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THIRU AROORAN SUGARS LIMITED
ANNUAL REPORT 2002 - 03



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Our vision

To achieve enhanced, sustainable, long-term shareowner value in responsible partnership with the environment.

Our mission

- To maximise value from cane through core and downstream operations.
- To pursue efficient solutions through front-line technologies for delivering value.
- To be recognised as the industry proxy for balanced growth.
- To be respected as a credible and dependable partner with its stakeholders - the farmers, customers and employees.
- To remain committed to the highest standards of conduct which includes a respect for the laws of the land, the production of an output of acceptable quality, protection of the environment in which the company operates and fairness in dealings with its stakeholders.

Our Stakeholder philosophy

To provide :

- Our shareowners with a superior long-term return for their investment in the company
- Our farmers with a remunerative price;
- Our consumers with a consistently high quality of output;
- Our employees at all levels with challenging and satisfying work that includes continuing opportunities for personal development, and
- Our society with an exemplary demonstration of social responsibility and citizenship at the corporate level.

Our quality policy

The objective of Thiru Arooran Sugars is to evolve and consistently maintain a Quality Management System across all departments so as to conform to national and international standards in all its end products.

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Our quality objectives

To identify and improve farming methods to produce quality cane and continuously improve on the same through in-house Research and Development as well as through a continuous interaction with farmers and institutions.

To identify, improve and follow the process of continuous upgradation of the end products.

To improve productivity by adopting preventive maintenance of the plant and machinery.

To improve work methods for increasing efficiency at various levels of operations, thus meeting quality standards and reducing cost.

To develop a long-term relationship with suppliers for ensuring better values and quality in a manner that is mutually satisfactory with no conflict of interest.

To run operations within each parameter of pollution and environmental standards to the satisfaction of all relevant stakeholders.

To create a culture of quality through continuous training and educational programmes for employees at all levels in the organisation.

Corporate

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The management and preservation of the environment is a prime and challenging responsibility of business today. The expansion of commercial interests has so degraded the living environment that the big question is whether we can at all hand the earth down to succeeding generations in a form which enables them to live and prosper in dignity.

The challenge is therefore to produce, without depleting the natural resources. Without disturbing the ecology and to be able to do it repeatedly. The emphasis is on 'renewable'.

Thiru Arooran prides itself on making an honest effort on being able to live up to this philosophy. The molasses generated as co-product from the manufacture of sugar is converted into alcohol which, in turn, is used to produce chemicals that would otherwise be manufactured through non-renewable resources. Some of these co-products can also be used as an additive to petrol in motor vehicles, thus enabling the conservation of limited crude resources. The other co-product bagasse, derived from the crushing of sugarcane, is used to generate power, thereby reducing the use of fossil fuels.

The effluent from the production of alcohol is composted with the co-product pressmud from the sugar factory to produce an organic manure which is used by farmers to improve the organic content in the soil. This enables the farmers to return to the soil what they take out of it.

All these activities at Thiru Arooran are truly renewable and can be sustained as long as we continue to grow sugarcane.

Board of Directors

Mr. R V Tyagarajan

Chairman and Managing Director.

A graduate in Chemical Engineering from the IIT Madras and a Master of Science in Management from the Sloan School of Management at MIT, Cambridge, Massachusetts, USA. Also a Director of Tube Investments of India Ltd. (Among others)

Mr. V Thirupathi,

Nominee Director of ICICI Bank Ltd.

Retired Senior Executive of ICICI Limited.

Dr. A Ramachandran,

Director.

Chairman of the Advisory Committee and R&D Committee in the Ministry of Non-conventional Energy Sources. Also a Director in ILFS Trust Limited. Has formerly held the positions of Under-Secretary General and Executive Director of the United Nations Centre for Human Settlements (Habitat), Director General of the CSIR and Secretary to the Government of India in the Ministry of Science and Technology.

Mr. R Vijayaraghavan,

Director.

Professionally an advocate, also holds directorships in Amrutanjan Ltd., Redington (India) Ltd., Sanco Trans Ltd and Fenner (India) Ltd.

Ms. Malathi Ram Tyagarajan,

Director.

Represents the promoter shareholders.

Company Secretary

Mr. K. Nagarajan

Bankers

- State Bank of India
- ICICI Bank Limited
- Punjab National Bank
- Union Bank of India
- Canara Bank
- UCO Bank
- UTI Bank Limited

Auditors

M/s. S.N.S. Associates

Registered Office

El Dorado, Fifth Floor,
112, Nungambakkam High Road,
Chennai - 600 034
Phones : 2827 6001, 2827 8267
Fax : 044-2827 0470

Shareholders' information

Date and Venue of Annual General Meeting

Thursday, 4th December, 2003 at 10.30 A.M. at Rani Seethai Hall No. 603, Anna Salai, Chennai 600 006.

Financial Calendar

Financial Reporting for the Quarter Ended

- September 30, 2003 : on or before Oct. 31, 2003
- December 31, 2003 : on or before Jan. 31, 2004
- March 31, 2004 : on or before April 30, 2004
- June 30, 2004 : on or before Sept. 30, 2004

Share Price Movements

The high and low prices of the company's shares on the National Stock Exchange and Mumbai Stock Exchange between July, 2002 and June, 2003 are as under :

Month	National Stock Exchange		Mumbai Stock Exchange,	
	High Rs.	Low Rs.	High Rs.	Low Rs.
July 2002	35.65	23.50	35.50	24.50
August 2002	26.90	21.55	26.00	20.10
September 2002	23.50	17.35	23.10	20.05
October 2002	23.10	16.80	21.45	18.00
November 2002	24.80	16.65	20.90	17.50
December 2002	25.20	18.25	23.50	18.50
January 2003	25.20	19.50	23.90	18.60
February 2003	21.50	17.60	19.00	18.15
March 2003	20.85	16.95	18.55	16.05
April 2003	20.70	16.55	19.10	15.50
May 2003	24.45	17.80	22.10	18.10
June 2003	33.30	19.00	33.00	20.90

Share Details

Market Lot. 100 Shares

Listing and Trading of Company's Equity Shares

The Company's Equity Shares are listed on the following Stock Exchanges in India. The Company has paid the annual renewal

fees upto March 31, 2004 to all the stock exchanges on which its equity shares are listed.

The National Stock Exchange Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra - Kurla Complex
Bandra (E), Mumbai 400 051

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

The Madras Stock Exchange Limited
P.B. No. 183, No. 11 Second Line Beach
Chennai 600 001

Dematerialisation of Equity shares

The trading in the Company's Equity Shares on the specified Stock Exchanges have to be compulsorily settled in the electronic form by all investors. The Company has entered into tripartite agreement along with the Registrar and Share Transfer Agents of the company with two depositories viz., National Securities Depository Limited (NSDL) and Central Depository Securities Limited (CDSL).

The Equity Shares of the Company have been admitted for dematerialisation by these depositories with the International Securities Identification Number (ISIN) - INE 409A01015.

Members desiring to know further details, may contact NSDL and CDSL at their following address.

National Securities Depository Limited
Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 023

Central Depository Securities Limited
Phiroze Jeejeebhoy Towers, 28th Floor
Dalal Street
Mumbai 400 023

Registrars and Share Transfer Agents

M/s. Integrated Enterprises (India) Limited
 2nd Floor, 'Kences Towers',
 No.1 Ramakrishna Street,
 North Usman Road, T. Nagar,
 Chennai - 600 017.
 Phone: 044-2814 0801
 Fax: 044-2814 2479

Nomination Facility

The Companies Act, 1956 and the Rules prescribed thereunder provides for nomination of shares. The shareholders can now nominate a person with whom the shares shall vest in the event of death of the shareholders. The nomination can be made only by individuals holding shares of the company either in sole name or jointly with another (not exceeding one joint holder). The nominee shall be an individual. In the case of nominee being a minor he / she may be represented by his / her natural guardian

or a court appointed guardian. The transfer of shares in favour of a nominee shall be a valid discharge by the company against the legal heirs. The nomination shall stand rescinded upon transfer of shares. The nomination by a shareholder can be changed or cancelled at any time by giving due notice and upon execution of a fresh nomination form.

Communication

All share transfers should be forwarded to the Registrars & Share Transfer Agents of the Company. All communications should be forwarded to the Registered Office of the Company marked to the attention of the Company Secretary. Share Transfers will normally be registered and returned within 30 days from the date of receipt of correct documents.

Investors complaints / grievances not resolved within 30 days should be addressed to the Chairman & Managing Director for redressal.

Distribution of shareholding (as at the year end)

No. of Equity Shares held	2002-2003				2001-2002			
	No. of Share holders	% of Share holders	No. of Shares held	% Share holding	No. of Share holders	% of Share holders	No. of Shares held	% Share holding
1 – 100	3475	74.13	327844	3.05	3628	74.93	345696	3.22
101 – 200	491	10.47	88129	0.82	501	10.35	89805	0.84
201 – 500	338	7.21	127911	1.19	340	7.02	128672	1.20
501 – 1000	151	3.22	121094	1.13	147	3.04	119785	1.11
1001 – 5000	153	3.26	387697	3.60	145	3.00	371471	3.46
5001 – 10000	33	0.71	246546	2.29	36	0.74	260787	2.43
10001 and above	47	1.00	9452803	87.92	45	0.92	9435808	87.74
Total	4688	100	10752024	100	4842	100	10752024	100

Categories of shareholding (as at the year end)

No. of Equity Shares held	2002-2003				2001-2002			
	No. of Share holders	% of Share holders	No. of Shares held	% Share holding	No. of Share holders	% of Share holders	No. of Shares held	% Share holding
Promoters	7	0.15	4975111	46.27	6	0.12	4456263	41.44
Mutual Funds & UTI	1	0.02	100	0.00	2	0.04	4100	0.04
Banks & Financial Institutions	8	0.17	180100	1.67	9	0.19	180200	1.68
FII's	4	0.09	2180400	20.28	4	0.08	2750400	25.58
Corporates	91	1.94	971687	9.04	93	1.92	747252	6.95
Individuals	4554	97.14	1595458	14.84	4693	97.13	1670241	15.53
NRIs/OCBs	23	0.49	849168	7.90	25	0.52	943568	8.78
Total	4688	100	10752024	100.00	4842	100.00	10752024	100.00

Plant locations : Tirumandankudi Village
Papanasam Taluk,
Thanjavur District
Tamil Nadu State,
Pincode : 612 301
A. Chittur
Virudhachalam Taluk,
Cuddalore District
Pincode : 606 105

Other useful information for Shareholders:

Shareholders who have not yet encashed their dividend warrants for the years 1996-97 to 1998-99 may approach the Company for revalidation / issue of duplicate dividend warrant quoting reference of their Ledger Folio Numbers.

Dividends for the financial year ended 31st March, 1996 which remains unpaid or unclaimed will be due for transfer to the Investor Education and Protection fund established under Section 205C of the Companies Act, 1956 during this year.

In terms of Section 205A of the Companies Act, 1956, unclaimed Equity dividend for the financial year(s) upto 1994-95 has been transferred to the General Revenue Account of the Central Government. Shareholders who have so far not claimed or collected their dividend for the said financial year(s), may claim the same from the Registrar of Companies, Tamil Nadu by submitting an application in the prescribed form.

It may be noted that no claims shall lie against the Company in respect of such amounts and no payment shall be made against such claims subsequent to the date of the aforesaid transfer.

Report of the Board of Directors

Dear Shareholders,

Your Directors present their 48th Annual Report on the working of the Company for the year ended June 30,2003.

(Figures in Rupees)

	2002-2003	2001-2002
Profit before Interest & Depreciation	114,870,087	147,113,365
Less: Interest and Finance Charges	171,591,732	141,852,929
Depreciation	91,221,196	63,769,600
Profit/(Loss) before Tax	(147,942,841)	(58,509,164)
Less: Provision for Taxation		
- Earlier years	931,791	—
- Deferred Tax (Net)	(3,908,268)	(1,671,785)
- Wealth Tax	30,000	50,000
Profit/(Loss) after Tax	(144,996,364)	(56,887,379)
Less: Share Issue Expenses written off	—	543,252
	(144,996,364)	(57,430,631)
Balance brought forward from previous year	83,552,793	155,650,090
Debenture Redemption reserve no longer required written back	—	10,000,000
Proposed Dividend on Preference Shares written back	24,666,666	—
Profit available for appropriation	(36,776,905)	108,212,459
Appropriation:		
Dividend on Preference Shares	—	24,666,666
Tax on distributed profit	—	—
Surplus carried to Balance Sheet	(36,776,905)	83,552,793
Total	(36,776,905)	108,212,459