yield.

Karnataka

A full fledged Bio-compost Unit to utilise the emerging nutrient rich spentwash using Sugar factory pressmud and convert it into Bio-compost manure is established.

10 Acres concreted compost yard and latest Aerotiller machine with compost handling equipments are in use.

Ready compost is pulverized and sold in 50 Kg bags to the farmers.

To monitor the process, analyse the end products and conduct R & D programme, a modern laboratory is established.

