



THIRU AROORAN SUGARS LIMITED
ANNUAL REPORT 2019

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Board **of Directors**

Mr R V Tyagarajan,
Chairman and Managing Director

Dr A Ramachandran

Mr V Thirupathi

Mrs Malathi Ram Tyagarajan

Company Secretary

Mr R R Karthikeyan

Bankers

- Axis Bank Ltd
- Development Credit Bank Ltd
- IDBI Bank Ltd
- ICICI Bank Ltd
- Punjab National Bank
- State Bank of India
- Standard Chartered Bank
- Union Bank of India

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, May 6, 2011 at 10.15 A.M. at the Auditorium of the Tamil Nadu Pollution Control Board, 76, Mount Salai, Guindy, Chennai - 600 032.

Financial Calendar

The Financial Year of the Company is from January to December.

Financial Reporting for the Quarter Ended

March 31, 2011	On or before May 15, 2011
June 30, 2011	On or before August 14, 2011
September 30, 2011	On or before November 14, 2011
December 31, 2011	On or before February 29, 2012

Date of Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from April 29, 2011 to May 06, 2011 (both days inclusive).

Share Price Movements

The high and low prices of the Company's shares on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited between January, 2010 and December, 2010 are as under:

Month	National Stock Exchange		Bombay Stock Exchange	
	High Rs.	Low Rs.	High Rs.	Low Rs.
January 2010	235.65	170.00	235.00	183.00
February 2010	244.70	195.65	233.75	191.20
March 2010	230.00	169.75	224.90	170.00
April 2010	211.95	163.00	198.75	165.00
May 2010	179.00	126.00	184.80	115.30
June 2010	179.55	140.15	180.00	140.15
July 2010	166.00	147.35	167.90	149.20
August 2010	165.00	147.00	169.95	147.10
September 2010	197.00	149.60	194.90	125.00
October 2010	183.90	163.00	176.90	161.20
November 2010	197.85	161.40	199.00	150.35
December 2010	195.80	160.00	199.00	150.00

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, 2011 to all the Stock Exchanges on which its Equity Shares are listed.

Name and address of the Stock Exchange	Stock Code	Market Lot
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051.	THIRUSUGAR	One Equity Share
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001.	507450	One Equity Share

The shares of the Company have been delisted from the Madras Stock Exchange Ltd as per Securities Exchange Board of India (Delisting of Securities Guidelines), 2003 and communication has been received from the Madras Stock Exchange to this effect.

Dematerialisation of Equity Shares

The trading in the Company's Equity Shares on the specified Stock Exchanges has to be compulsorily settled in the electronic form by all the 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 (India) 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 the Depositories at the following address:

National Securities Depository Limited
Trade World, A Wing, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg,
Lower Parel
Mumbai 400 013

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
16th Floor, Dalal Street
Mumbai 400 001

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

Share Transfer System

As already stated, the Company's shares are traded on the Stock Exchanges compulsorily in demat mode. Therefore, investors / shareholders are requested to kindly note that physical documents, viz., Demat Request Forms (DRF) and Share Certificates, etc. should be sent by their Depository Participants (DPs) directly to the Share Transfer Agents. Any delay on the part of the DPs in sending the DRF and the Share Certificates beyond 15 days from the date of generation of the Demat Request Number (DRN) by the DP will be rejected / cancelled. This is being done to ensure that no demat requests remain pending with the Share Transfer Agent beyond a period of 30 days. Investors / Shareholders should,

therefore, ensure that their DPs do not delay sending the DRF and Share Certificates to the Share Transfer Agent after generating the DRN.

Nomination Facility

The Companies Act, 1956 and the Rules prescribed thereunder provide 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 and Managing Director for redressal.

Distribution of shareholding

No. of Equity Shares held	As on December 31, 2010				As on December 31, 2009			
	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	2780	75.05	188889	1.67	2878	72.92	203047	1.79
101 - 200	364	9.83	62099	0.55	424	10.74	73355	0.65
201 - 500	249	6.72	89360	0.79	296	7.50	108033	0.95
501 - 1000	124	3.35	99772	0.88	135	3.42	104730	0.93
1001 - 5000	144	3.89	338168	2.99	165	4.18	378593	3.35
5001 - 10000	18	0.49	122897	1.08	21	0.53	142084	1.26
10001 and above	25	0.67	10415539	92.04	28	0.71	10306882	91.07
Total	3704	100.00	11316724	100.00	3947	100.00	11316724	100.00

Categories of shareholding

Category	As on December 31, 2010				As on December 31, 2009			
	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	6141989	54.27	7	0.18	5859308	51.78
Mutual Funds	1	0.03	100	0.00	1	0.03	100	0.00
Banks & Financial Institutions	2	0.05	2300	0.02	2	0.05	2300	0.02
FII's	6	0.16	2002172	17.69	7	0.18	2083258	18.41
Corporates	118	3.19	816804	7.22	136	3.44	882769	7.80
Individuals (including clearing members)	3536	95.46	1345602	11.89	3755	95.13	1395614	12.33
NRIs/OCBs	34	0.92	1007757	8.91	39	0.99	1093375	9.66
Total	3704	100.00	11316724	100.00	3947	100.00	11316724	100.00

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

Other useful information for Shareholders:

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 and 1998-99 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.

Investor correspondence

All queries on the Annual Report and other clarifications may be addressed to the Registered Office of the Company at "Eldorado", 5th floor
112, Nungambakkam High Road
Chennai 600034
Phone : 2827 6001
Fax : 2827 0470
Email : secretarial@tasugars.in

Disclosure of Information pursuant to Clause 49 VI A of the Listing Agreement

Disclosure of Information to shareholders pursuant to Clause 49 VI A of the Listing Agreement pertaining to re-appointment of Directors is furnished as part of the Notice convening the Annual General Meeting.

Dear Shareholders,

Your Directors present their 55th Annual Report on the working of the Company for the year ended December 31, 2010.

	(Figures in Rupees)	
	2010 (12 months)	2008-2009 (15 months)
Profit before Interest & Depreciation	420,046,255	1,317,405,490
Less: Interest and Finance Charges	276,920,947	370,884,717
Depreciation	126,518,689	169,638,434
Profit / (Loss) before Tax	16,606,619	776,882,339
Less : Provision for Taxation		
- Income Tax	6,700,000	138,830,965
- Fringe Benefit Tax	-	607,022
- Wealth Tax	-	2,350
- Deferred Tax	(17,795,307)	222,015,055
Profit / (Loss) after Tax	27,701,926	415,426,947
Balance brought forward from previous year	292,060,538	(28,806,404)
Profit available for appropriation	319,762,464	386,620,543
Appropriation:		
Transfer to General Reserve	-	41,600,000
Proposed Dividend on Equity Shares	-	45,266,896
Tax and Cess on distributed Profit	-	7,693,109
Surplus carried to Balance Sheet	319,762,464	292,060,538
Total	319,762,464	386,620,543

Dividend :

In view of inadequate profit for the year, no dividend is being recommended.

Operations :

The operations for the period under report reflect the performance of the Sugar and Distillery Divisions. The performance of the Company during the year under review was impacted due to a steep reduction in cane crushing coupled with a significant decline in recovery. This was further exacerbated by reduced realisation on the sale of free sugar and a simultaneous increase in the quota of levy sugar. Consequently the Company could report only a marginal Profit before Tax of Rs.16.61 million as against Rs.776.88 million for the previous 15 month period. The severity of impact of these adverse factors was to some extent mitigated by the processing of imported raw sugar.

Sugar:

The quantity of sugarcane crushed by both the factories during the year was considerably lower at 0.75 million MTs compared to 1.214 million MTs crushed during the previous 15-month period ended December 31,2009. The sugar recovery was also lower at 8.66% as against 9.20% recorded in the corresponding period of the previous financial year. The lower cane crush and recovery were in line with the general trend witnessed by the industry across the country. To overcome the financial impact of the shortfall in cane availability, your Company had processed 69,012 MTs of imported raw sugar into white sugar for sale in the domestic market.

The Government of India had fixed the Fair and Remunerative Price (FRP) of sugarcane for 2009-10 season at Rs.1,298.40 per MT linked to average recovery of 9.5%, which translated to a price of Rs.1,298.40 per MT for both the Tirumandankudi and the A.Chittur units, an increase of almost 50% over the Statutory Minimum Price (SMP) of Rs.865.80 per MT fixed for both the units for the 2008-09 season.

However, with a view to enthrusting farmers to plant more sugarcane for the 2009-10 season and having regard to the State Advised Price announced by the Government of Tamil Nadu, viz. of Rs.1,537.40 per MT linked to average recovery of 9.5%, the Company announced payment of an additional amount of Rs.402.60 per MT. Accordingly the actual cane price paid by the Company worked out to Rs.1,701/- per MT, for both the units, as against Rs.1220/- per MT for the previous season. This apart, in a sharp departure from the long standing practice of extending subsidy for cane transport only in excess of 10 kms., all private sector sugar mills fell in line with the State Government's directive to extend subsidy for the entire cost of cane transport, regardless of distance. The additional burden thereof worked out to Rs.98/- per MT.

As against production of 1,11,174 MTs of sugar during the previous 15 month period, production for the year under review aggregated to 1,29,794 MTs, including 64,430 MTs produced

from imported raws. Apprehending a shortfall in sugar production, the Government increased the levy quota from 10% to 20% for the 2009-10 season.

Distillery:

During the year under review, alcohol production at the Distillery was 17,201 KL as against 23,545 KL during the previous 15 month period. Average realisation on sale of alcohol during the year under review was lower as compared to the previous period.

Prospects for the 2010-11 season:**Sugar:**

The Government of India has fixed the Fair and Remunerative Price (FRP) of sugarcane for 2010-11 season at Rs.1,391.20 per MT linked to average recovery of 9.5% which translates to a price of Rs.1,391.20 per MT for both the Tirumandankudi and the A.Chittur units. Thereafter, the Government of Tamil Nadu has announced State Advised Price for the 2010-11 season at Rs.1,900/- per MT linked to average recovery of 9.5%.

With a view to ensuring a remunerative and competitive price for sugarcane vis-à-vis other crops, your Company has announced a price of Rs.1,900/- per MT for both the units, apart from absorbing the entire cost of cane transport. It is hoped that this substantial increase in price will enthrust farmers to plant more sugarcane for supply during the ensuing 2011-12 season.

The cane availability during the sugar year 2010-11 is likely to be higher than in 2009-10, in keeping with the trend in the State. Sugar production in the country during 2010-11 season is projected to touch 24 million MTs. In view of the comfortable opening stock of around 5.0 million MTs and production estimates in excess of projected domestic offtake, the Government has allowed export of nearly 1.0 million MTs against long outstanding Advance Licence obligations and another 0.5 million MTs under OGL is expected to be allowed shortly. Besides, with improved production prospects, the Government has reverted the levy quota to 10%.

Distillery:

The projected increase in cane crushing in the State during the 2010-11 season is bound to impact molasses and alcohol prices. In this scenario, the performance of the Distillery is not expected to be significantly different from that of the year under review.

Subsidiary Company:

The subsidiary Company viz. Terra Energy Ltd recorded a turnover of Rs.500.70 million and reported a loss of Rs.24.85 million for the year as against a turnover of Rs.870.94 million

and Profit Before Tax of Rs.91.25 million for the 15 month period ended December 31, 2009.

Directors:

Mr V Thirupathi, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

Directors' Responsibility statement:

As required under Section 217(2AA) of the Companies Act, 1956 the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors 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 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 year;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance and Management Discussion and Analysis Reports:

The Corporate Governance and Management Discussion and Analysis Reports form an integral part of this Report and are set out as separate annexures to this Report. The Certificate

from the Auditors of the Company certifying compliance of conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is also annexed to the Report on Corporate Governance.

Fixed Deposits :

23 Deposits aggregating to Rs.0.85 million due for repayment on or before December 31, 2010 were not claimed by the depositors on that date. As on the date of the Report, deposits aggregating to Rs.0.24 million thereof have been claimed and paid or renewed.

Auditors :

The statutory auditors, M/s. S.N.S. Associates, Chartered Accountants, Chennai, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Statutory Information :

Particulars of employees' remuneration u/s. 217 (2-A) of the Companies Act, 1956:

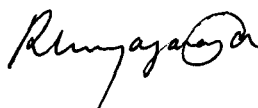
The Company does not have any employee drawing remuneration warranting disclosure under the Companies (Particulars of Employees) Rules, 1975.

The information required as per Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

Acknowledgement :

Your Directors wish to place on record their thanks and appreciation to the Shareholders, Sugarcane Growers, Employees, Bankers, Financial Institutions and also the Central and State Governments for their continued cooperation and support.

On behalf of the Board



R V Tyagarajan
Chairman and Managing Director
March 7, 2011

Annexure to the Directors' Report

Information under Section 217(1)(e) of the Companies
(Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

	Year ended Dec. 31, 2010	Period ended Dec. 31, 2009
	Sugar Units	Sugar Units
A Power and Fuel Consumption		
1) Electricity		
(a) Purchased	—	—
Units (KWH)	—	—
Total amount (Rs.)	—	—
Rate per unit (Rs.)	—	—
(b) Power purchased from		
Terra Energy Limited (Units)	22,778,401	34,638,695
(c) Own generation		
Through Diesel Generator Units (KWH)	—	—
Units / litre of Diesel	—	—
Cost per unit (Rs.)	—	—
Through steam turbine/generator	—	—
(Generated out of our own	—	—
bagasse consumption) (Units)	—	—
2) Lignite		
Quantity (Tonnes)	—	—
Total cost	—	—
Average cost	—	—
Lecofine	—	—
Quantity (Tonnes)	—	—
Total cost	—	—
Average cost	—	—
3) Furnace Oil		
Quantity (Litres)	—	—
Total amount (Rs.)	—	—
Average rate (Rs. per K Ltr)	—	—
4) Other / Internal Generation		
Firewood (Quantity in MT's)	—	—
Total (Rs.)	—	—
Rate / MT (Rs.)	—	—
B Consumption per quintal of Sugar		
Electricity (Units)	34.85	31.05
Furnace Oil (Litres)	—	—
Firewood (Kgs)	—	—
Sugar Produced (Quintals)	6,53,641	11,15,510

Research and Development and Technology Absorption.

- Specific areas in which R & D is carried out by the Company :
Installation of hydraulic truck unloader in the cane feeding system
- Benefits derived from the above R & D efforts :
Reduction in cane spillage from the cane field to factory

3. Future Plan of Action :

Installation of Syrup and Filtrate Clarification process to improve sugar colour

4. Expenditure on R & D :

- Capital : Rs. Nil
- Recurring : Rs. 4.01 Million

5. Foreign Exchange Earnings and Outgo :

The information in this regard is provided in Note No. 10 (viii) to (x) of Schedule L to the Accounts.