

Report





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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

theme

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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)

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 IL&FS 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.

Ms. Malathi Ram Tyagarajan,
Director.

Represents the promoter shareholders.

Mr. R Vijayaraghavan,
Director.

Professionally an advocate, also holds directorships in Amrutanjan Ltd., Redington (India) Ltd., Sanco Trans Ltd and Neyveli Lignite Corporation Ltd., (Among others)

Mr. V. Thirupathi,
Director.

A Finance professional, has held senior executive positions at ICICI Bank Ltd. and has wide and varied experience. Holds Directorship in Harvy Heart Hospitals Ltd, Hydro S & S Industries Ltd. (Among others).

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

Eldorado, 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

Friday, December 30, 2005 at 10.15 A.M. at Rani Seethai Hall, No.603, Anna Salai, Chennai 600 006

Financial Calendar

The Financial Year of the Company has been extended to end on September 30,2005 to coincide with the Sugar Year.

Financial Reporting for the Quarter Ended

- ended December 31, 2005 :on or before January 31,2006
- ended March 31, 2006 :on or before April 30,2006
- ended June 30, 2006 :on or before July 31,2006
- ended September 30,2006 :on or before November 30,2006

Share Price Movements

The high and low prices of the Company's shares on the National Stock Exchange and The Stock Exchange, Mumbai, between July, 2004 and September, 2005 are as under :

Month	National Stock Exchange		The Stock Exchange Mumbai	
	High Rs.	Low Rs.	High Rs.	Low Rs.
July, 2004	74.05	63.35	74.00	62.25
August, 2004	86.40	69.80	86.80	70.00
September, 2004	104.00	76.00	105.90	79.00
October, 2004	103.00	91.20	102.00	92.05
November, 2004	116.00	91.25	112.95	87.55
December, 2004	146.70	95.50	147.20	99.90
January, 2005	164.95	116.00	166.00	121.00
February, 2005	147.80	129.00	147.50	130.00
March, 2005	145.00	117.00	167.00	115.05
April, 2005	136.75	110.00	135.00	112.00
May, 2005	119.90	100.00	119.75	94.55
June, 2005	125.00	105.00	120.00	110.00
July, 2005	176.00	112.00	179.90	108.00
August, 2005	192.00	149.00	192.00	147.50
September, 2005	189.95	158.00	191.00	161.00

Share Details

Market Lot. 100 Shares

Scrip Code of the Company : 507450

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, 2006 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 shares of the Company have been delisted from the Madras Stock Exchange as per Securities Exchange Board of India (Delisting of Securities Guidelines), 2003. Delisting application was submitted to the Madras Stock Exchange during the Financial Year 2003-04 and all the formalities were completed in time. The Stock Exchange is yet to revert back to the Company on the delisting issue.

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 Services 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 the following address:

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

Central Depository Services 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
 Tel : 044 - 28140801
 Fax : 044 - 28142479
 Email : yesbalu@iepindia.com

Integrated Enterprises (I) Ltd is a SEBI registered R & T Agent, maintains all work related to share registry in terms of both physical and electronic and acts as a Common Share Registry for both physical shareholding and electronic shareholding as mandated by SEBI vide its Circular No.D&CC/FITTC/CIR-15/2002 dated December 27,2002.

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 period end)

No. of Equity Shares held	2004-2005 (Period end: September 30,2005)				2003-2004 (Year end: June 30,2004)			
	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	2657	72.36	226216	2.10	3119	74.00	285494	2.66
101 – 200	363	9.89	64102	0.60	434	10.30	77621	0.72
201 – 500	293	7.98	110872	1.03	298	7.07	115887	1.08
501 – 1000	131	3.57	107208	1.00	133	3.16	107375	1.00
1001 – 5000	156	4.25	411208	3.83	154	3.65	392118	3.65
5001 – 10000	28	0.75	208725	1.94	29	0.69	222952	2.07
10001 and above	44	1.20	9623693	89.50	48	1.14	9550577	88.83
Total	3672	100.00	10752024	100.00	4215	100.00	10752024	100.00

Categories of shareholding (as at the period end)

No. of Equity Shares held	2004-2005 (Period end: September 30,2005)				2003-2004 (Year end: June 30,2004)			
	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	0.19	5005611	46.56	7	0.17	5005611	46.56
Mutual Funds & UTI	2	0.05	40842	0.38	1	0.02	100	0.00
Banks & Financial Institutions	3	0.08	2600	0.02	4	0.09	2800	0.03
FII's	5	0.14	1243642	11.57	4	0.09	1530400	14.23
Corporates	135	3.68	1414274	13.15	108	2.56	1413511	13.15
Individuals	3501	95.34	2151361	20.01	4071	96.60	1906454	17.73
NRI's/OCBs	19	0.52	893694	8.31	20	0.47	893148	8.31
Total	3672	100.00	10752024	100.00	4215	100.00	10752024	100.00

Plant locations

: Tirumandankudi Village
Papanasam Taluk
Thanjavur District
Tamil Nadu State
Pincode : 612 301

A. Chittur
Virdhachalam Taluk
Cuddalore District
Pincode: 606 105

Other useful information for Shareholders:

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

In terms of Section 205A of the Companies Act, 1956, unclaimed equity dividend for the financial year(s) upto 1993-94 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.

In terms of Section 205A of the Companies Act, 1956, unclaimed equity dividend for the financial year(s) 1994-95, 1995-96, 1996-97 & 1997-98 has been transferred to the Investor Education and Protection Fund of the Central Government. 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 50th Annual Report on the working of the Company for the fifteen month period September 30, 2005.

(Figures in Rupees)

	2004-2005 (15 months)	2003-2004 (12 months)
Profit before Interest & Depreciation	515,970,873	342,118,283
Less: Interest and Finance Charges	197,300,690	185,317,904
Depreciation	144,358,148	120,855,762
Profit before Tax	174,312,035	35,944,617
Less: Provision for Taxation		
– Current year		
Income Tax	21,640,000	365,000
Fringe Benefit Tax	219,627	—
– Earlier years	—	3,175,180
– Deferred Tax (Net)	46,084,313	7,335,624
– Wealth Tax	9,000	8,000
Profit after Tax	106,359,095	25,060,813
Balance brought forward from previous year	7,572,846	—
Transfer from Investment Allowance Reserve (utilised)	30,000,000	—
Profit available for appropriation	143,931,941	25,060,813
Appropriation:		
Capital Redemption Reserve	9,666,670	—
Interim Preference Dividend	42,452,165	15,466,667
Distribution Tax paid	5,953,917	2,021,300
Proposed Dividend on Preference Shares	19,140,000	—
Tax and Cess on distributed profit	2,684,385	—
Surplus carried to Balance Sheet	64,034,804	7,572,846
Total	143,931,941	25,060,813