

# **RAJSHREE SUGARS & CHEMICALS LIMITED**

## **BALANCE SHEET AS AT 31.03.2006**

AS AT 31.03.2005	PARTICULARS	SCHEDULE	AS AT 31.03.2006
Rs.			Rs.
	<b>I. SOURCES OF FUNDS</b>		
	1.SHAREHOLDER'S FUNDS		
226,917,000	(a) Share Capital	"A"	226,917,000
475,842,811	(b) Reserves & Surplus	"B"	<u>652,244,340</u>
	2. LOAN FUNDS		
1,201,560,093	(a) Secured	"C"	1,247,400,663
9,492,000	(b) Unsecured	"D"	<u>9,682,000</u>
<u>207,065,123</u>	3.DEFERRED TAX		<u>312,774,123</u>
<u>2,120,877,027</u>	TOTAL		<u>2,449,018,126</u>
	<b>II. APPLICATION OF FUNDS</b>		
	1. FIXED ASSETS	"E"	
1,793,429,553	(a) Gross Block		2,364,410,823
<u>498,840,945</u>	(b) Less: Depreciation		<u>590,340,867</u>
1,294,588,608	(c ) Net Block		1,774,069,956
<u>291,214,751</u>	(d) Capital Work in Progress		<u>19,459,848</u>
1,585,803,359			1,793,529,804
3,409,800	2. INVESTMENTS		0
	3. CURRENT ASSETS AND LOANS & ADVANCES		
828,395,805	(a) Inventories	"F"	997,268,615
18,755,520	(b) Sundry Debtors	"G"	119,230,024
64,810,293	(c ) Cash and Bank Balances	"H"	34,778,990
<u>202,359,640</u>	(d) Loans & Advances	"I"	<u>186,422,554</u>
1,114,321,258			1,337,700,183
	LESS: CURRENT LIABILITIES AND PROVISIONS		
444,641,745	(a) Current Liabilities	"J"	478,271,623
<u>138,015,645</u>	(b) Provisions	"K"	<u>203,940,238</u>
582,657,390			682,211,861
<u>531,663,868</u>	NET CURRENT ASSETS		<u>655,488,322</u>
<u>2,120,877,027</u>	TOTAL		<u>2,449,018,126</u>

As per our report of even date

For **Srikishen & Co**

Chartered Accountants

**K. Murali Mohan**

Auditors, Proprietor

Membership No. 14328

Place: Coimbatore

Date : 8th June 2006

**PK Viswanathan**

Chief Financial Officer & Company Secretary

**Rajshree Pathy**

Chairman and Managing Director

**R Varadarajan**

Director & Chief Operating Officer

**RAJSHREE SUGARS & CHEMICALS LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2006**

AS AT 31.03.2005	PARTICULARS	SCHEDULE	AS AT 31.03.2006
Rs.			Rs.
	I. INCOME		
1,848,295,843	Gross Sales		2,721,622,320
107,556,621	LESS: Excise Duty		136,334,202
1,740,739,222	Net Sales		2,585,288,118
51,963,899	Conversion Charges		0
41,836,870	Other Income	"L"	46,317,702
(178,082,002)	Increase / (Decrease) in Stock	"M"	281,340,076
1,656,457,989	TOTAL		2,912,945,896
	II. EXPENDITURE		
844,396,652	Rawmaterial Consumed	"N"	1,737,377,657
1,314,022	Property purchase		0
184,703,581	Manufacturing Expenses	"O"	256,390,131
128,662,515	Employee Cost	"P"	126,854,735
61,836,337	Interest	"Q"	104,003,076
96,872,440	Administrative Expenses	"R"	133,284,384
76,014,322	Depreciation		93,251,877
1,393,799,869	TOTAL		2,451,161,860
262,658,120	Profit for the year		461,784,036
35,751,412	ADD: Balance b/f from the previous year		35,842,811
-	Prior period Income		7,770,000
15,843,000	LESS: V R S Payment Written off		-
2,652,867	Prior period expenses		-
-	Extraordinary item		15,457,361
6,000	Income Tax paid / (Refund) of Prior Year		2,765,091
25,300,000	Provision for - Tax		39,850,000
51,055,000	- Deferred Tax (Net)		105,709,000
90,000,000	Transfer to General Reserve		160,000,000
68,075,100	Proposed Dividend		113,458,500
9,634,754	Tax on Dividend		15,912,555
35,842,811	Balance Carried Over		52,244,340

As per our report of even date

**For Srikishen & Co**

Chartered Accountants

**K. Murali Mohan**

Auditors, Proprietor

Membership No. 14328

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**PK Viswanathan**

Chief Financial Officer &amp; Company Secretary

**Rajshree Pathy**

Chairman and Managing Director

**R Varadarajan**

Director &amp; Chief Operating Officer

**RAJSHREE SUGARS & CHEMICALS LIMITED****SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2006**

AS AT 31.03.2005 Rs.	PARTICULARS	AS AT 31.03.2006 Rs.
<b>SCHEDULE "A"</b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
<u>300,000,000</u>	30,000,000 Equity Shares of Rs.10/- each	<u>300,000,000</u>
<b>ISSUED SUBSCRIBED &amp; PAID UP:</b>		
<u>226,917,000</u>	22,691,700 Shares of Rs.10/- each fully paid-up	<u>226,917,000</u>
<b>SCHEDULE "B"</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>RESERVES</b>		
General Reserve		
350,000,000	Balance brought forward	440,000,000
<u>90,000,000</u>	Transfer from Profit & Loss account	<u>160,000,000</u>
440,000,000		600,000,000
<u>35,842,811</u>	Balance in Profit & Loss A/c	<u>52,244,340</u>
<u>475,842,811</u>		<u>652,244,340</u>
<b>SCHEDULE "C"</b>		
<b>SECURED LOANS</b>		
<b>1. TERM LOANS</b>		
87,450,000	A. From Sugar Development Fund	174,900,000
674,501,773	B. From Banks	574,497,927
648,957	Interest Accrued & Due	0
12,000,000	C. From Others	6,000,000
<b>2. CASH CREDIT</b>		
426,959,363	From Banks	492,002,736
<u>1,201,560,093</u>		<u>1,247,400,663</u>

**SCHEDULE "D"**  
**UNSECURED LOANS**

9,492,000	Fixed Deposit		9,682,000
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**SCHEDULE "F"**  
**INVENTORIES**

As certified by the Managing Director

6,245,888	Raw materials	3,820,666	
147,637,467	Raw sugar	0	
561,261,568	Finished Goods	838,181,936	
10,344,876	Stock in Process	14,764,584	
53,739,307	Stores & Spares	91,334,730	
49,166,699	Immovable Property	49,166,699	
<u>828,395,805</u>			<u>997,268,615</u>

**SCHEDULE "G"**  
**SUNDRY DEBTORS**  
**UNSECURED & CONSIDERED GOOD**

9,006,054	Outstanding for more than six months	8,899,621	
9,749,466	Others	110,330,403	
<u>18,755,520</u>			<u>119,230,024</u>

**SCHEDULE "H"**  
**CASH & BANK BALANCES**

1,057,716	Cash on hand	878,796	
	<u>with Scheduled Banks</u>		
49,692,145	In Current Account	17,318,984	
1,779,921	In Deposit Account	1,714,921	
5,515,624	In Unpaid Dividend Account	6,729,680	
6,764,887	In Current Account with MDCC bank	8,136,609	
<u>64,810,293</u>			<u>34,778,990</u>

**SCHEDULE "I"****LOANS & ADVANCES**

Recoverable in cash or in kind

Unsecured considered good

97,227,965	Advances to Ryots, Staff and others	74,885,105	
77,464,316	Earnest, Security & Other Deposits	54,003,587	
18,103,636	Advance Income Tax	43,566,548	
31,875	Income Tax Refund receivable	31,875	
9,531,848	Prepaid expenses	13,935,439	
<u>202,359,640</u>			<u>186,422,554</u>

**SCHEDULE "J"****CURRENT LIABILITIES**

Sundry Creditors

-	Due to Small scale industries	-	
348,627,509	Due to others for purchases	343,090,283	
48,718,016	Due to others for expenses	68,585,660	
41,780,596	Excise Duty payable - Finished Goods	57,422,192	
5,515,624	Investor Protection and Education fund shall be credited by the unpaid dividends *	6,729,680	
0	Interest accrued but not due	2,443,808	
<u>444,641,745</u>			<u>478,271,623</u>

\* The figures reflect the position as at March 31,2006. The actual amount to be transferred to the Investor Protection and Education fund in this respect shall be determined on the due dates.

**SCHEDULE "K"****PROVISIONS**

34,701,573	Purchase Tax	34,701,573	
25,691,439	Provision for Income Tax & Wealth Tax & FBT	39,867,610	
9,547,533	Corporate Tax on Dividend	15,912,555	
68,075,100	Proposed Dividend	113,458,500	
<u>138,015,645</u>			<u>203,940,238</u>

**SCHEDULE "L"****OTHER INCOME**

127,405	Interest Income	264,125	
13,787,220	Profit on sale of assets	786,948	
5,088,976	Miscellaneous Income	8,964,641	
3,536,017	Insurance claim receipts	36,301,988	
19,297,252	Excise Duty adjustment on Finished stock	0	
<u>41,836,870</u>			<u>46,317,702</u>

**SCHEDULE "M"****STOCK DIFFERENTIAL**

733,641,384	Opening stock of Finished goods	561,261,568	
5,954,324	Opening stock in process	10,344,876	
59,259,437	Opening property stock in trade	49,166,699	
561,261,568	Closing stock of Finished goods	838,181,936	
10,344,876	Closing stock in process	14,764,584	
49,166,699	Closing property stock in trade	49,166,699	
<u>(178,082,002)</u>			<u>281,340,076</u>

**SCHEDULE "N"****RAW MATERIAL CONSUMED**

605,587	Opening stock - raw materials	153,883,355	
726,327,811	Purchase of Raw materials	1,462,872,271	
219,655,595	- Raw sugar	0	
3,275,578	Transport Charges	31,587,580	
44,706,447	Purchase Tax	85,751,970	
3,708,989	Cess	7,103,147	
<u>998,280,007</u>			<u>1,741,198,323</u>
	<b>LESS:</b>		
6,245,888	Closing stock - raw materials	3,820,666	
147,637,467	Raw sugar	0	
<u>844,396,652</u>			<u>3,820,666</u>
			<u>1,737,377,657</u>

**SCHEDULE "O"****MANUFACTURING EXPENSES**

106,281,299	Consumption of Stores	145,081,480	
5,574,695	Other Manufacturing Expenses	7,501,673	
3,628,138	Excise duty expenses	25,143,387	
32,441,792	Power & Fuel	34,158,629	
	<b>Repairs &amp; Maintenance</b>		
8,161,846	Building	7,166,717	
15,613,958	Machinery	21,120,625	
7,602,699	Vehicles	8,513,705	
5,399,154	Others	7,703,915	
<u>184,703,581</u>			<u>256,390,131</u>

**SCHEDULE "P"****EMPLOYEE COST**

78,959,246	Salaries, Wages & Bonus	81,794,487	
40,829,812	Welfare Expenses	35,879,084	
8,873,457	Contribution to P F & Other funds	9,181,164	
<u>128,662,515</u>			<u>126,854,735</u>

**SCHEDULE "Q"**  
**INTEREST & FINANCIAL CHARGES**

36,155,271	On Term Loan	33,174,508	
901,389	On Fixed Deposit	881,783	
24,779,677	On Others	69,946,785	
<u>61,836,337</u>			<u>104,003,076</u>

**SCHEDULE "R"**  
**ADMINISTRATIVE EXPENSES**

1,096,580	Building rent	1,214,439	
3,358,185	Licence Fees & Tax	4,528,366	
28,402,382	Additional Sales Tax	36,626,303	
6,571,039	Insurance Premium	10,124,613	
10,662,075	Selling Expenses	12,215,591	
747,672	Brokerage & Commission	364,345	
14,163,493	Managerial remuneration	25,619,176	
75,000	Directors sitting fees	230,000	
	<u>Auditor's remuneration</u>		
270,000	- Statutory Audit fees	250,000	
50,000	- Taxation matters	10,000	
10,728	- Certification	2,000	
45,360	Cost Audit fees	37,224	
583,468	Loss on Sale of Assets / Investments	776,894	
40,000	Ground Rent	20,000	
4,450,000	Charity & Donation	3,306,000	
26,346,458	Other Expenses	37,959,433	
<u>96,872,440</u>			<u>133,284,384</u>

**Rajshree Sugars & Chemicals Ltd**

<b>Cash Flow Statement for the Year ended</b>	<b>31.03.2006</b>	<b>31.03.2005</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>A. Cash Flow from Operating activities:</b>		
Net Profit before taxation & extraordinary items	461,773,982	249,454,368
<b>Adjustment for:</b>		
Depreciation	93,251,877	76,014,322
Interest paid	104,003,076	61,836,337
Interest received	(264,125)	(127,405)
Operating profit before working capital changes	658,764,810	387,177,622
<b>Adjustments for:</b>		
Trade and other receivables	(84,537,418)	(33,472,384)
Inventories	(168,872,810)	17,755,788
Trade payables	8,043,270	104,873,830
Cash generated from Operations	413,397,852	476,334,856
Interest paid	(104,003,076)	(61,836,337)
Direct taxes (paid) / Refund	(2,765,091)	(6,000)
Cashflow before extraordinary items	306,629,685	414,492,519
Extraordinary items	(4,277,561)	(18,495,867)
Net cash from operating activities	302,352,124	395,996,652
<b>B. Cash flow from investing Activities</b>		
Purchase of Fixed Assets	(301,844,516)	(693,362,893)
Sale of Fixed Assets	876,248	87,209,114
Interest received	264,125	127,405
Net Cash used in Investing Activities	(300,704,143)	(606,026,374)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	0	0
Proceeds from / (Repayment of) long term borrowings	111,073,943	374,659,488
Proceeds from / (Repayment of) short term borrowings	(65,043,373)	(79,293,859)
Dividend paid including tax on dividend	(77,709,854)	(38,398,611)
Net Cash used in Financing Activities	(31,679,284)	256,967,018
Net Increase / (Decrease) in Cash and Cash Equivalents	(30,031,303)	46,937,296
Cash and cash equivalent as at the beginning of the Year	64,810,293	17,872,996
Cash and cash equivalent as at the close of the Year	34,778,990	64,810,293

As per our report of even date

**For Srikishen & Co**

Chartered Accountants

**K. Murali Mohan**

Auditors, Proprietor

Membership No. 14328

**PK Viswanathan**

Chief Financial Officer &amp; Company Secretary

**Rajshree Pathy**

Chairman and Managing Director

Place: Coimbatore

Date : 8th June 2006

**R Varadarajan**

Director &amp; Chief Operating Officer



**RAJSHREE SUGARS & CHEMICALS LIMITED**

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH 2006

**SCHEDULE "E" - FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2005 Rs.	Additions	Deletions Rs.	As on 31.03.2006 Rs.	As on 1.4.2005 Rs.	For the Year Rs.	Withdrawn Rs.	Upto 31.03.2006 Rs.	As on 31.03.2006 Rs.	As on 1.4.2005 Rs.
	Land	39,626,272	3,131,390	0	42,757,662	0	0	0	0	42,757,662
Buildings	308,551,410	79,793,965	0	388,345,375	55,772,689	9,683,512	0	65,456,201	322,889,174	252,778,721
Plant & Machinery	1,354,404,287	484,628,917	0	1,839,033,204	412,811,066	78,266,587	0	491,077,653	1,347,955,551	941,593,221
Office Equipments	6,620,382	1,146,371	32,160	7,734,593	2,708,363	348,151	19,971	3,036,543	4,698,050	3,912,019
Furniture	4,783,023	248,639	0	5,031,662	2,957,111	274,961	0	3,232,072	1,799,590	1,825,912
Vehicles	26,053,518	1,544,782	1,735,734	25,862,566	13,654,111	2,001,581	1,252,682	14,403,010	11,459,556	12,399,407
Electrical Equipments	44,356,529	2,756,800	827,375	46,285,954	7,315,494	2,116,438	456,422	8,975,510	37,310,444	37,041,035
Tools & Equipments	5,330,579	174,600	0	5,505,179	2,520,364	370,228	0	2,890,592	2,614,587	2,810,215
Lab Equipments	3,703,553	173,955	22,880	3,854,628	1,101,747	190,419	22,880	1,269,286	2,585,342	2,601,806
Total	1,793,429,553	573,599,419	2,618,149	2,364,410,823	498,840,945	93,251,877	1,751,955	590,340,867	1,774,069,956	1,294,588,608
Work in Progress									19,459,848	291,214,751
Previous year	1,540,743,213	411,050,795	158,364,455	1,793,429,553	507,185,715	76,014,322	84,359,092	498,840,945	1,294,588,608	1,033,557,499