



**THIRU AROORAN SUGARS LIMITED**  
**ANNUAL REPORT 2013 - 14**

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# Board of Directors

**Mr R V Tyagarajan**  
*Chairman and Managing Director*

**Mr V Thirupathi**

**Mr B Viswanathan**

**Mrs Malathi Ram Tyagarajan**

**Mr R Vijayaraghavan**

## Company Secretary

Mr R R Karthikeyan

## Bankers

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

## Auditors

M/s. S.N.S. Associates  
Chartered Accountants  
No. 12, 11th Cross Street, Indira Nagar  
Chennai - 600 020.

## Registered Office

Eldorado, Fifth Floor,  
112, Nungambakkam High Road,  
Chennai - 600 034  
CIN: L15421TN1954PLC002915  
Phones : 2827 6001, 2827 8267  
Fax : 044-2827 0470



# Shareholders' information

## Date and Venue of Annual General Meeting

Monday, September 29, 2014 at 3 P.M. at the Obul Reddy Hall at Vani Mahal, 103,G.N. Chetty Road, T.Nagar, Chennai 600 017

## Financial Calendar

The Financial Year of the Company is from April to March.

Financial Reporting for the Quarter Ended

June 30, 2014	On or before August 14, 2014
September 30, 2014	On or before November 14, 2014
December 31, 2014	On or before February 14, 2015
March 31, 2015	On or before May 30, 2015

## Date of Book Closure

The Register of Members and the Share Transfer Books of the Company will remain closed from September 23, 2014 to September 29,2014 (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 April, 2013 and March 2014 are as under:

Month	National Stock Exchange		Bombay Stock Exchange	
	High Rs.	Low Rs.	High Rs.	Low Rs.
April 2013	70.35	58.00	70.00	52.00
May 2013	70.00	55.90	70.10	60.00
June 2013	70.00	65.00	77.00	61.50
July 2013	70.00	62.30	69.90	62.35
August 2013	70.00	66.50	64.00	60.00
September 2013	66.50	60.05	62.85	57.40
October 2013	69.00	59.30	68.35	64.50
November 2013	68.00	58.00	72.90	62.85
December 2013	66.50	50.20	66.90	58.65
January 2014	68.25	61.00	67.00	60.80
February 2014	67.95	56.00	69.00	55.05
March 2014	67.00	52.40	65.90	56.00

## 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, 2014 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

## 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, 4<sup>th</sup> Floor,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel, Mumbai - 400 013.

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers, 16<sup>th</sup> Floor,  
Dalal Street, Mumbai - 400 001.

### Registrars and Share Transfer Agents

M/s. Integrated Enterprises (India) Limited  
2<sup>nd</sup> Floor, Kences Towers, No 1, Ramakrishna Street  
North Usman Road, T. Nagar, Chennai 600 017  
Tel : 044 - 2814 0801  
Fax : 044 - 2814 2479  
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 21 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

Section 72 of the Companies Act, 2013 and the Rules prescribed thereunder viz. Companies (Share Capital and

Debentures) Rules, 2014 provide for nomination of shares. The shareholders can 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. Shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat form, the nomination form may be filed with the respective Depository Participant.

### 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 15 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 March 31, 2014				As on March 31, 2013			
	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	2985	74.24	184344	1.63	2898	73.52	187444	1.66
101 - 200	395	9.82	66962	0.59	400	10.15	67409	0.60
201 - 500	282	7.01	102881	0.91	281	7.13	102743	0.91
501 - 1000	148	3.68	114622	1.01	152	3.86	118949	1.05
1001 - 5000	159	3.96	359426	3.18	158	4.00	353204	3.12
5001 - 10000	21	0.52	156271	1.38	23	0.58	173612	1.53
10001 and above	31	0.77	10332218	91.30	30	0.76	10313363	91.13
<b>Total</b>	<b>4021</b>	<b>100.00</b>	<b>11316724</b>	<b>100.00</b>	<b>3942</b>	<b>100.00</b>	<b>11316724</b>	<b>100.00</b>

## Categories of Shareholding

Category	As on March 31, 2014				As on March 31, 2013			
	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	8	0.20	7051709	62.31	7	0.18	6932139	61.26
Mutual Funds	1	0.02	100	0.00	1	0.02	100	0.00
Banks & Financial Institutions	2	0.05	2300	0.02	2	0.05	2300	0.02
FII's	2	0.05	250400	2.21	2	0.05	250400	2.21
Corporates	107	2.66	1523307	13.46	126	3.20	1501613	13.27
Individuals (including clearing members)	3864	96.10	1654387	16.30	3765	95.51	1844284	16.30
NRIs/OCBs	37	0.92	834521	7.38	39	0.99	785888	6.94
<b>Total</b>	<b>4021</b>	<b>100.00</b>	<b>11316724</b>	<b>100.00</b>	<b>3942</b>	<b>100.00</b>	<b>11316724</b>	<b>100.00</b>

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, 1998-99 and 2005-06 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. Pursuant to the provisions of Investor and Education Protection Fund (Uploading of Information regarding unpaid and unclaimed dividend lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend lying with the Company as on September 16, 2013 (date of the last Annual General Meeting) on the website of the Ministry of Corporate Affairs.

### Investor correspondence

All queries on the Annual Report and other clarifications may be addressed to the Registered Office of the Company at  
"Eldorado", 5<sup>th</sup> floor  
112, Nungambakkam High Road  
Chennai - 600 034.  
Phone : 2827 6001  
Fax : 2827 0470  
Email : [secretarial@tasugars.in](mailto: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 reappointment of Directors is furnished as part of the Notice convening the Annual General Meeting.

# Dear Shareholders,

Your Directors present their 58<sup>th</sup> Annual Report on the working of the Company for the year ended March 31,2014.

(₹ in lakhs)

	2013-14	2012-13
Profit before Interest & Depreciation	3,588.83	4,196.36
Less : Interest and Finance Charges	4,523.57	2,336.69
Depreciation	1,539.90	1,383.76
Profit / (Loss) before Tax	(2,474.64)	475.91
Less : Provision for Taxation		
- Income Tax	–	104.03
- Deferred Tax	(879.12)	132.46
Profit / (Loss) after Tax	(1,595.52)	239.42
Balance brought forward from previous year	3,500.79	3,261.37
Profit available for appropriation	1,905.27	3,500.79
Surplus carried to Balance Sheet	1,905.27	3,500.79

**Dividend :**

In view of the loss 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 overall performance of the Company did not measure up to its potential, mainly because the Sugar Division continued to be plagued by uneconomical realizations on sale of sugar. This was further exacerbated by significant reduction in crushing quantity coupled with lower recovery as compared to the previous year. All these factors have together contributed to the Company reporting a Loss of Rs.247.39 million as against Profit Before Tax of Rs.47.59 million for the previous year.

**Sugar:**

The performance of the Sugar Division was impacted by severe drought conditions in the command area of both sugar mills. As a result, the aggregate quantity of sugarcane crushed by both the factories during the year was lower at 7.15 lakh MTs as against 12.39 lakh MTs crushed during the previous year, and likewise the combined sugar recovery was also lower at 8.42 % as against 8.96% recorded in the previous year.

The Government of India fixed the Fair and Remunerative Price (FRP) of sugarcane for 2012-13 season at Rs.1,700/- per MT linked to average recovery of 9.5%, which translated to an FRP of Rs.1,700/- per MT for both the Tirumandankudi and the A.Chittur units.

However, with a view to enthusing farmers to plant more sugarcane for the 2012-13 season and having regard to the sugar prices ruling at the start of the season, the Company announced payment of Rs.2,250/- per MT for both the units, as against Rs.2,000/- per MT for the previous season, in line with the State Advised Price of Rs.2250/- per MT linked to average recovery 9.5%. This apart, the Company has borne the entire cost of cane transport, the additional burden of which worked out to Rs.125/- per MT.

As against 1,10,987 MTs of sugar produced during the previous year, production for the year under review aggregated to 60,371 MTs.

**Distillery:**

The performance of the Distillery during the year has been gratifying. Alcohol production during the year was higher at 11,844 KL compared to 9,938 KL during the previous year and likewise, average realisation on sale of alcohol during the year was also higher as compared to the previous year.

**Prospects for the 2013-14 season:****Sugar:**

The Government of India fixed the Fair and Remunerative Price (FRP) of sugarcane for 2013-14 season at Rs.2,100/- per MT linked to average recovery of 9.5%, which translates to an FRP of Rs.2,100/- per MT for both the Tirumandankudi and the A Chittur units. Thereafter, the Government of Tamil Nadu announced the State Advised Price (SAP) for the 2013-14 season at Rs.2,550/- per MT linked to average recovery of 9.5%. The SAP announced for 2013-14 season being way beyond the paying capacity of the industry, especially in the absence of any increase in sugar realizations, the private sugar sector mills have sought subsidies and various financial reliefs from the State Government to enable the payment of the increase in SAP over the previous season.

While so, the severe drought conditions prevailing across the State, consequent upon the second consecutive failure of the monsoons in 2013 have not only taken a heavy toll on cane yields and cane availability for the 2013-14 season, but also severely impacted planting of cane for supply during the 2014-15 season.

Sugar production in the country during 2013-14 season is estimated at 24.3 million MTs, which is in excess of projected offtake of 23.7 million MTs. With production in excess of consumption for the fourth successive season, even considering export of 2.2 million MTs, the closing stock is estimated at around 0.8 million MTs. Hence, sugar prices in the domestic market have continued to remain stagnant and unviable and the entire industry has been subject to severe financial hardship during the year, primarily on account of the increased mismatch between higher sugarcane prices and lower sugar realizations. In order to mitigate the financial crisis faced by the industry at large, so as to reduce the mounting cane price arrears, the Central Government has extended the following reliefs:

- i) Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU) in terms of which, the sugar mills were eligible to avail a loan for an amount equivalent to excise duty paid by the respective sugar mill in the preceding 3 sugar seasons, with interest subvention of up to 12% p.a. by the Central Government.
- ii) Incentive of Rs.3,300/- per MT for the production and export of raw sugar.

The aforesaid reliefs, however, are at best, only short term palliatives, with no permanent solution, in form of linkage of cane price to sugar realisations, in sight.

**Distillery:**

The steep reduction in cane crushing in the State during the 2013-14 season has had a significant impact on molasses and alcohol prices. Since the Company has built up adequate

stocks of molasses and is also holding large stocks of alcohol, the performance of the Distillery is expected to be better compared to the financial year under review.

**Subsidiary Company:**

The subsidiary Company viz. Terra Energy Ltd recorded a turnover of Rs.229.35 million and reported a Profit of Rs.6.43 million for the year as against a turnover of Rs.334.16 million and Profit of Rs.38.08 million for the previous year.

The Ministry of Corporate Affairs, Government of India, vide General Circular dated February 08, 2011, has directed that provisions of Section 212 of the Companies Act, 1956 shall not apply in relation to subsidiaries of those companies which fulfill the conditions specified in the aforesaid circular. Your Company fulfills the said conditions and accordingly, the Annual Report and other particulars of the subsidiary Company are not attached to this Annual Report. However, a statement of particulars of the subsidiary Company has been attached along with the audited Consolidated Financial Statement. The Company shall provide copy of the Annual Report and other documents of the subsidiary Company as required under Section 212 of the Companies Act, 1956 to the Members of the Company and also to the Members of the subsidiary Company on request. The Annual Report containing the audited accounts of the subsidiary Company is also kept open for inspection by any Member at the Registered Office of the Company and that of the subsidiary Company. The details of accounts of the subsidiary Company have been placed on the website of the Company. The Consolidated Financial Statement presented by the Company includes the financial results of the subsidiary Company.

The Statement under Section 212(3) of the Companies Act, 1956 is separately annexed.

**Consolidated Financial Statements:**

The Consolidated Financial Statements prepared by the Company, in accordance with the applicable Accounting Standard issued by the Institute of Chartered Accountants of India and the report of the Auditors thereon form part of the Annual Report.

**Directors:**

Dr A Ramachandran resigned from the Board of Directors of the Company effective Nov 08, 2013, for health reasons. Dr Ramachandran had been a member of the Board for close to two decades and had served the Company with distinction and dedication. Mr B Viswanathan, Director, who retires by rotation at the ensuing Annual General Meeting, though eligible for reappointment, has informed that he does not wish to seek reappointment. The Board of Directors place on record its sincere appreciation for the invaluable guidance and services rendered by Dr A Ramachandran and Mr B Viswanathan to the Company

Mr R Vijayaraghavan, Director appointed by the Board in the casual vacancy caused by the resignation of Dr A Ramachandran (who would have retired by rotation at the ensuing Annual General Meeting had he continued) holds office up to the ensuing AGM.



Pursuant to Section 149 of the Companies Act, 2013, the Company proposes to appoint Mr R Vijayaraghavan and Mr V Thirupathi, Director, liable to retire by rotation at the Annual General Meeting to be held in 2015, as Independent Directors at the ensuing Annual General Meeting. As required in terms of Clause 49 of the Listing Agreement, details of their qualification, expertise etc., are furnished in the Notice convening the ensuing Annual General Meeting.

**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 Loss 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:**

24 Deposits aggregating to Rs. 1.165 million due for repayment on or before March 31, 2014 were not claimed by the depositors on that date. As on the date of the Report, deposits aggregating to Rs. 0.02 million thereof have been claimed and paid. The Company has discontinued acceptance of deposits from the public since April 01, 2014. As required under Section 74 of the Companies Act, 2013, deposits outstanding as on

March 31, 2014 shall be repaid along with interest due thereon on the due date or within one year from April 01, 2014 whichever is earlier.

**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.

The Board, on the recommendation of the Audit Committee, has proposed that M/s. S.N.S. Associates, Chartered Accountants, Chennai, be appointed as Statutory Auditors of the Company for a period of three years at the ensuing Annual General Meeting of the Company. M/s. S.N.S. Associates, Chartered Accountants, have conveyed their willingness for their appointment as Statutory Auditors of the Company and have provided the requisite certificates as per Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditor) Rules, 2014.

**Cost Auditors:**

Pursuant to the directives of the Central Government under Section 233B of the Companies Act, 1956, M/s. Vaasan Co., Cost Accountants have been appointed to conduct the Cost Audit relating to Sugar and Industrial Alcohol for the year ended March 31, 2014.

The Cost Audit Reports relating to manufacture of Sugar and Industrial Alcohol for the year ended March 31, 2013 were filed by M/s. Vaasan Co., Cost Accountants, Cost Auditors of the Company on September 28, 2013.

**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  
May 9, 2014

# 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.

YE March 31, 2014 Sugar Units

YE March 31, 2013 Sugar Units

## A Power and Fuel Consumption

<b>1) Electricity</b>		
(a) Purchased	—	—
Units (KWH)	—	—
Total amount (Rs.)	—	—
Rate per unit (Rs.)	—	—
(b) Power purchased from		
Terra Energy Limited (Units)	21,438,994	36,583,734
(c) Own generation		
Through Diesel Generator Units	—	—
Units / litre of Diesel	—	—
Cost per unit (Rs.)	—	—
(d) Through Steam Turbine / Generator (Units)	—	—
<b>2) Lignite</b>		
Quantity (Tonnes)	—	—
Total cost	—	—
Average cost	—	—
Lecofine	—	—
Quantity (Tonnes)	—	—
Total cost	—	—
Average cost	—	—
<b>3) Furnace Oil</b>		
Quantity (Litres)	—	—
Total amount (Rs.)	—	—
Average rate (Rs. per K Ltr)	—	—
<b>4) Other / Internal Generation</b>		
Firewood (Quantity in MT's)	—	—
Total (Rs.)	—	—
Rate / MT	—	—
<b>5) Consumption per quintal of Sugar</b>		
Electricity (Units)	35.51	32.96
Furnace Oil (Litres)	—	—
Firewood (Kgs)	—	—
Sugar Produced (Quintals)	6,03,710	11,09,870

## B. Research and Development and Technology Absorption.

### 1. Specific areas in which R & D is carried out by the Company :

- i) Soil health improvement by application of Bio-compost and trash incorporation without burning the trashes after harvesting sugarcane crop.
- ii) On farm trials for selection of location specific varieties suitable for coastal delta region in collaboration with Sugarcane Breeding Institute, Coimbatore.
- iii) Adoption of Integrated Plant Protection (IPPM) measures by using bio fungicides and chemicals in combination with organic plant extracts to mitigate the spread of Red Rot disease in sugarcane crop.

### 2. Benefits derived from the above R & D efforts :

- i) Application of Bio-compost and incorporation of trashes in the ratoon cane fields without burning after the harvest has contributed to significant increase in cane yield.
- ii) Elite clones have been selected from the initial varietal trials and multiplied for further observation along with new clones sourced from Sugarcane Breeding Institute, Coimbatore.

- iii) The spread of Red Rot disease has been successfully controlled by spot application of turmeric extract and bio-fungicides like Pseudomonas, Trichoderma Viride along with Roko chemical in the sugarcane fields affected by Red Rot pathogen as secondary infection from soil.

### 3. Future Plan of Action :

- i) Establishment of Soil Testing Lab in the factory premises to analyse the soil samples collected from the farmers' land holdings and to recommend fertiliser schedule based on the soil analysis.
- ii) Establishment of Tissue Culture Lab in the factory premises to ensure supply of disease free seed material to the cane growers through three tier nursery programme.

### 4. Expenditure on R & D :

- a. Capital : Rs.Nil
- b. Recurring : Rs.2.27 Million

### 5. Foreign Exchange Earnings and Outgo :

The information in this regard is provided in Note No.34 of the Accounts.