

2015-16

B U S I N E S S   W I T H   V A L U E S



**SAKTHI SUGARS LIMITED**

ANNUAL REPORT 2015-16

इवक्वकयुगुवक्व कुरीयु इक्वथी

The capacity to assume any form in the Universe is Kriya Sakthi (Power of action)



## **SAKTHI SUGARS LIMITED**

**CIN:L15421TZ1961PLC000396**

### **REGISTERED OFFICE**

Sakthinagar - 638 315  
Bhavani Taluk, Erode District,  
Tamilnadu  
Phone : 04256 246241  
Fax : 0422 2220574, 4322488  
Email : [shares@sathisugars.com](mailto:shares@sathisugars.com)  
Website : [www.sakthisugars.com](http://www.sakthisugars.com)

### **CORPORATE OFFICE**

180, Race Course Road  
Coimbatore - 641 018  
Tamilnadu  
Phone : 0422 4322222, 2221551  
Fax : 0422 2220574, 4322488  
Email : [shares@sathisugars.com](mailto:shares@sathisugars.com)  
Website : [www.sakthisugars.com](http://www.sakthisugars.com)

### **AUDITORS**

M/s P N Raghavendra Rao & Co  
Coimbatore

### **MAIN BANKERS**

Allahabad Bank  
Axis Bank Limited  
Bank of India  
Indian Overseas Bank  
Punjab National Bank

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Limited  
Surya, 35, May Flower Avenue  
Behind Senthil Nagar  
Sowripalayam Road, Coimbatore - 641 028  
Phone & Fax : 91- 422 - 2314792  
E-mail : [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

### **DIRECTORS**

Dr M MANICKAM  
Executive Chairman

Sri M BALASUBRAMANIAM  
Managing Director

Sri M SRINIVAASAN  
Joint Managing Director

Sri V K SWAMINATHAN  
Executive Director

Sri P K CHANDRAN

Sri S S MUTHUVELAPPAN

Sri N K VIJAYAN

Sri C RANGAMANI

Sri S CHANDRASEKHAR

Sri K V RAMACHANDRAN

Sri S BALASUBRAMANIAN

Smt PRIYA BHANSALI

Sri P S RAVENDERNATH  
(Nominee of ARCIL)

Sri S BASKAR  
Chief Financial Officer &  
Company Secretary





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### Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in and forward the E-mail Address Registration Form given in page No.119 of this Annual Report to Link Intime India P. Ltd., Registrar & Share Transfer Agents, “Surya”, 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.



## BOARD'S REPORT

To the Members

The Board of Directors of the Company presents its Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2016

FINANCIAL HIGHLIGHTS		(Rs.in lakhs)
Particulars	2015-16	2014-15
Sales (Net)		
Sugar Division	36254.73	42455.46
Distillery Division	14462.74	10654.66
Cogeneration Division	19278.44	16884.29
Soya Division	12104.64	13656.46
Total sales	82100.59	83650.87
Other Income	3667.52	3245.53
Total Income	85768.11	86896.40
Profit before Finance Cost and Depreciation & Amortisation	7762.23	14375.67
Finance Cost	7849.43	12934.20
Provision for Depreciation and Amortisation	7437.00	6379.36
Net Profit before Tax	(7524.20)	(4937.89)
Provision for Tax	(2017.09)	(1460.96)
Net Profit after Tax	(5507.11)	(3476.93)
Balance of Profit brought forward	(31302.54)	(27402.41)
Add: Transfer from Revaluation Reserve	1719.28	--
Less: Previous year depreciation adjustment	--	423.20
Surplus carried to Balance Sheet	(35090.37)	(31302.54)

## REVIEW OF OPERATION

While the operational performance of Distillery and Power Divisions has been better than the previous financial year, Sugar Division has been affected due to reduction in recovery percentage as well as very low realisation on sugar. There has been a slight dip in the selling price of industrial alcohol which has been compensated to certain extent by increased quantum of sale as compared to the previous financial year. The performance of soya unit is satisfactory. There has been no change in the nature of business during the financial year and until the date of this report.

## SUGAR DIVISION

The quantum of sugarcane crushed at various units of the Company during the year 2015-16 is as under:

Name of the Units	Cane crushed (in tonnes)
Sakthinagar	: 6,99,806
Sivaganga	: 2,20,159
Modakkurichi	: 2,70,659
Dhenkanal	: 3,71,865

During the year under review, 1.22 lakh MT of sugar was produced by the Company, which is less by 0.10 lakh MT as compared to the previous year. The quantum of sugar sales and the sale value have also come down as compared to the previous year.

**DISTILLERY DIVISION**

During the year under review, 270.82 lakh litres (previous year 161.18 lakh litres) of industrial alcohol was produced at Sakthinagar Distillery Unit and 63.51 lakh litres (previous year 84.26 lakh litres), at Dhenkanal Distillery Unit.

**SOYA DIVISION**

21,016 tonnes (previous year 23,056 tonnes) of soya bean was crushed in the soya plant during the year under review. This division had exported products worth Rs. 1278.01 lakhs to various countries.

**CO-GENERATION DIVISION**

The total power generated in the co-generation plants during the year was 4424.94 lakh units (previous year 3922.77 lakh units) out of which 3580.77 lakh units (previous year 3179.21 lakh units) of power was exported to Tamilnadu Electricity Board. The Agreement with TANGEDCO has expired on 31st May 2016 and the Company is selling the power generated to Indian Power Exchange (IEX) as the Tamilnadu Government has withdrawn its restriction on free sale of power, subject to review in October 2016.

**FUTURE OUTLOOK**

The sugar industry has undergone a period of stress and strain for the past few years and is in its recovery path. The selling price of sugar is on the increase and is expected to settle at a reasonable price. On account of very weak south west monsoon, there may be reduction in the total availability of sugar cane in the country. While the consumption remains stable, with the shortage in supply, realisation on sugar is expected to rule high during the year. The mills in the southern region may be in an advantageous position as the north east monsoon was normal last year.

The performance of industrial alcohol sector is expected to be better with growth in demand. With the growth in the industrial activities as envisaged by the Central and State Governments, the demand for power may go up. The performance of soya division is also expected to improve with the improvement in the product range.

In general, the outlook of sugar industry is expected to be better than the previous financial year.

**DEPOSITS**

The Company has not accepted any deposit from public during the financial year under review. At the end of the financial year, 1 deposit amounting to Rs.0.21 lakh (including interest) remained unclaimed.

**CORPORATE INFORMATION**

The holders of majority of Foreign Currency Convertible Bonds (Series B) had desired to have modification of the Scheme of Arrangement filed with the Hon'ble High Court of Judicature at Madras or settlement of the outstanding amount at discount. On mutual discussion it was agreed to settle holders of USD 11.7 million at 65% of the face value. In view of this, the Scheme of Arrangement has been withdrawn. The above bondholders have been paid as agreed. The Company is yet to settle the holders of FCCB (Series B) of USD 1 million with whom a compromise has been arrived at. An agreement has been reached with the holders of the balance USD 2.9 million of FCCB (Series B) for settlement at discount at 75% of the face value and the approval of the Reserve Bank of India for the same is awaited.

At the instance of majority of Banks, the CDR EG had approved exit of the Company from the Corporate Debt Restructuring Scheme and most of the banks have sold their loan portfolios in respect of the Company to Asset Reconstruction Company (India) Limited (Arcil) and Edelweiss Asset Reconstruction Company Limited (Edelweiss). Arcil and Edelweiss have restructured the loan portfolios acquired by them wherein they have given remission of liability of Rs. 124.23 crores. The Company has requested the remaining Banks also for restructure of the loans sanctioned by them.

In terms of the restructure package approved by Arcil, the Company has allotted to Arcil 2,26,35,757 equity shares of Rs. 10 each at a price of Rs. 27 per share by conversion of a portion of the loans amounting to Rs. 61.12 crores. These equity shares are listed on BSE Limited and National Stock Exchange of India Limited and they rank pari passu with the existing equity shares of the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Dr. M. Manickam (DIN: 00102233) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Sri S.Audiseshiah, Chief Executive Officer, and Sri M.K.Vijayaraghavan, Chief Financial Officer, had resigned from the Company during the financial year under review and Sri S. Baskar, Sr.Vice President-Finance & Company Secretary was appointed as Chief Financial Officer pursuant to Section 203 of the Companies Act 2013 and re-designated as Chief Financial Officer & Company Secretary.

**DIRECTORS RESPONSIBILITY STATEMENT**

In pursuance of section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair 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 financial year;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**MEETINGS OF BOARD OF DIRECTORS**

The Board met 4 times during the financial year ended 31st March 2016. The details of the Board Meetings and the attendance of the Directors are given in the Corporate Governance Report.

**COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee was reconstituted by the Board on 08.08.2015. The Audit Committee comprises the following Directors as its members:

- 1. Sri C.Rangamani, Chairman
- 2. Sri N.K.Vijayan
- 3. Sri K.V.Ramachandran and
- 4. Smt Priya Bhansali

Details regarding meetings of the Audit Committee and the attendance of the members are given in the Corporate Governance Report.

**BOARD EVALUATION**

Pursuant to the provisions contained in the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out an annual performance evaluation of its own performance, Committees of Directors and individual directors. The manner of evaluation is given in the Corporate Governance Report.

**DETAILS OF REMUNERATION TO DIRECTORS**

Details of ratio of remuneration to each Director to the median employee's remuneration and other disclosures required under Section 197(12) of the Companies Act 2013 and Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration) Rules 2014 are given in Annexure-A.



**RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee and the details of the Committee are set out in the Corporate Governance Report. Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has laid down risk management policy to identify, evaluate and mitigate risks. It seeks to ensure transparency and to minimise adverse impact on the business operations of the Company.

**HOLDING COMPANY**

With effect from 24th May 2016, ABT Investments (India) Private Limited has become the holding company in view of vesting the entire equity shareholding of ABT Limited in the Company with ABT Investments (India) Private Limited, pursuant to the Scheme of Demerger of ABT Limited approved by the Honourable High Court of Judicature at Madras.

**ASSOCIATE COMPANY**

Pursuant to Rule 6 of the Companies (Accounts) Rules 2014, the financial statements for the financial year ended 31st March 2016 of Sakthi Auto Component Limited, Associate Company, have been consolidated and the consolidated financial results of the Company and the Associate Company form part of the audited financial statements of the Company. In terms of Rule 8 of the said Rules, highlights on the performance of the said Associate Company are given hereunder:

(Rs. in lakhs)

	<b>31.3.2016</b>	<b>31.3.2015</b>
Revenue from operations	68284.96	64074.40
Profit before tax	5141.61	2869.68
Profit after tax	3198.58	1922.56

The statement containing the salient features of the Associate Company in Form AOC-1 forms part of the financial statement.

**INTERNAL CONTROL**

The Company has internal control system commensurate with the size of the Company. Adequate procedures are set out for detecting and preventing frauds and for protecting the Company's assets. The head of Internal Audit Team reports to the Chairman of the Audit Committee for the purpose of maintaining independence and Internal Audit Reports are placed before the Audit Committee together with statement of significant audit observation and the suggested corrective action followed by a report on action taken thereon. Further the Company has adequate internal financial control with respect to the financial statements.

**VIGIL MECHANISM**

The Company has a whistle blower policy and a vigil mechanism for directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism provides adequate safeguards against victimisation and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The details of the whistle blower policy are posted on the website of the Company. No complaint has been received under this mechanism during the year under review.

**CORPORATE GOVERNANCE**

A Report on Corporate Governance along with Auditors Certificate with respect to its compliance forms part of this Report.

A detailed Management Discussion and Analysis Report also forms part of this Report.

**OTHER DISCLOSURES UNDER THE COMPANIES ACT 2013**

i. Extract of Annual Return

Extract of the Annual Return is given in Annexure-B.

ii. Changes in Share Capital

There has been no change in the share capital during the financial year 2015-16. However, consequent upon allotment of 2,26,35,757 equity shares on 24th June 2016 as mentioned hereinabove, the paid up share capital of the Company has gone up to Rs.118.85 crores.



iii. Policy on Directors' Appointment and Remuneration

The Company's policy for selection and appointment of directors, senior management personnel and fixation of their remuneration, including criteria for determining qualifications, positive attributes, independence of a director, are given in Annexure-C.

iv. Related Party Transactions

All the related party transactions are at arm's length basis and have taken place in the ordinary course of business. Omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is placed before the Audit Committee on quarterly basis. There has been no contract or arrangement with related parties attracting the provisions of Section 188(1) of the Companies Act, 2013.

The Related Party Transactions Policy as approved by the Board is disclosed at the Company's weblink [www.sakthisugars.com/investorinformation/rptpolicy.pdf](http://www.sakthisugars.com/investorinformation/rptpolicy.pdf). The details of the transactions with Related Party are provided in the accompanying financial statements.

v. Statement of declarations given by Independent Directors

The Independent Directors have given their declarations to the Board to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the relevant rules.

vi. Significant material orders passed by court or authorities

There are no significant orders passed by Court or regulatory authorities which would impact the status of the Company and its future operations.

vii. Particulars of loans, guarantees or investments

The Company has not given any loan or guarantee or has acquired any security during the financial year 2015-16 under Section 186 of the Companies Act, 2013.

viii. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in Annexure-D.

ix. There are no material changes affecting the financial position of the Company which has occurred between the end of the financial year and the date of this report.

## **STATUTORY AUDITORS**

Pursuant to Section 139(1) of the Companies Act 2013 and Rule 6 of the Companies (Audit and Auditors) Rules, the members of the Company have appointed M/s.P.N.Raghavendra Rao & Co., Chartered Accountants, Coimbatore, as Statutory Auditors of the Company for a period of three consecutive years commencing from the conclusion of the 52nd Annual General Meeting of the Company upto the conclusion of the 55th Annual General Meeting, subject to ratification at the Annual General Meeting (AGM) each year. Necessary resolution in this regard is included in the Notice for the ensuing AGM.

## **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act 2013, the Board of Directors of the Company has appointed M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai as Secretarial Auditors to undertake the secretarial audit of the Company for the year ended 31st March 2016. Secretarial Audit Report of M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai is annexed as Annexure-E.

## **COST AUDIT**

M/s. STR & Associates, Cost Accountants, Tiruchirapalli, are the Cost Auditors for auditing the cost accounting records relating to Sugar, Industrial Alcohol, Power and Soya Divisions of the Company for the year ended 31st March 2016. The said Firm has been appointed for the financial year ending 31st March 2017 and necessary resolution for ratification of its remuneration is included in the Notice for the ensuing Annual General Meeting.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Schedule VII thereto, the Company has constituted a CSR Committee and has adopted a CSR Policy. As the Company has incurred loss for the three preceding financial years, the requirement of incurring expenditure towards fulfilment of its corporate social responsibility did not arise during the financial year under review.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up at every work place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaint has been received during the financial year 2015-16.

**AUDITORS REPORT**

With reference to the Statutory Auditors' remarks, your Directors wish to state as under:

- a) The unprovided interest and guarantee commission to the holding company will be accounted subject to the approval of the Lenders.
- b) Non-provision of interest is as per the original agreement entered into with the Associate Company.

The Statement of Impact on Auditors Qualification is attached as Annexure-F.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the valuable assistance and co-operation extended by the shareholders, cane growers, banks, financial institutions and Government authorities. They also wish to appreciate the dedicated services rendered by officers, staff and workers of the Company.

On behalf of the Board of Directors

Coimbatore  
12<sup>th</sup> August 2016

M MANICKAM  
Executive Chairman



## ANNEXURE - A TO THE BOARD'S REPORT

### PARTICULARS OF REMUNERATION

The information required under Section 197 of the Companies Act 2013 and the Rules made thereunder in respect of Directors/Key Managerial Personnels/employees of the Company is as follows:-

(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

	Name of Persons	Ratio to median remuneration
I	Non-Executive Directors:	
	Sri P.K.Chandran	0.31
	Sri S.S.Muthuvelappan	0.27
	Sri N.K.Vijayan	0.35
	Sri C.Rangamani	0.47
	Sri K.V.Ramachandran	0.39
	Sri S.Chandrasekhar	0.27
	Sri S.Balasubramanian	0.20
	Smt.Priya Bhansali	0.27
	Sri P.S.Ravendranath	0.08
II	Executive Directors	
	Dr. M.Manickam, Executive Chairman	-
	Sri M.Balasubramaniam	-
	Sri M.Srinivaasan	-
	Sri V.K.Swaminathan	2.94

(b) The percentage of increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

	Name of Person	% increase in remuneration
I	Non-Executive Directors:	
	Sri P.K.Chandran	-
	Sri S.S.Muthuvelappan	-
	Sri N.K.Vijayan	-
	Sri C.Rangamani	-
	Sri K.V.Ramachandran	100.00
	Sri S.Chandrasekhar	75.00
	Sri S.Balasubramanian	66.67
	Smt.Priya Bhansali	100.00
	Sri.P.S.Ravendernath	100.00
II	Executive Directors	
	Dr. M.Manickam, Executive Chairman	-
	Sri M.Balasubramaniam, Managing Director	-
	Sri M.Srinivaasan, Joint Managing Director	-
	Sri V.K.Swaminathan, Executive Director	-



	Name of Person	% increase in remuneration
III	Key Managerial Personnel: Sri.S.Audiseshiah, Chief Executive Officer (upto 22.8.2015) Sri.M.K.Vijayaraghavan, Chief Financial Officer (upto 26.8.2015) Sri.S.Baskar, CFO and Company Secretary	- - 1.07

- i. The remuneration to Non-Executive Directors consists of sitting fees paid for the meetings of Board and Committees thereof attended by each Director. The sitting fees paid per meeting attended by the Directors is the same as that of the last year.
  - ii. No remuneration has been paid to the Executive Chairman, Managing Director and the Joint Managing Director as approval of the Central Government is yet to be received.
  - iii. Executive Director was paid remuneration for the period upto 31st October 2015. He was re-appointed as Executive Director from 1st November 2015 and the Central Government's approval is yet to be received.
- c) The percentage increase in the median remuneration of employees in the financial year is 11.45%.
  - d) The number of permanent employees on the rolls of the Company as on 31.3.2016 is 1,547.
  - e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
  
The average increase in salaries of employees other than managerial personnel in the year 2015-16 was 1.27%. There is no increase in the managerial remuneration.
  - f) Affirmation that the remuneration is as per the remuneration policy of the Company:  
  
It is affirmed that the remuneration paid during the financial year ended 31st March 2016 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.
  - g) A statement showing the names of top ten employees as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached.

On behalf of the Board of Directors

Coimbatore  
12<sup>th</sup> August 2016

M MANICKAM  
Executive Chairman



Details of employees pursuant to Rule 5(2) read with 5(3) of the Companies (Appointment and Remuneration) Rules 2014

S.No.	Name of employee	Designation	Remuneration received (Rs. in lakhs)	Qualification & experience	Date of commencement of employment	Age (No. of years)	Last employment
1	Sri R. Ramadurai	Sr.Vice President-Orissa Operations	23.71	B.Sc.(Agri), MBA 40 years	12.06.2002	61	General Manager, Nagarjuna International (Vietnam) Ltd.
2	Sri P. Muthuvelappan	Sr.Vice President-HRD	21.44	MSW, MBA, B.L. 37 years	24.04.1991	60	Asst.Manager-Personnel, L.G.Balakrishnan & Brothers Ltd.
3	Sri S. Baskar	Chief Financial Officer & Company Secretary	21.27	M.A.,M.Com., FCS 38 years	15.11.1993	61	Company Secretary Sakthi Soyas Ltd.
4	Sri R. Venkatachalam	Sr. Vice President - Materials	21.27	B.E., MBA 40 years	14.09.1990	63	Sr. Executive-Purchase, Seshasayee Industries Ltd.
5	Sri L. Arumugam	Vice President	20.31	B.Sc.(Agri) 35 years	05.02.2004	57	Dy.General Manager-Cane, Thiru Arooran Sugars Ltd.
6	Sri M. Ravichandran	Vice President - Projects & Technical	18.71	B.E. BOE 30 years	01.09.2000	52	Asst. General Manager-Engg., Sri Ram Sugar Mills Ltd.
7	Sri P. Sankararaja Pandian	Vice President - Taxation & Internal Audit	18.11	M.Com.,B.L., FCMA 37 years	17.05.1999	58	Sr.Manager-Legal & Taxation, Hindustan Motors Ltd.
8	Sri S. Audiseshiah (Upto 22.8.2015)	Chief Executive Officer	16.48	I.A.S (Retired) 42 years	30.10.2014	67	Chief Executive Officer Bannari Amman Sugars Limited
9	Sri C.R. Sankar	Vice President - Finance & Accounts	15.42	B.Com., FCA 33 years	21.08.1989	56	Sr. Accounts Officer, Sri Rama Machinery Corporation Ltd.
10	Sri S. Mahendra Kumar	Vice President - Systems	15.07	B.Com., MCA 34 years	02.03.1987	52	Systems Analyst-cum-Programmer, Sree Krishna Data Centre.

Nature of employment of the above employees is non-contractual, except that of Sri S.Audiseshiah, which was contractual. None of the above employees is related to any Director of the Company. They do not hold shares within the meaning of Rule 5(2)(iii) of the aforesaid Rules.

**ANNEXURE B TO BOARD'S REPORT****FORM No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2016**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L15421TZ1961PLC000396
ii	Registration Date	12.5.1961
iii	Name of the Company	SAKTHI SUGARS LIMITED
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered Office and contact details Registered Office	Sakthinagar - 638 315, Bhavani Taluk, Erode District, Tamilnadu. Phone : 04256 246241 Email : shares@sathisugars.com Website : www.sakthisugars.com
	Head Office	180, Race Course Road, Coimbatore - 641 018 Phone : 0422 4322 222, 2221551, Fax : 0422 2220574, 4322488 Email : shares@sakthisugars.com Website : www.sakthisugars.com
vi	Whether listed company	Yes
vii	Name, Address and contact details of Registrar and Transfer Agent	M/s. Link Intime India Pvt. Limited "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, Phone No. 0422 2314792 Email ID: coimbatore@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Sugar	10721	43.74
2.	Industrial Alcohol	1551	17.14
3.	Power	40105	23.19
4.	Soya Products	15493	14.47

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1.	ABT Limited*	U60231TZ1931PLC000006	Holding Company	70.12	2(46)
2.	Sakthi Auto Component Limited	U29199TZ1999PLC008751	Associate Company	--	2(6)

\* Effective from 24.05.2016, ABT Investments (India) Private Limited is the holding company pursuant to the Scheme of Demerger approved by the Honourable High Court at Madras.


**IV. SHAREHOLDING PATTERN (Equity share capital break up as percentage of total equity)**
**(i) Catagorywise shareholding**

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters*</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2841604	-	2841604	2.95	2841604	-	2841604	2.95	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	69261573	-	69261573	71.99	69261573	-	69261573	71.99	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1):</b>	72103177	-	72103177	74.94	72103177	-	72103177	74.94	-
<b>(2) Foreign</b>									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2):</b>	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2) *Includes Promoter Group	72103177	-	72103177	74.94	72103177	-	72103177	74.94	-
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	50	6910	6960	0.01	50	6910	6960	0.01	-
b) Banks/FI	40300	300	40600	0.04	40300	300	40600	0.04	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govts.	424000	495099	919099	0.96	424000	495099	919099	0.96	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	1050	1050	-	-	1050	1050	-	-
i) Other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total (B)(1):</b>	464350	503359	967709	1.01	464350	503359	967709	1.01	-
<b>(2) Non - Institutions</b>									
a) Bodies corporates									
i) Indian	2097073	14741	2111814	2.19	2076991	14741	2091732	2.17	-0.02
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	13862973	864930	14727903	15.31	12326487	851530	13178017	13.70	-1.61
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4615534	-	4615534	4.80	5499262	-	5499262	5.72	0.92




**(i) Categorywise shareholding (Contd..)**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others (specify)									
i Trust	9600	-	9600	0.01	14600	-	14600	0.02	0.01
ii Clearing member	106921	-	106921	0.11	551565	-	551565	0.57	0.46
iii Market Maker	75956	-	75956	0.08	43855	-	43855	0.05	- 0.03
iv Foreign Nationals	100	-	100	-	-	-	-	-	-
v NRI (Repatriate)	860347	200	860547	0.89	349024	200	349224	0.36	- 0.53
vi NRI (Non-Repatriate)	208606	250	208856	0.22	214434	250	214684	0.22	-
vii OCBs	-	-	-	-	-	-	-	-	-
viii Office Bearers	5060	39966	45026	0.05	5060	39946	45006	0.05	-
ix HUF	253390	-	253390	0.26	1028752	-	1028752	1.07	0.81
x unclaimed Shares	126746	-	126746	0.13	125696	-	125696	0.13	-
<b>Sub Total (B)(2):</b>	<b>22222306</b>	<b>920087</b>	<b>23142393</b>	<b>24.05</b>	<b>22235726</b>	<b>906667</b>	<b>23142393</b>	<b>24.05</b>	<b>-</b>
Total Public Shareholding(B)= (B)(1)+(B)(2)	22686656	1423446	24110102	25.06	22700076	1410026	24110102	25.06	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>94789833</b>	<b>1423446</b>	<b>96213279</b>	<b>100.00</b>	<b>94803253</b>	<b>1410026</b>	<b>96213279</b>	<b>100.00</b>	<b>-</b>

**(ii) Share Holding of Promoters\***

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Dr.N Mahalingam	145100	0.15	0.15	145100	0.15	0.15	-
2	Sri M Manickam	1914200	1.99	1.72	1914200	1.99	1.72	-
3	Sri M Balasubramaniam	337325	0.35	0.21	337325	0.35	0.21	-
4	Sri M Srinivaasan	201000	0.21	0.21	201000	0.21	0.21	-
5	Smt.M.Mariammal	100	0.00	-	100	0.00	-	-
6	Smt.B.Vinodhini	16860	0.02	-	16860	0.02	-	-
7	Smt.Karunambal Vanavarayar	205000	0.21	-	205000	0.21	-	-
8	Sri. B.K.K.Vanavarayar	5019	0.01	-	5019	0.01	-	-
9	Smt.K.Karpagavalli	12000	0.01	-	12000	0.01	-	-
10	Sri Shankar Vanavarayar	5000	0.01	-	5000	0.01	-	-
11	ABT Limited	67463540	70.12	7.81	67463540	70.12	7.81	-
12	Sakthi Finance Ltd	552833	0.57	-	552833	0.57	-	-
13	Sri Chamundeswari Sugars Ltd	1245200	1.29	-	1245200	1.29	-	-
	<b>Total</b>	<b>72103177</b>	<b>74.94</b>	<b>10.09</b>	<b>72103177</b>	<b>74.94</b>	<b>10.09</b>	<b>-</b>

\* Includes Promoter Group


**(iii) Change in \*Promoters' shareholding (Specify if there is no change)**

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	72103177	74.94	72103177	74.94
Date wise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			
At the end of the year	72103177	74.94	72103177	74.94

\* Includes Promoter Group

**(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters & holders of GDRs & ADRs)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED				
	At the beginning of the year	495099	0.51	495099	0.51
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year	495099	0.51	495099	0.51
2.	TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED				
	At the beginning of the year	424000	0.44	424000	0.44
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year	424000	0.44	424000	0.44
3.	DR RAMESH CHIMANLAL SHAH				
	At the beginning of the year	-	-	-	-
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	23.10.2015	Purchase	50000	0.05	50000
	20.11.2015	Purchase	323181	0.34	373181
	27.11.2015	Purchase	2535	0.00	375716
	04.12.2015	Sale	-25000	-0.03	350716
	At the end of the year		350716	0.36	350716


**(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters & holders of GDRs & ADRs) (Contd..)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	MANU GOPALDAS CHHABRIA				
	At the beginning of the year	233123	0.24	233123	0.24
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	05.06.2015	Purchase	38300	0.04	271423
	12.06.2015	Purchase	6689	0.01	278112
	19.06.2015	Purchase	2300	0.00	280412
	26.06.2015	Purchase	5479	0.01	285891
	03.07.2015	Purchase	100	0.00	285991
	17.07.2015	Purchase	300	0.00	286291
	24.07.2015	Purchase	6585	0.01	292876
	31.07.2015	Purchase	1803	0.00	294679
	07.08.2015	Purchase	1300	0.00	295979
	21.08.2015	Purchase	750	0.00	296729
	09.10.2015	Sale	-1500	0.00	295229
	20.11.2015	Sale	-32600	-0.03	262629
	31.12.2015	Purchase	10500	0.01	273129
	01.01.2016	Sale	-1000	0.00	272129
	08.01.2016	Sale	-12200	-0.01	259929
	31.03.2016	Sale	-1500	0.00	258429
	At the end of the year	258429	0.27	258429	0.27
5	ERROL FERNANDES				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	18.03.2016	Purchase	252736	0.26	252736
	At the end of the year		252736	0.26	252736


**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Contd..)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	SURESH M				
	At the beginning of the year	85880	0.09	85880	0.09
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	10.07.2015	Purchase	7665	0.01	93545
	17.07.2015	Purchase	1590	0.00	95135
	31.07.2015	Purchase	5000	0.01	100135
	07.08.2015	Purchase	26865	0.03	127000
	14.08.2015	Sale	-17959	-0.02	109041
	11.09.2015	Purchase	1777	0.00	110818
	30.09.2015	Sale	-5000	-0.01	105818
	09.10.2015	Sale	-24341	-0.03	81477
	16.10.2015	Purchase	45100	0.05	126577
	30.10.2015	Purchase	17400	0.02	143977
	13.11.2015	Sale	-25434	-0.03	118543
	27.11.2015	Purchase	47747	0.05	166290
	04.12.2015	Purchase	6530	0.01	172820
	11.12.2015	Purchase	2000	0.00	174820
	18.12.2015	Purchase	3445	0.00	178265
	31.12.2015	Purchase	6835	0.01	185100
	01.01.2016	Purchase	34	0.00	185134
	08.01.2016	Purchase	4066	0.00	189200
	15.01.2016	Purchase	587	0.00	189787
	22.01.2016	Purchase	2243	0.00	192030
	29.01.2016	Sale	-3000	0.00	189030
	05.02.2016	Purchase	3000	0.00	192030
	12.02.2016	Purchase	8791	0.01	200821
	At the end of the year	200821	0.21	200821	0.21
7	HEMANTH KUMAR CHEBROLU				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	20.11.2015	Purchase	100000	0.10	100000
	27.11.2015	Purchase	69958	0.08	169958
	08.01.2016	Purchase	30042	0.03	200000
	At the end of the year	200000	0.21	200000	0.21


**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Contd..)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8.	HARIVALLABH CHANDAK				
	At the beginning of the year	154000	0.16	154000	0.16
	Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year	154000	0.16	154000	0.16
9	SAKTHI FINANCIAL SERVICES COCHIN P. LTD.				
	At the beginning of the year	150000	0.16	150000	0.16
	Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the end of the year	150000	0.16	150000	0.16
10	KARVY STOCK BROKING LTD				
	At the beginning of the year	122969	0.13	122969	0.13
	Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	Date	Reason	No. of shares	%	Cumulative shares
	10.04.2015	Sale	-1106	0.00	121863
	17.04.2015	Sale	-3874	0.00	117989
	24.04.2015	Purchase	160	0.00	118149
	01.05.2015	Sale	-1436	0.00	116713
	08.05.2015	Purchase	725	0.00	117438
	15.05.2015	Purchase	1310	0.00	118748
	22.05.2015	Purchase	840	0.00	119588
	29.05.2015	Purchase	1702	0.00	121290
	05.06.2015	Purchase	7819	0.01	129109
	12.06.2015	Sale	-471	0.00	128638
	19.06.2015	Purchase	398	0.00	129036
	26.06.2015	Sale	-25	0.00	129011
	03.07.2015	Sale	-2301	0.00	126710
	10.07.2015	Purchase	634	0.00	127344
	17.07.2015	Sale	-2072	0.00	125272
	24.07.2015	Sale	-850	0.00	124422


**(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) (Contd..)**

Sl. No.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative shareholding during the year		
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	KARVY STOCK BROKING LTD (Contd..)						
	Date	Reason	No. of shares	%	Cumulative shares	%	
	31.07.2015	Purchase	140	0.00	124562	0.13	
	07.08.2015	Sale	-3626	0.00	120936	0.13	
	14.08.2015	Sale	-114	0.00	120822	0.13	
	21.08.2015	Sale	-687	0.00	120135	0.12	
	28.08.2015	Purchase	1830	0.00	121965	0.13	
	04.09.2015	Sale	-499	0.00	121466	0.13	
	11.09.2015	Purchase	1612	0.00	123078	0.13	
	18.09.2015	Sale	-4379	0.00	118699	0.12	
	25.09.2015	Sale	-81	0.00	118618	0.12	
	30.09.2015	Sale	-100	0.00	118518	0.12	
	09.10.2015	Purchase	2778	0.00	121296	0.13	
	16.10.2015	Sale	-7724	-0.01	113572	0.12	
	23.10.2015	Purchase	15449	0.02	129021	0.13	
	30.10.2015	Purchase	6020	0.01	135041	0.14	
	06.11.2015	Sale	-18138	-0.02	116903	0.12	
	13.11.2015	Purchase	994	0.00	117897	0.12	
	20.11.2015	Purchase	14291	0.01	132188	0.14	
	27.11.2015	Sale	-9966	-0.01	122222	0.13	
	04.12.2015	Sale	-4305	0.00	117917	0.12	
	11.12.2015	Sale	-1975	0.00	115942	0.12	
	18.12.2015	Purchase	3775	0.00	119717	0.12	
	25.12.2015	Sale	-2151	0.00	117566	0.12	
	31.12.2015	Purchase	641	0.00	118207	0.12	
	01.01.2016	Purchase	2315	0.00	120522	0.13	
	08.01.2016	Sale	-5376	-0.01	115146	0.12	
	15.01.2016	Sale	-4507	0.00	110639	0.11	
	22.01.2016	Sale	-5271	-0.01	105368	0.11	
	29.01.2016	Sale	-1829	0.00	103539	0.11	
	05.02.2016	Purchase	2882	0.00	106421	0.11	
	12.02.2016	Purchase	1318	0.00	107739	0.11	
	19.02.2016	Purchase	8757	0.01	116496	0.12	
	26.02.2016	Sale	-3624	0.00	112872	0.12	
	04.03.2016	Purchase	7044	0.01	119916	0.12	
	11.03.2016	Purchase	73	0.00	119989	0.12	
	18.03.2016	Purchase	3860	0.00	123849	0.13	
	25.03.2016	Purchase	2293	0.00	126142	0.13	
	31.03.2016	Purchase	5224	0.01	131366	0.14	
		At the end of the year		131366	0.14	131366	0.14


**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DR.M.MANICKAM				
	At the beginning of the year	1914200	1.99	1914200	1.99
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	1914200	1.99	1914200	1.99
2	Sri. M.BALASUBRAMANIAM				
	At the beginning of the year	337325	0.35	337325	0.35
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	337325	0.35	337325	0.35
3	Sri. M.SRINIVAASAN				
	At the beginning of the year	201000	0.21	201000	0.21
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	201000	0.21	201000	0.21
4	Sri. S.S.MUTHUVELAPPAN				
	At the beginning of the year	3009	-	3009	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	3009	-	3009	-
5	Sri.P.K.CHANDRAN				
	At the beginning of the year	6424	0.01	6424	0.01
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	6424	0.01	6424	0.01


**(v) Shareholding of Directors and Key Managerial Personnel (Contd.)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Sri. N.K.VIJAYAN				
	At the beginning of the year	1850	-	1850	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	1850	-	1850	-
7	Sri.V.K.SWAMINATHAN				
	At the beginning of the year	2400	-	2400	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	2400	-	2400	-
8	Sri.C.RANGAMANI				
	At the beginning of the year	500	-	500	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	500	-	500	-
9	Sri.S.BALASUBRAMANIAN				
	At the beginning of the year	23900	0.02	23900	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	23900	0.02	23900	0.02
10.	Sri.S.CHANDRASEKHAR				
	At the beginning of the year	1990	-	1990	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	1990	-	1990	-




**(v) Shareholding of Directors and Key Managerial Personnel (Contd.)**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	Sri.K.V.RAMACHANDRAN				
	At the beginning of the year	500	-	500	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	500	-	500	-
12	Smt.PRIYA BHANSALI				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	-	-	-	-
13	Sri.P.S.RAVENDERNATH				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	-	-	-	-
14	Sri.S.BASKAR				
	At the beginning of the year	5000	0.01	5000	0.01
	Date wise increase/decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No change			
	At the end of the year	5000	0.01	5000	0.01


**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal amount	93,101.90	26,583.35	--	1,19,685.25
ii) Interest due but not paid	15,028.38	1,146.91	--	16,175.29
iii) Interest accrued but not due	62.74	--	--	62.74
<b>Total (i+ii+iii)</b>	<b>1,08,193.02</b>	<b>27,730.26</b>	<b>--</b>	<b>1,35,923.28</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	18,242.11	1,081.44	--	19,323.55
Reduction	19,159.35	8,611.83	--	27,771.18
<b>Net Change</b>	<b>-917.24</b>	<b>-7,530.39</b>	<b>--</b>	<b>-8,447.63</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal amount	90,219.95	18,074.47	--	1,08,294.42
ii) Interest due but not paid	16,939.09	2,125.40	--	19,064.49
iii) Interest accrued but not due	116.74	--	--	116.74
<b>Total (i+ii+iii)</b>	<b>1,07,275.78</b>	<b>20,199.87</b>	<b>--</b>	<b>1,27,475.65</b>

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole Time Director and/or Manager: (Rs. in Lakhs)

Sl. No.	Particulars of remuneration	Name of the MD / WTD / Manager				Total Amount
		M.Manickam Executive Chairman	M.Balasubramaniam Managing Director	M. Srinivaasan Joint Managing Director	V.K. Swaminathan Executive Director	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	--	--	--	7.00	7.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	--	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--	--
2	Stock option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission as % of profit others (specify)	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	<b>Total (A)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>7.00</b>	<b>7.00</b>
	Ceiling as per the Act	--	--	--	As approved by the members	--


**B. Remuneration to other directors:**

(Rs. in Lakhs)

Sl. No.	Particulars of remuneration	Name of the Directors								Total Amount
1	<b>Independent Directors Mr./Mrs.</b>	C.Rangamani	S.S. Muthuvelappan	P.K.Chandran	N.K.Vijayan	K.V.Ramachandran	S.Chandrasekhar	S.Balasubramanian	Priya Bhansali	
	(a) Fee for attending board committee meetings	1.20	0.70	0.80	0.90	1.00	0.70	0.50	0.70	6.50
	(b) Commission	--	--	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--	--	--
	<b>Total (1)</b>	1.20	0.70	0.80	0.90	1.00	0.70	0.50	0.70	6.50
2	<b>Other Non-Executive Directors Mr.</b>	P.S. Ravendernath								
	(a) Fee for attending board committee meetings	0.20	--	--	--	--	--	--	--	0.20
	(b) Commission	--	--	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--	--	--
	<b>Total (2)</b>	0.20	--	--	--	--	--	--	--	0.20
	<b>Total (B)=(1+2)</b>									6.70
	Total Managerial Remuneration									13.70
	Overall Ceiling as per the Act.	1. Independent Directors are paid only sitting fees within the prescribed limit. 2. Limits for Executive Directors are given in VI - A above.								

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs. in Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO*	CFO & Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	16.48	21.27	9.50	47.25
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2	Stock option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission				
	- as % of profit	--	--	--	--
	- others (specify)	--	--	--	--
5	Others, please specify	--	--	--	--
	<b>Total</b>	16.48	21.27	9.50	47.25

\* For part of the year



**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made, if any (give details)
<b>A. Company</b> Penalty Punishment Compounding  <b>B. Directors</b> Penalty Punishment Compounding  <b>C. Other Officers in Default</b> Penalty Punishment Compounding			Nil		

On behalf of the Board of Directors

Coimbatore  
12<sup>th</sup> August 2016

M MANICKAM  
Executive Chairman



## ANNEXURE-C TO THE BOARD'S REPORT

### POLICY ON APPOINTMENT AND REMUNERATION

In order to identify, attract, retain and motivate competent persons, a clear relationship of remuneration to performance and a balance between rewarding short and long term performance of the Company, the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee, has adopted a policy on appointment and remuneration as enumerated in Section 178 of the Companies Act, 2013. This policy provides a framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

#### I. Criteria for selection/appointment of and Remuneration to Non-Executive Directors:

##### i. Criteria of selection

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of engineering, manufacturing, finance, accounts, taxation, agricultural operations, and general management.
- b. In the case of Independent Directors, the candidate, in addition to the requirements under (a) above, should satisfy the criteria of independence as stipulated in the Companies Act and the Listing Regulations.
- c. The NR Committee while recommending a candidate for appointment as a Director, shall consider and get itself satisfied about :
  - The candidate not being disqualified for appointment under Section 164 of the Companies Act, 2013.
  - Attributes/criteria regarding qualification, and experience in relevant field.
  - Personal, professional or business standing
  - Requirement with respect to Board's diversity
- d. In the case of re-appointment, the performance evaluation of the Director and his level of participation will be considered.

##### ii. Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees for each meeting of the Board or Committee of Board attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. They are also entitled for reimbursement of expenses in connection with participation in the Board/Committee meetings/ General Meetings.

The Independent Directors of the Company are not entitled for Stock Option Scheme of the Company, if any.

#### II. Criteria for selection/appointment of and remuneration to Executive Directors:

##### i. Criteria of selection/appointment

The NR Committee shall identify persons of integrity having relevant experience, expertise and leadership quality for appointment for the position of Executive Directors viz. Executive Chairman, Managing Director, Joint Managing Director and Executive Director. The NR Committee shall also ensure that the identified persons also fulfil the conditions like age limit under the Companies Act and other applicable laws, if any.

**ii. Remuneration**

The Executive Directors will be paid such remuneration and perquisites as may be mutually agreed upon at the time of appointment or re-appointment between the Company and the Executive Directors, taking into consideration the profitability of the Company and the overall limits prescribed under the Companies Act 2013. This remuneration will be further subject to the approval of the Central Government, wherever required.

The remuneration of Executive Chairman, Managing Director and the Joint Managing Director of the Company consists of fixed remuneration and variable portion by way of commission not exceeding 1% of the net profit calculated in accordance with the Companies Act 2013. The remuneration of Executive Director consists of only fixed remuneration.

**III. Criteria for selection/appointment of and Remuneration to Senior Management Personnel:**

Based on the criticality of the role and responsibility of the Key Managerial Personnel, the NR Committee decides on the required qualifications, experience and attributes for the position and on the remuneration based on the industry bench mark and the current compensation trend in the market. The remuneration consists of fixed components like salaries, perquisites and a variable component comprising of annual bonus, if declared. Based on the selection criteria laid as above and remuneration, the Committee identifies persons and recommends to the Board for consideration and appointment.

In respect of other Senior Management Employees and other employees below KMPs, the Executive Chairman/Managing Director is authorised by the Nomination and Remuneration Committee to fix the remuneration based on the criticality and responsibility of the employees.

Annual increments are given on time scale basis and further increase to deserving employees based on performance review.

On behalf of the Board of Directors

Coimbatore  
12<sup>th</sup> August 2016

M MANICKAM  
Executive Chairman

**ANNEXURE - D TO THE BOARD'S REPORT**

INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013

**A. CONSERVATION OF ENERGY**

(i) *Steps taken or impact on conservation of energy:*

- Optimization of mill automation
- Installation of additional capacitor banks
- Installation of planetary gear drive

(ii) *Steps taken for utilising alternate sources of energy:*

Power generated by the Company in its co-generation plants is used.

(iii) *Capital investment on energy conservation equipments:*

During the year an amount of Rs. 5.00 lakhs has been spent on equipments towards optimising the operational efficiency with lesser consumption of energy.

**B. TECHNOLOGY ABSORPTION**

(i) *Efforts made towards technology absorption:*

- Treating of cane setts with aerated steam therapy.
- Multiplication of high sucrose varieties of sugar cane

(ii) *Benefits derived*

Spread of bacterial and fungal diseases in sugar cane is prevented.

Production of high yielding varieties of sugar cane is increased.

(iii) *In case of imported technology*

- a. *details of technology imported*
- b. *the year of import*
- c. *whether the technology has been fully absorbed*
- d. *if not absorbed, areas where absorption has not taken place and reasons thereof*

Not applicable

(iv) *Expenditure on Research and Development* - Rs.32.00 lakhs

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange earned Rs. 1230.36 lakhs

Foreign exchange used Rs. 3104.56 lakhs

On behalf of the Board of Directors

Coimbatore  
12<sup>th</sup> August 2016

M MANICKAM  
Executive Chairman



## ANNEXURE-E TO THE BOARD'S REPORT

## Form No. MR-3

## Secretarial Audit Report for the financial year ended 31st March 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**Sakthi Sugars Limited**, [CIN: L15421TZ1961PLC000396]

Sakthi Nagar, Bhavani Taluk, Erode District, Tamil Nadu - 638315

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SAKTHI SUGARS LIMITED (hereinafter called "the Company") during the financial year from 1st April 2015 to 31st March 2016 ("the year"/ "audit period"/ "period under review"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31st March 2016 but before the issue of this report and the information/ explanations/ representations provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

**1. We hereby report that:**

- 1.1. In our opinion, during the audit period covering the financial year ended on 31st March 2016, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.
- 1.2. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) Companies Act, 1956 and the rules made thereunder.
  - (iii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015);
    - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable from 15th May 2015);
    - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
    - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from 1st December 2015);
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.
  - (vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (FEMA).





(viii) The following laws to the extent are specifically applicable to the Company:

- (a) Essential Commodities Act, 1955 and the rules/orders made thereunder, to the extent applicable with respect to sugar
- (b) Tamil Nadu Prohibition Act, 1937 and the rules made thereunder, to the extent applicable with respect to molasses and industrial alcohol
- (c) Sugar Development Fund Act, 1982 and rules made thereunder
- (d) Sugar Cess Act, 1982
- (e) Food Safety and Standards Act, 2006 and rules/regulations made thereunder, to the extent applicable with respect to sugar and soya
- (f) Electricity Act, 2003 and the rules made thereunder.

(ix) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India (applicable from 1st July 2015).

1.3. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2016 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, **complied with the applicable provisions/ clauses of the Acts, Rules, Regulations, and Agreements and Standards mentioned under paragraph 1.2 (i) to (ix) above.**

1.4. We are informed that, during/ in respect of the year:

- (i) The Company was not required to comply with the following laws/ guidelines/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
  - (a) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (e) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business, other than those set out under paragraph 1.2(viii) above.

## **2. We further report that:**

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:



- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information and supplementary notes.

Upto 30th June 2015 there was no statutory requirement to send the agenda and notes atleast seven days before the meeting. In respect of meetings held after 1st July 2015, consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

- 2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

**3 We further report that:**

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and
- 3.2 During the audit period the Company has redeemed Foreign Currency Convertible Bonds (Series-B) having an aggregate face value USD 7.02 million.

For S Krishnamurthy & Co.,  
Company Secretaries,

R. Sivasubramanian,  
Partner.  
Membership No: A22289  
Certificate of Practice No: 12052

Date : 8th August 2016  
Place : Coimbatore



## Annexure - A to Secretarial Audit Report of even date

To,  
The Members,  
**Sakthi Sugars Limited** [ CIN: L15421TZ1961PLC000396 ]  
Sakthi Nagar, Bhavani Taluk, Erode District, Tamil Nadu - 638315

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2016 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have, while forming an opinion on compliance and issuing this report, also considered the compliance related action taken by the Company after 31st March 2016 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Company Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co.,  
Company Secretaries,

Date : 8th August 2016  
Place : Coimbatore

R. Sivasubramanian,  
Partner.  
Membership No: A22289  
Certificate of Practice No: 12052



## ANNEXURE - F TO THE BOARD'S REPORT

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016

(Rs. in lakhs)

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	85768.11	85768.11
	2	Total Expenditure	93292.31	99871.32
	3	Net Profit/(Loss)	-7524.20	-14103.21
	4	Earnings Per Share	-5.72	-10.45
	5	Total Assets	205467.34	207500.25
	6	Total Liabilities	205467.34	207500.25
	7	Net Worth	864.81	-3681.29
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II.	Audit Qualification (each audit qualification separately):		
	<p><b>Audit Qualification - I</b></p> <p>a. <i>Details of Audit Qualification</i></p> <p>Interest and guarantee commission claim of Rs.6579.01 lakhs by its holding company has not been provided and the Loss of the company is understated to that extent.</p> <p>b. <i>Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion</i></p> <p>Adverse Opinion</p> <p>c. <i>Frequency of qualification: Whether appeared first time/repetitive/since how long continuing</i></p> <p>Repetitive from the financial year ended 31st March 2014.</p> <p>d. <i>For Audit Qualification where the impact is quantified by the Auditor, Management's views:</i></p> <p>The unprovided interest and guarantee commission to holding company will be accounted subject to the approval of the lenders.</p> <p>e. <i>For Audit Qualification(s) where the impact is not quantified by the auditor:</i></p> <p>(i) <i>Management's estimation on the impact of audit qualification:</i></p> <p>(ii) <i>If management is unable to estimate the impact, reasons for the same</i></p> <p>(iii) <i>Auditors' Comments on (i) or (ii) above:</i></p> <p>Not applicable</p> <p><b>Audit Qualification - II</b></p> <p>a. <i>Details of Audit Qualification</i></p> <p>As per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non-provision of interest at least to the extent of interest on Government Securities is in violation of Section 186(7) of the Companies Act, 2013. Consequential impact of the same on the loss for the year/accumulated loss is not ascertainable.</p> <p>b. <i>Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion</i></p> <p>Adverse Opinion</p>		

**ANNEXURE - F TO THE BOARD'S REPORT****Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 (contd..)**

c. *Frequency of qualification: Whether appeared first time/repetitive/since how long continuing*

Appeared first time

d. *For Audit Qualification where the impact is quantified by the Auditor, Management's views:*

Not applicable

e. *For Audit Qualification(s) where the impact is not quantified by the auditor:*

(i) Management's estimation on the impact of audit qualification:

The impact is unascertainable

(ii) If management is unable to estimate the impact, reasons for the same

No interest is provided as per the original agreement entered into with the Associate Company

(iii) Auditors' Comments on (i) or (ii) above:

As per the requirement of Section 186(7) of the Companies Act, 2013, the Report is qualified.

**III. Signatories**

CEO/Managing Director	Sd. (M. Balasubramaniam) Managing Director
CFO	Sd. (S. Baskar) Chief Financial Officer & Company Secretary
Audit Committee Chairman	Sd. (C.Rangamani) Chairman of the Audit Committee
Statutory Auditors	Sd. (P.R. Vittel) Partner M/s. P.N. Ragavendra Rao & Co



## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

The Company's philosophy on corporate governance endeavours attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with stakeholders, including shareholders, employees, cane growers, lenders and the Government.

### 2. BOARD OF DIRECTORS

#### a. Composition and category of Directors

The composition of the Board is in conformity with the provisions contained in the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March 2016, the Board consists of an Executive Chairman, a Managing Director, a Joint Managing Director, an Executive Director, eight Independent Directors including a Women Director, and a Nominee Director representing Asset Reconstruction Company (India) Limited, a lender. The number of Independent Directors is more than 50% of the total number of Directors on the Board.

None of the Directors on the Board is in more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he/she is a Director, as per the disclosures made by the Directors.

The Independent Directors have confirmed that they satisfy the criteria of independence as stipulated under Section 149(6) of the Companies Act, 2013. During the year, the Independent Directors had a separate meeting on 13.02.2016 without the participation of Non-Independent Directors and the management team. All the Independent Directors were present at the meeting.

#### b. Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended 31st March 2016, the Board met four times on 28.05.2015, 08.08.2015, 07.11.2015 and 13.02.2016. The Board is provided with all material information, including the minimum information to be placed before the Board as specified in Part A of Schedule II to the SEBI (LODR) Regulations. The gap between two meetings did not exceed 120 days. The details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 30.9.2015 and the number of other Directorships and Committee Chairmanship/Membership as on 31st March 2016 are given below:

Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships (*)	Committee Position (#)	
			Board Meeting	Annual General Meeting		Chairman	Member
						(Other than SSL)	
Dr M Manickam	00102233	Promoter Executive	4	Yes	8	1	-
Sri M Balasubramaniam	00377053	Promoter Executive	4	Yes	9	-	3
Sri M Srinivaasan	00102387	Promoter Executive	3	Yes	7	-	2
Sri V K Swaminathan	00210869	Non- promoter Executive	4	Yes	1	-	1
Sri C Rangamani	00090786	Non-executive Independent	4	Yes	1	-	-
Sri S S Muthuvelappan	00273870	Non-executive Independent	4	Yes	-	-	-
Sri P K Chandran	00273738	Non-executive Independent	4	Yes	-	-	-



Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships (*)	Committee Position (#)	
			Board Meeting	Annual General Meeting		Chairman	Member
						(Other than SSL)	
Sri N K Vijayan	00300871	Non-executive Independent	4	Yes	-	-	-
Sri K V Ramachandran	00322331	Non-executive Independent	4	Yes	3	-	-
Sri S Chandrasekhar	00011901	Non-executive Independent	4	Yes	5	-	-
Sri S Balasubramanian	00458139	Non-executive Independent	4	Yes	-	-	-
Smt Priya Bhansali	00195848	Non-executive Independent	4	No	1	-	-
Sri P S Ravendernath	00030770	Nominee Director (ARCIL)	2	No	1	-	-

(N.A. - Not Applicable)

\* Excluding directorships in private limited companies and Section 8 company.

# Includes only Audit Committee and Stakeholders Relationship Committee.

**c. Relationships between directors inter se:**

Dr.M.Manickam, Executive Chairman, Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, are related to each other as brothers.

**d. Number of shares and convertible instruments held by Non-Executive Directors in the Company as on 31st March 2016:**

Sl. No.	Name of the Director	No. of equity shares held
1	Sri.S.S.Muthuvelappan	3009
2	Sri.P.K.Chandran	6424
3	Sri.N.K.Vijayan	1850
4	Sri.C.Rangamani	500
5	Sri.S.Balasubramanian	23900
6	Sri.S.Chandrasekhar	1990
7	Sri K.V.Ramachandran	500
8	Smt. Priya Bhansali	--
9	Sri P.S.Ravendernath	--

The Non-executive Directors do not hold any convertible instrument.

**e. Familiarisation programme for Independent Directors**

The familiarisation process followed by the Company includes briefing about the Board's Composition and conduct, roles, rights, responsibilities of Directors, nature of the industry, details about the Company, Group and its culture. The familiarisation process is disclosed at the Company's weblink: [www.sakthisugars.com/investorinformation/familiarisationprog.pdf](http://www.sakthisugars.com/investorinformation/familiarisationprog.pdf).

**f. Performance Evaluation**

In terms of the requirements of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out annual performance evaluation of its own performance and performance of individual directors, including the Chairman, and of the Committees formed by the Board. These evaluations are based on structured questionnaires. Similarly Independent Directors reviewed the performance of the Chairman and of the Non-Independent Directors.

**g. Code of Conduct**

The Board has laid down a code of conduct for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company [www.sakthisugars.com](http://www.sakthisugars.com). All Board Members and Senior Management personnel have confirmed compliance with the code and an Annual Declaration signed by the Managing Director in this regard is attached.

**3. AUDIT COMMITTEE****a. Composition and Meetings**

The Audit Committee was reconstituted on 8.8.2015 with the following Independent Non-Executive Directors as its members:

Sri C. Rangamani, Chairman  
Sri N.K.Vijayan  
Sri K.V.Ramachandran  
Smt.Priya Bhansali

The Committee met 4 times during the financial year on 28.05.2015, 08.08.2015, 07.11.2015 and 13.02.2016, and the attendance of its members are given below:

Name of Member	Category	Number of Meetings	
		Held	Attended
Sri C.Rangamani - Chairman	Independent, Non-Executive	4	4
Sri N.K.Vijayan	Independent, Non-Executive	4	4
Sri K.V.Ramachandran	Independent, Non-Executive	4	4
Smt. Priya Bhansali (since 8.8.2015)	Independent, Non-Executive	4	2

All members of the Audit Committee are financially literate. The minutes of the Audit Committee Meetings are placed before the meetings of the Board of Directors. The Chairman of the Audit Committee attended the last Annual General Meeting.

**b. Terms of reference:**

The Audit Committee assists the Board in fulfilling its oversight responsibilities in monitoring financial reporting, reviewing internal financial controls and the statutory and internal audit activities.

The terms of reference of the Audit Committee are as per the guidelines in the Listing Regulations read with Section 177 of the Companies Act, 2013. The role and terms of reference of the Audit Committee, inter alia, include the following:

1. Examination of the financial statement and draft auditors' report.
2. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Recommendation for appointment, remuneration and terms of appointment of statutory auditors and cost auditors of the Company.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of sub-section (3)(c) of Section 134 of the Companies Act 2013.





- b. Disclosure under 'Management Discussion and Analysis of Financial Condition and Results of Operations'.
  - c. Any changes in accounting policies and practices and reasons for them.
  - d. Major accounting entries involving estimates based on exercise of judgment by management.
  - e. Significant adjustments made in the financial statements arising out of audit findings.
  - f. Modified opinions in the draft audit report.
  - g. Disclosure of any related party transactions.
  - h. Compliance with listing and other legal requirements relating to financial statements.
  - i. Review the statement for uses/applications of funds by major category on a quarterly basis, with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document /prospectus/ notice. Such review shall be conducted till the full money raised through the issue has been fully spent.
  - j. Evaluation of internal financial controls and risk management systems
- 6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.
  - 7. Approval/recommendation to the Board of related party transactions, including omnibus approval.

The matters reviewed and recommended in the meetings of the Audit Committee were appraised to the Board by the Chairman of the Audit Committee for its approval. All the recommendations of the Audit Committee were accepted by the Board.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **a. Composition and Meetings:**

The Nomination and Remuneration Committee comprises the following Independent Non-Executive Directors:

- 1. Sri S.S.Muthuvelappan, Chairman
- 2. Sri P.K.Chandran
- 3. Sri C. Rangamani

The Nomination and Remuneration Committee met 2 times during the year on 08.08.2015 and 13.02.2016 and all the members of the Committee were present in both the meetings. The Chairman of the Committee was present at the last Annual General Meeting of the Company.

##### **b. Terms of reference:**

The terms of reference of the Committee includes the following:

- 1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
- 2. Recommend to the Board about appointment and removal of Directors and senior management personnel.
- 3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 4. Carry out evaluation of every Director's performance;
- 5. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- 6. Recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel (KMP) and other employees and to ensure the following:
  - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully
  - ii. relationship of remuneration to performance is clear and meets the appropriate benchmarks; and
  - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long term performance, objectives appropriate to the working of the Company and its goals.
- 7. Review and recommend the compensation and variable pay for Executive Directors to the Board;
- 8. Recommend on Board diversification

**c. Performance evaluation criteria for independent directors:**

Performance evaluation criteria for the independent directors covering evaluation of Board process, evaluation of committees and individual evaluation of Board members and the Chairman has been evolved and these evaluations are done based on structured questionnaires.

**5. REMUNERATION OF DIRECTORS****a. Policy on Remuneration:**

The Remuneration policy of the Company is in consonance with the industry practices and aims to attract, retain, develop and motivate a high performance workforce. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance. The details of Policy on remuneration for Directors, Key Managerial Personnel and other employees of the Company form part of the Board Report.

**b. Details of remuneration to Directors:**

The details of remuneration paid to Executive and Non-executive Directors during the financial year ended 31st March 2016 are given below:

(Rs. in lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr.M.Manickam	--	--	--	--
Sri M.Balasubramaniam	--	--	--	--
Sri M.Srinivaasan	--	--	--	--
Sri V.K.Swaminathan	4.20	3.30	--	7.50
Sri P.K.Chandran	--	--	0.80	0.80
Sri S.S.Muthuvelappan	--	--	0.70	0.70
Sri N.K.Vijayan	--	--	0.90	0.90
Sri C.Rangamani	--	--	1.20	1.20
Sri K.V.Ramachandran	--	--	1.00	1.00
Sri S.Chandrasekhar	--	--	0.70	0.70
Sri S.Balasubramanian	--	--	0.50	0.50
Smt.Priya Bhansali	--	--	0.70	0.70
Sri.P.S.Ravendernath	--	--	0.20	0.20

- The Non-executive Directors were paid sitting fee for attending the meetings of Board and Committee Meetings. There has been no other pecuniary relationship or transactions with the Non-executive Directors.
- As re-appointment of Dr.M.Manickam, Executive Chairman has been made subject to the approval of the Central Government and as the approval of the Central Government is still awaited, he has not been paid remuneration during the financial year. Similarly Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, have not been paid remuneration during the financial year for want of Central Government approval for payment of remuneration. While there is no service contract with the Executive Chairman and the Managing Director, the Company has entered into service agreement with the Joint Managing Director.
- Sri V.K.Swaminathan, Executive Director, has been paid remuneration as per the terms of appointment approved by the Members of the Company till 31st October 2015. As his re-appointment with effect from 1st November 2015 is subject to approval of the Central Government, his remuneration for the remaining part of the financial year is also not paid. The remuneration consists of fixed component only. The Company does not have any service contract with the Executive Director.
- No severance fee is payable to the Directors on termination of employment.
- The Company has no stock option scheme to its Directors or employees.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee consists of the following Directors as its Members:

Sri S. Chandrasekhar  
Dr.M.Manickam  
Sri M.Balasubramaniam

Sri S. Chandrasekhar, an Independent Non-executive Director, heads the Stakeholder Relationship Committee as its Chairman.

The Committee met 2 times during the financial year on 30.09.2015 and 21.01.2016 and all the Members were present in both the meetings.

Sri S. Baskar, Chief Financial Officer and Company Secretary, functions as the Compliance Officer.

The Company had received 10 complaints during the year under review and all of them have been resolved to the satisfaction of the shareholders. There is no complaint remaining unresolved or pending as on 31st March 2016.

**7. RISK MANAGEMENT COMMITTEE:**

A Risk Management Committee has been constituted by the Board of Directors of the Company for laying down procedures for risk assessment and mitigation and to report to the Board. The Risk Management Committee consists of the following Directors as Members:

Sri C.Rangamani, Chairman  
Sri P.K.Chandran  
Sri K.V.Ramachandran

The Committee met once during the financial year ended 30th March 2016 and all the members attended the meeting. The Board has framed a Risk Management Policy for assessing and mitigating the risks.

**8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee has been constituted by the Board pursuant to Section 135 of the Companies Act 2013. This Committee consists of the following Directors:

Sri N.K.Vijayan, Chairman  
Sri M.Srinivaasan  
Sri S.Chandrasekhar

Since the Company has incurred loss during the last three financial years, besides the financial year ended 31st March 2016, the necessity of incurring expenditure as specified in the Companies Act, 2013 read with Schedule VII to the Act, has not arisen during the year under review. The Committee did not meet any time during the financial year. The CSR Policy approved by the Board is displayed on the website of the Company [www.sakthisugars.com](http://www.sakthisugars.com).

**9. OTHER COMMITTEES OF DIRECTORS:****a. Share Transfer Committee**

The Committee met 4 times during the financial year on 24.04.2015, 11.02.2016, 04.03.2016 and 18.03.2016. The details of members and their attendance are as under:

Members of the Committee	No of Meetings attended
Dr.M.Manickam, Chairman	4
Sri M.Balasubramaniam	3
Sri M.Srinivaasan	4



**b. Committee of Directors (Borrowing)**

The Committee met 8 times during the financial year on 13.05.2015, 28.07.2015, 30.09.2015, 13.11.2015, 05.12.2015, 12.02.2016, 11.03.2016 and 24.03.2016. The details of members and their attendance are as under:

Members of the Committee	No of Meetings attended
Dr.M.Manickam, Chairman	7
Sri M.Balasubramaniam	8
Sri V.K.Swaminathan	8

**10. GENERAL BODY MEETINGS:**

**a. Location and time of last three AGMs:**

The venue and time of the Annual General Meetings held during the last three years are as follows:

AGM	Date	Venue	Time
51 <sup>st</sup>	30.09.2013	Registered office at Sakthinagar Bhavani Taluk, Erode District	3.15 p.m
52 <sup>nd</sup>	30.09.2014	- do -	2.45 p.m
53 <sup>rd</sup>	30.09.2015	- do -	3.15 p.m

**b. Special Resolutions passed in the previous three AGMs:**

Details of Special Resolutions passed at the previous three Annual General Meetings are given below:

Date of AGM	Special Resolutions with respect to -
30.09.2013 (51 <sup>st</sup> AGM)	Amendment to Regulation 125 of the Articles of Association
30.09.2014 (52 <sup>nd</sup> AGM)	Approval to borrow not exceeding Rs.1,500 crores over and above the aggregate of paid up capital and free reserves of the Company. Consent of the Company to hypothecate, mortgage and/or charge assets of the Company as security.
30.09.2015 (53 <sup>rd</sup> AGM)	Nil

**c. Special Resolutions passed through Postal Ballot**

The following Special Resolutions were passed through Postal Ballot during the year 2015-2016:

S. No.	Details of Resolution	Voting Pattern			
		For		Against	
		No. of Shares	%	No. of Shares	%
1.	Alteration of object clause by insertion of Clause 14A	7,27,56,920	99.99	10,358	0.01
2.	Alteration of Articles of Association by substituting the existing Regulations with a new set of new Regulations	7,27,58,535	99.99	5,858	0.01
3.	Approval for entering into an Operation and Maintenance Agreement with Trishul Electric and Powergen Limited	7,27,56,625	99.99	8,056	0.01
4.	Approval for investing upto Rs.10 lakhs in Trishul Electric and Powergen Limited	7,27,55,817	99.99	8,753	0.01

Sri M.D.Selvaraj, Proprietor, M/s.MDS & Associates, Company Secretaries, appointed by the Board as Scrutinizer conducted the postal ballot exercise.

Notice dated 8th August 2015 together with explanatory statement and postal ballot form and in case of physical form, postal envelopes bearing the address of the Scrutinizer were sent to the members. E-voting facility was also provided using the



CDSL platform. Based on the combined voting through e-voting and Postal Ballot, the Scrutinizer submitted his report and on that basis all resolutions were declared passed with requisite majority. In this process the procedures laid down in the Companies (Management and Administration) Rules 2014 and the Listing Agreement with respect to Postal Ballot were followed.

After the closure of the financial year 2015-16, a postal ballot was conducted, vide Postal Ballot Notice dated 2nd May 2016.

## 11. MEANS OF COMMUNICATION:

The quarterly/half yearly/annual financial results of the Company are announced within the stipulated time and are published in English and Tamil Newspapers, viz. Financial Express and Malai Malar respectively. The Company displays its periodical results on the Company's website [www.sakthisugars.com](http://www.sakthisugars.com) as required by the Listing Regulations. No presentations were made to institutional investors or to the analysts.

## 12. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

Day and Date	:	Tuesday, 27 <sup>th</sup> September 2016
Time	:	2.45 p.m.
Venue	:	Sakthinagar - 638 315, Bhavani Taluk, Erode District, Tamilnadu.

### b. Financial Calendar for the financial year

Results for the quarter ending	:	From 1 <sup>st</sup> April 2016 to 31 <sup>st</sup> March 2017
30 <sup>th</sup> June 2016	:	Result announcement
30 <sup>th</sup> September 2016	:	On or before 14 <sup>th</sup> August 2016
31 <sup>st</sup> December 2016	:	On or before 14 <sup>th</sup> November 2016
31 <sup>st</sup> March 2017 (Audited)	:	On or before 14 <sup>th</sup> February 2017
	:	On or before 30 <sup>th</sup> May 2017

### c. Date of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday the 21st September, 2016 till Tuesday the 27th September, 2016 (both days inclusive) for the purpose of Annual General Meeting.

### d. Listing on Stock Exchanges:

The Company's equity shares are listed on the following Stock Exchanges and the Annual Listing Fees have been paid to all the stock exchanges. The Company's Stock Codes are as follows:

Name of Stock Exchanges	Stock Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai 400 051.	SAKHTISUG
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001.	507315



e. **Market Price Data:**

The high and low quotations of the Company's shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from April 2015 to March 2016 are given below:

Month		BSE		NSE		SENSEX (BSE)	
		High	Low	High	Low	High	Low
April	2015	14.88	12.80	14.80	12.80	29095	26898
May	2015	16.35	12.42	16.30	12.15	28071	26424
June	2015	16.00	13.27	16.15	13.20	27969	26307
July	2015	17.77	14.39	17.75	14.35	28578	27416
August	2015	18.40	14.00	18.00	14.10	28416	25298
September	2015	15.78	14.10	15.70	14.00	26472	24834
October	2015	27.25	14.65	27.40	14.90	27618	26169
November	2015	35.10	21.00	35.25	20.95	26824	25451
December	2015	35.25	28.50	35.50	28.55	26256	24868
January	2016	41.60	27.00	41.65	27.55	26197	23840
February	2016	33.25	20.40	33.65	20.00	25002	22495
March	2016	38.90	23.95	38.95	23.00	25480	23133

Performance in comparison to BSE Sensex:

	31.03.2016	31.03.2015	% change
Company share price (closing)	36.60	13.05	180.46%
SENSEX (closing)	36.50	13.00	180.77%

f. The equity shares of the Company are continuously traded in National Stock Exchange India Limited and in BSE Limited, without any suspension.

g. **Registrar and Share Transfer Agents:**

Registered Office:  
Link Intime India Pvt Ltd  
(formally Intime Spectrum Registry Limited)  
C-13, Pannalal Silk Mill Compound  
LBS Marg, Bhandup (W), Mumbai-400078  
Phone No: 022 - 25963838  
Fax No: 022 - 25946969  
Email: mumbai@linkintime.co.in

Branch Office:  
"Surya" 35, Mayflower Avenue  
Behind Senthil Nagar, Sowripalayam Road  
Coimbatore - 641 028.  
Phone Nos: 0422 - 2314792 & 2315792  
Fax No: 0422 -2314792  
Email: coimbatore@linkintime.co.in

h. **Share Transfer System:**

The shares lodged in physical form are processed, registered and returned by the Registrar and Share Transfer Agents within a period of 15 days from the date of receipt, if the documents are in order.

i. **Distribution of Shareholding as on 31st March 2016:**

Shareholdings	No. of shareholders	% of shareholders	Number of Shares	% of shareholding
1 - 500	34055	84.98	4516525	4.69
501 - 1000	2960	7.39	2447243	2.54
1001 - 2000	1416	3.53	2163577	2.25
2001 - 3000	521	1.30	1342104	1.40
3001 - 4000	256	0.64	919632	0.96
4001 - 5000	235	0.59	1114119	1.16
5001 - 10000	361	0.90	2668159	2.77
10001 & above	269	0.67	81041920	84.23
Total	40073	100.00	96213279	100.00

j. **Dematerialisation of shares and liquidity:**

The shares of the Company are in compulsory demat segment. The Company's shares are available for demat both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE 623A01011.

As on 31st March 2016, 9,48,03,253 equity shares of the Company representing 98.53% have been dematerialised.

k. **Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments and impact on equity:**

The Company has not issued any Global Depository Receipts or American Depository Receipts or warrants. The details of outstanding Foreign Currency Convertible Bonds issued by the Company and its impact on the equity shares are given in Note No.1 of the financial statement.

l. **Commodity price risk or foreign exchange risk and hedging activities:**

The prices of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments no hedging has been made.

m. **Plant Location**

Sugar Unit, Distillery Unit, Ethanol & Co-generation plant	:	Sakthinagar - 638 315 Erode District, Tamilnadu
Sugar Unit & Beverage Plant and Co-generation plant	:	Padamathur Village - 630 561 Sivaganga District, Tamilnadu
Sugar Unit, Distillery Unit and Soya Extrusion Plant	:	Haripur Village, Korian Post - 759 013 Dhenkanal District, Orissa
Sugar Unit and Co-Generation plant	:	Poonthurai Semur Post - 638 115 Modakurichi, Erode District, Tamilnadu



Soya Unit : Marchinaickenpalayam  
Ambarampalayam Post - 642 103  
Coimbatore District

n. **Address for Correspondence** : Sakthi Sugars Limited  
180, Race Course Road  
Coimbatore - 641 018  
Phone : 0422 4322 222, 2221551  
Fax : 0422 2220574, 4322488  
Email : shares@sakthisugars.com  
Website : www.sakthisugars.com

### **13. OTHER DISCLOSURES**

**a. Instances of non-compliance, if any:**

There are no instances of non-compliance by the Company on any matter relating to capital markets, nor have any penalty/strictures been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

**b. Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. This policy has been posted on the website of the Company. It is affirmed that no personnel have been denied access to the Audit Committee of the Company.

**c. Compliance on Corporate Governance:**

The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The status of adoption of the non-mandatory requirements stipulated by the Regulation is as under:

- i. Shareholders rights: As the quarterly/half yearly financial results are published in newspapers and are also posted in the website of the Company, they are not being sent to the shareholders separately.
- ii. Audit qualification: The removal of the qualification with respect to provision of interest and guarantee commission is possible only when the lenders to the Company permit payment of interest and guarantee commission to the holding company. Similarly, provision of interest on the advances given to the Associate Company requires approval of the entities to which the Company has given guarantee. The Company is thriving for a regime of unqualified financial statements.
- iii. Separate posts of Chairman and CEO: As the Company has multiple products and more than one managerial personnel, one of the managerial personnel is appointed as Executive Chairman in terms of first proviso to Section 203(1) of the Companies Act 2013.
- iv. Reporting of Internal Auditor: The Company has in-house internal audit system and the head of internal audit team reports to the Audit Committee of the Company.

**d. Subsidiary:**

During the year ended 31st March 2016, the Company did not have any subsidiary. As such the need for framing a policy for determining "material subsidiary" does not arise at present.

**e. Related Party Transactions:**

The details of related party transactions are disclosed in Notes on financial statements. Those transactions are not in conflict with the interest of the Company and are on arms length basis. Statements of related party transactions are placed before the Audit Committee periodically.





There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or holding company or associate company that may have potential conflict with the Company's interest.

The Policy on related party transactions is disclosed at the Company's weblink: [www.sakthisugars.com/investorinformation/rptpolicy.pdf](http://www.sakthisugars.com/investorinformation/rptpolicy.pdf)

**f. Compliance with Accounting Standards:**

The Company has followed all relevant Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 while preparing Financial Statements and has not adopted a treatment different from that prescribed in the Accounting Standards

**g. Proceeds from issue of shares:**

The Company has not issued any shares during the financial year ended 31st March 2016.

**h. Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practising Company Secretary carries out the share capital audit of Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital with the Stock Exchanges.

**14. CEO/CFO Certification:**

The Managing Director and the Chief Financial Officer of the Company have provided to the Board of Directors of the Company Compliance Certificate as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations.

The Senior Management personnel have made disclosures to the Board relating to all material, financial and commercial transaction stating that they do not have personal interest that may have a potential conflict with the interest of the Company at large. The Certificate issue by the Managing Director in this regard is annexed.

**15. DETAILS OF UNCLAIMED SHARE CERTIFICATES:**

Pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has opened a Demat Account in the name of "Sakthi Sugars Limited Unclaimed Suspense Account" with Stock Holding Corporation of India Limited. The details of unclaimed shares as on 31.3.2016 are as under:

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2015)	126746	2787
Shareholders approached for transfer during the year	1050	9
Transferred during the year	1050	9
Outstanding at the end of the year (31.03.2016)	125696	2778

The voting rights on the above shares in the Suspense Account remains frozen till the rightful owner of such shares claims the shares.

**16. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:**

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the Auditors Certificate on compliance of conditions of Corporate Governance is annexed.

On behalf of the Board of Directors

Coimbatore  
12th August 2016

M. MANICKAM  
Executive Chairman



**Annual Declaration by Managing Director pursuant to Schedule V(D) of SEBI (LODR) Regulations, 2015**

As required under para D of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31.03.2016.

On behalf of the Board of Directors

Place : Coimbatore  
Date : 12th August 2016

M BALASUBRAMANIAM  
Managing Director

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To

**The Members of Sakthi Sugars Limited**

We have examined the compliance of conditions of Corporate Governance by Sakthi Sugars Limited ('the Company'), for the year ended on 31<sup>st</sup> March 2016, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges for the period 1<sup>st</sup> April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said Listing Agreement / Listing Regulation. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P N RAGHAVENDRA RAO & Co  
Chartered Accountants (FRN: 003328S)

Place : Coimbatore  
Date : 12th August 2016

P R VITTEL  
Partner  
Membership Number : 018111



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. Industry Structure and Developments:

The sugar industry is the second largest agro-based industry in India next to textiles. All the three major sectors, viz public, private and co-operative, have presence in this industry. The industry is seasonal in nature and is subject to vagaries of monsoon.

The sugar industry has been facing a period of recession with excess production of sugar and consequential reduction in the selling price, far below the cost of production. The country's sugar production for the current sugar season is expected to be around 25 million tonnes, besides carry forward opening stock of 7 million tonnes, as against the total consumption of around 26 million tonnes. For the sugar season 2016-17 production of sugar is expected to be about 23 million tonnes. There is some improvement in the realisation on sugar due to expected reduction in production on account of failure of the last south-west monsoon and the industry is just able to recover its cost of production.

Molasses and bagasse are the major bye-products of sugar operation. Alcohol and ethanol are manufactured from molasses and power is generated using bagasse as fuel.

### B. Opportunities and Threats:

#### i. Opportunities:

The industry is poised for better stability as demand for sugar is expected to be higher than the production with higher realisation on sale of sugar. Further there has been gradual growth in demand year after year.

Increase in admixture percentage of ethanol with petrol from 5% to 10% adds to the demand for the distillery products.

#### ii. Threats

There may be shortage in the availability of sugarcane for the ensuing crushing season due to failure of south-west monsoon.

As far as sugarcane price is concerned, it is still under the control of the Government. Any unreasonable increase in price in comparison to selling price of sugar will make the operation unviable.

There may be chance for reduction in demand from IMFL manufacturers with the closure of potable alcohol outlets as per the State Governments election manifesto.

In co-generation division, with the improvement in the grid connectivity, supply of power has gone up resulting in reduction in per unit rate. Even though the restriction imposed on free sale of power is withdrawn by Tamilnadu Government, it is subject to review in October 2016.

### C. Segmentwise or Productwise Performance:

Segmentwise results are given in the notes on financial statements for the financial year ended 31.3.2016. Productwise performance is furnished in the Board's Report.

### D. Outlook:

The outlook of the sugar industry is expected to be positive with the selling price of sugar being remunerative. Favourable margins are expected to be maintained in industrial alcohol, power and soya segments. It is hoped that the present trend will continue in the medium term and the mills will be able to fully settle their cane arrears and come out of the financial difficulties.

### E. Risks and Concerns:

The sugar industry is cyclical in nature and the availability of raw material for crushing depends on monsoon which is unpredictable. No risk mitigation efforts can be taken in this respect.

Another major risk mills are facing is the willingness of farmers to grow sugarcane and availability of profitable alternate crops. In recent times, availability of harvesting labour poses a great threat.



The risk relating to willingness of farmers to grow sugarcane may be managed to certain extent by constant discussion with farmers and by giving timely advice regarding sugarcane cultivation. Bringing larger areas of cane fields under mechanical harvesting will be the solution for cutting labour issues.

Policies of the Governments have major impact in distillery and power divisions.

**F. Internal Control Systems and their adequacy:**

The Company has an in-house internal audit team to ensure that all activities are monitored and controlled. Adequate internal checks are built-in to cover all monetary and material transactions in the system developed by the Company. These checks and controls are reviewed for improvement periodically.

**G. Financial Performance with respect to Operational Performance:**

The total revenue for the financial year under review is Rs.85,768.11 lakhs (previous year Rs. 86,896.40 lakhs). The financial year has ended with a loss of Rs.7,524.20 lakhs (previous year Rs.4,937.89 lakhs) after providing Rs.7,849.43 lakhs for finance cost and Rs.7,437.00 lakhs for depreciation and amortization expense.

**H. Material developments in Human Resource/Industrial Relations front, including number of people employed:**

The Chief Executive Officer and the Chief Financial Officer of the Company have left the services of the Company during the financial year under review. Sri S.Baskar who was heading the finance department earlier has been made as the Chief Financial Officer. The industrial relations at all plants and offices remain cordial. The total number of employees on the rolls of the Company, including temporary employees and apprentices, was 1680 as at the financial year ended on 31st March 2016. Training programmes are conducted depending on the needs for updating the knowledge with respect to the developments in the industry.

On behalf of the Board of Directors

Coimbatore  
12th August 2016

M MANICKAM  
Executive Chairman



## INDEPENDENT AUDITORS' REPORT

To The Members of Sakthi Sugars Limited

### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Sakthi Sugars Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

### Basis for Qualified Opinion

9. The Company has not provided for the interest and guarantee commission claim of Rs.6579.01 lakhs (Rs. 5444.38 lakhs) made by the Holding Company. In our opinion, the losses of the Company are under stated to that extent. This matter was also qualified in our report on the financial statements for the year ended March 31, 2015.
10. As per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non provision of interest at least to the extent of Interest on Government Securities is in contravention of sub-section (7) of Section 186 of the Act. Consequential impact of the same on the loss for the year/accumulated loss is not ascertainable.

### Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion Paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.



**Emphasis of Matter**

12. We draw attention to Note No. 37 (B) (a) to the standalone financial statements which specifies the claims disputed/challenged by the company. Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

13. As required by the Companies (Auditor's Report) Order, 2016 (the "Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
  - (f) On the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - (g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"; and
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations, as at March 31, 2016, on its financial position in its standalone financial statements - Refer Note no. 37 (A) and (B) to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P.N. RAGHAVENDRA RAO & Co.  
Chartered Accountants  
Firm Registration Number : 003328S

Coimbatore  
May 30, 2016

P.R.VITTEL  
Partner  
Membership Number : 018111

**Annexure - A to the Independent Auditor's Report**

Re : **SAKTHI SUGARS LIMITED** (the "Company")

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.  
  
(c) The title deeds of immovable properties, as disclosed on Note No.9 on tangible assets to the standalone financial statements, are held in the name of the Company, except for land of Soya division acquired, pursuant to scheme of amalgamation having a carrying value of Rs.418.00 lakhs as at March 31, 2016.
- ii. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. The Company has granted unsecured loan in earlier years to the Associate Company covered in the register maintained under Section 189 of the Act and outstanding balance of which, as at the date of balance sheet, is Rs. 15432.40 lakhs.  
  
(a) As per the terms and conditions of the loan granted to the associate company, no interest is chargeable. Non-charging of interest is prejudicial to the interest of the company.  
  
(b) In respect of the aforesaid loan, the schedule of repayment is stipulated and as per which no amount of principal has fallen due during the year.  
  
(c) In respect of the aforesaid loan, as per the terms and conditions, there is no amount which is overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the investments made and guarantee given. With respect to a loan given to the associate, no interest has been charged in contravention of stipulations of sub-section (7) of Section 186 of the Act and with the exception of the above, Company has complied with the provisions of Section 185 and 186 of the Act. As per management representation, interest has not been charged as per the terms of agreement and considering the economic interest of the company in the entity. The Company has not provided any security to others.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the cost records maintained by the specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there has been a slight delay in a few cases.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, duty of customs and value added tax, which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of excise and service tax as at March 31, 2016, which have not been deposited on account of dispute, are as follows:





Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1056.09 28.25	1983-84 to 1995-96, 1989-90 to 1992-93 2000-01	Madras High Court, Chennai. Additional Commissioner (CT)/(RP), Chennai.
The Central Excise Act, 1944	Excise Duty	5.49 804.59 8.79 0.34	2002-03, 2006-07 2006-07, 2008-2012 2007-08 & 2008-09 June & July 2009	Madras High Court, Chennai. CESTAT, Chennai. Commissioner of Central Excise (Appeals), Salem Commissioner of Central Excise (Appeals), Bhubaneswar
The Bihar & Orissa Excise Act, 1915	Excise Duty	12.63	2002 - 03	High Court of Orissa, Cuttack.
Finance Act, 1994	Service Tax	289.77 21.12	2005, 2006, 2007 & 2008, 2009 - 2011 2006, 2009-13, 2014-15	CESTAT, Chennai. Commissioner of Central Excise (Appeals).

viii. According to the records of the Company examined by us and the information and explanations given by the management, the Company has not issued debentures. The defaults by the Company as at the balance sheet date in repayment of loans to banks, financial institutions and Government are as under:

(a) Default in repayment of loans to Banks:

Particulars	Amount of default as at 31.03.2016 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Rupee Term Loan from Bank of India	598.93	273.11	January 2015 to January 2016	January 2015 to February 2016
Term Loan from Bank of India	597.60	274.86	January 2015 to January 2016	January 2015 to February 2016
Corporate Loan from Bank of India	312.47	106.65	January 2015 to January 2016	January 2015 to February 2016
Term Loan from Allahabad Bank	816.13	582.69	April 2013 to January 2016	April 2013 to February 2016
Rupee Term Loan from Punjab National Bank	1759.87	1076.69	October 2012 to January 2016	January 2013 to February 2016
Working Capital Term Loan from Bank of India	206.20	101.85	January 2015 to January 2016	January 2015 to February 2016
Funded Interest Term Loan from Bank of India	105.56	76.06	January 2015 to January 2016	January 2015 to February 2016
Funded Interest Term Loan from Allahabad Bank	77.59	59.58	April 2013 to January 2016	April 2013 to February 2016
Funded Interest Term Loan from Punjab National Bank	179.25	118.72	October 2012 to January 2016	January 2013 to February 2016
FCCB Term Loan from Bank of India	--	416.20	--	January 2015 to February 2016





## (b) Default in repayment of loans to Financial Institutions:

Particulars	Amount of default as at 31.03.2016 (Rs.in lakhs)		Period of Default	
	Principal	Interest #	Principal	Interest #
Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	--	1578.34	--	July 2012 to December 2015
Asset Reconstruction Company (India) Limited - (Canara Bank)	--	2963.00	--	April 2012 to December 2015
Asset Reconstruction Company (India) Limited (State Bank of India)	--	2399.91	--	October 2013 to December 2015
Asset Reconstruction Company (India) Limited (IDBI Bank)	--	2459.02	--	July 2012 to December 2015
Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	--	1250.02	--	July 2014 to December 2015

# As per the restructuring proposal of Asset Reconstruction Company (India) Limited, the overdue interest amounting to Rs. 9280.47 lakhs will be waived on fulfillment of stipulated conditions.

## (c) Default in repayment of loan to Government:

Particulars	Amount of default as at 31.03.2016 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Sugar Development Fund Loan	2569.66	1420.00	May 2013 to February 2016	November 2011 to February 2016

- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loan availed during the year has been applied for the purpose for which it was raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



## INDEPENDENT AUDITORS' REPORT

- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For P.N. RAGHAVENDRA RAO & Co.  
Chartered Accountants  
Firm Registration Number : 003328S

Coimbatore  
May 30, 2016

P.R.VITTEL  
Partner  
Membership Number : 018111

**Annexure - B to the Independent Auditor's Report**

Referred to in paragraph 13(h) of the Independent Auditors' Report of even date to the members of Sakthi Sugars Limited on the standalone financial statements for the year ended March 31, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over financial reporting of Sakthi Sugars Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.N. RAGHAVENDRA RAO & Co.  
Chartered Accountants  
Firm Registration Number : 003328S

Coimbatore  
May 30, 2016

P.R.VITTEL  
Partner  
Membership Number : 018111



## BALANCE SHEET AS AT 31.03.2016

(Rs. in lakhs)

	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	9,621.33	9,621.33
(b) Reserves and Surplus	2	26,962.62	29,626.71
		<b>36,583.95</b>	<b>39,248.04</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long term borrowings	3	73,224.16	59,282.08
(b) Other long term liabilities	4	47.90	58.99
(c) Long term provisions	5	2,536.22	2,491.10
		<b>75,808.28</b>	<b>61,832.17</b>
<b>(3) CURRENT LIABILITIES</b>			
(a) Short term borrowings	6	7,998.24	21,170.38
(b) Trade payables		28,392.39	24,545.08
(c) Other current liabilities	7	55,210.30	62,169.96
(d) Short term provisions	8	1,474.18	8,518.01
		<b>93,075.11</b>	<b>1,16,403.43</b>
<b>TOTAL (1 to 3)</b>		<b>2,05,467.34</b>	<b>2,17,483.64</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible assets	9	92,109.52	96,446.20
(ii) Intangible assets	10	8,400.46	11,216.35
(iii) Capital work-in-progress		14,987.81	14,945.46
		<b>1,15,497.79</b>	<b>1,22,608.01</b>
(b) Non-current investments	11	16,399.41	16,308.96
(c) Deferred tax assets (net)		14,941.00	12,695.46
(d) Long term loans and advances	12	13,301.30	20,607.93
(e) Other non-current assets	13	6,154.29	6,147.87
		<b>1,66,293.79</b>	<b>1,78,368.23</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	14	10,416.99	9,950.79
(b) Trade receivables	15	12,023.50	13,135.74
(c) Cash and cash equivalents	16	2,058.27	5,375.08
(d) Short term loans and advances	17	13,096.94	9,099.14
(e) Other current assets	18	1,577.85	1,554.66
		<b>39,173.55</b>	<b>39,115.41</b>
<b>TOTAL (1 and 2)</b>		<b>2,05,467.34</b>	<b>2,17,483.64</b>

The Notes form part of these financial statements.

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>I. Revenue from Operations</b>	19	<b>82,100.59</b>	83,650.87
<b>II. Other Income</b>	20	<b>3,667.52</b>	3,245.53
<b>III. Total Revenue (I + II)</b>		<b>85,768.11</b>	86,896.40
<b>IV. Expenses:</b>			
Cost of material consumed	21	<b>52,406.38</b>	45,540.94
Purchase of stock in trade	22	<b>664.36</b>	525.26
Changes in inventories of finished goods, work-in-progress and stock in trade	23	<b>282.20</b>	3,721.64
Employee benefits expense	24	<b>5,902.41</b>	6,188.08
Finance costs	25	<b>7,849.43</b>	12,934.20
Depreciation and amortization expense	26	<b>7,437.00</b>	6,379.36
Other expenses	27	<b>18,750.53</b>	16,544.81
<b>Total expenses</b>		<b>93,292.31</b>	91,834.29
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>VI. Exceptional Items</b>		<b>--</b>	--
<b>VII. Profit/(Loss) before extraordinary items and tax (V-VI)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>VIII. Extraordinary Items</b>		<b>--</b>	--
<b>IX. Profit/(Loss) before tax (VII-VIII)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>X. Tax Expense:</b>			
1. Current tax		<b>--</b>	--
2. Mat Credit - Reversal of Earlier year provision		<b>228.45</b>	--
3. Deferred tax		<b>(2,245.54)</b>	(1,460.96)
		<b>(2,017.09)</b>	(1,460.96)
<b>XI. Profit/(Loss) for the year from continuing operations (IX-X)</b>		<b>(5,507.11)</b>	(3,476.93)
<b>XII. Earnings per equity share of Rs.10/- each:</b>			
1. Basic		<b>(5.72)</b>	(3.61)
2. Diluted		<b>(5.72)</b>	(3.61)

The Notes form part of these financial statements.

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Rs. in lakhs)

Particulars	2015-16		2014-15	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax as per statement of Profit and Loss		(7,524.20)		(4,937.89)
Adjustment for:				
Depreciation and Amortisation Expense	7,437.00		6,379.36	
Finance Costs	7,849.43		12,934.20	
Miscellaneous Expenses & Other exp. written off	5.10		77.25	
Provision for diminution in value of Investments	(90.45)		(0.54)	
Loss on Sale of Assets	1.17		5.31	
Dividend Income	(16.71)		(15.06)	
Interest Income	(1,116.29)		(1,589.14)	
Profit on Sale of Assets	(69.32)		(1,474.97)	
		13,999.93		16,316.41
Operating Profit before Working Capital Changes		6,475.73		11,378.52
Adjustment for:				
Inventories	(466.20)		3,133.49	
Trade and Other Receivables	1,131.72		(11,412.94)	
Other Current Assets	(49.09)		(1,357.44)	
Loans and Advances	2,809.95		(5,143.42)	
Trade and Other Payables	2,610.27		(5,978.09)	
		6,036.65		(20,758.40)
Cash Generated from Operations		12,512.38		(9,379.88)
Income Tax Paid		(14.66)		16.58
Net Cash from/(used in) Operating Activities		12,497.72		(9,363.30)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Fixed Assets	(432.03)		(793.43)	
Sale of Fixed Assets	73.18		1,490.28	
Investment Income	1,133.00		1,604.20	
Sale/Purchase of Investments	-		0.20	
Loans and Advances - Related Parties	279.99		1,317.81	
Net Cash from Investing Activities		1,054.14		3,619.06
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Finance Costs Paid	(5,477.86)		(1,116.55)	
Proceeds from Long Term Borrowings	3,600.00		7,888.87	
Repayment of Long Term Borrowings	(4,607.08)		(5,591.71)	
Short Term Borrowings (net)	(8,947.48)		8,793.35	
Loans from Related Parties (net)	(1,436.25)		461.40	
Net Cash from/(used in) Financing Activities		(16,868.67)		10,435.36
Net Increase in Cash and Cash Equivalents		(3,316.81)		4,691.12
Opening Balance of Cash and Cash Equivalents		5,375.08		683.96
Closing Balance of Cash and Cash Equivalents		2,058.27		5,375.08

Vide our report annexed

For P N RAGHAVENDRA RAO & Co

Chartered Accountants

Firm Registration Number : 003328S

P R VITTEL

Partner

Membership Number : 018111

Coimbatore

30<sup>th</sup> May 2016

M MANICKAM

Executive Chairman

S BASKAR

Chief Financial Officer

M BALASUBRAMANIAM

Managing Director

S BASKAR

Company Secretary



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 1</b>		
<b>SHARE CAPITAL</b>		
Authorised		
11,00,00,000 Equity Shares of Rs.10 each (11,00,00,000)	11,000.00	11,000.00
50,00,000 Preference Shares of Rs.100 each (50,00,000)	5,000.00	5,000.00
	<b>16,000.00</b>	<b>16,000.00</b>
<b>Issued</b>		
9,63,29,948 Equity Shares of Rs.10 each (9,63,29,948)	9,632.99	9,632.99
	<b>9,632.99</b>	<b>9,632.99</b>
<b>Subscribed and Paid up</b>		
9,62,13,279 Equity Shares of Rs.10 each fully paid up (9,62,13,279)	9,621.33	9,621.33
<b>TOTAL</b>	<b>9,621.33</b>	<b>9,621.33</b>
<b>Reconciliation of Number of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year	9,62,13,279	9,62,13,279
Add: Shares issued/allotted on preferential basis	--	--
Equity Shares at the end of the year	9,62,13,279	9,62,13,279
<b>Rights, Preferences and Restrictions of each class of Shares</b>		
The Company has only one class of Equity shares having face value of Rs.10 each. Each shareholder is eligible for one vote per share. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential amounts.		
<b>Shares held by the holding Company</b>		
ABT Limited	67463540	67463540
<b>List of Shareholders holding more than 5%</b>		
ABT Limited	67463540	67463540
<b>Terms of security convertible into Equity Shares</b>		
Foreign Currency Convertible Bonds (FCCB)	<b>Series A</b>	<b>Series A</b>
a. No. of bonds outstanding	10	10
b. Date of maturity	30.5.2009	30.5.2009
c. Value of bonds for conversion (Rs. in lakhs)	448.90	448.90
d. Conversion price (Rs. Per share)	208.00	208.00
e. Earliest date of conversion	10.07.2006	10.07.2006
f. Date of expiry of conversion right	30.5.2019	30.5.2019
	<b>Series B</b>	<b>Series B</b>
a. No. of bonds outstanding	--	156
b. Date of maturity	--	31.5.2011
c. Value of bonds for conversion (Rs. in lakhs)	--	7,002.84
d. Conversion price (Rs. Per share)	--	190.00
e. Earliest date of conversion	--	10.07.2006
f. Date of expiry of conversion right	--	31.5.2021





## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Balance as per last Balance Sheet	625.24	625.24
<b>Capital redemption reserve</b>		
Balance as per last Balance Sheet	2,512.27	2,512.27
<b>Securities premium account</b>		
Balance as per last Balance Sheet	20,208.87	20,208.87
Add: Premium on FCCB - Earlier year reversed	3,159.65	--
	23,368.52	20,208.87
Less:- Premium on FCCB	216.41	--
	23,152.11	20,208.87
<b>Revaluation reserve</b>		
Balance as per last Balance Sheet	37,538.64	39,759.23
Less: Depreciation on revalued assets - Transfer to Surplus	1,719.28	--
Less: Depreciation on revalued assets - Transfer to Statement of Profit and Loss	--	1,722.81
Less: Withdrawn on sale of assets	100.22	497.78
	35,719.14	37,538.64
<b>Subsidy from Government</b>		
Balance as per last Balance Sheet	44.23	44.23
<b>Surplus</b>		
Balance as per last Balance Sheet	(31,302.54)	(27,402.41)
Net Profit/(Loss) after tax	(5,507.11)	(3,476.93)
	(36,809.65)	(30,879.34)
Add : Transfer from Revaluation Reserve	1,719.28	--
- Depreciation on Revalued Assets	--	423.20
Less : Previous year depreciation adjustments	--	423.20
	1,719.28	(423.20)
	(35,090.37)	(31,302.54)
<b>TOTAL</b>	<b>26,962.62</b>	<b>29,626.71</b>
<b>NOTE No. 3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>(a) Term Loans</b>		
Secured Loans		
From Banks	19,917.47	31,679.00
From Other Parties	43,645.09	12,493.66
	63,562.56	44,172.66
Unsecured Loans		
From Other Parties	4,790.79	8,696.96
<b>Total of Term Loans</b>	<b>68,353.35</b>	<b>52,869.62</b>
<b>(b) Loans and advances from Related parties (Unsecured)</b> (For details please refer to Note No.34)	<b>4,866.54</b>	<b>6,405.74</b>
<b>(c) Long term maturities of finance lease obligations (Secured)</b>	<b>4.27</b>	<b>6.72</b>
<b>TOTAL</b>	<b>73,224.16</b>	<b>59,282.08</b>

**NOTE No. 3 (Contd.)****NATURE OF SECURITY AND OTHER TERMS OF LONG TERM BORROWINGS:****A) SECURED LOANS FROM BANKS****Nature of Security**

- 1 Term loans amounting to Rs.5252.07 lakhs (Rs.15583.43 lakhs) are secured by
  - a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.
  - b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.
- 2 Term loans amounting to Rs.6403.60 lakhs (Rs.8120.58 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.
  - a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.
  - b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.
- 3 Term Loans amounting to Rs.5336.80 lakhs (Rs.7884.99 lakhs) are secured by
  - a) Pari passu first charge on fixed assets pertaining to Co-generation Plant at Sakthinagar.
  - b) Subservient pari passu charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.
- 4 Term Loan amounting to Rs.Nil (Rs.90 lakhs) is secured by
  - a) First charge on the Company's property situated at 180 Race Course Road, Coimbatore.
  - b) Subservient charge on the fixed assets of the Company after the existing Loans except, the assets charged on exclusive basis.
- 5 Term Loan amounting to Rs.2925 lakhs (Rs.Nil) is secured by
  - a) Extension of first charge on the Company's property situated at 180 Race Course Road, Coimbatore.
  - b) Subservient charge on the fixed assets of the Company except, the assets charged on exclusive basis.
- 6 The loans under 1 above is further secured by pledge of shares held by promoters in the Company.
- 7 Guarantees given by Directors/Others:
  - a) Term Loans amounting to Rs.19917.47 lakhs (Rs.31589 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
  - b) Term Loan amounting to Rs.Nil (Rs.90 lakhs) is guaranteed by Dr. M.Manickam.
  - c) Term Loan amounting to Rs.3000 lakhs (Rs.3000 lakhs) is additionally secured by corporate guarantee and collateral security given by a group company.
  - d) Term Loan amounting to Rs.2925 lakhs (Nil) is additionally secured by collateral security given by promoter

**Terms of Repayment**

The loans are restructured and are repayable in 32 quarterly instalments commencing from April 2011.

Rate of Interest 10.50% p.a. (10.50% p.a.)

Term loan of Rs.3000 lakhs (Rs.3000 lakhs) is repayable in 8 quarterly instalments commencing from June 2017.

Rate of Interest 10.95% p.a. (11.20% p.a.)

Term Loan of Rs.3403.60 lakhs (Rs.3404 lakhs) is repayable in 8 quarterly instalments commencing from August 2017.

Rate of Interest 11.00% p.a (11.65% p.a)

Term Loan of Rs.Nil (Rs.1716.58 lakhs) is repayable in 8 quarterly instalments commencing from September 2017.

Rate of Interest Nil (12.25% p.a)

The Loan is repayable in 36 monthly instalments commencing from April 2016.

Rate of Interest Nil (Nil)

The Loan is repayable in 10 quarterly instalments from January 2014.

Rate of Interest Nil (11.65% p.a)

The Loan is repayable in 16 quarterly instalments from September 2016.

Rate of Interest 12% p.a (Nil)



**NOTE No. 3 (Contd.)**

8 Period and amount of continuing default as on the date of Balance Sheet :

	Amount (Rs.in lakhs)	Period	Since paid (Rs. in lakhs)
Principal	4653.60 (8414.85)	Varying period	-- (121.16)
Interest	3086.41 (5873.20)	from October 2012 to February 2016	-- (858.84)

**B) SECURED LOANS FROM OTHER PARTIES**

**Nature of Security**

1 Term loan amounting to Rs.42681.62 lakhs (Rs.9852.06 lakhs) is secured by

- Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.
- Paripassu second charge on the current assets of the Company, except the assets charged on exclusive basis.

**Terms of Repayment**

Term loan of Rs.3648 lakhs (Rs.1379.53 lakhs) is restructured and is repayable in 22 quarterly installments commencing from June 2016.

Rate of Interest 10.00% p.a (10.50% p.a)

Term loan of Rs.4018 lakhs (Nil) is restructured and is repayable in 28 quarterly installments commencing from June 2016.

Rate of Interest 10.00% p.a (10.50% p.a)

Term loans amounting to Rs.35015.62 lakhs (Rs.8472.53) are restructured and are repayable in 28 quarterly installments commencing from June 2016.

Rate of Interest 12.00% p.a (10.50% p.a)

2 Term loan amounting to Rs. Nil (Rs.794.85) is secured by

- Pari passu residual charge on the entire fixed assets of the company, except the assets charged on exclusive basis.
- Residual charges on the current assets of the Company

The loan is restructured under CDR scheme and is repayable in 32 quarterly installments commencing from April 2011.

Rate of Interest Nil (10.50% p.a.)

3 Term loan amounting to Rs. 722.91 lakhs (Rs. 1445.82 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Sivaganga.

Repayable in 10 half yearly instalments from May 2013. Rate of Interest 4.00% p.a. (4.00% p.a.)

4 Term loan amounting to Rs.240.56 lakhs (Rs.400.93 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Modakuruchi.

Repayable in 10 half yearly instalments from February 2014. Rate of Interest 4.00% p.a. (4.00 % p.a.)

5 The loan under 1 above is further secured by pledge of shares held by Promoters in the company.

6 Guarantees given by Directors:

Term Loans amounting to Rs.42681.62 lakhs (Rs.10646.91 Lakhs) is guaranteed by Dr. M.Manickam Sri.M.Balasubramaniam and Sri.M.Srinivaasan.

7 Period and amount of continuing default as on the date of Balance Sheet:

	Amount (Rs.in lakhs)	Period	Since paid (Rs. in lakhs)
Principal	-- (9818.46)	Varying period	-- (--)
Interest	10650.30 (5997.58)	from July 2012 to February 2016	862.00 (483.30)

**C) UNSECURED LOANS FROM OTHER PARTIES**

Loan amounting to Rs.1215 lakhs (Rs.1305 lakhs).

Rs. 135 lakhs (Rs.225 lakhs) is repayable in 3 (5) half yearly instalments and the balance amount of Rs.1080 lakhs (Rs.1080 lakhs) to be adjusted by supply of bagasse.

Rate of Interest 9.00% p.a. (9.00% p.a.)



**NOTE No. 3 (Contd.)**

**D) FINANCE LEASE OBLIGATIONS**

Hire Purchase Loan amounting to Rs.4.27 lakhs (Rs.6.72 lakhs) is secured by hypothecation of vehicles so financed.

Repayable in 47 monthly instalments.

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Other Payables	47.90	58.99
<b>NOTE No. 5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for employee benefits	2,536.22	2,491.10
<b>NOTE No. 6</b>		
<b>SHORT TERM BORROWINGS</b>		
(a) Loans repayable on demand		
Secured Loans		
From Banks	5,775.97	15,977.59
From Other Parties	--	2,472.39
	5,775.97	18,449.98
Unsecured Loans		
From Banks	625.10	1,000.00
From Other Parties	50.00	276.18
	675.10	1,276.18
	6,451.07	19,726.16
(b) Loans and advances from related parties (Unsecured) (For details please refer to Note No. 34)	1,547.17	1,444.22
<b>TOTAL</b>	<b>7,998.24</b>	<b>21,170.38</b>

**NATURE OF SECURITY FOR SHORT TERM BORROWINGS**

**A) SECURED LOANS FROM BANKS**

- 1 Working capital loans amounting to Rs.1675.08 lakhs (Rs.3495.63 lakhs) are secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.
- 2 Term Loan amounting to Rs.Nil (Rs.402 lakhs) is secured by
  - a) Receivables from TANGEDCO against supply of power from Co-generation plant at Sakthinagar.
  - b) Pari passu first charge on the company's Corporate office building at Coimbatore
- 3 Working capital loan (Bills Discounting facility) amounting to Rs.Nil (Rs.934.12 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.

**NOTE No. 6 (Contd.)**

- 4 Working capital loan (Bills Discounting facility) amounting to Rs.3617.92 lakhs (Rs.9821.36 lakhs) is secured by
  - a) Exclusive charge on receivables from TANGEDCO against supply of power from cogeneration plants at Sakthinagar, Sivaganga and Modakurichi.
  - b) Pari passu first charge on the Company's Corporate office building at Coimbatore
- 5 Working capital loan amounting to Rs.185.97 lakhs (Rs.1,027.48 lakhs) is secured by
  - a) Pari passu first charge on the current assets of sugar division (except Modakuruchi), distillery and soya divisions.
  - b) Pari passu second charge on the immovable & movable assets of the Company's Sakthinagar Distillery unit, Dhenkanal sugar and Distillery units and Soya units.
- 6 Term loan amounting to Rs.297 lakhs (Rs. 297 lakhs) is secured by the Fixed deposit amounting to Rs.330 lakhs held with them.
- 7 The loan under 1 of the above is further secured by pledge of shares held by promoters in the Company.
- 8 Guarantees given by Directors:
  - a) Working capital loans amounting to Rs.5293 lakhs (Rs.14251.11 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
  - b) Working capital loan amounting to Rs.185.97 lakhs (Rs.1027.48 lakhs) is guaranteed by Dr. M.Manickam.
  - c) Working capital loans amounting to Rs.Nil (Rs.402 lakhs) are guaranteed by Sri.M.Balasubramaniam and Sri M.Srinivaasan.

**B) SECURED LOANS FROM OTHER PARTIES**

- 1 Working capital loans amounting to Rs. Nil (Rs.976.74 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the company, except Sugar and Co-generation units in Sivaganga and Modakurichi and other exclusively charged assets.
- 2 Working capital loans amounting to Rs. Nil (Rs.1495.65 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the company, except Sugar and Co-generation units in Sivaganga and Modakurichi and other exclusively charged assets.
  - c) Additionally Secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit
- 3 The loans under 1 of the above is further secured by pledge of shares held by promoters in the Company.
- 4 Guarantees given by Directors:
  - a) Working capital loan amounting to Rs.Nil (Rs.976.74 lakhs) are guaranteed by Dr.M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan
  - b) Working capital loan amounting to Rs.Nil (Rs.1495.65 lakhs ) is guaranteed by Dr.M.Manickam.



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debts	27,069.58	39,228.08
Current maturities of finance lease obligations	2.45	4.70
Interest accrued but not due on borrowings	116.74	62.74
Interest accrued and due on borrowings	19,064.48	16,175.29
Unclaimed matured deposits	0.21	0.65
Unclaimed matured debentures	0.23	0.23
Other Payables:		
Statutory remittance	1,308.44	692.83
Advance from customers	3,646.31	1,568.18
Other liabilities	2,320.42	2,743.03
Security Deposits	1,095.19	1,050.00
Liabilities for capital expenditure	586.25	644.23
	<b>8,956.61</b>	<b>6,698.27</b>
<b>TOTAL</b>	<b>55,210.30</b>	<b>62,169.96</b>
<b>NOTE No. 8</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for employee benefits	138.13	168.47
Premium/interest payable on FCCB	620.55	7,551.21
Other provisions	715.50	798.33
<b>TOTAL</b>	<b>1,474.18</b>	<b>8,518.01</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTE No. 9

#### TANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2015	ADDITIONS	DELETIONS/ WRITTEN BACK	AS ON 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	TRANSFER TO RET. EARNING	WITHDRAWN UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
A. Land	13605.38	-	-	13605.38	-	-	-	-	13605.38	13605.38
B. Buildings	20404.37	41.25	-	20445.62	3383.36	619.87	-	4003.23	16442.39	17021.01
C. Plant and equipment	95421.41	297.24	183.02	95535.63	29994.29	3911.93	-	79.88	61709.30	65427.12
D. Furniture and fixtures	380.25	3.95	-	384.20	319.43	18.04	-	337.47	46.73	60.82
E. Vehicles	1068.85	2.00	38.57	1032.28	891.01	36.67	-	36.64	141.24	177.84
F. Office equipment	1261.38	45.25	3.35	1303.28	1130.95	34.62	-	3.17	140.88	130.43
G. Others (Dev.of property eco friendly trees)	23.60	-	-	23.60	-	-	-	-	23.60	23.60
Total	132165.24	389.69	224.94	132329.99	35719.04	4621.12	-	40220.47	92109.52	96446.20
H. Work in progress	14945.46	115.38	73.03	14987.81	-	-	-	-	14987.81	14945.46
TOTAL FOR THE YEAR	147110.70	505.07	297.97	147317.80	35719.04	4621.12	-	40220.47	107097.33	111391.66
TOTAL FOR THE PREVIOUS YEAR	146898.93	823.00	611.23	147110.70	30622.48	4736.64	423.21	35719.04	111391.66	116276.45

Note: Land, Buildings, Plant & Machinery and Electrical Installations have been revalued as on 31.12.2008. The difference between revalued figures and original cost is Rs.42675.33 Lakhs

### NOTE No. 10

#### INTANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS ON 01.04.2015	ADDITIONS	DELETIONS	AS ON 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	UPTO 31.03.2016	AS ON 31.03.2015
Goodwill	33655.44	-	-	33655.44	22439.10	2815.88	25254.98	11216.35
TOTAL FOR THE YEAR	33655.44	-	-	33655.44	22439.10	2815.88	25254.98	11216.35
TOTAL FOR THE PREVIOUS YEAR	33655.44	-	-	33655.44	19073.56	3365.54	22439.10	14581.88



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 11</b>		
<b>NON-CURRENT INVESTMENTS - At Cost</b>		
<b>(a) Investments in Equity Instruments</b>		
<b>I. Quoted</b>		
Sri Chamundeswari Sugars Limited 6,81,146 Shares of Rs.10 each	117.88	117.88
Sakthi Finance Limited 10,40,000 Shares of Rs.10 each	282.00	282.00
ICICI Bank Limited 441 Shares of Rs.10 each	0.24	0.24
NIIT Limited 2,527 Shares of Rs. 2 each	0.06	0.06
NIIT Technologies Limited 759 Shares of Rs. 10 each	0.09	0.09
Kovai Medical Centre and Hospital Limited 2,00,000 Shares of Rs.10 each	20.00	20.00
K G Denim Limited 16,129 Shares of Rs.10 each	2.74	2.74
IFCI Limited 100 Shares of Rs.10 each	0.04	0.04
The Industrial Development Bank of India Limited 1,360 Shares of Rs.10 each	1.10	1.10
The South Indian Bank Limited 1,65,000 Shares of Re.1 each	4.22	4.22
Total of Quoted Investments	428.37	428.37
<b>II. Unquoted</b>		
<b>i. Associate</b>		
Sakthi Auto Component Limited 6,38,60,000 Shares of Rs.10 each	15,157.86	15,157.86
	15,157.86	15,157.86
<b>ii. Others</b>		
The ABT Co-operative Stores Limited 1,000 Shares of Rs. 10 each	0.10	0.10
Sakthi Sugars Co-operative Stores Limited 760 Shares of Rs.10 each	0.08	0.08
Angul Central Co-op Bank Limited 100 Shares of Rs.100 each	0.10	0.10
The Shamarao Vithal Co-op Bank Limited 25 Shares of Rs.25 each	0.01	0.01
	0.29	0.29
Total of Unquoted Investments	15,158.15	15,158.15
<b>Total of Equity instrument</b>	<b>15,586.52</b>	<b>15,586.52</b>





## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 11 (Contd.)</b>		
<b>(b) Investments in Preference shares</b>		
8,95,900 5% Redeemable Non-Convertible Cumulative Preference Shares in Sri Chamundeswari Sugars Ltd	895.90	895.90
Total of Preference Shares	895.90	895.90
<b>(c) Investments in Government/Trust Securities</b>		
Investment in Govt. Securities	1.04	1.04
	16,483.46	16,483.46
Less: Provision for diminution in value of Investments	84.05	174.50
<b>TOTAL</b>	<b>16,399.41</b>	<b>16,308.96</b>
Aggregate amount of quoted Investments	428.37	428.37
Market value of quoted Investments	1,802.58	1,619.09
Aggregate amount of unquoted Investments	16,055.09	16,055.09
Provision for diminution in value of Investments	84.05	174.50
<b>NOTE No. 12</b>		
<b>LONG TERM LOANS AND ADVANCES - Unsecured, considered good</b>		
a) Capital advances	2,663.63	2,317.81
b) Security Deposits	152.70	285.85
c) Loans and advances to related parties (for details please see Note No. 34)	8,439.49	15,682.08
d) Other Loans and Advances:		
Loans and advance due by officers	117.03	128.84
Advance Income-tax	235.08	235.08
MAT Credit Entitlement	1,620.66	1,849.11
Advance for Purchases & Others	72.71	109.16
	2,045.48	2,322.19
<b>TOTAL</b>	<b>13,301.30</b>	<b>20,607.93</b>
<b>NOTE No. 13</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long term Trade receivables - Unsecured, considered good	2,905.82	2,925.30
Sundry Deposits	3,248.47	3,222.57
<b>TOTAL</b>	<b>6,154.29</b>	<b>6,147.87</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 14</b>		
<b>INVENTORIES</b>		
a) Raw Materials:		
Molasses - Distillery Unit	460.87	29.12
Soyabeans	128.02	13.84
Soya Flour	4.35	156.76
News print paper	--	1.09
	<b>593.24</b>	<b>200.81</b>
b) Work in Progress:		
Sugar	565.64	299.22
Molasses	146.41	48.41
	<b>712.05</b>	<b>347.63</b>
c) Finished goods:		
Sugar	2,901.92	3,865.55
Molasses - Sugar Unit	285.06	27.51
Industrial Alcohol	915.80	878.99
Ethanol	0.07	--
Soya Products	1,660.98	1,709.81
Bio-Earth	7.55	10.40
Fusel Oil	1.74	6.31
Bagasse	55.51	48.23
	<b>5,828.63</b>	<b>6,546.80</b>
d) Stock in Trade:		
Chemicals, Fertilisers & Others	257.51	185.96
e) Stores and spares:		
Stores and spares	3,021.27	2,668.60
f) Other Stock:		
Standing crop	4.29	0.99
<b>TOTAL</b>	<b>10,416.99</b>	<b>9,950.79</b>
For mode of valuation please refer Sl. No. 3 in Significant Accounting Policies.		
<b>NOTE No. 15</b>		
<b>TRADE RECEIVABLES - Unsecured, considered good</b>		
Trade Receivables outstanding for a period exceeding six months	2,047.95	409.19
Other Trade Receivables	9,975.55	12,726.55
<b>TOTAL</b>	<b>12,023.50</b>	<b>13,135.74</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents:		
Balances with banks	1,574.19	4,821.74
Cash on hand	45.73	80.90
Earmarked balance with banks:		
Unpaid dividend/interest warrants	1.91	5.09
Margin money with banks/security against borrowings	436.44	467.35
<b>TOTAL</b>	<b>2,058.27</b>	<b>5,375.08</b>
Margin money with banks includes deposits with maturity period of more than 12 months of Rs.65.97 lakhs (Rs.31.65 lakhs)		
<b>NOTE No. 17</b>		
<b>SHORT TERM LOANS AND ADVANCES - Unsecured, considered good</b>		
Loans and Advances to related parties (for details please see Note No. 34)	7,007.31	44.71
Other Loans and Advances:		
Security Deposits	5.12	27.18
Loans and advance due by officers	58.35	80.03
Prepaid expenses	384.27	489.31
Deposits with Government authorities	1,509.55	1,398.33
Advance Income-tax	70.56	55.90
Advance for purchases & others	4,061.78	7,003.68
	<b>6,089.63</b>	<b>9,054.43</b>
<b>TOTAL</b>	<b>13,096.94</b>	<b>9,099.14</b>
<b>NOTE No. 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Outstanding income and interest receivable	1,577.85	1,554.66
	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
<b>NOTE No. 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>a) Sale of Products</b>		
<b>Manufactured Goods</b>		
Sugar	36,319.84	42,780.43
Industrial alcohol	13,884.37	10,433.22
Power	19,256.32	16,877.21
Ethanol	346.67	--
Soya products	12,014.60	13,464.71
Bio earth	260.95	244.49
Carbon-di-oxide	10.54	8.06



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 19 (Contd.)</b>		
Fusel oil	8.12	12.58
Magazines	12.67	15.60
Bagasse	11.37	29.97
Ash	23.30	7.51
Seeds	7.15	10.72
	<b>82,155.90</b>	<b>83,884.50</b>
<b>Traded Goods</b>		
Fertilisers & chemicals	611.20	556.55
Total (a)	<b>82,767.10</b>	<b>84,441.05</b>
<b>b) Other Operating revenues</b>		
Sale of used materials	178.70	191.30
Duty drawback/other export incentive	88.32	116.26
Total (b)	<b>267.02</b>	<b>307.56</b>
Total (a+b)	<b>83,034.12</b>	<b>84,748.61</b>
Less : Excise Duty	933.53	1,097.74
<b>TOTAL</b>	<b>82,100.59</b>	<b>83,650.87</b>
<b>NOTE No. 20</b>		
<b>OTHER INCOME</b>		
a) Interest income	1,116.29	1,589.14
b) Dividend income from non-current investment	16.71	15.06
c) Reduction in provision for diminution in value of investments	90.45	0.54
d) Remission of Liability	2,170.45	--
<b>e) Other non-operating income:</b>		
Rent receipts	83.63	86.46
Profit on sale of fixed assets	69.32	1,474.97
Miscellaneous income	73.40	61.03
Sundry balance written back	47.27	18.33
	<b>273.62</b>	<b>1,640.79</b>
<b>TOTAL</b>	<b>3,667.52</b>	<b>3,245.53</b>
<b>NOTE No. 21</b>		
<b>COST OF MATERIAL CONSUMED</b>		
<b>a) Opening Stock</b>		
Molasses	29.12	223.34
Newsprint paper	1.09	1.22
Soyabean seeds & others	13.84	4.53
Soya products	156.76	184.29
Total (a)	<b>200.81</b>	<b>413.38</b>
<b>b) Purchases</b>		
Sugarcane	42,003.32	33,233.46
Molasses	1,339.72	716.36
Raw Sugar	--	33.55
Newsprint paper	12.81	21.90
Soyabean seeds & others	9,442.96	11,323.10
Total (b)	<b>52,798.81</b>	<b>45,328.37</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 21 (Contd.)</b>		
<b>c) Closing Stock</b>		
Molasses	460.87	29.12
Newsprint paper	--	1.09
Soyabean seeds & others	128.02	13.84
Soya Products	4.35	156.76
Total (c)	593.24	200.81
TOTAL (a+b-c)	52,406.38	45,540.94
<b>NOTE No. 22</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Fertiliser & chemical	664.36	525.26
<b>NOTE No. 23</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>a) Opening Stock</b>		
<b>Finished Goods</b>		
Sugar	3,865.55	8,343.17
Molasses	27.51	126.10
Industrial alcohol	878.99	374.28
Soya products	1,709.81	1,120.55
Bagasse	48.23	85.28
Bio earth	10.40	9.51
Fusel oil	6.31	3.42
	6,546.80	10,062.31
<b>Work in Progress and Stock in trade</b>		
Sugar in process	299.22	455.89
Molasses in process	48.41	83.04
Fertilisers & chemicals	185.96	200.79
	533.59	739.72
Total (a)	7,080.39	10,802.03
<b>b) Closing Stock</b>		
<b>Finished Goods</b>		
Sugar	2,901.92	3,865.55
Molasses	285.06	27.51
Industrial alcohol	915.80	878.99
Ethanol	0.07	--
Soya products	1,660.98	1,709.81
Bagasse	55.51	48.23
Bio earth	7.55	10.40
Fusel oil	1.74	6.31
	5,828.63	6,546.80



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 23 (Contd.)</b>		
<b>Work in Progress and Stock in trade</b>		
Sugar in process	565.64	299.22
Molasses in process	146.41	48.41
Fertilisers & chemicals	257.51	185.96
	<b>969.56</b>	<b>533.59</b>
Total (b)	<b>6,798.19</b>	<b>7,080.39</b>
TOTAL (a-b)	<b>282.20</b>	<b>3,721.64</b>
<b>NOTE No. 24</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	4,989.49	5,272.62
Contribution to provident and other funds	409.25	418.76
Staff welfare expenses	503.67	496.70
TOTAL	<b>5902.41</b>	<b>6,188.08</b>
<b>NOTE No. 25</b>		
<b>FINANCE COSTS</b>		
Interest expense:		
On borrowings	6,528.19	12,277.77
On trade payable	258.86	627.73
Other borrowing costs	57.25	37.22
(Gain)/Loss on foreign currency transaction (net)	1,005.13	(8.52)
TOTAL	<b>7,849.43</b>	<b>12,934.20</b>
<b>NOTE No. 26</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	4,621.12	4,736.63
Less : Transferred from Revaluation reserve	--	1,722.81
	<b>4,621.12</b>	<b>3,013.82</b>
Amortization expenses	<b>2,815.88</b>	<b>3,365.54</b>
TOTAL	<b>7,437.00</b>	<b>6,379.36</b>
<b>NOTE No. 27</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Consumption of stores and spares	1,967.91	1,967.09
Printing and publication charges	38.66	41.56
Power and fuel	984.98	985.23
Consumption of Coal	10,543.06	9,711.56
Water charges	74.18	28.98
Rent	64.02	68.15
Repairs to buildings	163.65	185.27



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 27 (Contd.)</b>		
Repairs to machinery	1,997.33	929.76
Repairs to others	268.50	264.33
Insurance	108.46	117.77
Rates and taxes, excluding taxes on income	444.38	376.13
Effluent disposal expenses	393.63	222.94
State administrative service fees	135.64	80.82
<b>Selling and Distribution Expenses:</b>		
Selling and distribution expenses	37.77	50.50
Freight & transport on finished goods	222.95	308.11
Commission and brokerage	27.76	68.14
<b>Other Administrative Expenses:</b>		
Travelling expenses	241.11	295.71
Printing, postage, telephone & telex	178.61	163.64
Freight and transport	25.95	24.40
Donations	11.38	12.06
Legal and professional charges	204.73	90.99
Excise Duty on stock adjustments	(30.21)	(106.64)
Administrative and other expenses	242.61	233.64
Bank charges	233.82	172.56
R & D expenses	26.79	26.34
Data processing charges	25.38	21.72
<b>Payment to Auditors:</b>		
For Statutory Audit	21.00	18.00
Other services	20.29	17.96
Service tax	5.90	4.44
Reimbursement of expenses	0.79	3.03
Managerial remuneration	7.50	38.24
Directors sitting Fees	7.63	8.20
Loss on sale of fixed assets	1.17	5.31
Loss on sale of used materials	4.56	26.35
Deferred revenue expenditure written off	5.10	77.25
Irrecoverable advances written off	43.54	5.27
<b>TOTAL</b>	<b>18,750.53</b>	<b>16,544.81</b>



## NOTES TO FINANCIAL STATEMENTS

### NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>28 Value of imports calculated on C.I.F. basis:</b>		
i) Capital goods	16.33	--
ii) Spares and Others	--	14.96
	<u>16.33</u>	<u>14.96</u>

(Rs. in lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>29 Expenditure in foreign currency:</b>		
i) Redemption of FCCB	3069.53	--
ii) Travelling expenses	4.35	12.90
iii) Subscription/Membership Fee	--	1.00
iv) Consultancy Charges	7.44	--
v) Commission	6.91	15.21
Total	<u>3088.23</u>	<u>29.11</u>

(Rs. in lakhs)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
	Value	%	Value	%
<b>30 Value of Raw Materials, Chemicals and Stores and Spares Consumed:</b>				
Raw Material :				
Imported	--	--	--	--
Indigenous	52406.38	100.00	45540.94	100.00
Total	<u>52406.38</u>	<u>100.00</u>	<u>45540.94</u>	<u>100.00</u>
Chemicals, Stores and Spares :				
Imported	6.73	0.34	6.94	0.35
Indigenous	1961.18	99.66	1960.15	99.65
Total	<u>1967.91</u>	<u>100.00</u>	<u>1967.09</u>	<u>100.00</u>

(Rs. in lakhs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>31 Earnings in foreign currency :</b>		
FOB value of exports	1230.36	2161.25

### 32 Employee Benefits: Gratuity and Provident Fund :

Gratuity, Provident Fund and Employees State Insurance are defined Contribution Plans. The expenses recognised in the Statement of Profit and Loss :

(Rs. in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Gratuity	177.16	286.65
Provident Fund	328.76	349.39
Employees State Insurance	8.49	9.43





**Disclosure report under Accounting Standard-15 - Leave Salary**

Type of Plan: Long Term Compensated Absence as per Actuarial valuation

(Rs. in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>I Principal Actuarial Assumptions (Expressed as weighted average)</b>		
Discount Rate	7.80%	7.85%
Salary escalation rate	8.00%	8.00%
Attrition rate	3.00%	3.00%
Expected rate of return on Plan Assets	--	--
<b>II Changes in the Present Value of the Obligation (PVO)-reconciliation of Opening and Closing Balances</b>		
PVO as at the beginning of the period	846.58	696.62
Interest cost	63.93	52.35
Current service cost	79.85	89.99
Past service cost-(non vested benefits)	--	--
Past service cost-(vested benefits)	--	--
Benefits paid	-53.86	-59.34
Actuarial loss/(gain) on obligation (balancing figure)	-173.99	66.96
PVO as at the end of the period	762.51	846.58
<b>III Changes in the Fair Value of Plan Assets - Reconciliation of Opening and Closing Balances</b>		
Fair value of plan assets as at the beginning of the period	--	--
Expected return on Plan Assets	--	--
Contributions	53.86	59.34
Benefits paid	-53.86	-59.34
Actuarial gain/(loss) on obligation (balancing figure)	--	--
Fair value on plan assets as at the end of the period	--	--
<b>IV Actual Return on Plan Assets</b>		
Expected return on Plan Assets	--	--
Actuarial gain/(loss) on Plan Assets	--	--
Actual return on Plan Assets	--	--
<b>V Actual Gain/ Loss Recognized</b>		
Actuarial gain/(loss) for the period-Obligation	173.99	-66.96
Actuarial gain/(loss) for the period-Plan Assets	--	--
Total (gain)/loss for the period	-173.99	66.96
Actuarial (gain)/loss recognized in the period	-173.99	66.96
Unrecognized actuarial (gain)/loss at the end of the year	--	--
<b>VI Amounts Recognised in the Balance Sheet and Related Analyses</b>		
Present value of the obligation	762.51	846.58
Fair value of Plan Assets	--	--
Difference	762.51	846.58
Unrecognised transitional liability	--	--
Unrecognised past service cost-non vested benefits	--	--
Liability recognized in the balance sheet	762.51	846.58



Disclosure report under Accounting Standard-15 - Leave Salary (Contd.)

(Rs. in lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
<b>VII Expenses Recognised in the Statement of Profit and Loss</b>		
Current service cost	79.85	89.99
Interest Cost	63.93	52.35
Expected return on Plan Assets	--	--
Net actuarial (gain)/loss recognised in the year	-173.99	66.96
Transitional Liability recognised in the year	--	--
Past service cost-non-vested benefits	--	--
Past service cost-vested benefits	--	--
Expenses recognized in the statement of profit and loss	-30.21	209.30
<b>VIII Movements in the Liability Recognized in the Balance Sheet</b>		
Opening net liability	846.58	696.62
Expenses as above	-30.21	209.30
Contribution paid	-53.86	-59.34
Closing net liability	762.51	846.58
<b>IX Amount for the Current Period</b>		
Present value of obligation	762.51	846.58
Plan Assets	--	--
Surplus(Deficit)	-762.51	-846.58
<b>X Major Categories of Plan Assets (as Percentage of Total Plan Assets)</b>	NIL	NIL

33 Segment information for the year ended 31.03.2016:

(Rs. in lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
<b>PRIMARY</b>										
External Sales	36072.87	42332.18	14462.74	10654.65	12019.53	13472.18	19278.44	16884.29	81833.58	83343.30
Inter Segment Sales	12210.00	6291.93	1.04	1.17	--	2.19	5561.72	4406.21	17772.76	10701.50
Operating Income	435.88	1750.26	13.69	13.64	88.36	184.46	2.71	--	540.64	1948.36
Total Revenue	48718.75	50374.37	14477.47	10669.46	12107.89	13658.83	24842.87	21290.50	100146.98	95993.16
Segment Result	-10172.00	-2383.27	1971.36	5100.23	91.56	419.35	7921.31	6712.50	-187.77	9848.61
Unallocated Corporate Expenses/ Income (Net)									603.29	3441.45
Operating Profit									-791.06	6407.16
Finance Cost									7849.43	12934.20
Interest Income									1116.29	1589.14
Profit from Ordinary activities									-7524.20	-4937.89
Net Profit/Loss before Tax									-7524.20	-4937.89



**33 Segment information for the year ended 31.03.2016: (Contd.)**

(Rs. in lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Less: Income-tax:										
Current Tax									--	--
Mat Credit- Reversal of earlier year									228.45	--
Deferred Tax									-2245.54	-1460.96
Net Profit/Loss after Tax									-5507.11	-3476.93
<b>OTHER INFORMATION</b>										
Segment Assets	100322.01	113115.62	12503.66	12035.68	9160.01	9085.72	47811.69	49678.96	169797.37	183915.99
Unallocated Corporate Assets									20728.98	20872.20
Total Assets									190526.35	204788.19
Segment Liabilities	59525.35	49319.81	218.70	131.23	1924.98	1697.95	15167.31	21601.03	76836.34	72750.01
Unallocated Corporate Liabilities									92047.04	105485.59
Total Liabilities									168883.38	178235.60
Capital Expenditure	186.76	656.28	53.19	75.00	63.00	7.82	129.08	54.32	432.03	793.42
Depreciation/Amortization	5669.13	5194.29	572.87	322.86	529.80	335.59	665.20	526.62	7437.00	6379.36
<b>SECONDARY</b>										
Revenue by Geographical Market										
India	48718.75	50374.37	14477.47	10669.46	10829.88	11405.70	24842.87	21290.50	98868.97	93740.03
Outside India	--	--	--	--	1278.01	2253.13	--	--	1278.01	2253.13

Inter segment revenues are recognised at a price less than the market price prevailed on the date of transaction.

**34 Related Parties Disclosure:**

**I. RELATED PARTIES:**

**a. HOLDING COMPANY**

ABT Limited

**b. FELLOW SUBSIDIARY**

ABT (Madras) Pvt. Ltd

ABT (Madurai) Pvt. Ltd

ABT (Trichy) Pvt. Ltd

ABT Two Wheelers Pvt. Ltd

**c. ASSOCIATE**

Sakthi Auto Component Limited

Sakthi Auto Ancillary Private Limited

ABT Industries Limited

ABT Info Systems Pvt. Ltd

ABT Foods Limited

Anamallais Bus Transport Pvt. Ltd

The Anamallias Retrading Company (P) Ltd

Sakthi Finance Limited

Sri Chamundeswari Sugars Limited (SCSL)

Chamundeswari Enterprises Private Limited

Nachimuthu Industrial Association

Sakthi Coffee Estates (P) Ltd.

ABT Textiles (P) Ltd

Sakthi Automotive Group USA, INC.



34 Related Parties Disclosure: (contd.)

d. Key Management Personnel (KMP)

Dr. M Manickam, Executive Chairman  
Sri M Balasubramaniam, Managing Director  
Sri M Srinivaasan, Joint Managing Director  
Sri V K Swaminathan, Executive Director

e. Relatives of Key Management Personnel

There has been no transaction with the relatives of Key Management Personnel

f. Enterprises in which KMP/Relatives of KMP can exercise significant influence

Anamallais Retreading Corporation  
N.Mahalingam & Company  
Sakthi Automobiles  
The Gounder & Co

Note : Information has been furnished with respect to individuals/entities with whom/which related party transactions had taken place during the year

II Related Parties Transactions :

(Rs. in lakhs)

Nature of Transactions	Holding Company	Associates	Key Management Personnel	Enterprises in which KMP/relatives of KMP have significant influence	Total
<b>Purchase</b>					
Purchase of Materials		<b>2.99</b> (3.37)			<b>2.99</b> (3.37)
Purchase of Fuel				<b>29.76</b> (37.60)	<b>29.76</b> (37.60)
Purchase of Milk		<b>4.98</b> (4.02)			<b>4.98</b> (4.02)
<b>Sales</b>					
Sale of Materials		<b>10.49</b> (8.41)			<b>10.49</b> (8.41)
Sale of Car	<b>0.60</b> (--)				<b>0.60</b> (--)
Sale of Power		-- (165.80)			-- (165.80)
Sale of Sugar		<b>1.91</b> (--)			<b>1.91</b> (--)
<b>Rendering of services</b>					
Rent & Other Receipts	<b>14.14</b> (14.36)				<b>14.14</b> (14.36)
Water & Technical Service charges receipts		<b>15.82</b> (17.07)			<b>15.82</b> (17.07)
Advertisement Receipts		<b>19.50</b> (13.80)		<b>4.80</b> (4.80)	<b>24.30</b> (18.60)
<b>Receiving of services</b>					
Interest Payments	<b>13.24</b> (89.78)	<b>119.38</b> (59.97)			<b>132.62</b> (149.75)
Printing charges		<b>11.51</b> (15.22)			<b>11.51</b> (15.22)



## NOTES TO FINANCIAL STATEMENTS

### II Related Parties Transactions : (contd.)

(Rs. in lakhs)

Nature of Transactions	Holding Company	Associates	Key Managerial Personnel	Enterprises in which KMP/ relatives of KMP have significant influence	Total
Electricity Charges	7.81 (1.24)				7.81 (1.24)
Rent Payments	16.02 (15.84)				16.02 (15.84)
Vehicle Purchase/Maintenance	9.34 (10.34)	2.97 (0.98)			12.31 (11.32)
Transport charges	114.36 (122.60)				114.36 (122.60)
Purchase of Computer Consumables	23.32 (19.05)				23.32 (19.05)
<b>Managerial Remuneration</b>					
Remuneration paid to Whole time Directors			7.50 (26.26)		7.50 (26.26)
Remuneration paid to Non-whole time Director			-- (0.20)		-- (0.20)
<b>Balance outstanding at the end of the year</b>					
Payable to Key Managerial Personnel			15.48 (19.15)		15.48 (19.15)
Loans and advances	8.07 (6.64)	15438.44 (15719.65)		0.30 (0.51)	15446.80 (15726.80)
Borrowings	3881.00 (5317.82)	2530.72 (2528.53)		1.99 (3.61)	6413.71 (7849.96)

Figures in brackets are that of the previous year

### 35 Earnings Per Share :

Particulars	2015-16	2014-15
Basic :		
a) Face value per Share (Rs.)	10	10
b) Profit After Tax (Rs. In lakhs)	-5507.11	-3476.93
c) The weighted average No. of Equity Shares	96213279	96213279
d) Earnings per Share - Basic (Rs.)	-5.72	-3.61
Diluted :		
a) The weighted average No. of Equity Shares	96213279	96213279
b) Earnings per Share - Diluted (Rs.)	-5.72	-3.61

### 36 Deferred Tax :

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
A) Deferred Tax Liability:		
Arising out of depreciation of Fixed Assets (Net)	9136.55	9719.18
Difference in treatment of expenses/income (Net)	-1895.95	-678.73
TOTAL	7240.60	9040.45
B) Deferred Tax Asset:		
Carried forward losses/Unabsorbed depreciation	22181.60	21735.91
Net Deferred Tax Liability (+) /Asset (-)	-14941.00	-12695.46



**37 Contingent Liabilities, Contingent Liabilities on account of Guarantees, Commitments :**

**(A) Contingent liabilities:**

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
Claims against the Company not acknowledged as debts:		
(i) Income tax matters	6109.58	5120.81
(ii) Purchase tax/sales tax matters	2420.94	2484.29
(iii) Cane Price *	6655.74	3570.69
(iv) Differential Price of Levy Sugar	1677.62	--
(v) Others	7898.43	9169.80

\* The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in High Court is pending disposal. The differential price on this account is Rs.6655.74 lakhs for the seasons from 2013-14 to 2015-16 (up to March'2016).

The management believes that the ultimate outcome will not have any material adverse effect on the Company's financial position and results of operations.

**(B) Contingent Liabilities on Account of Guarantees**

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
<b>a) Corporate guarantee given to erstwhile Foreign subsidiary*</b>		
(i) Guarantee amount	30038.20	27004.16
(ii) Outstanding amount	34567.51	29863.74
<b>b) Guarantees issued by bankers</b>	72.78	66.74
<b>c) Corporate guarantee given for loans to Associates</b>		
(i) Guarantee amount	11200.00	11200.00
(ii) Outstanding amount	5689.37	6994.78

\* Orlandofin B.V a wholly owned subsidiary of a company had obtained loan of EURO 40 Million for the acquisition of foundries in Europe. The Company has provided guarantee for the repayment of the loan. The consortium of banks, except one filed a claim for EURO 34.65 Million in the commercial court of London. The claim is disputed on the basis that it has not yet become due.

Considering the value of security available for the loan, the guarantee liability may not have any effect on the financials of the Company.

**(C) Commitments:**

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	34.15	2167.35

**38 Micro, Small and Medium Enterprises Development Act, 2006**

The company has not received information from vendors regarding their status under The Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosures relating to their outstanding amount and interest have not been made.

**39 Disclosure as required under Regulation 34(3) of the listing Regulations:**

Amount of loans and advances in the nature of loans to subsidiaries and associates and the maximum amount outstanding during 2015-16:

Name of the Company	Outstanding as on 31.03.2016 (Rs.In lakhs)	Maximum amount Outstanding during the year (Rs.In lakhs)	Investment in the shares of the company (No. of Shares)	Investment in the shares of the Associate (Subsidiary) of the company (No. of Shares)
Holding Company ABT Limited	3866.68 Cr. (5303.75) Cr.	5303.75 (5303.75)	67463540 (67463540)	-- (--)
Associate Sakthi Auto Component Limited	15432.40 Dr. (15675.34) Dr.	15675.34 (16993.14)	-- (--)	63860000 (63860000)

**40 Disclosure pursuant to AS-28 on Impairment of Assets:**

During the year, a review has been done for carrying value of the assets for finding out the impairment, if any. The review has not revealed any impairment of assets in terms of AS-28.

- 41** The Company has opted to recognize foreign exchange fluctuation based on settlement of obligations in conformity with the option given by notification No.GSR 913(E) Dated 29th December 2011 issued by the Ministry of Corporate Affairs.
- 42** Madras High court vide its order dated 18.4.2016 has approved the scheme of demerger of ABT Limited and 67463540 equity shares of the company held by them have been vested with ABT Investments (India) Pvt. Ltd. Consequent to that ABT Investments (India) Pvt. Ltd., has become the holding company of our Company.
- 43** Previous year's figures have been regrouped / restated wherever necessary to correspond with the current year's classification/ disclosure.

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES

### 1. Basis of Preparation:

The accompanying Financial Statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles in India ("India GAAP").

### 2. Change in Accounting Policy:-

Till the financial year ended 31.3.2015, the company had charged the total depreciation to the Statement of Profit and Loss and made transfer of an amount equivalent to additional depreciation on account of upward revaluation of fixed assets from revaluation reserve. In the current year the company has revised the accounting policy prospectively whereby no transfer from revaluation reserve is made through Statement of Profit and Loss.

Had the company continued to follow the earlier accounting policy, the loss for the period would have been lower by Rs.1719.28 lakhs.

### 3. Valuation of Inventories:

Inventories of raw materials, work-in-progress, stores, finished products and stock-in-trade are valued at the lower of cost or net realizable value. Cost is ascertained on seasonal weighted average for sugar and yearly average for stores and soya products. Soya Bean, Stock-in-trade of fertilizer and newsprint cost ascertained on FIFO basis. By-products are valued at Net realizable value. Standing crops are valued at net realizable value.

### 4. Fixed Assets:

- a) Fixed Assets are shown at cost/re-valued figures, less accumulated depreciation. Fixed assets added during the year are valued at cost net of CENVAT but includes all direct expenses like freight, erection charges, pre operative expenses and borrowing costs.
- b) Expenditure including borrowing cost incurred on projects under implementation is shown under "Work-in-Progress" pending allocation to the assets.

### 5. Intangible Assets:

The payment made towards goodwill to cane ryots and to employees as per wage board settlement during the year 2004-05, is amortized over a period of 10 years in accordance with AS-26.

### 6. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

### 7. Depreciation:

Depreciation on tangible assets is provided on the straight line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013 effective from 1st April 2014, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on addition to assets or on sale/discardment of assets, is calculated on pro-rata from the month of such addition or up to the month of such sale/discardment, as the case may be.

### 8. Investment:

Long term Investments are accounted at Cost. The diminution, if any, in value of long term investments is provided if such decline is other than temporary.

### 9. a) Revenue Recognition:

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty and sales return.

- i. Gross turnover includes excise duty but exclude sales tax.
- ii. Dividend income is accounted for in the year it is declared.
- iii. All other incomes are accounted for on accrual basis.
- iv. The Excise duty on sale of finished goods is deducted from the turnover to arrive at the net sales as shown in the statement of profit and loss account.
- v. Inter segmental transfer price is not recognised.



**b) Expenditure Recognition:**

- i. The Cane price is written off on the basis of determination of statutory price.
- ii. The Excise duty appearing in the statement of profit and loss account as an expenditure represents excise duty provision for difference between opening and closing stock of finished goods.

**10. Foreign currency transactions:**

Recognition of foreign exchange fluctuation is based on the Settlement of obligations.

**11. Retirement Benefits:**

Contribution payable by the Company under defined contribution schemes towards Provident fund, Gratuity, Employees State Insurance and Superannuation fund for the year are charged to Statement of profit and loss account.

The Company has opted for Life Insurance Corporation of India Group Gratuity Scheme. For calculating gratuity liability, the premium ascertained by LIC has been taken into account.

Provision for liability in respect of Leave encashment benefits are made based on actuarial valuation made by an independent actuary as at 31.03.2016.

**12. Segment Reporting:**

The segment reporting is in line with the accounting policies of the company. Inter segment transactions have been accounted for based on the price which has been arrived at considering cost for utilities and net realizable value for by-products. Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results. Segment assets and liabilities include those directly identifiable with the respective segments. Business segments are identified on the basis of the nature of products, the risk/return profile of the individual business, the organizational structure and the internal reporting system of the company.

**13. Deferred Tax:**

Deferred tax is recognized on timing difference between accounting income and the taxable income for the period and reversal of timing differences of earlier periods and quantified using the tax rates and laws that have been enacted / substantively enacted as at the balance sheet date. The deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that these would be realized in future.

**14. Earning per share:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**15. Impairment of Assets:**

Impairment, if any, is recognized in accordance with the Accounting Standard 28.

**16. Provisions, Contingent Liabilities and Contingent Assets:**

Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**17. Leases:**

The company's significant leasing arrangements are operating leases and are cancelable in nature. The lease rentals paid or received under such arrangements are accounted in the statement of profit and loss.



## COMPANY'S PERFORMANCE AT A GLANCE

YEAR	SUGARCANE CRUSHED (TONNES)	SUGAR PRODUCED (TONNES)	RECOVERY %	TURNOVER (Rs. in lakhs)	PROFIT BEFORE DEPRN (Rs. in lakhs)	DEPRECIATION (Rs. in lakhs)	PROFIT AFTER DEPRN (Rs. in lakhs)	EQUITY DIVIDEND (%)	GROSS BLOCK (Rs. in lakhs)
1967	202641	16750	8.27	346.44	3.08	12.78	-9.70	--	181.33
1968	195997	17614	8.99	346.60	74.97	14.90	60.07	12	173.51
1969	332822	27955	8.40	520.65	31.09	13.74	17.35	12	179.75
1970	460457	38704	8.41	536.07	10.30	15.23	-4.93	6	312.82
1971	434862	40159	9.23	692.62	55.05	20.04	35.01	12	345.52
1972	526103	50063	9.52	1112.43	135.34	29.89	104.45	15	466.18
1973	687892	59691	8.72	1358.41	67.83	34.66	33.17	15	567.55
1974	813430	67776	8.33	1779.28	72.04	46.99	25.05	12	958.57
1975	1002544	84494	8.43	2324.35	128.52	65.61	62.91	--	1014.43
1976	311774	28025	8.98	1395.33	19.20	64.00	-44.80	--	1026.49
1977	298725	22692	7.60	653.64	-98.96	--	-98.96	--	1020.98
1978	366487	33883	9.25	706.32	-27.36	--	-27.36	--	1021.26
1979	767844	64299	8.37	1201.64	52.40	--	52.40	--	1037.86
1980	624399	54680	8.76	2323.30	303.52	58.24	245.28	12	1068.08
1981	648514	57236	8.83	2400.96	138.32	67.22	71.10	17.5	1207.00
1982▲	1121964	104305	9.30	3861.03	322.10	99.89	222.21	20	1396.35
1983	803716	79295	9.87	3371.42	248.52	194.78	53.74	15	1846.66
1984	336704	34375	10.12	3063.41	109.28	108.20	1.08	15	2024.62
1985	697491	70103	10.05	3211.28	297.71	128.91	168.80	16	2122.82
1986	704626	72150	10.24	3739.00	211.46	116.05	95.41	15	2229.53
1987	496762	48791	9.82	3647.90	173.62	150.86	22.76	--	2443.58
1989●	934601	96145	10.28	5087.15	849.45	249.08	600.37	30	4530.72
1990	1122219	108421	9.66	8762.84	989.65	377.09	612.56	20	6101.95
1991	1130173	107984	9.55	7474.44	801.55	394.37	407.18	20	6617.61
1992	1091843	103723	9.50	11200.64	1010.49	409.11	601.38	20	8540.39
1993	1115158	107158	9.61	11547.77	1027.03	411.07	615.96	20	11387.44
1994	956993	89163	9.36	18109.42	1521.21	489.38	1031.83	24	17649.21
1995	1724621	159199	9.28	21701.32	1859.60	782.45	1077.15	24	18638.23
1996	2345289	211267	9.00	33568.19	2953.13	857.58	2095.55	24	26042.75
1997	2106840	191940	9.11	33442.13	2022.05	1019.11	1002.94	20	30242.48
1998	1569438	143991	9.21	36753.07	2478.28	1414.47	1063.81	--	32548.89
1999▲	2607462	246609	9.43	40788.52	2298.23	1860.97	437.26	--	35155.94
2000	2161594	212600	9.86	36393.04	2102.55	1485.66	616.89	--	28394.91
2001	2316874	233278	10.04	45197.53	1596.80	1272.83	323.97	--	29463.22
2002	1914453	193302	10.04	45022.47	1791.99	1309.48	482.51	--	30771.78
2003	1472547	192505 ■	9.80	32221.35	-3968.28	1347.49	-5315.77	--	61006.09 ★
2004	499480	124559 ■	10.15	30313.24	-3339.32	948.67	-4287.99	--	56054.15
2005	847934	257611 ■	9.30	63942.19	3972.94	1158.49	2814.45	--	56273.16
2006	2746916	347702 ■	9.52	89601.78	10835.71	1218.85	9616.86	15	60637.41
2007	3477203	336996 ■	9.56	76651.73	4358.84	1340.87	3017.97	15	91376.04
2008●	4416309	400678	9.07	103847.83	-4419.38	4294.29	-8713.67	--	136053.62 ✱
2009	2045681	427288 ■	9.22	140435.07	15496.43	3025.71	12470.72	--	138730.83
2011▲	2356303	536973 ■	9.47	216553.65	-8915.89	3878.48	-12794.37	--	142173.20
2012	2900630	278431	9.60	112126.99	-2187.62	3162.85	-5350.47	--	143553.93
2013	3056321	286296	9.37	118989.97	-8515.22	3232.54	-11747.76	--	146750.52
2014	1653822	147240	8.82	71704.59	-20165.02	3272.67	-23437.69	--	146898.93
2015	1476477	131893	8.90	84748.61	-1924.07	3013.82	-4937.89	--	147110.70
2016	1562489	121622	7.83	83034.12	-2903.08	4621.12 ◆	-7524.20	--	147317.80

▲ 15 months period

● 18 months period

■ Includes sugar produced out of Raw Sugar

★ Including increase in value on account of revaluation of fixed assets Rs. 30045.71 lakhs

✱ Including increase in value on account of revaluation of fixed assets Rs. 38696.60 lakhs

◆ Including depreciation on revaluation



## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of associate company Part B: Associate

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company

Sl. No.	Name of Associate	Sakthi Auto Component Limited
1.	Latest audited Balance Sheet Date	31st March 2016
2.	Shares of Associate held by the Company on the year end	
	No. of shares	6,38,60,000
	Amount of Investment in Associates	Rs.15,157.86 lakhs
	Extent of Holding %	25.93%
3.	Description of how there is significant influence	The Company holds more than 20% of the total share capital of the Associate Company.
4.	Reason why the associate is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.5453.38 lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	Rs.757.76 lakhs
	ii. Not Considered in Consolidation	Rs.3430.41 lakhs

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary

**INDEPENDENT AUDITORS' REPORT**

To

**The Members of Sakthi Sugars Limited**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Sakthi Sugars Limited ("hereinafter referred to as the Company") and its associate company (the Company and its associate company together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

2. The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
4. We, conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

**Basis for Qualified Opinion**

7. In respect of the Company, in our opinion, the Company has not provided for the interest and guarantee commission claim of Rs.6579.01 lakhs (Rs.5444.38 lakhs) made by a company. Hence in our opinion, the losses of the Company are under stated to that extent. This matter was also qualified in our report on the financial statements for the year ended March 31, 2015.
8. In respect of the Company, as per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non provision of interest at least to the extent of Interest on Government Securities is in contravention of sub-section(7) of Section 186 of the Act. Consequential impact of the same on the loss for the year/accumulated loss is not ascertainable.

**Qualified Opinion**

9. In our opinion, and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

10. We draw attention to Note No.29(B) (a) to the consolidated financial statements which specifies the claims disputed/challenged by the company.
11. With respect to the financials of one of the subsidiary of Associate Company viz., Sakthi Auto Mauritius Limited and the emphasis of matter observed by the auditors of Sakthi Auto Mauritius Limited which cites that 'Without qualifying our opinion, the financial statements indicates that the company has made a loss for year ended December 31, 2015 of USD 17926 viz., Rs.11.89 lakhs (2014: USD 9711 viz., Rs.6.08 lakhs) and as of that date, its total liabilities exceeded its total assets by USD 102807 viz., Rs.68.19 lakhs (2014: USD 84881 viz., Rs.53.13 lakhs). The Shareholder has informed its intention to provided continuing financial support to the company to enable it meet its liabilities as they fall due. Consequently, the financial statements have been prepared on a going concern basis. We consider that appropriate disclosures have been made.
12. Our opinion is not modified in respect of the above matters.

**Other Matters**

13. The consolidated financial statements also include the Group's share of net profit of Rs.757.76 lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of the associate, whose financial statements/financial information have been audited by us.
14. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

**Report on Other Legal and Regulatory Requirements**

15. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.
  - (f) On the basis of the written representations received from the directors of the Company as on March 31, 2016 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Group's companies, its associate company incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure - A"; and
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations, as at March 31, 2016, on the consolidated financial position of the Company - Refer Note No.29 (A) and (B) to the consolidated financial statements.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company incorporated in India.

For P.N. RAGHAVENDRA RAO & Co.  
Chartered Accountants  
Firm Registration Number : 003328S

P.R.VITTEL  
Partner  
Membership Number : 018111

Coimbatore  
May 30, 2016

**Annexure - A to the Independent Auditor's Report**

Referred to in paragraph 15(h) of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the consolidated financial statements for the year ended March 31, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the consolidated financial statements of Sakthi Sugars Limited ("the Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of the Company and its associate company, incorporated in India as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Company and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company and its associate company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.N. RAGHAVENDRA RAO & Co.  
Chartered Accountants  
Firm Registration Number : 003328S

P.R.VITTEL  
Partner  
Membership Number : 018111

Coimbatore  
May 30, 2016





## CONSOLIDATED BALANCE SHEET AS AT 31.03.2016

(Rs. in lakhs)

	Note No.	As at 31.03.2016	As at 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	1	9,621.33	9,621.33
(b) Reserves and Surplus	2	27,085.56	28,991.89
		<b>36,706.89</b>	<b>38,613.22</b>
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long term borrowings	3	73,224.16	59,282.08
(b) Other long term liabilities	4	47.90	58.99
(c) Long term provisions	5	2,536.22	2,491.10
		<b>75,808.28</b>	<b>61,832.17</b>
<b>(3) CURRENT LIABILITIES</b>			
(a) Short term borrowings	6	7,998.24	21,170.38
(b) Trade payables		28,392.39	24,545.08
(c) Other current liabilities	7	55,210.30	62,169.96
(d) Short term provisions	8	1,474.18	8,518.01
		<b>93,075.11</b>	<b>116,403.43</b>
<b>TOTAL (1 to 3)</b>		<b>205,590.28</b>	<b>216,848.82</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible assets	9	92,109.52	96,446.20
(ii) Intangible assets	10	8,400.46	11,216.35
(iii) Capital work-in-progress		14,987.81	14,945.46
		<b>115,497.79</b>	<b>122,608.01</b>
(b) Goodwill on Consolidation		15,280.80	14,523.04
(c) Non-current investments	11	1,241.55	1,151.10
(d) Deferred tax assets (net)		14,941.00	12,695.46
(e) Long term loans and advances	12	13,301.30	20,607.93
(f) Other non-current assets	13	6,154.29	6,147.87
		<b>166,416.73</b>	<b>177,733.41</b>
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	14	10,416.99	9,950.79
(b) Trade receivables	15	12,023.50	13,135.74
(c) Cash and cash equivalents	16	2,058.27	5,375.08
(d) Short term loans and advances	17	13,096.94	9,099.14
(e) Other current assets	18	1,577.85	1,554.66
		<b>39,173.55</b>	<b>39,115.41</b>
<b>TOTAL (1 and 2)</b>		<b>205,590.28</b>	<b>216,848.82</b>

The Notes form part of these financial statements.

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>I. Revenue from Operations</b>	19	<b>82,100.59</b>	83,650.87
<b>II. Other Income</b>	20	<b>3,667.52</b>	3,245.53
<b>III. Total Revenue (I + II)</b>		<b>85,768.11</b>	86,896.40
<b>IV. Expenses:</b>			
Cost of material consumed	21	<b>52,406.38</b>	45,540.94
Purchase of stock in trade	22	<b>664.36</b>	525.26
Changes in inventories of finished goods, work-in-progress and stock in trade	23	<b>282.20</b>	3,721.64
Employee benefits expense	24	<b>5,902.41</b>	6,188.08
Finance costs	25	<b>7,849.43</b>	12,934.20
Depreciation and amortization expense	26	<b>7,437.00</b>	6,379.36
Other expenses	27	<b>18,750.53</b>	16,544.81
<b>Total expenses</b>		<b>93,292.31</b>	91,834.29
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>VI. Exceptional Items</b>		<b>--</b>	--
<b>VII. Profit/(Loss) before extraordinary items and tax (V-VI)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>VIII. Extraordinary Items</b>		<b>--</b>	--
<b>IX. Profit/(Loss) before tax (VII-VIII)</b>		<b>(7,524.20)</b>	(4,937.89)
<b>X. Tax Expense:</b>			
1. Current tax		<b>--</b>	--
2. Mat Credit - Reversal of Earlier year provision		<b>228.45</b>	--
3. Deferred tax		<b>(2,245.54)</b>	(1,460.96)
		<b>(2,017.09)</b>	(1,460.96)
<b>XI. Profit/(Loss) for the year from continuing operations (IX-X)</b>		<b>(5,507.11)</b>	(3,476.93)
<b>XII. Share of Profits of Associate</b>		<b>757.76</b>	(634.82)
<b>XIII. Profit/(Loss) after tax (after adjustment of share of Profit from Associates Company)</b>		<b>(4,749.35)</b>	(4,111.75)
<b>XIV. Earnings per equity share of Rs.10/- each:</b>			
1. Basic		<b>(4.94)</b>	(3.61)
2. Diluted		<b>(4.94)</b>	(3.61)

The Notes form part of these financial statements.

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Rs. in lakhs)

Particulars	2015-16	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax as per statement of Profit and Loss		(7,524.20)
Adjustment for:		
Depreciation and Amortisation Expense	7,437.00	
Finance Costs	7,849.43	
Miscellaneous Expenses & Other exp. written off	5.10	
Provision for diminution in value of Investments	(90.45)	
Loss on Sale of Assets	1.17	
Dividend Income	(16.71)	
Interest Income	(1,116.29)	
Profit on Sale of Assets	(69.32)	
		13,999.93
Operating Profit before Working Capital Changes		6,475.73
Adjustment for:		
Inventories	(466.20)	
Trade and Other Receivables	1,131.72	
Other Current Assets	(49.09)	
Loans and Advances	2,809.95	
Trade and Other Payables	2,610.27	
		6,036.65
Cash Generated from Operations		12,512.38
Income Tax Paid		(14.66)
Net Cash from/(used in) Operating Activities		12,497.72
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(432.03)	
Sale of Fixed Assets	73.18	
Investment Income	1,133.00	
Loans and Advances - Related Parties	279.99	
Net Cash from Investing Activities		1,054.14
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Finance Costs Paid	(5,477.86)	
Proceeds from Long Term Borrowings	3,600.00	
Repayment of Long Term Borrowings	(4,607.08)	
Short Term Borrowings (net)	(8,947.48)	
Loans from Related Parties (net)	(1,436.25)	
Net Cash from/(used in) Financing Activities		(16,868.67)
Net Increase in Cash and Cash Equivalents		(3,316.81)
Opening Balance of Cash and Cash Equivalents		5,375.08
Closing Balance of Cash and Cash Equivalents		2,058.27

Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S

P R VITTEL  
Partner  
Membership Number : 018111

Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman

S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director

S BASKAR  
Company Secretary



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 1</b>		
<b>SHARE CAPITAL</b>		
Authorised		
11,00,00,000 Equity Shares of Rs.10 each (11,00,00,000)	11,000.00	11,000.00
50,00,000 Preference Shares of Rs.100 each (50,00,000)	5,000.00	5,000.00
	<b>16,000.00</b>	<b>16,000.00</b>
<b>Issued</b>		
9,63,29,948 Equity Shares of Rs.10 each (9,63,29,948)	9,632.99	9,632.99
	<b>9,632.99</b>	<b>9,632.99</b>
<b>Subscribed and Paid up</b>		
9,62,13,279 Equity Shares of Rs.10 each fully paid up (9,62,13,279)	9,621.33	9,621.33
<b>TOTAL</b>	<b>9,621.33</b>	<b>9,621.33</b>
<b>Reconciliation of Number of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Equity Shares at the beginning of the year	9,62,13,279	9,62,13,279
Add: Shares issued/allotted on preferential basis	--	--
Equity Shares at the end of the year	9,62,13,279	9,62,13,279
<b>Rights, Preferences and Restrictions of each class of Shares</b>		
The Company has only one class of Equity shares having face value of Rs.10 each. Each shareholder is eligible for one vote per share. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential amounts.		
<b>Shares held by the holding Company</b>		
ABT Limited	67463540	67463540
<b>List of Shareholders holding more than 5%</b>		
ABT Limited	67463540	67463540
<b>Terms of security convertible into Equity Shares</b>		
Foreign Currency Convertible Bonds (FCCB)	<b>Series A</b>	<b>Series A</b>
a. No. of bonds outstanding	10	10
b. Date of maturity	30.5.2009	30.5.2009
c. Value of bonds for conversion (Rs. in lakhs)	448.90	448.90
d. Conversion price (Rs. Per share)	208.00	208.00
e. Earliest date of conversion	10.07.2006	10.07.2006
f. Date of expiry of conversion right	30.5.2019	30.5.2019
	<b>Series B</b>	<b>Series B</b>
a. No. of bonds outstanding	--	156
b. Date of maturity	--	31.5.2011
c. Value of bonds for conversion (Rs. in lakhs)	--	7,002.84
d. Conversion price (Rs. Per share)	--	190.00
e. Earliest date of conversion	--	10.07.2006
f. Date of expiry of conversion right	--	31.5.2021



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 2</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Capital reserve</b>		
Balance as per last Balance Sheet	625.24	625.24
<b>Capital redemption reserve</b>		
Balance as per last Balance Sheet	2,512.27	2,512.27
<b>Securities premium account</b>		
Balance as per last Balance Sheet	20,208.87	20,208.87
Add: Premium on FCCB - Earlier year reversed	3,159.65	--
	23,368.52	20,208.87
Less:- Premium on FCCB	216.41	--
	23,152.11	20,208.87
<b>Revaluation reserve</b>		
Balance as per last Balance Sheet	37,538.64	39,759.23
Less: Depreciation on revalued assets - Transfer to Surplus	1,719.28	--
Less: Depreciation on revalued assets - Transfer to Statement of Profit and Loss	--	1,722.81
Less: Withdrawn on sale of assets	100.22	497.78
	35,719.14	37,538.64
<b>Subsidy from Government</b>		
Balance as per last Balance Sheet	44.23	44.23
<b>Surplus</b>		
Balance as per last Balance Sheet	(31,937.36)	(27,402.41)
Net Profit/(Loss) after tax	(4,749.35)	(4,111.75)
	(36,686.71)	(31,514.16)
Add : Transfer from Revaluation Reserve	1,719.28	--
- Depreciation on Revalued Assets	--	423.20
Less : Previous year depreciation adjustments	--	423.20
	1,719.28	(423.20)
	(34,967.43)	(31,937.36)
<b>TOTAL</b>	<b>27,085.56</b>	<b>28,991.89</b>
<b>NOTE No. 3</b>		
<b>LONG TERM BORROWINGS</b>		
<b>(a) Term Loans</b>		
Secured Loans		
From Banks	19,917.47	31,679.00
From Other Parties	43,645.09	12,493.66
	63,562.56	44,172.66
Unsecured Loans		
From Other Parties	4,790.79	8,696.96
	4,790.79	8,696.96
<b>Total of Term Loans</b>	<b>68,353.35</b>	<b>52,869.62</b>
<b>(b) Loans and advances from Related parties (Unsecured)</b>	<b>4,866.54</b>	<b>6,405.74</b>
<b>(c) Long term maturities of finance lease obligations (Secured)</b>	<b>4.27</b>	<b>6.72</b>
<b>TOTAL</b>	<b>73,224.16</b>	<b>59,282.08</b>

**NOTE No. 3 (Contd.)****NATURE OF SECURITY AND OTHER TERMS OF LONG TERM BORROWINGS:****A) SECURED LOANS FROM BANKS****Nature of Security**

- 1 Term loans amounting to Rs.5252.07 lakhs (Rs.15583.43 lakhs) are secured by
  - a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.
  - b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.
- 2 Term loans amounting to Rs.6403.60 lakhs (Rs.8120.58 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.

**Terms of Repayment**

The loans are restructured and are repayable in 32 quarterly instalments commencing from April 2011.

Rate of Interest 10.50% p.a. (10.50% p.a.)

Term loan of Rs.3000 lakhs (Rs.3000 lakhs) is repayable in 8 quarterly instalments commencing from June 2017.

Rate of Interest 10.95% p.a. (11.20% p.a.)

Term Loan of Rs.3403.60 lakhs (Rs.3404 lakhs) is repayable in 8 quarterly instalments commencing from August 2017.

Rate of Interest 11.00% p.a (11.65% p.a)

Term Loan of Rs.Nil (Rs.1716.58 lakhs) is repayable in 8 quarterly instalments commencing from September 2017.

Rate of Interest Nil (12.25% p.a)

- 3 Term Loans amounting to Rs.5336.80 lakhs (Rs.7884.99 lakhs) are secured by

- a) Pari passu first charge on fixed assets pertaining to Co-generation Plant at Sakthinagar.
- b) Subservient pari passu charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.

The Loan is repayable in 36 monthly instalments commencing from April 2016.

Rate of Interest Nil (Nil)

- 4 Term Loan amounting to Rs.Nil (Rs.90 lakhs) is secured by

- a) First charge on the Company's property situated at 180 Race Course Road, Coimbatore.
- b) Subservient charge on the fixed assets of the Company after the existing Loans except, the assets charged on exclusive basis.

The Loan is repayable in 10 quarterly instalments from January 2014.

Rate of Interest Nil (11.65% p.a)

- 5 Term Loan amounting to Rs.2925 lakhs (Rs.Nil) is secured by

- a) Extension of first charge on the Company's property situated at 180 Race Course Road, Coimbatore.
- b) Subservient charge on the fixed assets of the Company except, the assets charged on exclusive basis.

The Loan is repayable in 16 quarterly instalments from September 2016.

Rate of Interest 12% p.a (Nil)

- 6 The loans under 1 above is further secured by pledge of shares held by promoters in the Company.

- 7 Guarantees given by Directors/Others:

- a) Term Loans amounting to Rs.19917.47 lakhs (Rs.31589 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
- b) Term Loan amounting to Rs.Nil (Rs.90 lakhs) is guaranteed by Dr. M.Manickam.
- c) Term Loan amounting to Rs.3000 lakhs (Rs.3000 lakhs) is additionally secured by corporate guarantee and collateral security given by a group company.
- d) Term Loan amounting to Rs.2925 lakhs (Nil) is additionally secured by collateral security given by promoter



**NOTE No. 3 (Contd.)**

8 Period and amount of continuing default as on the date of Balance Sheet :

	Amount (Rs.in lakhs)	Period	Since paid (Rs. in lakhs)
Principal	4653.60 (8414.85)	Varying period	-- (121.16)
Interest	3086.41 (5873.20)	from October 2012 to February 2016	-- (858.84)

**B) SECURED LOANS FROM OTHER PARTIES**

**Nature of Security**

**Terms of Repayment**

1 Term loan amounting to Rs.42681.62 lakhs (Rs.9852.06 lakhs) is secured by

Term loan of Rs.3648 lakhs (Rs.1379.53 lakhs) is restructured and is repayable in 22 quarterly installments commencing from June 2016.

a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.

Rate of Interest 10.00% p.a (10.50% p.a)

b) Paripassu second charge on the current assets of the Company except the assets charged on exclusive basis.

Term loan of Rs.4018 lakhs ( Nil ) is restructured and is repayable in 28 quarterly installments commencing from June 2016.

Rate of Interest 10.00% p.a (10.50% p.a)

2 Term loan amounting to Rs. Nil (Rs.794.85 lakhs) is secured by

The loan is restructured under CDR scheme and is repayable in 32 quarterly installments commencing from April 2011.

a) Pari passu residual charge on the entire fixed assets of the company, except the assets charged on exclusive basis.

Rate of Interest Nil (10.50% p.a.)

b) Residual charges on the current assets of the Company

3 Term loan amounting to Rs. 722.91 lakhs (Rs. 1445.82 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Sivaganga.

Repayable in 10 half yearly instalments from May 2013. Rate of Interest 4.00% p.a. (4.00% p.a.)

4 Term loan amounting to Rs.240.56 lakhs (Rs.400.93 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Modakuruchi.

Repayable in 10 half yearly instalments from February 2014. Rate of Interest 4.00% p.a. (4.00 % p.a.)

5 The loan under 1 above is further secured by pledge of shares held by Promoters in the company.

6 Guarantees given by Directors:

Term Loans amounting to Rs.42681.62 lakhs (Rs.10646.91 Lakhs) are guaranteed by Dr. M.Manickam Sri.M.Balasubramaniam and Sri. M.Srinivaasan.

7 Period and amount of continuing default as on the date of Balance Sheet:

	Amount (Rs.in lakhs)	Period	Since paid (Rs. in lakhs)
Principal	-- (9818.46)	Varying period	-- (--)
Interest	10650.30 (5997.58)	from July 2012 to February 2016	862.00 (483.30)

**C) UNSECURED LOANS FROM OTHER PARTIES**

Loan amounting to Rs.1215 lakhs (Rs.1305 lakhs).

Rs. 135 lakhs (Rs.225 lakhs) is repayable in 3 (5) half yearly instalments and the balance amount of Rs.1080 lakhs (Rs.1080 lakhs) to be adjusted by supply of bagasse.

Rate of Interest 9.00% p.a. (9.00% p.a.)



**NOTE No. 3 (Contd.)**

**D) FINANCE LEASE OBLIGATIONS**

Hire Purchase Loan amounting to Rs.4.27 lakhs (Rs.6.72 lakhs) is secured by hypothecation of vehicles so financed.

Repayable in 47 monthly instalments.

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 4</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Other Payables	47.90	58.99
<b>NOTE No. 5</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for employee benefits	2,536.22	2,491.10
<b>NOTE No. 6</b>		
<b>SHORT TERM BORROWINGS</b>		
(a) Loans repayable on demand		
Secured Loans		
From Banks	5,775.97	15,977.59
From Other Parties	--	2,472.39
	5,775.97	18,449.98
Unsecured Loans		
From Banks	625.10	1,000.00
From Other Parties	50.00	276.18
	675.10	1,276.18
	6,451.07	19,726.16
(b) Loans and advances from related parties (Unsecured)	1,547.17	1,444.22
<b>TOTAL</b>	<b>7,998.24</b>	<b>21,170.38</b>

**NATURE OF SECURITY FOR SHORT TERM BORROWINGS**

**A) SECURED LOANS FROM BANKS**

- 1 Working capital loans amounting to Rs.1675.08 lakhs (Rs.3495.63 lakhs) are secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.
- 2 Term Loan amounting to Rs.Nil (Rs.402 lakhs) is secured by
  - a) Receivables from TANGEDCO against supply of power from Co-generation plant at Sakthinagar.
  - b) Pari passu first charge on the Company's Corporate office building at Coimbatore
- 3 Working capital loan (Bills Discounting facility) amounting to Rs.Nil (Rs.934.12 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.



**NOTE No. 6 (Contd.)**

- 4 Working capital loan (Bills Discounting facility) amounting to Rs.3617.92 lakhs (Rs.9821.36 lakhs) is secured by
  - a) Exclusive charge on receivables from TANGEDCO against supply of power from cogeneration plants at Sakthinagar, Sivaganga and Modakurichi.
  - b) Pari passu first charge on the company's Corporate office building at Coimbatore
- 5 Working capital loan amounting to Rs.185.97 lakhs (Rs.1027.48 lakhs) is secured by
  - a) Pari passu first charge on the current assets of sugar division (except Modakuruchi), distillery and soya units.
  - b) Pari passu second charge on the immovable & movable assets of the Company's Sakthinagar Distillery unit, Dhenkanal sugar and Distillery units and Soya unit.
- 6 Term loan amounting to Rs.297 lakhs (Rs. 297 lakhs) is secured by the Fixed deposit amounting to Rs.330 lakhs held with them
- 7 The loan under 1 of the above is further secured by pledge of shares held by promoters in the Company.
- 8 Guarantees given by Directors:
  - a) Working capital loans amounting to Rs.5293 lakhs (Rs.14251.11 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
  - b) Working capital loan amounting to Rs.185.97 lakhs (Rs.1027.48 lakhs) is guaranteed by Dr. M.Manickam.
  - c) Working capital loans amounting to Rs.Nil (Rs.402 lakhs) are guaranteed by Sri.M.Balasubramaniam and Sri.M.Srinivaasan.

**B) SECURED LOANS FROM OTHER PARTIES**

- 1 Working capital loans amounting to Rs. Nil (Rs.976.74 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the company, except Sugar and Co-generation units in Sivaganga and Modakurichi and other exclusively charged assets.
- 2 Working capital loans amounting to Rs. Nil (Rs.1495.65 lakhs) is secured by
  - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TANGEDCO receivables.
  - b) Pari passu second charge on the entire movable and immovable properties of the company, except Sugar and Co-generation units in Sivaganga and Modakurichi and other exclusively charged assets.
  - c) Additionally Secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit
- 3 The loans under 1 of the above is further secured by pledge of shares held by promoters in the Company.
- 4 Guarantees given by Directors:
  - a) Working capital loan amounting to Rs.Nil (Rs.976.74 lakhs) are guaranteed by Dr.M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan
  - b) Working capital loan amounting to Rs.Nil (1495.65 lakhs) is guaranteed by Dr.M.Manickam.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 7</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current maturities of long term debts	27,069.58	39,228.08
Current maturities of finance lease obligations	2.45	4.70
Interest accrued but not due on borrowings	116.74	62.74
Interest accrued and due on borrowings	19,064.48	16,175.29
Unclaimed matured deposits	0.21	0.65
Unclaimed matured debentures	0.23	0.23
Other Payables:		
Statutory remittance	1,308.44	692.83
Advance from customers	3,646.31	1,568.18
Other liabilities	2,320.42	2,743.03
Security Deposits	1,095.19	1,050.00
Liabilities for capital expenditure	586.25	644.23
	<b>8,956.61</b>	<b>6,698.27</b>
<b>TOTAL</b>	<b>55,210.30</b>	<b>62,169.96</b>
<b>NOTE No. 8</b>		
<b>SHORT TERM PROVISIONS</b>		
Provision for employee benefits	138.13	168.47
Premium/interest payable on FCCB	620.55	7,551.21
Other provisions	715.50	798.33
<b>TOTAL</b>	<b>1,474.18</b>	<b>8,518.01</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE No. 9

#### TANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2015	ADDITIONS	DELETIONS/ WRITTEN BACK	AS ON 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	TRANSFER TO RET. EARNING	WITHDRAWN UPTO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
A. Land	13605.38	-	-	13605.38	-	-	-	-	13605.38	13605.38
B. Buildings	20404.37	41.25	-	20445.62	3383.36	619.87	-	4003.23	16442.39	17021.01
C. Plant and equipment	95421.41	297.24	183.02	95535.63	29994.29	3911.93	-	79.88	61709.30	65427.12
D. Furniture and fixtures	380.25	3.95	-	384.20	319.43	18.04	-	337.47	46.73	60.82
E. Vehicles	1068.85	2.00	38.57	1032.28	891.01	36.67	-	36.64	141.24	177.84
F. Office equipment	1261.38	45.25	3.35	1303.28	1130.95	34.62	-	3.17	140.88	130.43
G. Others (Dev. of property eco friendly trees)	23.60	-	-	23.60	-	-	-	-	23.60	23.60
Total	132165.24	389.69	224.94	132329.99	35719.04	4621.12	-	119.69	92109.52	96446.20
H. Work in progress	14945.46	115.38	73.03	14987.81	-	-	-	-	14987.81	14945.46
TOTAL FOR THE YEAR	147110.70	505.07	297.97	147317.80	35719.04	4621.12	-	119.69	107097.33	111391.66
TOTAL FOR THE PREVIOUS YEAR	146898.93	823.00	611.23	147110.70	30622.48	4736.64	423.21	63.29	111391.66	116276.45

Note: Land, Buildings, Plant & Machinery and Electrical Installations have been revalued as on 31.12.2008. The difference between revalued figures and original cost is Rs.42675.33 Lakhs

### NOTE No. 10

#### INTANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK			AMORTISATION			NET BLOCK	
	AS ON 01.04.2015	ADDITIONS	DELETIONS	AS ON 31.03.2016	UPTO 31.03.2015	FOR THE YEAR	UPTO 31.03.2016	AS ON 31.03.2015
Goodwill	33655.44	-	-	33655.44	22439.10	2815.88	25254.98	11216.35
TOTAL FOR THE YEAR	33655.44	-	-	33655.44	22439.10	2815.88	25254.98	11216.35
TOTAL FOR THE PREVIOUS YEAR	33655.44	-	-	33655.44	19073.56	3365.54	22439.10	14581.88



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 11</b>		
<b>NON-CURRENT INVESTMENTS - At Cost</b>		
<b>(a) Investments in Equity Instruments</b>		
<b>I. Quoted</b>		
Sri Chamundeswari Sugars Limited 6,81,146 Shares of Rs.10 each	117.88	117.88
Sakthi Finance Limited 10,40,000 Shares of Rs.10 each	282.00	282.00
ICICI Bank Limited 441 Shares of Rs.10 each	0.24	0.24
NIIT Limited 2,527 Shares of Rs. 2 each	0.06	0.06
NIIT Technologies Limited 759 Shares of Rs. 10 each	0.09	0.09
Kovai Medical Centre and Hospital Limited 2,00,000 Shares of Rs.10 each	20.00	20.00
K G Denim Limited 16,129 Shares of Rs.10 each	2.74	2.74
IFCI Limited 100 Shares of Rs.10 each	0.04	0.04
The Industrial Development Bank of India Limited 1,360 Shares of Rs.10 each	1.10	1.10
The South Indian Bank Limited 1,65,000 Shares of Re.1 each	4.22	4.22
Total of Quoted Investments	428.37	428.37
<b>II. Unquoted</b>		
<b>i. Associate</b>		
Sakthi Auto Component Limited 6,38,60,000 Shares of Rs.10 each Add: Goodwill on Consolidation Add: Share of Accumulated Profit/(Loss) Add: Share of Current Profits	15,157.86 (15,280.80) (634.82) 757.76	15,157.86 (14,523.04) -- (634.82)
	--	--
<b>ii. Others</b>		
The ABT Co-operative Stores Limited 1,000 Shares of Rs. 10 each	0.10	0.10
Sakthi Sugars Co-operative Stores Limited 760 Shares of Rs.10 each	0.08	0.08
Angul Central Co-op Bank Limited 100 Shares of Rs.100 each	0.10	0.10
The Shamarao Vithal Co-op Bank Limited 25 Shares of Rs.25 each	0.01	0.01
	0.29	0.29
Total of Unquoted Investments	0.29	0.29
<b>Total of Equity instrument</b>	428.66	428.66



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 11 (Contd.)</b>		
<b>(b) Investments in Preference shares</b>		
8,95,900 5% Redeemable Non-Convertible Cumulative Preference Shares in Sri Chamundeswari Sugars Ltd	895.90	895.90
Total of Preference Shares	895.90	895.90
<b>(c) Investments in Government/Trust Securities</b>		
Investment in Govt. Securities	1.04	1.04
	1,325.60	1,325.60
Less: Provision for diminution in value of Investments	84.05	174.50
<b>TOTAL</b>	<b>1,241.55</b>	<b>1,151.10</b>
Aggregate amount of quoted Investments	428.37	428.37
Market value of quoted Investments	1,802.58	1,619.09
Aggregate amount of unquoted Investments	897.23	897.23
Provision for diminution in value of Investments	84.05	174.50
<b>NOTE No. 12</b>		
<b>LONG TERM LOANS AND ADVANCES - Unsecured, considered good</b>		
a) Capital advances	2,663.63	2,317.81
b) Security Deposits	152.70	285.85
c) Loans and advances to related parties	8,439.49	15,682.08
d) Other Loans and Advances:		
Loans and advance due by officers	117.03	128.84
Advance Income-tax	235.08	235.08
MAT Credit Entitlement	1,620.66	1,849.11
Advance for Purchases & Others	72.71	109.16
	2,045.48	2,322.19
<b>TOTAL</b>	<b>13,301.30</b>	<b>20,607.93</b>
<b>NOTE No. 13</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Long term Trade receivables - Unsecured, considered good	2,905.82	2,925.30
Sundry Deposits	3,248.47	3,222.57
<b>TOTAL</b>	<b>6,154.29</b>	<b>6,147.87</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 14</b>		
<b>INVENTORIES</b>		
a) Raw Materials:		
Molasses - Distillery Unit	460.87	29.12
Soyabeans	128.02	13.84
Soya Flour	4.35	156.76
News print paper	--	1.09
	<b>593.24</b>	<b>200.81</b>
b) Work in Progress:		
Sugar	565.64	299.22
Molasses	146.41	48.41
	<b>712.05</b>	<b>347.63</b>
c) Finished goods:		
Sugar	2,901.92	3,865.55
Molasses - Sugar Unit	285.06	27.51
Industrial Alcohol	915.80	878.99
Ethanol	0.07	--
Soya Products	1,660.98	1,709.81
Bio-Earth	7.55	10.40
Fusel Oil	1.74	6.31
Bagasse	55.51	48.23
	<b>5,828.63</b>	<b>6,546.80</b>
d) Stock in Trade:		
Chemicals, Fertilisers & Others	257.51	185.96
e) Stores and spares:		
Stores and spares	3,021.27	2,668.60
f) Other Stock:		
Standing crop	4.29	0.99
<b>TOTAL</b>	<b>10,416.99</b>	<b>9,950.79</b>
For mode of valuation please refer Sl. No. 4 in Significant Accounting Policies.		
<b>NOTE No. 15</b>		
<b>TRADE RECEIVABLES - Unsecured, considered good</b>		
Trade Receivables outstanding for a period exceeding six months	2,047.95	409.19
Other Trade Receivables	9,975.55	12,726.55
<b>TOTAL</b>	<b>12,023.50</b>	<b>13,135.74</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2016	As at 31.03.2015
<b>NOTE No. 16</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents:		
Balances with banks	1,574.19	4,821.74
Cash on hand	45.73	80.90
Earmarked balance with banks:		
Unpaid dividend/interest warrants	1.91	5.09
Margin money with banks/security against borrowings	436.44	467.35
<b>TOTAL</b>	<b>2,058.27</b>	<b>5,375.08</b>
Margin money with banks includes deposits with maturity period of more than 12 months of Rs.65.97 lakhs (Rs.31.65 lakhs)		
<b>NOTE No. 17</b>		
<b>SHORT TERM LOANS AND ADVANCES - Unsecured, considered good</b>		
Loans and Advances to related parties	7,007.31	44.71
Other Loans and Advances:		
Security Deposits	5.12	27.18
Loans and advance due by officers	58.35	80.03
Prepaid expenses	384.27	489.31
Deposits with Government authorities	1,509.55	1,398.33
Advance Income-tax	70.56	55.90
Advance for purchases & others	4,061.78	7,003.68
	<b>6,089.63</b>	<b>9,054.43</b>
<b>TOTAL</b>	<b>13,096.94</b>	<b>9,099.14</b>
<b>NOTE No. 18</b>		
<b>OTHER CURRENT ASSETS</b>		
Outstanding income and interest receivable	1,577.85	1,554.66
	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
<b>NOTE No. 19</b>		
<b>REVENUE FROM OPERATIONS</b>		
a) <b>Sale of Products</b>		
<b>Manufactured Goods</b>		
Sugar	36,319.84	42,780.43
Industrial alcohol	13,884.37	10,433.22
Power	19,256.32	16,877.21
Ethanol	346.67	--
Soya products	12,014.60	13,464.71
Bio earth	260.95	244.49
Carbon-di-oxide	10.54	8.06



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 19 (Contd.)</b>		
Fusel oil	8.12	12.58
Magazines	12.67	15.60
Bagasse	11.37	29.97
Ash	23.30	7.51
Seeds	7.15	10.72
	<b>82,155.90</b>	<b>83,884.50</b>
<b>Traded Goods</b>		
Fertilisers & chemicals	611.20	556.55
Total (a)	<b>82,767.10</b>	<b>84,441.05</b>
<b>b) Other Operating revenues</b>		
Sale of used materials	178.70	191.30
Duty drawback/other export incentive	88.32	116.26
Total (b)	<b>267.02</b>	<b>307.56</b>
Total (a+b)	<b>83,034.12</b>	<b>84,748.61</b>
Less : Excise Duty	933.53	1,097.74
<b>TOTAL</b>	<b>82,100.59</b>	<b>83,650.87</b>
<b>NOTE No. 20</b>		
<b>OTHER INCOME</b>		
a) Interest income	1,116.29	1,589.14
b) Dividend income from non-current investment	16.71	15.06
c) Reduction in provision for diminution in value of investments	90.45	0.54
d) Remission of Liability	2,170.45	--
<b>e) Other non-operating income:</b>		
Rent receipts	83.63	86.46
Profit on sale of fixed assets	69.32	1,474.97
Miscellaneous income	73.40	61.03
Sundry balance written back	47.27	18.33
	<b>273.62</b>	<b>1,640.79</b>
<b>TOTAL</b>	<b>3,667.52</b>	<b>3,245.53</b>
<b>NOTE No. 21</b>		
<b>COST OF MATERIAL CONSUMED</b>		
<b>a) Opening Stock</b>		
Molasses	29.12	223.34
Newsprint paper	1.09	1.22
Soyabean seeds & others	13.84	4.53
Soya products	156.76	184.29
Total (a)	<b>200.81</b>	<b>413.38</b>
<b>b) Purchases</b>		
Sugarcane	42,003.32	33,233.46
Molasses	1,339.72	716.36
Raw Sugar	--	33.55
Newsprint paper	12.81	21.90
Soyabean seeds & others	9,442.96	11,323.10
Total (b)	<b>52,798.81</b>	<b>45,328.37</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 21 (Contd.)</b>		
<b>c) Closing Stock</b>		
Molasses	460.87	29.12
Newsprint paper	--	1.09
Soyabean seeds & others	128.02	13.84
Soya Products	4.35	156.76
Total (c)	593.24	200.81
TOTAL (a+b-c)	52,406.38	45,540.94
<b>NOTE No. 22</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Fertiliser & chemical	664.36	525.26
<b>NOTE No. 23</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>a) Opening Stock</b>		
<b>Finished Goods</b>		
Sugar	3,865.55	8,343.17
Molasses	27.51	126.10
Industrial alcohol	878.99	374.28
Soya products	1,709.81	1,120.55
Bagasse	48.23	85.28
Bio earth	10.40	9.51
Fusel oil	6.31	3.42
	6,546.80	10,062.31
<b>Work in Progress and Stock in trade</b>		
Sugar in process	299.22	455.89
Molasses in process	48.41	83.04
Fertilisers & chemicals	185.96	200.79
	533.59	739.72
Total (a)	7,080.39	10,802.03
<b>b) Closing Stock</b>		
<b>Finished Goods</b>		
Sugar	2,901.92	3,865.55
Molasses	285.06	27.51
Industrial alcohol	915.80	878.99
Ethanol	0.07	--
Soya products	1,660.98	1,709.81
Bagasse	55.51	48.23
Bio earth	7.55	10.40
Fusel oil	1.74	6.31
	5,828.63	6,546.80



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 23 (Contd.)</b>		
<b>Work in Progress and Stock in trade</b>		
Sugar in process	565.64	299.22
Molasses in process	146.41	48.41
Fertilisers & chemicals	257.51	185.96
	<b>969.56</b>	<b>533.59</b>
Total (b)	<b>6,798.19</b>	<b>7,080.39</b>
TOTAL (a-b)	<b>282.20</b>	<b>3,721.64</b>
<b>NOTE No. 24</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and wages	4,989.49	5,272.62
Contribution to provident and other funds	409.25	418.76
Staff welfare expenses	503.67	496.70
TOTAL	<b>5,902.41</b>	<b>6,188.08</b>
<b>NOTE No. 25</b>		
<b>FINANCE COSTS</b>		
Interest expense:		
On borrowings	6,528.19	12,277.77
On trade payable	258.86	627.73
Other borrowing costs	57.25	37.22
(Gain)/Loss on foreign currency transaction (net)	1,005.13	(8.52)
TOTAL	<b>7,849.43</b>	<b>12,934.20</b>
<b>NOTE No. 26</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>		
Depreciation	4,621.12	4,736.63
Less : Transferred from Revaluation reserve	--	1,722.81
	<b>4,621.12</b>	<b>3,013.82</b>
Amortization expenses	<b>2,815.88</b>	<b>3,365.54</b>
TOTAL	<b>7,437.00</b>	<b>6,379.36</b>
<b>NOTE No. 27</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Consumption of stores and spares	1,967.91	1,967.09
Printing and publication charges	38.66	41.56
Power and fuel	984.98	985.23
Consumption of Coal	10,543.06	9,711.56
Water charges	74.18	28.98
Rent	64.02	68.15
Repairs to buildings	163.65	185.27



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>NOTE No. 27 (Contd.)</b>		
Repairs to machinery	1,997.33	929.76
Repairs to others	268.50	264.33
Insurance	108.46	117.77
Rates and taxes, excluding taxes on income	444.38	376.13
Effluent disposal expenses	393.63	222.94
State administrative service fees	135.64	80.82
<b>Selling and Distribution Expenses:</b>		
Selling and distribution expenses	37.77	50.50
Freight & transport on finished goods	222.95	308.11
Commission and brokerage	27.76	68.14
<b>Other Administrative Expenses:</b>		
Travelling expenses	241.11	295.71
Printing, postage, telephone & telex	178.61	163.64
Freight and transport	25.95	24.40
Donations	11.38	12.06
Legal and professional charges	204.73	90.99
Excise Duty on stock adjustments	(30.21)	(106.64)
Administrative and other expenses	242.61	233.64
Bank charges	233.82	172.56
R & D expenses	26.79	26.34
Data processing charges	25.38	21.72
<b>Payment to Auditors:</b>		
For Statutory Audit	21.00	18.00
Other services	20.29	17.96
Service tax	5.90	4.44
Reimbursement of expenses	0.79	3.03
Managerial remuneration	7.50	38.24
Directors sitting Fees	7.63	8.20
Loss on sale of fixed assets	1.17	5.31
Loss on sale of used materials	4.56	26.35
Deferred revenue expenditure written off	5.10	77.25
Irrecoverable advances written off	43.54	5.27
<b>TOTAL</b>	<b>18,750.53</b>	<b>16,544.81</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 28 Net Assets and Share of Profit or (Loss) of Associate on Consolidated Net Assets/Profit or (Loss):

Name of Entity	Net Assets		Share in Profit or (Loss)	
	As a % of Consolidated Net Asset	Amount (Rs.in Lakhs)	As a % of Consolidated Profit or Loss	Amount (Rs.in Lakhs)
Sakthi Auto Component Limited	-2.60	-955.57	-15.96	757.76

### 29 Contingent Liabilities, Contingent Liabilities on account of Guarantees and Commitments :

#### (A) Contingent liabilities:

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
Claims against the Company not acknowledged as debts:		
(i) Income tax matters	6221.24	5187.73
(ii) Purchase tax/sales tax matters	2420.94	2484.29
(iii) Cane Price *	6655.74	3570.69
(iv) Differential Price of Levy Sugar	1677.62	--
(v) Others	9170.30	9934.15

\* The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in High Court is pending disposal. The differential price on this account is Rs.6655.74 lakhs for the seasons from 2013-14 to 2015-16 (up to March'2016).

The management believes that the ultimate outcome will not have any material adverse effect on the Company's financial position and results of operations.

#### (B) Contingent Liabilities on Account of Guarantees:

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
<b>a) Corporate guarantee given to erstwhile Foreign subsidiary*</b>		
(i) Guarantee amount	30038.20	27004.16
(ii) Outstanding amount	34567.51	29863.74
<b>b) Guarantees issued by bankers</b>	398.66	503.27
<b>c) Corporate guarantee given for loans to Associates</b>		
(i) Guarantee amount	26507.50	26540.00
(ii) Outstanding amount	19910.94	21216.35

\* Orlandofin B.V a wholly owned subsidiary of a company had obtained loan of EURO 40 Million for the acquisition of foundries in Europe. The Company has provided guarantee for the repayment of the loan. The consortium of banks, except one filed a claim for EURO 34.65 Million in the commercial court of London. The claim is disputed on the basis that it has not yet become due.

Considering the value of security available for the loan, the guarantee liability may not have any effect on the financials of the Company.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### (C) Commitments:

(Rs. in lakhs)

Particulars	31.03.2016	31.03.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	356.43	2496.07

- 30** Arrears of preference dividend for the 16.96% participatory cumulative compulsorily convertible preference shares issued by the Associate is Rs.9501.01 lakhs.

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Vide our report annexed  
For P N RAGHAVENDRA RAO & Co  
Chartered Accountants  
Firm Registration Number : 003328S  
P R VITTEL  
Partner  
Membership Number : 018111  
Coimbatore  
30<sup>th</sup> May 2016

M MANICKAM  
Executive Chairman  
  
S BASKAR  
Chief Financial Officer

M BALASUBRAMANIAM  
Managing Director  
  
S BASKAR  
Company Secretary



## SIGNIFICANT ACCOUNTING POLICIES (Consolidated)

### 1. Basis of Preparation:

The accompanying Financial Statements have been prepared on a going concern basis under the historical cost convention on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles ("Indian GAAP").

### 2. Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

- a) Investment in Associate Company has been accounted under the Equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associate in Consolidated Financial Statements".
- b) The Company accounts for its share of post-acquisition changes in net assets of Associate, after eliminating unrealised profits and losses resulting from transaction between the Company and its Associate to the extent of its share, through its consolidated Statement of Profit and Loss, to the extent such change is attributable to the Associate's Statement of Profit and Loss and through its reserves for the balance based on available information.
- c) The difference between the cost of investment in the Associate and the share of Net Assets at the time of acquisition of shares in the Associates is identified in the Financial Statement as Goodwill/Capital Reserve as the case may be.

### 3. Change in Accounting Policy:

Till the financial year ended 31.3.2015, the Company and its Associate had charged the total depreciation to the Statement of Profit and Loss and made transfer of an amount equivalent to additional depreciation on account of upward revaluation of fixed assets from revaluation reserve. In the current year the company has revised the accounting policy prospectively whereby no transfer from revaluation reserve is made through Statement of Profit and Loss.

Had the Company and its Associate continued to follow the earlier accounting policy, the loss for the period would have been lower by Rs.2145.71 lakhs.

### 4. Valuation of Inventories:

Company:-

Inventories of raw materials, work-in-progress, stores, finished products and stock-in-trade are valued at the lower of cost or net realizable value. Cost is ascertained on seasonal weighted average for sugar and yearly average for stores and soya products. Soya Bean, Stock-in-trade of fertilizer and newsprint cost ascertained on FIFO basis. By-products are valued at Net realizable value. Standing crops are valued at net realizable value.

Associate:-

Inventories are valued at cost or the net realizable value whichever is lower increased by excise duty thereon wherever applicable. The cost is computed on weighted average basis. The Cost for the finished goods and process stock is inclusive of cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

Subsidiary of Associate:

Stocks are valued at the lowest of cost or net realisable values as follows:

Raw and subsidiary materials - at Cost of latest purchase price including all expenses incurred until arrival at the warehouse.

Finished and semi-finished goods - at production cost, which includes raw materials, direct labour and factory overheads.

Work in progress - at production cost, which includes raw materials, direct labour and factory overheads, adjusted as per completion phase of production.

### 5. Fixed Assets:

- a) Fixed Assets are shown at cost/re-valued figures, less accumulated depreciation. Fixed assets added during the year are valued at cost net of duty taken on credit but includes all direct expenses like freight, erection charges, pre operative expenses and borrowing costs.
- b) Expenditure including borrowing cost incurred on projects under implementation is shown under "Work-in-Progress" pending allocation to the assets.



### 6. Intangible Assets:

Company:-

The payment made towards goodwill for cane ryots in excess of statutory obligations and to employees as per wage board settlement, is amortized over a period of 10 years in accordance with AS-26.

Associate:-

Product Development expenses being intangible assets is amortized over a period of 10 years in accordance with AS-26.

Subsidiary of Associate:

Incorporation expenses incurred with the Company's incorporation and studies and projects, research development expenses of new projects are recorded at acquisition cost less accumulated depreciation thereon. Depreciation is calculated on a straight line method duodecimal basis over estimated useful life.

### 7. Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets.

### 8. Depreciation:

Company and Associate:-

Depreciation on tangible assets is provided on the straight line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013 effective from 1st April 2014, as against the earlier practice of depreciating at the rates prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on addition to assets or on sale/discardment of assets, is calculated on pro-rata from the month of such addition or up to the month of such sale/discardment, as the case may be.

Subsidiary of Associate:

Depreciation is calculated on a straight line method duodecimal basis over estimated useful life.

### 9. Investments:

Long term Investments are accounted at Cost. The diminution, if any, in value of long term investments is provided if such decline is other than temporary.

### 10. a) Revenue Recognition:

Company and Associate:-

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, excise duty, sales return.

i) Gross turnover includes excise duty but exclude sales tax.

ii) Dividend income is accounted for in the year it is received.

iii) All other incomes are accounted for on accrual basis.

iv) The Excise duty on sale of finished goods is deducted from the turnover to arrive at the net sales as shown in the Profit and loss account.

v) Inter segmental transfer price is not recognised.

### b) Expenditure Recognition:

Company and Associate:-

i. The Cane price is written off on the basis of determination of statutory price.

ii. The excise duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for difference between opening and closing stock of finished goods.



11. Foreign currency transactions:

Recognition of foreign exchange fluctuation is based on the maturity of obligations.

12. Retirement Benefits:

Company and Associate:-

Contribution payable by the Company under defined contribution schemes towards Provident fund, Gratuity, Employees State Insurance and Superannuation fund for the year are charged to Statement of profit and loss account.

The Company has opted for Life Insurance Corporation of India Group Gratuity Scheme. For calculating gratuity liability, the premium ascertained by LIC has been taken into account.

Provision for liability in respect of Leave encashment benefits are made based on actuarial valuation made by an independent actuary as at 31.03.2016.

13. Deferred tax:

Deferred tax is recognized on timing difference between accounting income and the taxable income for the period and reversal of timing differences of earlier periods and quantified using the tax rates and laws that have been enacted / substantively enacted as at the balance sheet date. The deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that these would be realized in future.

14. Earning per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

15. Impairment of Assets:

Impairment, if any, is recognized in accordance with the applicable Accounting Standard.

16. Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

17. Leases:

The Company's significant leasing arrangements are operating leases and are cancelable in nature. The lease rentals paid or received under such arrangements are accounted in the profit and loss account.



### **E-MAIL ADDRESS REGISTRATION FORM**

(In terms of Circular Nos. 17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011  
respectively issued by Ministry of Corporate Affairs, Government of India)

(For shares held in physical form)

**Link Intime India Pvt. Limited**

**Unit: Sakthi Sugars Limited**

"Surya" 35, May Flower Avenue

Behind Senthil Nagar

Sowripalayam Road,

Coimbatore - 641 028

I/We, Member(s) of Sakthi Sugars Limited, hereby give my/our approval to receive electronically Annual Report(s), Notice(s) of General Meeting(s) and other document(s) that the Ministry of Corporate Affairs may allow to be sent in electronic mode.

I/We request you to note my/our e-mail address, as mentioned below. If there is any change in the e-mail address, I/We will promptly communicate the same to you.

Folio No.	
Name of the first/sole Member	
e-mail address (to be registered)	

Place :

Date :

\_\_\_\_\_  
(Signature of first/sole Member)





**SAKTHI SUGARS LIMITED**

CORPORATE OFFICE  
180 RACE COURSE ROAD, COIMBATORE - 641 018