

2014-15

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



SAKTHI SUGARS LIMITED

ANNUAL REPORT 2014-15

śarvakaryogitvam kriya śakthi

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
Website : 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
Website : www.sakthisugars.com

AUDITORS

M/s P N Raghavendra Rao & Co
Coimbatore

MAIN BANKERS

Allahabad Bank
Axis Bank Limited
Bank of India
Citibank NA
Indian Overseas Bank
Oriental Bank of Commerce
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

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 AUDISESHIAH
Chief Executive Officer

Sri M K VIJAYARAGHAVAN
Chief Financial Officer
Sri S BASKAR
Senior Vice President - Finance &
Company Secretary



CONTENTS

Report of the Board of Directors	4
Report on Corporate Governance	33
Management Discussion and Analysis Report	46
Independent Auditors' Report	48
Balance Sheet	52
Statement of Profit and Loss	53
Cash Flow Statement	54
Notes to Financial Statements	55
Significant Accounting Policies	79
Statement relating to Associate	81

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. 83 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, 2015

FINANCIAL HIGHLIGHTS	(Rs.in lakhs)	
Particulars	2014-15	2013-14
Sales (Net)		
Sugar Division	42455.46	38344.75
Distillery Division	10654.66	15543.16
Cogeneration Division	16884.29	3129.14
Soya Division	13656.46	13711.06
Total sales	83650.87	70728.11
Other Income	3245.53	307.63
Total Income	86896.40	71035.74
Profit Before Finance Cost and Depreciation & Amortisation	14375.67	1791.45
Finance Cost	12934.20	18590.93
Provision for Depreciation and Amortisation	6379.36	6638.21
Net Profit before Tax	(4937.89)	(23437.69)
Provision for Tax	(1460.96)	(7499.36)
Net Profit after Tax	(3476.93)	(15938.33)
Balance of Profit brought forward	(27402.41)	(11464.08)
Less: Previous year depreciation adjustment	423.20	--
Surplus carried to Balance Sheet	(31302.54)	(27402.41)

REVIEW OF OPERATION

The operations of Sugar and Alcohol Divisions of the Company during the financial year have been affected due to non-availability of adequate sugarcane for crushing and low realisation on sugar sold and the reduced availability of molasses. However, operation of Power Division has been encouraging due to higher rate of realisation per unit of power with the Company coming out of Power Purchase Agreement and engaging in sale of power through bidding process. 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 2014-15 is as under:

Name of the Units	Cane crushed (in tonnes)
Sakthinagar	7,23,966
Sivaganga	2,62,650
Modakkurichi	74,284
Dhenkanal	4,15,577

During the year under review, 1.32 lakh MT of sugar was produced by the Company, which is less by 0.15 lakh MT as compared to the previous year. This is on account of reduction in the sugarcane availability. The quantum of sugar sales and the sale value has gone up slightly during the year, even though there is a decrease in the average selling price of sugar per quintal.

DISTILLERY DIVISION

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

**SOYA DIVISION**

23,056 tonnes of soya bean was crushed in the soya plant during the year under review. This division had exported products worth Rs.2253.13 lakhs to various countries.

CO-GENERATION DIVISION

The total power generated in the co-generation plants during the year was 3922.77 lakh units out of which 3179.21 lakh units of power was exported to Tamilnadu Electricity Board. As the rate per unit of power under the Power Purchase Agreements (PPA) entered into with Tamilnadu Power Generating and Distribution Company Limited (TANGEDCO) was not viable for generation of power using coal, the Company has come out of the PPA. The Company has entered into another agreement with TANGEDCO for sale of power at a higher rate per unit of power through bidding process. This Agreement will expire on 30th September 2015.

FUTURE OUTLOOK

The selling price of sugar has come down far below the cost of production and realisation on sale of sugar does not even meet the cost of sugarcane crushed. This has made the sugar production unviable. With the sugar season 2014-15 expected to end in surplus stock of sugar, the possibility of sugar price going up in the near future is doubtful.

Besides reduced selling price for sugar, imposition of VAT at 5% on sugar sales by Tamilnadu State Government has placed the sugar mills in Tamilnadu at a disadvantageous position as they have to face competition due to arrival of more quantity of sugar for sale from other States where there is no VAT on sugar. Similar situation is faced in respect of sale of industrial alcohol by the manufacturers in Tamilnadu State on account of local levy of VAT being higher than CST on imports from neighbouring States.

Unless the State and the Central Governments take corrective actions to bail out the bleeding sugar industry, the outlook of sugar industry will continue to be bleak.

DEPOSITS

The Company has not accepted any deposit from public during the financial year under review.

At the end of the financial year, 4 deposits amounting to Rs.0.65 lakh (including interest) remained unclaimed. Of this 2 deposits amounting to Rs.0.34 lakh have since been repaid.

CORPORATE INFORMATION

As the Madras Stock Exchange Limited (MSE) had applied to SEBI for voluntary exit as a Stock Exchange, the Company made an application to MSE for voluntary delisting from that Stock Exchange, which has been approved by that Exchange. The equity shares of the Company remains delisted from MSE from 15th October 2014. The equity shares of the Company continue to be listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

As per the directions of the Hon'ble High Court of Judicature at Madras, meetings of equity shareholders and holders of FCCB were convened on 22nd July 2015 and 23rd July 2015 respectively for obtaining their approval for the scheme of arrangement for settlement of the outstanding FCCB (Series B). However, at the instance of certain bondholders, the High Court has postponed the aforesaid Court convened meetings to October 2015 to facilitate modification of the Scheme.

The Company continues to be under the Corporate Debt Restructuring Scheme with respect to the secured debts availed from Banks/Financial Institutions. The rework package given by the Company has been approved by the CDR Empowered Group and documentation in respect thereof is yet to be done.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

It is with deep grief and regret, your Directors place on record the demise of Dr.N.Mahalingam (DIN : 00206894), one of the Promoters and Founder Chairman of the Company, on 2nd October 2014. The Directors also place on record their appreciation of the contributions made by Dr.Mahalingam in the development of the Company over a period of more than half a century.

Dr.M.Manickam (DIN : 00102233), Executive Vice Chairman, has been reappointed for a further period of five years from 24th October 2014, subject to the approval of the Central Government. The Government's approval is yet to be received.

At the meeting of the Board of Directors held on 12th November 2014, Dr.M.Manickam has been elected to be the Chairman of the Board and has been re-designated as Executive Chairman.



Sri M. Balasubramaniam (DIN : 00377053) has been appointed as Managing Director and Sri M. Srinivaasan (DIN : 00102387) has been re-appointed as Joint Managing Director with effect from 28.6.2013 and 23.1.2014 respectively for a period of 5 years, subject to the approval of the Central Government. The Central Government has approved the appointment/reappointment for 5 years, but restricted its approval for payment of remuneration for the period from the date of appointment/reappointment till 31st March 2014 and advised the Company to make fresh applications under the Companies Act 2013 for its approval. Accordingly applications have been made to the Central Government for payment of remuneration to Sri M. Balasubramaniam and Sri M. Srinivaasan from 1st April 2014 and the approvals are awaited.

The Board has re-appointed Sri V.K. Swaminathan (DIN : 00210869) as Executive Director for a period of five years from 1st November 2015, subject to the approval of the banks and financial institution, members of the Company and of the Central Government as may be applicable.

The Board of Directors at its meeting held on 30th September 2014 had appointed Sri K.V. Ramachandran (DIN : 00322331), Sri S.Chandrasekhar (DIN : 00011901) and Sri S. Balasubramanian (DIN : 00458139) as Additional Directors to hold office upto the date of the ensuing Annual General Meeting of the Company. With a view to comply with the requirements of Section 149(1) of the Companies Act, these Additional Directors have been appointed as Independent Directors for a term of five years from 30th September 2014, subject to approval of the Members at the ensuing Annual General Meeting.

Mrs.Priya Bhansali (DIN : 00195848) has been appointed by the Board as Additional Director with effect from 27th March 2015 to hold office until the date of the ensuing Annual General Meeting of the Company.

Tamil Nadu Industrial Development Corporation Limited and IDBI Bank Limited have withdrawn their respective Nominees Sri B. Elangovan (DIN : 00133452) and Sri T.A. Ganesh (DIN : 01113674) from the Board of Directors of the Company from 16th October 2014 and 20th May 2015 respectively. The Directors place on record their appreciation of the contributions made by the above Nominee Directors to the Company during their tenure of office as Directors. Sri P.S. Ravendernath (DIN : 00030770) has been nominated on the Board of the Company by Asset Reconstruction Company (India) Limited effective from 2nd June 2015.

Notices together with requisite deposits have been received from certain Members of the Company pursuant to Section 160 of the Companies Act 2013 signifying their intension to propose resolutions for appointment of Sri K.V. Ramachandran, Sri S. Chandrasekhar, Sri S. Balasubramanian and Mrs. Priya Bhansali as Independent Directors of the Company at the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors have recommended appointment of these Directors as Independent Directors by the members at the ensuing Annual General Meeting.

Sri V.K. Swaminathan retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Sri S. Audiseshiah, a retired IAS Officer, has been appointed as Chief Executive Officer of the Company during the financial year and he is not a member of the Board.

Pursuant to the requirement of Section 203 of the Companies Act, 2013, the following Directors/Executives have been designated as whole time Key Managerial Personnel during the year:

Dr.M.Manickam, Executive Chairman
Sri M.Balasubramaniam, Managing Director
Sri M.Srinivaasan, Joint Managing Director
Sri S.Audiseshiah, Chief Executive Officer
Sri M.K.Vijayaraghavan, Chief Financial Officer; and
Sri S.Baskar, Sr.Vice President-Finance & 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; and
- (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.
- (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 6 times during the financial year ended 31st March 2015. 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 30.9.2014. The Audit Committee comprises the following Directors as its members:

1. Sri C.Rangamani, Chairman,
2. Sri N.K.Vijayan, and
3. Sri K.V.Ramachandran

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 Clause 49 of the Listing Agreement, 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) of the Companies (Appointment and Remuneration) Rules 2014 are given in Annexure-A. The Company does not have any employee attracting the provisions of Rule 5(2) of the said Rules.

RISK MANAGEMENT POLICY

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of the Committee are set out in the Corporate Governance Report. The risk management policy aims to identify, evaluate and mitigate risks. It seeks to ensure transparency and to minimise adverse impact on the business operations of the Company.

ASSOCIATE COMPANY

Effective from 1st April 2014, Sakthi Auto Component Limited has become an Associate Company with about 26% of its total share capital being held by the Company. Pursuant to the third proviso to Rule 6 of the Companies (Accounts) Rules 2014, consolidated financial results of the Company and the Associate Company for the financial year ended 31st March 2015 are not made. In view of this, report on the performance and financial position of the said Associate Company is not provided in terms of Rule 8 of the said Rules.

**INTERNAL CONTROL**

The Company has internal control system commensurate with the size of the Company. Adequate procedures are set 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.

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

Pursuant to Clause 49 of the Listing Agreement, 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 2014-15.

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.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.sakthisugars.com. 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 declarations to the Board to the effect that they meet with 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 2014-15 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. Secretarial Audit Report of M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai is annexed as Annexure-E.

COST AUDIT

M/s. STR & Associates, Cost & Management 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 2015. The said Firm has been appointed for the financial year ending 31st March 2016 and necessary resolution for ratification of their 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 there to, 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 2014-15.

AUDITORS REPORT

With reference to the Statutory Auditors' remarks, your Directors wish to state that the unprovided interest and guarantee commission to the holding company will be accounted subject to the approval of the CDR Empowered Group.

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
8th August 2015

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:	
	Dr.N.Mahalingam	0.04
	Sri P.K.Chandran	0.48
	Sri S.S.Muthuvelappan	0.48
	Sri N.K.Vijayan	0.61
	Sri C.Rangamani	0.74
	Sri B.Elangovan	0.04
	Sri T.A.Ganesh	0.26
	Sri K.V.Ramachandran	0.22
	Sri S.Chandrasekhar	0.17
II	Sri S.Balasubramanian	0.13
	Smt.Priya Bhansali	-
	Executive Directors:	
	Dr.M.Manickam, Executive Chairman	5.84
	Sri M.Balasubramaniam, Managing Director	5.23
	Sri M.Srinivaasan, Joint Managing Director	--
	Sri V.K.Swaminathan, Executive Director	5.61

- (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:	
	Dr.N.Mahalingam	-
	Sri P.K.Chandran	22.22
	Sri S.S.Muthuvelappan	22.22
	Sri N.K.Vijayan	27.27
	Sri C.Rangamani	41.67
	Sri B.Elangovan	-
	Sri T.A.Ganesh	500.00
	Sri K.V.Ramachandran	N.A.
	Sri S.Chandrasekhar	N.A.
	Sri S.Balasubramanian	N.A.
	Smt Priya Bhansali	N.A.



	Name of Person	% increase in remuneration
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	NIL NIL NIL NIL
III	Key Managerial Personnel: Sri S.Audiseshiah, Chief Executive Officer Sri M.K.Vijayaraghavan, Chief Financial Officer Sri S.Baskar, Company Secretary	N.A. NIL NIL

- i. The remuneration to Non-Executive Directors consists of sitting fees paid for at 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. In respect of Directors appointed during the financial year, there is no comparison.
- ii. Remuneration of Dr.M.Manickam is for the period upto 24.10.2014. The Central Government's approval is awaited for his re-appointment and payment of remuneration after the date.
- iii. The remuneration paid to Sri M.Balasubramanian relates to the previous year. No remuneration was paid to Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, for the financial year 2014-15 as the Central Government's approval for payment of remuneration from 1.4.2014 is yet to come.

(c) The percentage increase in the median remuneration of employees in the financial year: 9.15%

(d) The number of permanent employees on the rolls of the Company as on 31.3.2015: 1,459

(e) The explanation on the relationship between average increase in remuneration and company performance:

The increase is on account of general revision in the wages of sugar industry workers and appointment of certain senior level executives.

(f) Comparison of remuneration of the Key Managerial Personnel (KMP)against the performance of the Company:

(Rs. in lakhs)

Particulars	
Total remuneration of KMP for the financial year 2014-15	82.21
Revenue from operations	83650.87
Remuneration as % of revenue from operation	0.10%

(g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies as at the close of the current financial year and previous financial year:

Particulars	Unit	As at 31.3.2015	As at 31.3.2014	Variation
Closing rate of share in NSE	Rs.	13.05	18.00	-4.95
EPS	Rs.	-3.61	-42.00	38.39
Market capitalization	Rs. in Crs	125.56	173.18	-47.62
Price Earning ratio	-	-	-	-
Percentage of increase or decrease in market quotation in comparison to the rate at which last public offer was made	%	30.50	80.00	-



- (h) 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 2014-15 was 9.13%. There is no increase in the managerial remuneration.

- (i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company: (Rs. in lakhs)

Particulars	Executive Chairman	Executive Director	Chief Executive Officer	Chief Financial Officer	Company Secretary
Remuneration	13.39	12.86	17.72	9.47	16.77
Total Revenue from operation	83650.87				
Remuneration as % of total revenue	0.02	0.01	0.02	0.01	0.02

As remuneration paid to the Managing Director relates to previous financial year, comparison with the performance for the year 2014-15 has not been given.

- (j) The key parameters for any variable component of remuneration availed by the directors:

There is no variable component in the remuneration availed by the Directors during the financial year 2014-15. The remuneration package of the Executive Chairman, Managing Director and the Joint Managing Director includes a variable component by way of commission upto 1% of the net profit of the Company within the ceiling limit prescribed under the Companies Act 2013. However, as there is no profit during the year under review, no variable component has been availed by them.

- (k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

0.67 : 1.00 (on annualised basis)

- (l) 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 2015 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

On behalf of the Board of Directors

Coimbatore
8th August 2015

M MANICKAM
Executive Chairman



ANNEXURE B TO BOARD'S REPORT

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

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
	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	2060	50.66
2.	Industrial Alcohol	1551	12.36
3.	Power	40105	19.99
4.	Soya Products	15493	15.95

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as Percentage of Total Equity)****(i) Category-wise Share Holding**

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	
A. Promoters*									
(1) Indian									
a) Individual/HUF	2841604	-	2841604	2.95	2841604	-	2841604	2.95	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	69261573	-	69261573	71.99	69261573	-	69261573	71.99	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1):	72103177	-	72103177	74.94	72103177	-	72103177	74.94	-
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	72103177	-	72103177	74.94	72103177	-	72103177	74.94	-
*Includes Promoter Group									
B. Public Shareholding									
(1) Institutions									
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	-	1050	1050	-	-	1050	1050	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub Total (B)(1):	464350	503359	967709	1.01	464350	503359	967709	1.01	-
(2) Non - Institutions									
a) Bodies corporates									
i) Indian	2756237	14741	2770978	2.88	2223819	14741	2238560	2.33	-0.55
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	14250578	885419	15135997	15.73	13862973	864930	14727903	15.31	-0.42
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3642840	-	3642840	3.79	4615534	-	4615534	4.80	1.01



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	9600	-	9600	0.01	-
ii Clearing member	194250	-	194250	0.20	106921	-	106921	0.11	-0.09
iii Market Maker	60948	-	60948	0.06	75956	-	75956	0.08	0.02
iv Foreign Nationals	100	-	100	-	100	-	100	-	-
v NRI (Repatriate)	823953	200	824153	0.86	860347	200	860547	0.89	0.04
vi NRI (Non-Repatriate)	185171	250	185421	0.19	208606	250	208856	0.22	0.02
vii OCBs	-	-	-	-	-	-	-	-	-
viii Office Bearers	5060	40076	45136	0.05	5060	39966	45026	0.05	-
ix HUF	272970	-	272970	0.28	253390	-	253390	0.26	-0.02
	-	-	-	-	-	-	-	-	-
Sub Total (B)(2):	22201707	940686	23142393	24.05	22222306	920087	23142393	24.05	-
Total Public Shareholding(B)=(B)(1)+(B)(2)	22666057	1444045	24110102	25.06	22686656	1423446	24110102	25.06	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	94769234	1444045	96213279	100.00	94789833	1423446	96213279	100.00	-

(ii) Share Holding of Promoters*

Sl 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	145100	145100	0.15	145100	-
2	Sri M Manickam	1914200	1.99	1654000	1914200	1.99	1654000	-
3	Sri M Balasubramaniam	337325	0.35	200000	337325	0.35	200000	-
4	Sri M Srinivaasan	201000	0.21	200000	201000	0.21	200000	-
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	7509900	67463540	70.12	7509900	-
12	Sakthi Finance Ltd	552833	0.57	-	552833	0.57	-	-
13	Sri Chamundeswari Sugars Ltd	1245200	1.29	-	1245200	1.29	-	-
	Total	72103177	74.94	9709000	72103177	74.94	9709000	-

* Includes Promoter Group



(iii) Change in *promoters' Shareholding (Specify if there is no change)

	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
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.	RICKY ISHWARDAS KIRPALANI				
	At the beginning of the year	352493	0.37	352493	0.37
	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	352493	0.37	352493	0.37



(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 Share holding 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	188414	0.20	188414	0.20
Date wise increase/decrease in shareholding during the year :					
Date	Reason	No. of shares	%	Cumulative shares	%
23.05.2014	Purchase	9600	0.01	198014	0.21
06.06.2014	Purchase	4500	0.00	202514	0.21
13.06.2014	Sale	300	0.00	202214	0.21
18.07.2014	Purchase	200	0.00	202414	0.21
17.10.2014	Purchase	600	0.00	203014	0.21
07.11.2014	Purchase	500	0.00	203514	0.21
14.11.2014	Purchase	1375	0.00	204889	0.21
31.12.2014	Purchase	425	0.00	205314	0.21
02.01.2015	Purchase	740	0.00	206054	0.21
16.01.2015	Purchase	600	0.00	206654	0.21
23.01.2015	Purchase	900	0.00	207554	0.22
13.02.2015	Purchase	2150	0.00	209704	0.22
20.02.2015	Purchase	3170	0.00	212874	0.22
27.02.2015	Purchase	9799	0.01	222673	0.23
06.03.2015	Purchase	200	0.00	222873	0.23
13.03.2015	Purchase	100	0.00	222973	0.23
20.03.2015	Purchase	10050	0.01	233023	0.24
27.03.2015	Purchase	100	0.00	233123	0.24
At the end of the year		233123	0.24	233123	0.24
5	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
6	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



(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 Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
7	KARVY STOCK BROKING LTD				
	At the beginning of the year	107623	0.11	107623	0.11
Date wise increase/decrease in shareholding during the year :					
Date	Reason	No. of shares	%	Cumulative shares	%
04.04.2014	Sale	5640	0.01	101983	0.11
11.04.2014	Purchase	13980	0.01	115963	0.12
18.04.2014	Sale	7195	0.01	108768	0.11
25.04.2014	Sale	1723	0.00	107045	0.11
02.05.2014	Purchase	288	0.00	107333	0.11
09.05.2014	Sale	2398	0.00	104935	0.11
16.05.2014	Purchase	3498	0.00	108433	0.11
23.05.2014	Purchase	11685	0.01	120118	0.12
30.05.2014	Sale	2381	0.00	117737	0.12
06.06.2014	Sale	321	0.00	117416	0.12
13.06.2014	Purchase	1190	0.00	118606	0.12
20.06.2014	Purchase	2200	0.00	120806	0.13
30.06.2014	Purchase	2444	0.00	123250	0.13
04.07.2014	Sale	1825	0.00	121425	0.13
11.07.2014	Sale	7901	0.01	113524	0.12
18.07.2014	Sale	19245	0.02	94279	0.10
25.07.2014	Purchase	1773	0.00	96052	0.10
01.08.2014	Purchase	2668	0.00	98720	0.10
08.08.2014	Sale	2016	0.00	96704	0.10
15.08.2014	Sale	217	0.00	96487	0.10
22.08.2014	Purchase	1421	0.00	97908	0.10
29.08.2014	Sale	2726	0.00	95182	0.10
05.09.2014	Sale	1792	0.00	93390	0.10
12.09.2014	Purchase	2606	0.00	95996	0.10
19.09.2014	Purchase	238	0.00	96234	0.10
30.09.2014	Purchase	1498	0.00	97732	0.10
03.10.2014	Sale	175	0.00	97557	0.10
10.10.2014	Purchase	1410	0.00	98967	0.10
17.10.2014	Purchase	905	0.00	99872	0.10
24.10.2014	Sale	1822	0.00	98050	0.10
31.10.2014	Purchase	293	0.00	98343	0.10
07.11.2014	Sale	768	0.00	97575	0.10
14.11.2014	Purchase	925	0.00	98500	0.10
21.11.2014	Purchase	5635	0.01	104135	0.11
28.11.2014	Sale	1840	0.00	102295	0.11
05.12.2014	Purchase	3494	0.00	105789	0.11
12.12.2014	Sale	2917	0.00	102872	0.11
19.12.2014	Sale	1225	0.00	101647	0.11
31.12.2014	Sale	1579	0.00	100068	0.10
02.01.2015	Sale	780	0.00	99288	0.10



(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 Share holding during the year		
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	
	Date	Reason	No. of shares	%	Cumulative shares	%
	09.01.2015	Sale	2770	0.00	96518	0.10
	16.01.2015	Purchase	25	0.00	96543	0.10
	23.01.2015	Sale	2058	0.00	94485	0.10
	30.01.2015	Purchase	4393	0.00	98878	0.10
	06.02.2015	Sale	1550	0.00	97328	0.10
	13.02.2015	Purchase	10362	0.01	107690	0.11
	20.02.2015	Purchase	6350	0.01	114040	0.12
	27.02.2015	Purchase	514	0.00	114554	0.12
	06.03.2015	Purchase	2467	0.00	117021	0.12
	13.03.2015	Purchase	696	0.00	117717	0.12
	20.03.2015	Purchase	2230	0.00	119947	0.12
	27.03.2015	Purchase	3799	0.00	123746	0.13
	31.03.2015	Sale	777	0.00	122969	0.13
	At the end of the year		122969	0.13	122969	0.13
8	KESWANI HARESH					
	At the beginning of the year		104222	0.11	104222	0.11
	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		104222	0.11	104222	0.11
9	TARUN JAIN					
	At the beginning of the year		100150	0.10	100150	0.10
	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		100150	0.10	100150	0.10
10	NANDINI MALIAH					
	At the beginning of the year		27760	0.03	27760	0.03
	Date wise increase/decrease in shareholding during the year :					
	Date	Reason	No. of shares	%	Cumulative shares	%
	11.04.2014	Purchase	16000	0.02	43760	0.05
	25.04.2014	Purchase	5000	0.01	48760	0.05
	09.05.2014	Purchase	5000	0.01	53760	0.06



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

Sl. No.			Shareholding at the beginning of the Year		Cumulative Share holding during the year	
	Date	Reason	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	30.05.2014	Purchase	10000	0.01	63760	0.07
	13.06.2014	Purchase	5000	0.01	68760	0.07
	20.06.2014	Purchase	5000	0.01	73760	0.08
	11.07.2014	Purchase	4000	0.00	77760	0.08
	18.07.2014	Purchase	2500	0.00	80260	0.08
	25.07.2014	Purchase	8500	0.01	88760	0.09
	05.09.2014	Purchase	5000	0.01	93760	0.10
	21.11.2014	Purchase	5000	0.01	98760	0.10
	05.12.2014	Purchase	10000	0.01	108760	0.11
	12.12.2014	Purchase	5000	0.01	113760	0.12
	19.12.2014	Purchase	5000	0.01	118760	0.12
	09.01.2015	Purchase	5000	0.01	123760	0.13
	06.02.2015	Purchase	5000	0.01	128760	0.13
	At the end of the year		128760	0.13	128760	0.13

(v) Shareholding of Directors and Key Managerial Personnel:

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	Dr. N. MAHALINGAM (deceased)				
	At the beginning of the year	145100	0.15	145100	0.15
	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	145100	0.15	145100	0.15
2	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
3	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



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

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
4	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
5	Sri S.S. MUTHUVELAPPAN				
	At the beginning of the year	3009	0.00	3009	0.00
	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	0.00	3009	0.00
6	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
7	Sri N.K. VIJAYAN				
	At the beginning of the year	1850	0.00	1850	0.00
	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	0.00	1850	0.00
8	Sri V.K. SWAMINATHAN				
	At the beginning of the year	2400	0.00	2400	0.00
	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	0.00	2400	0.00



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

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
9	Sri C. RANGAMANI				
	At the beginning of the year	500	0.00	500	0.00
	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	0.00	500	0.00
10	Sri S. BALASUBRAMANIAN (Director since 30.9.2014)				
	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
11	Sri S. CHANDRASEKHAR (Director since 30.9.2014)				
	At the beginning of the year	1990	0.00	1990	0.00
	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	0.00	1990	0.00
12	Sri T.A. GANESH				
	At the beginning of the year	0	0.00	0	0.00
	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	0	0.00	0	0.00
13	Sri K.V. RAMACHANDRAN (Director since 30.9.2014)				
	At the beginning of the year	100	0.00	100	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	400	-	400	-
	At the end of the year	500	0.00	500	0.00



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

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
14	Smt PRIYA BHANSALI (Director since 27.3.2015)				
	At the beginning of the year	0	0.00	0	0.00
	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	0	0.00	0	0.00
15	Sri S. AUDISESHIAH				
	At the beginning of the year	0	0.00	0	0.00
	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	0	0.00	0	0.00
16	M K VIJAYARAGHAVAN				
	At the beginning of the year	555	0.00	555	0.00
	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	555	0.00	555	0.00
17	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)				
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	79236.32	21508.45	0	100744.77
ii) Interest due but not paid	8370.78	1178.53	0	9549.31
iii) Interest accrued but not due	136.67	0	0	136.67
Total (i+ii+iii)	87743.77	22686.98		110430.75
Change in Indebtedness during the financial year				
Additions	28310.10	4361.22	0	32671.32
Reduction	6790.72	8238.04	0	15028.76
Net Change	21519.38	-3876.82	0	17642.56
Indebtedness at the end of the financial year				
i) Principal Amount	94101.90	17733.39	0	111835.29
ii) Interest due but not paid	15098.52	1076.77	0	16175.29
iii) Interest accrued but not due	62.74	0	0	62.74
Total (i+ii+iii)	109263.16	18810.16	0	128073.32

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: (Amount in Rs.)

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. 1961. (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	10,16,129	9,10,000	--	7,20,000	26,46,129
		--	--	--	4,10,000	4,10,000
		--	--	--	--	--
2	Stock option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission as % of profit others (specify)	--	--	--	--	--
5	Others, please specify	--	--	--	--	--
	Total (A)	10,16,129	9,10,000	--	11,30,000	30,56,129
	Ceiling as per the Act	As per the approval of the Central Government			As approved by the members	--



Note: 1. Remuneration of Dr.M.Manickam, Executive Chairman, is for the period upto 24.10.2014 in terms of the Central Government approval. Central Government's approval is awaited for appointment and payment of remuneration after that date.

2. Remuneration paid to Mr.M.Balasubramaniam, Managing Director, relates to the previous financial year as approval of the Central Government was received during the year 2014-15. Approval for payment of remuneration from 1.4.2014 is still awaited.
3. Since Sri M.Srinivaasan, Joint Managing Director, has drawn the remuneration from other company in which he is a Managing Director upto the ceiling limit, he has not been paid remuneration in the Company for the previous year. Approval for payment of his remuneration from 1.4.2014 is awaited.
4. Sri. V.K. Swaminathan, Executive Director has been paid minimum remuneration in terms of the provisions of the Act and members approval.

B. Remuneration to other directors:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of the Directors							Total Amount
1	Independent Directors Mr./Mrs.	C.Rangamani	S.S. Muthuvelappan	P.K.Chandran	N.K.Vijayan	K.V.Ramachandran	S.Chandrasekhar	S.Balasubramanian	
	(a) Fee for attending board committee meetings	1,70,000	1,10,000	1,10,000	1,40,000	50,000	40,000	30,000	6,50,000
	(b) Commission	--	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--	--
	Total (1)	1,70,000	1,10,000	1,10,000	1,40,000	50,000	40,000	30,000	6,50,000
2	Other Non Executive Directors Mr./Mrs.	Dr. N. Mahalingam	B.Elangovan	T.A.Ganesh	Priya Bhansali				
	(a) Fee for attending board committee meetings	10,000	10,000	60,000	--	--	--	--	80,000
	(b) Commission	--	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--	--
	Total (2)	10,000	10,000	60,000	0	0	0	0	80,000
	Total (B)=(1+2)								7,30,000
	Total Managerial Remuneration								37,86,129
	Overall Ceiling as per the Act.	1. Non-executive 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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	17,72,580	16,40,730	8,75,508	42,88,818
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	--	2,03,525	63,000	2,66,525
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--

**A. Remuneration to key Managerial Personnel other than MD/Manager/WTD (Contd.)**

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
2	Stock option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission - as % of profit - others (specify)	-- --	-- --	-- --	-- --
5	Others, please specify	--	--	--	--
	Total	17,72,580	18,44,255	9,38,508	45,55,343

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)
A. Company Penalty Punishment Compounding					
B. Directors Penalty Punishment Compounding			Nil		
C. Other Officers in Default Penalty Punishment Compounding					

On behalf of the Board of Directors

Coimbatore
8th August 2015

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 Agreement.
- 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
8th August 2015

M MANICKAM
Executive Chairman

ANNEXURE - D TO 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:*

The number of motors or their horse power rating has been reduced wherever possible.
Use of Planetary gear box and VFD motors.

(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. 9.50 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:*

Adoption of three-tier nursery programme.
Raised bed seedling.

(ii) *Benefits derived*

Good growth of sugar cane free from disease.
Avoidance of the delay in cultivation on account of delay in preparation of field due to delay in harvesting or natural calamities.

(iii) *In case of imported technology*

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

Not applicable

(iv) *Expenditure on Research and Development - Rs. 39.61 lakhs*

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned	Rs. 2161.25 lakhs
Foreign exchange used	Rs. 44.07 lakhs

On behalf of the Board of Directors

Coimbatore
8th August 2015

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 2015
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To the Members of,
Sakthi Sugars Limited [CIN: L15421TZ1961PLC000396]
Sakthi Nagar,
Erode 638315

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. Sakthi Sugars Limited (hereinafter called "the Company") during the financial year ended 31st March 2015 (hereinafter referred to as "the year"), in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/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/ returns filed, compliance related action taken by the Company during the year as well as after 31st March 2015 but before the issue of this report and the information provided by the Company, its officers, agents and authorised representatives during our conduct of the secretarial audit.

We hereby report that:

1. In our opinion, during the audit period covering the financial year ended on 31st March 2015, 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.
2. We have examined the books, papers, minute books and other records maintained by the Company and the forms/ returns filed during the year according to the applicable provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
 - (ii) The Companies Act, 1956.
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings.
 - (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with clients;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - (vii) The Listing Agreements entered into by the Company with:
 - (a) National Stock Exchange of India Limited;
 - (b) BSE Limited; and
 - (c) Madras Stock Exchange Limited (upto 14th October 2014).



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

- (a) Essential Commodities Act, 1955 and rules/ orders made thereunder
- (b) Sugar Development Fund Act, 1982 and rules made thereunder
- (c) The Sugar Cess Act, 1982
- (d) Tamil Nadu Distillery Rules, 1981
- (e) The Tamil Nadu Molasses Control and Regulation Rules, 1958
- (f) Food Safety and Standards Act, 2006 and rules/ regulations made thereunder
- (g) The Electricity Act, 2003 and the rules made thereunder

3. We are informed that, during the year:

- (i) There was no other law specifically applicable to the Company compliance with which we are required to report on; and
 - (ii) The Company was not required to comply with the following laws and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
 - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment.
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debts Securities) Regulations, 2008; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
4. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they became applicable only from 1st July 2015.
5. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2015 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the information and explanations provided to us, complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 2 above, to the extent applicable, with regard to maintenance of books, papers, minute books or other records or filing of forms/ returns.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. A woman director has also been appointed on the Board effective 27th March 2015. The changes in the composition of the Board of Directors that took place during the year were carried out in compliance with the provisions of the Act.
2. During the year:
 - (i) Adequate notice was given to all directors to schedule the Board Meetings.
 - (ii) Notice of Board meetings were sent at least seven days in advance.
 - (iii) Agenda and detailed notes on agenda for Board meetings were sent less than seven days before the meeting as there was no statutory requirement during the year to send the same seven days in advance of the meeting.
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 no director has expressed any dissenting views on any of the matters considered by the Board during the year, that were required to be captured and recorded as part of the minutes.
4. The Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



5. During the year under review:

- (i) Members have, by passing special resolutions at the fifty-second annual general meeting held on 30th September 2014, accorded their approval:
 - (a) under section 180(1)(c) of the Act to borrow upto Rs.1,500 crores (apart from temporary loans obtained/ to be obtained from the Company's bankers in the ordinary course of business) over and above of the aggregate of the Company's paid-up capital and free reserves; and
 - (b) under section 180(1)(a) of the Act to create charge/ mortgage/ hypothecation in favour of lenders/ security trustees, on Company's movable and immovable assets, present/ future assets, to secure Company's borrowings and performance of obligations.
- (ii) The Company has voluntarily delisted its equity shares from Madras Stock Exchange Limited with effect from 15th October 2014.

For S Krishnamurthy & Co.,
Company Secretaries,

Date : 07.08.2015
Place : Coimbatore

K. Sriram,
Partner.
Membership No: F6312
Certificate of Practice No: 2215



ANNEXURE - A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To the Members of,
Sakthi Sugars Limited [CIN: L15421TZ1961PLC000396]
Sakthi Nagar, Erode 638315

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2015 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our responsibility is to express an opinion on the secretarial records produced for audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also taken into consideration the compliance related action taken by the Company after 31st March 2015 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, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 became operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
5. We have verified the records on a test basis to see whether the correct facts are reflected in the secretarial records. 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 verified the payment of fees to statutory/ regulatory authorities. However, we have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the 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 : 07.08.2015
Place : Coimbatore

K. Sriram,
Partner.
Membership No: F6312
Certificate of Practice No: 2215



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 Clause 49 of the Listing Agreement. As on 31st March 2015, the Board consists of an Executive Chairman, a Managing Director, a Joint Managing Director, an Executive Director, seven Independent Directors, and a Non-Executive and Non-Independent Woman Director.

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.

Of the seven Independent Directors, 4 Independent Directors were appointed by the Members at the 52nd Annual General Meeting of the Company held on 30th September 2014. The remaining 3 Independent Directors were appointed by the Board, subject to the approval of the Members at the ensuing Annual General Meeting. The Company has issued formal letters of appointment to the Independent Directors and the terms of their appointment are disclosed on the Company's website www.sakthisugars.com. These 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 14.2.2015 without the participation of Non-Independent Directors and the management team.

The Executive Chairman, Managing Director and Joint Managing Director are related to each other as brothers.

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

During the financial year ended 31st March 2015, the Board met six times on 30.5.2014, 15.7.2014, 14.8.2014, 30.9.2014, 12.11.2014 and 14.2.2015. 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 30.9.2014 and the number of other Directorships and Committee Chairmanship/Membership as on 31st March 2015 are given below:

Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships (1)	Committee Position (2)	
			Board Meeting	Annual General Meeting		Chairman	Member
			(Other than SSL)				
Dr N Mahalingam (Deceased on 2.10.2014)	00206894	Promoter Non-Executive	1	No	N.A.	N.A.	N.A.
Dr M Manickam	00102233	Promoter Executive	6	Yes	10	-	1
Sri M Balasubramaniam	00377053	Promoter Executive	6	Yes	9	1	1
Sri M Srinivaasan	00102387	Promoter Executive	5	Yes	7	-	-
Sri V K Swaminathan	00210869	Non- promoter Executive	6	Yes	1	-	-
Sri C Rangamani	00090786	Non-executive Independent	6	Yes	-	-	-
Sri S S Muthuvelappan	00273870	Non-executive Independent	6	Yes	-	-	-
Sri P K Chandran	00273738	Non-executive Independent	6	Yes	-	-	-



Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships (1)	Committee Position (2)	
			Board Meeting	Annual General Meeting		Chairman	Member
			(Other than SSL)				
Sri N K Vijayan	00300871	Non-executive Independent	6	Yes	-	-	-
Sri B Elangovan (Nomination withdrawn on 16.10.2014)	00133452	Nominee Director	1	No	N.A.	N.A.	N.A.
Sri T A Ganesh (Nomination withdrawn on 20.5.2015)	00300871	Nominee Director	3	Yes	N.A.	N.A.	N.A.
Sri K V Ramachandran (Appointed on 30.9.2014)	00322331	Non-executive Independent	2	N.A.	3	-	-
Sri S Chandrasekhar (Appointed on 30.9.2014)	00011901	Non-executive Independent	2	N.A.	5	-	1
Sri S Balasubramanian (Appointed on 30.9.2014)	00458139	Non-executive Independent	2	N.A.	-	-	-
Mrs Priya Bhansali (Appointed on 27.3.2015)	00195848	Non-executive Non-Independent	N.A	N.A.	-	-	-

(N.A. - Not Applicable)

1. Excluding directorships in private limited companies and Section 8 company.
2. Includes only Audit Committee and Stakeholders Relationship Committee.

c. 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.

d. Performance Evaluation

In terms of the requirements of the Companies Act 2013 and Clause 49 of the Listing Agreement, 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.

e. 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. 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 30th September 2014. The Audit Committee comprises the following Independent Non-Executive Directors as its members:

Sri C. Rangamani, Chairman
Sri N.K.Vijayan
Sri K.V.Ramachandran



The Committee met 6 times during the financial year on 30.5.2014, 15.7.2014, 14.8.2014, 30.9.2014, 12.11.2014 and 14.2.2015 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	6	6
Sri N K Vijayan	Independent Non-executive	6	6
Sri T A Ganesh (Nomination withdrawn on 20.5.2015)	Nominee Director	6	3
Sri M Balasubramaniam (Upto 30.9.2014)	Promoter Executive	6	4
Sri K V Ramachandran (From 30.9.2014)	Independent Non-executive	6	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 set out in the listing agreement with the stock exchanges and section 177 of the Companies Act, 2013. The role and terms of reference of the Audit Committee 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. Qualifications 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.
6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.

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 4 times during the year on 14.8.2014, 30.9.2014, 12.11.2014 and 16.3.2015 and all the members of the Committee were present in all 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. Carry out evaluation of every Director's performance;
4. Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
5. 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.
6. Review and recommend the compensation and variable pay for Executive Directors to the Board;
7. Recommend on Board diversification

c. 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's Report.

d. Details of remuneration to Directors

The details of remuneration paid to Executive and Non-executive Directors during the financial year ended 31st March 2015 are given below:

(Rs. in lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr N Mahalingam	--	--	0.10	0.10
Dr M Manickam	10.16	3.23	--	13.39
Sri M Balasubramaniam	9.10	2.88	--	11.98
Sri M Srinivaasan	-	-	--	-
Sri V K Swaminathan	7.20	5.66	--	12.86
Sri P K Chandran	--	--	1.10	1.10
Sri S S Muthuvelappan	--	--	1.10	1.10
Sri N K Vijayan	--	--	1.40	1.40
Sri C Rangamani	--	--	1.70	1.70
Sri B Elangaovan	--	--	0.10	0.10
Sri T A Ganesh	--	--	0.60	0.60
Sri K V Ramachandran	--	--	0.50	0.50
Sri S Chandrasekhar	--	--	0.40	0.40
Sri S Balasubramanian	--	--	0.30	0.30
Smt Priya Bhansali	--	--	--	--



- i) The Non-executive Directors were paid sitting fee for attending the meetings of Board and Committee Meetings.
 - ii) Dr.M.Manickam, Executive Chairman, has been paid remuneration for the period upto 24th October 2014 in terms of the approval of the Central Government. As his re-appointment has been made subject to the approval of the Central Government and the approval of the Central Government is still awaited, he has not been paid remuneration from 25th October 2014. He is entitled for the remuneration upon receipt of the approval of the Central Government. The aforesaid remuneration consists of fixed component only. The Company does not have any service contract with the Executive Chairman.
 - iii) In respect of Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, the Central Government while approving their appointments for 5 years, had approved payment of remuneration only for the period upto 31st March 2014. The remuneration mentioned above relate to the year ended 31st March 2014 paid in the financial year 2014-15 after receipt of the approvals of the Central Government. Since they are Managing Directors in one another company, the remuneration has been paid after adjusting the remuneration paid by the other company in terms of Schedule V to the Companies Act 2013. The said remuneration does not contain variable component. Fresh applications have been made to the Central Government for payment of remuneration for the remaining period of their appointments from 1st April 2014 and the approvals of the Central Government are awaited. In view of this Sri M.Balasubramaniam and Sri M.Srinivaasan have not been paid any remuneration for the financial year ended 31st March 2015. The Company does not have any service contract with the Managing Director. A service contract has been entered into with the Joint Managing Director.
 - iv) Sri V.K.Swaminathan, Executive Director, has been paid remuneration as per the terms of appointment approved by the Members of the Company. There is no variable component in his remuneration. The Company does not have any service contract with the Executive Director.
 - v) No severance fee is payable to the Directors on termination of employment.
 - vi) The Company has no stock option scheme to its Directors or employees.
- e. Details of shareholding of Non-executive Directors in the Company as on 31st March 2015:

SI No.	Name of the Director (M/s.)	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 T.A. Ganesh	0
8	Sri K.V. Ramachandran	500
9	Smt Priya Bhansali	0

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board had renamed the existing Shareholders/Investors Grievance Committee as Stakeholders Relationship Committee in accordance with Section 178 of the Companies Act 2013 and Clause 49 of the Listing Agreement.

This Committee was reconstituted on 12th November 2014 after the demise of Dr.N.Mahalingam, a non-executive Director. Sri S.Chandrasekhar, a Non-Executive Independent Director, is the Chairman of the Committee. The Committee consists of the following Directors as its Members:

Sri S Chandrasekhar, Chairman
Dr M Manickam
Sri M Balasubramaniam



The Committee met 3 times during the financial year on 27.9.2014, 31.12.2014 and 31.3.2015 and the attendance of the members are given below:

Name of Member	Number of Meetings Held		Number of Meetings Attended
	Held	Attended	
Dr. N. Mahalingam (Upto 2.10.2014)	3	1	
Dr. M. Manickam	3	3	
Sri. M. Balasubramaniam	3	3	
Sri. S. Chandrasekhar	3	2	

Sri S. Baskar, Sr. Vice President-Finance and Company Secretary, functions as the compliance officer.

The Company had received 2 complaints during the year under review and both of them have been attended and resolved. There is no compliant remaining unresolved or pending as on 31st March 2015.

6. RISK MANAGEMENT COMMITTEE:

In terms of the revised Clause 49 of the Listing Agreement 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 31st March 2015 and all the members attended the meeting. The Board has framed a Risk Management Policy for assessing and mitigating the risks.

7. 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

The Committee met once during the financial year under review on 12.11.2014 and all the members attended the meeting. Since the Company has incurred loss during the last three financial years, besides the financial year ended 31st March 2015, the necessity of incurring expenditure as specified in the Companies Act read with Schedule VII to the Act, has not arisen during the year under review. The CSR Policy approved by the Board is displayed on the website of the Company www.sakthisugars.com.

8. GENERAL BODY MEETING

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
50 th	20.09.2012	Registered office at Sakthinagar Bhavani Taluk, Erode District	3.15 p.m
51 st	30.09.2013	- do -	3.15 p.m
52 nd	30.09.2014	- do -	2.45 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 -
20.09.2012 (50 th AGM)	Nil
30.09.2013 (51 st AGM)	Amendment to Regulation 125 of the Articles of Association
30.09.2014 (52 nd 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.

c. Special Resolutions passed through Postal Ballot

No Special Resolution was passed through Postal Ballot during the year 2014-15

9. DISCLOSURES**a. 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 are posted on the Company's website www.sakthisugars.com.

b. 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.

c. Subsidiary:

During the year ended 31st March 2015, the Company did not have any subsidiary. As such the need for framing a policy for determining "material subsidiary" does not arise at present.

d. 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.

e. 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 has been denied access to the Audit Committee of the Company.



f. Proceeds from issue of shares:

The Company has not raised any money through issue of shares (public issue, right issue, preferential issues, etc.) during the financial year ended 31st March 2015.

g. Compliance on Corporate Governance

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

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

- i. Non-Executive Chairman's Office: A separate office was maintained for the Non-executive Chairman upto 2nd October 2014.
- ii. 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.
- iii. Audit qualification: There is only one qualification by auditors, removal of which is possible only when CDR EG permits payment of interest and guarantee commission to the holding company. The Company is striving for a regime of unqualified financial statements.
- iv. 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.
- v. 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.

10. CEO/CFO CERTIFICATION

The Managing Director and the Chief Financial Officer of the Company have certified to the Board in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March 2015.

The Senior Management personnel have made disclosures to the Board relating to all material, financial and commercial transaction stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large.

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. The Company displays its periodical results on the Company's website www.sakthisugars.com as required by the Listing Agreement.

12. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day and Date	:	Wednesday, 30 th September 2015
Time	:	2.45 p.m.
Venue	:	Sakthinagar - 638 315, Bhavani Taluk, Erode District, Tamilnadu.



b. Financial Calendar for the financial year	:	From 1 st April 2015 to 31 st March 2016
Results for the quarter ending	:	Result announcement
30 th June 2015	:	On or before 14 th August 2015
30 th September 2015	:	On or before 14 th November 2015
31 st December 2015	:	On or before 14 th February 2016
31 st March 2016 (Audited)	:	On or before 30 th May 2016

c. Date of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 24th September, 2015 till Wednesday, the 30th September, 2015 (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

The equity shares of the Company remains delisted from Madras Stock Exchange Limited from 15th October 2014.

**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 2014 to March 2015 are given below:

Month		NSE		BSE		SENSEX (BSE)	
		High	Low	High	Low	High	Low
April	2014	21.70	18.05	21.75	18.05	22,876	22,277
May	2014	21.55	17.00	21.75	17.15	24,716	22,323.
June	2014	26.45	20.40	26.25	20.45	25,583	24,684
July	2014	25.70	19.80	25.65	19.90	26,271	25,006.
August	2014	20.10	18.75	20.20	18.70	26,638	25,329
September	2014	19.60	16.75	19.80	16.35	27,319	26,468
October	2014	17.50	15.60	17.75	15.70	27,865	25,999
November	2014	20.05	16.10	19.95	16.10	28,693	27,860
December	2014	18.25	15.85	18.30	15.85	28,562	26,710
January	2015	17.15	16.00	17.10	16.00	29,681	26,908
February	2015	17.00	15.00	16.90	15.00	29,462	28,227
March	2015	15.85	12.55	15.85	12.60	29,593	27,457

Performance in comparision to BSE Sensex:

	31.03.2015	31.03.2014	% change
Company share price (closing)	13.05	18.00	-27.50%
SENSEX (closing)	13.00	18.05	-27.98%

f. 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

g. 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.

**h. Distribution of Shareholding as on 31st March 2015:**

Shareholdings	No.of shareholders	% of shareholders	Number of Shares	% of shareholding
1 - 500	35565	84.64	4797250	4.99
501 - 1000	3180	7.57	2625319	2.73
1001 - 2000	1564	3.72	2379361	2.47
2001 - 3000	565	1.34	1453072	1.51
3001 - 4000	275	0.65	988769	1.03
4001 - 5000	230	0.55	1089156	1.13
5001 - 10000	380	0.90	2774590	2.88
10001 & above	266	0.63	80105762	83.26
Total	42025	100.00	96213279	100.00

i. Shareholding pattern as on 31st March 2015:

Category	No.of Shares held	% of shareholding
Promoters & Promoters Group	72103177	74.94
Nationalised Banks/other Banks	40600	0.04
Central / State Government Institutions	919099	0.96
Mutual Funds	6960	0.01
FIIs/NRIs	1069503	1.11
Private Bodies Corporate	2571437	2.67
Public	19502503	20.27
Total	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 2015, 9,47,89,833 equity shares of the Company representing 98.52% have been dematerialised.

k. 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.

**I. Details of Unclaimed Share Certificates:**

Pursuant to Clause 5A of the Listing Agreement, 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 31.3.2015 are as under:

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2014)	127131	2795
Shareholders approached for transfer during the year	385	8
Transferred during the year	385	8
Outstanding at the end of the year (31.03.2015)	126746	2787

m. Outstanding Foreign Currency Convertible Bonds (FCCB) and impact on Equity:

Outstanding Foreign Currency Convertible Bonds as at 31st March 2015 is USD 16.6 Million. The details of conversion and the number of shares that may have to be allotted in the event of the said FCCB being converted into equity shares are given in the Note No.1 forming part of financial statement. In respect of outstanding FCCB (Series B) of USD 15.6 million, the conversion is subject to the terms of the Scheme of Arrangement as may be approved by the Hon'ble High Court of Judicature at Madras.

n. 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

o. 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. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE:**

In terms of Clause 49 of the Listing Agreement the Auditors Certificate on compliance of conditions of Corporate Governance is annexed.

On behalf of the Board of Directors

Coimbatore
8th August 2015

M MANICKAM
Executive Chairman

Annual Declaration by Managing Director pursuant to Clause 49 (II)(E)(2) of the Listing Agreement

As required under Clause 49(II)(E)(2) of the Listing Agreement with the Stock Exchanges, 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 31.03.2015.

On behalf of the Board of Directors

Coimbatore
8th August 2015

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 31st March 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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 of the conditions of the Corporate Governance as stipulated in the said clause. 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 and the representations given to us 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.

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

P.R.VITTEL
Partner

M.No.200/018111
Firm Reg. No. : 003328S

PLACE : COIMBATORE
DATE : 08.08.2015



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments:

The sugar industry is facing a period of recession with excessive production of sugar and consequential reduction in the selling price for sugar. The country's sugar production for the current sugar season is expected to be around 29 million tonnes, besides carry forward opening stock of 7 million tonnes, as against the total consumption of around 25 million tonnes. Again while the control on the sugar industry by the Government has been liberalised over years, the pricing of sugarcane is still done by the Central Government and State Governments. The sugarcane price announced in the past few years is on the higher side as compared to the realisation on sugar.

The market selling price per quintal of sugar is about Rs.2,000 against cost of production of Rs.3,200 per quintal. Total revenue from sale of sugar and from sale of bye products, is far below the cost of production. The sugar industry in the country is going through a stressed financial phase on account of selling price of sugar not even measuring upto the cost of sugarcane and as such it is unable to pay to the farmers the price for the sugarcane supplied by them. The measures taken by the Central Government like incentive for export of raw sugar, interest free loan, etc. fall short of industry expectation and are not aiming at a permanent solution for the sufferings of the industry.

B. Opportunities and Threats:

i. Opportunities:

India is a thickly populated country. With the increase in the per capita income and in urban population, the demand for sugar will increase gradually year after year.

The Government may enhance the mixing percentage of ethanol with petrol as it not only helps the sugar industry but also saves precious foreign exchange earnings through reduced import of petroleum products.

Co-generation of power adds value to sugar mills. This has become an important segment of a sugar industry. In the State of Tamil Nadu, there is huge gap between supply and demand for power. Captive consumption of power and third party sales enhance the scope for increasing revenue of this division.

ii. Threats

Sugar industry is cyclical in nature and depends on the behaviour of monsoon, which is not predictable.

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.

In co-generation division, export of power depends on regulations relating to third party sale and captive power consumption and also on availability of corridor for supply.

C. Segmentwise or Product wise Performance:

Segment wise results are given in the notes on financial statements for the financial year ended 31.3.2015. Product wise performance is furnished in the Board's Report.

D. Outlook:

The outlook of the sugar industry is not bright as the selling price of sugar is low compared to the raw material cost. In addition, the expected production for the current sugar season is higher than the annual consumption leaving no scope for improvement in the market price for sugar.

The future of the sugar industry in India depends on the overall policy of the Governments in the Centre and in the States with respect to linking of sugarcane price with the market realisation for sugar, allocation of alcohol for blending of ethanol with petrol, etc.

**E. Risks and Concerns:**

The risk that sugar industry faces is the monsoon which determines sugarcane availability for crushing. However 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 profitability of alternate crops. This can be managed to certain extent by constant discussion with farmers and by giving good services and advice regarding sugarcane cultivation.

The major risk and concern is selling price for sugar. In the current glut situation, the market price is determined by buyers.

F. Internal Control Systems and their adequacy:

The Company has an in-house internal audit function 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.86,896.40 lakhs (previous year Rs.71,035.74 lakhs). The financial year has ended with a loss of Rs.4,937.89 lakhs (previous year Rs.23,437.69 lakhs) after providing Rs.12,934.20 lakhs for finance cost and Rs.6,379.36 lakhs for depreciation and amortization expense.

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

During the year under review, the Company has employed a Retired Indian Administrative Service Officer as Chief Executive Officer of the Company. The Senior President, Sakthi Nagar has got superannuated and the vacancy has been filled internally. The industrial relations at all plants and offices remain cordial. The total number of employees on the rolls of the Company, including temporary employees, was 1686 as at the financial year ended on 31st March 2015. 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
8th August 2015

M MANICKAM
Executive Chairman



INDEPENDENT AUDITORS' REPORT

To The Members of SAKTHI SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SAKTHI SUGARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 thereunder.

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.

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 circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operative effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

The Company has not provided for the interest and guarantee commission claim of Rs.5444.38 lakhs (Rs. 4410 lakhs) made by its 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 31.03.2014.

Qualified Opinion

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 stated in the Basis for Qualified Opinion paragraph, the aforesaid 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 31st March, 2015, and its Loss and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to Note No:37 (a) and (b) to the 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

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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) 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid 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) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- (f) In our opinion, the matter described in the Basis for Qualified Opinion paragraph above, may not have an adverse effect on the functioning of the company.
- (g) 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 on its financial position in its financial statements- Refer Note 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 Protection Fund by the Company.

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

Place : Coimbatore
Date : 28.05.2015

P.R.VITTEL
Partner
Membership Number : 018111

**Annexure referred to the Independent Auditors' report of even date**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 verification.
- ii. (a) Physical verification of the inventory has been conducted at reasonable intervals by the management.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventories. No material discrepancies were noticed on physical verification of inventory.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act.
- iv. There is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.
- v. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public.
- vi. We have broadly reviewed the cost records maintained by the Company specified under sub-section (1) of Section 148 of the Companies 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 the records of the company verified by us, undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of excise, duty of customs, value added tax, cess and other statutory dues have not generally been regularly deposited with appropriate authorities though the delays in deposit have not been serious. There are no such statutory dues as at the last day of the financial year, remaining in arrears for a period of more than six months from the date they became payable.
(b) According to the information and explanation given to us and records of the Company, the statutory dues that have not been deposited on account of dispute are as under:

Name of the Statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	7.60	AY 2010-11	Commissioner of Income Tax (Appeals) Coimbatore.
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1119.44 28.25	1983-84 to 1995-96 2000-01	Madras High Court, Additional Commissioner (CT)/(RP), Chennai.
The Central Excise Act, 1944	Excise Duty	1916.49 804.59 9.13 12.63	2002-03, 2006-07 2006-07, 2008-2010 2006-07, 2009, 2009-2011 1992-93	Madras High Court, Chennai. CESTAT, Chennai. Commissioner of Central Excise (Appeals). High Court of Orissa, Cuttack.
Finance Act, 1994	Service Tax	335.65 33.52	2005, 2006, 2007, 2008 & 2009-2011 2006, 2009-10, 2010-11 & 2011-12	CESTAT, Chennai. Commissioner of Central Excise (Appeals).

- (c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Act and rules made there under has been transferred to such fund within time.



viii. In our opinion, the company's accumulated losses at the end of the financial year are more than fifty percent of its Networth. The Company has incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

ix. Defaults by the Company in repayment of dues to financial institutions and banks are as under:

(a) Default in repayment of dues to Banks:

Particulars	Amount of Default (Rs. in lakhs)	Period of Default	Amount since paid (Rs. in lakhs)
Principal	8414.85	Since April 2012	121.16 (May 15)
Interest	5873.20	Since April 2012	858.84 (May 15)

(b) Default in repayment of dues to an Institution:

Particulars	Amount of Default (Rs. in lakhs)	Period of Default	Amount since paid (Rs. in lakhs)
Principal	10193.46	Since January 2012	Nil
Interest	5997.58	Since January 2012	483.30 (May 15)

(c) The Company has not accepted any debentures.

- x. The Company has given guarantees for loans taken by other corporate. Based on the management representation and other details obtained, we are of the opinion that the terms and conditions of the guarantees are not prejudicial to the interest of the company.
- xi. Term loans availed during the year have been applied for the purpose for which the loans were obtained.
- xii. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

Place : Coimbatore
Date : 28.05.2015

P.R.VITTEL
Partner
Membership Number : 018111

**BALANCE SHEET AS AT 31.03.2015**

(Rs. in lakhs)

	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	9,621.33	9,621.33
(b) Reserves and Surplus	2	29,626.71	35,747.43
		39,248.04	45,368.76
(2) NON-CURRENT LIABILITIES			
(a) Long term borrowings	3	59,282.08	58,263.36
(b) Other long term liabilities	4	58.99	2,731.96
(c) Long term provisions	5	2,491.10	2,201.35
		61,832.17	63,196.67
(3) CURRENT LIABILITIES			
(a) Short term borrowings	6	21,170.38	12,883.88
(b) Trade payables		24,545.08	27,470.37
(c) Other current liabilities	7	62,169.96	54,136.26
(d) Short term provisions	8	8,518.01	7,197.38
		116,403.43	101,687.89
TOTAL (1 to 3)		217,483.64	210,253.32
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	9	96,446.20	101,383.03
(ii) Intangible assets	10	11,216.35	14,581.89
(iii) Capital work-in-progress		14,945.46	14,893.43
		122,608.01	130,858.35
(b) Non-current investments	11	16,308.96	16,308.62
(c) Deferred tax assets (net)		12,695.46	11,234.50
(d) Long term loans and advances	12	20,607.93	21,796.13
(e) Other non-current assets	13	6,147.87	7,262.25
		178,368.23	187,459.85
(2) CURRENT ASSETS			
(a) Inventories	14	9,950.79	13,084.28
(b) Trade receivables	15	13,135.74	4,571.08
(c) Cash and cash equivalents	16	5,375.08	683.96
(d) Short term loans and advances	17	9,099.14	4,179.16
(e) Other current assets	18	1,554.66	274.99
		39,115.41	22,793.47
TOTAL (1 and 2)		217,483.64	210,253.32

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

28th May 2015M MANICKAM
Executive ChairmanM BALASUBRAMANIAM
Managing DirectorM K VIJAYARAGHAVAN
Chief Financial OfficerS BASKAR
Senior Vice President - Finance &
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
I. Revenue from Operations	19	83,650.87	70,728.11
II. Other Income	20	3,245.53	307.63
III. Total Revenue (I + II)		86,896.40	71,035.74
IV. Expenses:			
Cost of material consumed	21	45,540.94	57,541.21
Purchase of stock in trade	22	525.26	381.74
Changes in inventories of finished goods, work-in-progress and stock in trade	23	3,721.64	(4,696.83)
Employee benefits expense	24	6,188.08	5,948.73
Finance costs	25	12,934.20	18,590.93
Depreciation and amortization expense	26	6,379.36	6,638.21
Other expenses	27	16,544.81	10,069.44
Total expenses		91,834.29	94,473.43
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		(4,937.89)	(23,437.69)
VI. Exceptional Items		--	--
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		(4,937.89)	(23,437.69)
VIII. Extraordinary Items		--	--
IX. Profit/(Loss) before tax (VII-VIII)		(4,937.89)	(23,437.69)
X. Tax Expense:			
1. Current tax		--	--
2. Deferred tax		(1,460.96)	(7,499.36)
		(1,460.96)	(7,499.36)
XI. Profit/(Loss) for the year from continuing operations (IX-X)		(3,476.93)	(15,938.33)
XII. Earnings per equity share of Rs.10/- each:			
1. Basic		(3.61)	(42.00)
2. Diluted		(3.61)	(42.00)

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

28th May 2015

M MANICKAM
Executive Chairman

M K VIJAYARAGHAVAN
Chief Financial Officer

M BALASUBRAMANIAM
Managing Director

S BASKAR
Senior Vice President - Finance &
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2015

(Rs. in lakhs)

Particulars	2014-15		2013-14	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per statement of Profit and Loss		(4,937.89)		(23,437.69)
Adjustment for:				
Depreciation and Amortisation Expense	6,379.36		6,638.21	
Finance Costs	12,934.20		18,590.93	
Miscellaneous Expenses & Other exp. written off	77.25		164.26	
Provision for diminution in value of Investments	(0.54)		2.76	
Loss on Sale of Assets	5.31		0.66	
Dividend Income	(15.06)		(14.84)	
Interest Income	(1,589.14)		(141.34)	
Profit on Sale of Assets	(1,474.97)		(4.55)	
		16,316.41		25,236.09
Operating Profit before Working Capital Changes		11,378.52		1,798.40
Adjustment for:				
Inventories	3,133.49		(3,189.92)	
Trade and Other Receivables	(11,412.94)		6,474.76	
Other Current Assets	(1,357.44)		(19.51)	
Loans and Advances	(5,143.42)		1,380.29	
Trade and Other Payables	(5,978.09)		1,545.38	
		(20,758.40)		6,191.00
Cash Generated from Operations		(9,379.88)		7,989.40
Income Tax Paid		16.58		(6.63)
Net Cash from/(used in) Operating Activities		(9,363.30)		7,982.77
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(793.43)		(182.29)	
Sale of Fixed Assets	1,490.28		14.41	
Investment Income	1,604.20		156.18	
Sale/Purchase of Investments	0.20		--	
Loans and Advances - Related Parties	1,317.81		513.42	
Net Cash from Investing Activities		3,619.06		501.72
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of Equity Shares		--	5,940.60	
Premium on Issue of Equity Shares		--	12,059.41	
Finance Costs Paid	(1,116.55)		(9,937.54)	
Proceeds from Long Term Borrowings	7,888.87		900.00	
Repayment of Long Term Borrowings	(5,591.71)		(3,508.10)	
Short Term Borrowings (net)	8,793.35		2,170.73	
Loans from Related Parties (net)	461.40		(17,042.41)	
Net Cash from/(used in) Financing Activities		10,435.36		(9,417.31)
Net Increase in Cash and Cash Equivalents		4,691.12		(932.82)
Opening Balance of Cash and Cash Equivalents		683.96		1,616.78
Closing Balance of Cash and Cash Equivalents		5,375.08		683.96

Vide our report annexed

For P N RAGHAVENDRA RAO & Co
Chartered Accountants

Firm Registration Number : 003328S

P R VITTEL
Partner

Membership Number : 018111

Coimbatore
28th May 2015

M MANICKAM
Executive Chairman

M K VIJAYARAGHAVAN
Chief Financial Officer

M BALASUBRAMANIAM
Managing Director

S BASKAR
Senior Vice President - Finance &
Company Secretary



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE No. 1		
SHARE CAPITAL		
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
	16,000.00	16,000.00
Issued		
9,63,29,948 Equity Shares of Rs.10 each (9,63,29,948)	9,632.99	9,632.99
	9,632.99	9,632.99
Subscribed and Paid up		
9,62,13,279 Equity Shares of Rs.10 each fully paid up (9,62,13,279)	9,621.33	9,621.33
	9,621.33	9,621.33
Reconciliation of Number of Shares		
Equity Shares at the beginning of the year	No. of Shares	No. of Shares
Add: Shares issued/allotted on preferential basis	9,62,13,279	3,68,07,339
Equity Shares at the end of the year	--	5,94,05,940
	9,62,13,279	9,62,13,279
Rights, Preferences and Restrictions of each class of Shares		
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.		
Shares held by the holding Company		
ABT Limited	67463540	67463540
List of Shareholders holding more than 5%		
ABT Limited	67463540	67463540
Terms of security convertible into Equity Shares		
Foreign Currency Convertible Bonds (FCCB)	Series A	Series A
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
a. No. of bonds outstanding	Series B*	Series B
b. Date of maturity	156	156
c. Value of bonds for conversion (Rs. in lakhs)	31.5.2011	31.5.2011
d. Conversion price (Rs. Per share)	7,002.84	7,002.84
e. Earliest date of conversion	190.00	190.00
f. Date of expiry of conversion right	10.07.2006	10.07.2006
	31.5.2021	31.5.2021

* Details of conversion given above are as per offering circular. The conversion will undergo a change upon implementation of the draft scheme of arrangement, after the sanction by the High court of Judicature at Madras.



As at 31.03.2015

As at 31.03.2014

NOTE No. 2**RESERVES AND SURPLUS****Capital reserve**Balance as per last Balance Sheet **625.24** 625.24**Capital redemption reserve**Balance as per last Balance Sheet **2,512.27** 2,512.27**Securities premium account**Balance as per last Balance Sheet **20,208.87** 11,309.11
Add: Premium on Allotment of Shares during the year **--** 12,059.41Less:- Premium on FCCB **20,208.87** 23,368.52**--** 3,159.65**20,208.87** 20,208.87**Revaluation reserve**Balance as per last Balance Sheet **39,759.23** 42,077.67Less: Depreciation on revalued assets - Transfer to Profit and Loss account (Refer Note No. 26) **1,722.81** 2,318.44Less: Withdrawn on sale of assets **497.78** --**37,538.64** 39,759.23**Subsidy from Government**Balance as per last Balance Sheet **44.23** 44.23**Surplus**Balance as per last Balance Sheet **(27,402.41)** (11,464.08)Net Profit/(Loss) after tax **(3,476.93)** (15,938.33)**(30,879.34)** (27,402.41)**423.20** --**(31,302.54)** (27,402.41)**29,626.71** 35,747.43**TOTAL****NOTE No. 3****LONG TERM BORROWINGS****(a) Term Loans**Secured Loans **31,679.00** 41,883.89From Banks **12,493.66** 4,569.40From Other Parties **44,172.66** 46,453.29Unsecured Loans **8,696.96** 6,370.06From Other Parties **8,696.96** 6,370.06**Total of Term Loans****52,869.62** 52,823.35**(b) Loans and advances from Related parties (Unsecured)**

(For details please refer to Note No.34)

6,405.74 5,437.49**(c) Long term maturities of finance lease obligations (Secured)****6.72** 2.52**TOTAL****59,282.08** 58,263.36

**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. 15583.43 lakhs (Rs.32233.46 lakhs) are secured by | Terms of Repayment |
| a) | Pari passu first charge on the entire movable and immovable properties of the Company, except the assets charged on exclusive basis. | The loans are restructured under CDR scheme and are repayable in 32 quarterly instalments commencing from April 2011.
Rate of Interest 10.50% p.a. (10.50% p.a.) |
| b) | Pari passu second charge on the current assets of the Company, except the assets charged on exclusive basis. | |
| 2 | Term loan amounting to Rs. Nil (Rs.1074.85 lakhs) is secured by | The loan is restructured under CDR scheme and is repayable in 32 quarterly instalments commencing from April 2011.
Rate of Interest 10.50% p.a. (10.50% p.a.) |
| a) | Pari passu residual charge on the entire fixed assets of the Company, except the assets charged on exclusive basis. | |
| b) | Residual charge on the current assets of the Company | |
| 3 | Term loans amounting to Rs.8120.58 lakhs (Rs. 8120.58 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing CDR Loans, except the assets charged on exclusive basis. | Term Loan of Rs.3000 lakhs (Rs.3000 lakhs) is repayable in 8 quarterly instalments commencing from June 2017.
Rate of Interest 11.20% p.a (11.75% p.a)
Term Loan of Rs.3404 lakhs (Rs.3404 lakhs) is repayable in 8 quarterly instalments commencing from August 2017.
Rate of Interest 11.65% p.a (11.50% p.a)
Term Loan of Rs.1716.58 lakhs (Rs.1716.58 lakhs) is repayable in 8 quarterly instalments commencing from September 2017.
Rate of Interest 12.25% p.a (12.75% p.a) |
| 4 | Term Loan amounting to Rs. 7884.99 lakhs (Rs. 5 lakhs) is secured by | The Loan is repayable in 36 monthly instalments commencing from April 2016.
Rate of Interest Nil |
| 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 CDR Loans, except the assets charged on exclusive basis. | |
| 5 | Term Loan amounting to Rs.90 lakhs (Rs. 450 lakhs) is secured by | The Loan is repayable in 10 quarterly instalments from January 2014.
Rate of Interest 11.65% p.a (11.50% p.a) |
| 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 CDR Loans, except the assets charged on exclusive basis. | |
| 6 | The loans under 1 and 2 above are further secured by pledge of shares held by promoters in the Company. | |
| 7 | Guarantees given by Directors/Others: | |
| a) | Term Loans amounting to Rs.31589 lakhs (Rs.41433.89 lakhs) are guaranteed by Dr. M. Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan. | |
| b) | Term Loan amounting to Rs.90 lakhs (Rs.450 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. | |

**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	8414.85 (10109.91)	Varying period	121.16 (90.00)
Interest	5873.20 (5555.93)	from April 2012 to February 2015	858.84 (32.49)

B) SECURED LOANS FROM OTHER PARTIES**Nature of Security**

- 1 Term loan amounting to Rs.9852.06 lakhs (Rs.1839.37 lakhs) is 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) Paripassu second charge on the current assets of the Company except the assets charged on exclusive basis.
- 2 Term loan amounting to Rs.794.85 lakhs (Nil) is secured by
 - a) Pari passu residual charge on the entire fixed assets of the company, except the assets charged on exclusive basis.
 - b) Residual charges on the current assets of the Company
- 3 Term loan amounting to Rs. 1445.82 lakhs (Rs. 2168.73 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Sivaganga.
- 4 Term loan amounting to Rs.400.93 lakhs (Rs.561.30 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Modakuruchi.
- 5 The loans under 1 and 2 above are further secured by pledge of shares held by Promotors in the company.
- 6 Guarantees given by Directors:

Term Loans amounting to Rs.10646.91 lakhs (Rs.1839.37 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 (1437.01)	Varying period	-- (--)
Interest	5997.58 (540.50)	from April 2012 to February 2015	483.30 (--)

C) UNSECURED LOANS FROM OTHER PARTIES

Loan amounting to Rs.1305 lakhs (Rs.1395 lakhs).

Rs. 225 lakhs (Rs.315 lakhs) is repayable in 5 (7) 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.)

D) FINANCE LEASE OBLIGATIONS

- i) Hire Purchase Loan amounting to Nil (Rs.2.52 lakhs) is secured by hypothecation of vehicles so financed.
- ii) Hire Purchase Loan amounting to Rs. 6.72 lakhs (Nil) is secured by hypothecation of vehicles so financed.

Repayable in 36 monthly instalments.

Repayable in 47 monthly instalments.



(Rs. in lakhs)

As at 31.03.2015

As at 31.03.2014

NOTE No. 4**OTHER LONG TERM LIABILITIES**

Other Payables

58.99

2,731.96

NOTE No. 5**LONG TERM PROVISIONS**

Provision for employee benefits

2,491.10

2,201.35

NOTE No. 6**SHORT TERM BORROWINGS**

(a) Loans repayable on demand

Secured Loans

From Banks

From Other Parties

15,977.59

8,889.81

2,472.39

--

18,449.98

8,889.81

Unsecured Loans

From Banks

From Other Parties

1,000.00

1,000.00

276.18

1,043.00

1,276.18

2,043.00

19,726.16

10,932.81

(b) Loans and advances from related parties (Unsecured)
(For details please refer to Note No. 34)**1,444.22**

1,951.07

TOTAL**21,170.38**

12,883.88

NATURE OF SECURITY FOR SHORT TERM BORROWINGS**A) SECURED LOANS FROM BANKS**

- 1 Working capital loans amounting to Rs.3495.63 lakhs (Rs.5144.31 lakhs) are secured by
 - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TNEB 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 Working capital loans amounting to 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 TNEB 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.
 - c) Additionally secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit.
- 3 Term Loan amounting to Rs.402 lakhs (Rs.400 lakhs) is secured by
 - a) Receivables from TNEB against supply of power from Co-generation plant at Sakthinagar.
 - b) Pari passu first charges on the company's Corporate office building at Coimbatore.
- 4 Working capital loan (Bills Discounting facility) amounting to Rs.934.12 lakhs (Rs.608.53 lakhs) is secured by
 - a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TNEB 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.)**

- 5 Working capital loan (Bills Discounting facility) amounting to Rs.9821.36 lakhs (Rs.352.07 lakhs) is secured by
 - a) Exclusive charge on receivables from TNEB against supply of power from cogeneration plants at Sakthinagar, Sivaganga and Modakurichi.
 - b) Pari passu first charge on the current assets of the company.
 - c) Pari passu first charge on the company's Corporate office building at Coimbatore.
- 6 Working capital loan amounting to Rs.1027.48 lakhs (Rs.889.25 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 and movable assets of the Company's Sakthinagar Distillery unit, Dhenkanal Sugar and Distillery unit and Soya unit.
- 7 Term loan amounting to Rs.297 lakhs (Nil) is secured by the Fixed deposit amounting to Rs.330 lakhs held with them.
- 8 The loans under 1 & 4 above are further secured by pledge of shares held by promoters in the Company.
- 9 Guarantees given by Directors:
 - a) Working capital loans amounting to Rs.14251.11 lakhs (Rs.5752.84 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
 - b) Working capital loan amounting to Rs.1027.48 lakhs (Rs.889.25 lakhs) is guaranteed by Dr. M.Manickam.
 - c) Working capital loans amounting to Rs.402 lakhs (Rs.752.08 lakhs) are guaranteed by Sri.M.Balasubramaniam and Sri. M.Srinivaasan.
 - d) Working capital loans amounting to Nil (Rs.1495.65 lakhs) is guaranteed by Dr.M.Manickam.

B) SECURED LOANS FROM OTHER PARTIES

- 1 Working capital loans amounting to Rs.976.74 lakhs (Nil) is secured by
 - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TNEB 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.1495.65 lakhs (Nil) is secured by
 - a) Pari passu first charge by way of hypothecation of the current assets of the company, except TNEB 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 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.976.74 lakhs (Nil) are guaranteed by Dr.M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan
 - b) Working capital loan amounting to Rs.1495.65 lakhs (Nil) is guaranteed by Dr.M.Manickam.



(Rs. in lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE No. 7		
OTHER CURRENT LIABILITIES		
Current maturities of long term debts	39,228.08	36,983.61
Current maturities of finance lease obligations	4.70	2.48
Interest accrued but not due on borrowings	62.74	136.67
Interest accrued and due on borrowings	16,175.29	9,549.31
Unclaimed dividends	--	19.00
Unclaimed matured deposits	0.65	1.15
Unclaimed matured debentures	0.23	4.06
Other Payables:		
Statutory remittance	692.83	568.13
Advance from customers	1,568.18	2,896.58
Other liabilities	2,743.03	3,328.81
Security Deposits	1,050.00	--
Liabilities for capital expenditure	644.23	646.46
	6,698.27	7,439.98
TOTAL	62,169.96	54,136.26
NOTE No. 8		
SHORT TERM PROVISIONS		
Provision for employee benefits	168.47	168.46
Premium/interest payable on FCCB	7,551.21	6,326.04
Other provisions	798.33	702.88
	8,518.01	7,197.38



NOTES TO FINANCIAL STATEMENTS

NOTE No. 9

TANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS ON 01.04.2014	ADDITIONS	DELETIONS / WRITTEN BACK	AS ON 31.03.2015	UPTO 31.03.2014	FOR THE YEAR	TRANSFER TO RET. EARNING	WITHDRAWN	UPTO 31.03.2015	AS ON 31.03.2014	AS ON 31.03.2015
A. Land	14024.28	-	418.90	13605.38	-	-	-	-	-	14024.28	13605.38
B. Buildings	20399.19	5.18	-	20404.37	2763.68	619.26	0.42	-	3383.36	17635.51	17021.01
C. Plant and equipment	94843.68	708.59	130.86	95421.41	25821.84	3937.03	269.69	34.27	29994.29	69021.84	65427.12
D. Furniture and fixtures	377.89	2.97	0.61	380.25	276.51	22.19	21.31	0.58	319.43	101.38	60.82
E. Vehicles	1076.00	12.58	19.73	1068.85	761.36	116.18	31.36	17.89	891.01	314.64	177.84
F. Office equipment	1260.86	12.07	11.55	1261.38	999.09	41.98	100.43	10.55	1130.95	261.77	130.43
G. Others (Dev of property eco friendly trees)	23.60	-	-	23.60	-	-	-	-	-	23.60	23.60
Total	132005.50	741.39	581.65	132165.24	30622.48	4736.64	423.21	63.29	35719.04	101383.03	96446.20
H. Work in progress	14893.43	81.61	29.58	14945.46	-	-	-	-	-	14893.43	14945.46
TOTAL FOR THE YEAR	146898.93	823.00	611.23	147110.70	30622.48	4736.64	423.21	63.29	35719.04	116276.46	111391.66
TOTAL FOR THE PREVIOUS YEAR	146750.52	214.32	65.91	146898.93	25054.73	5591.11	-	23.36	30622.48	121695.79	116276.46

Note : Land, Buildings, Plant and Equipment 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 01.04.2014	ADDITIONS	DELETIONS	AS ON 31.03.2015	UPTO 31.03.2014	FOR THE YEAR	UPTO 31.03.2015	AS ON 31.03.2014	AS ON 31.03.2015		
Goodwill	33655.44	-	-	33655.44	19073.56	3365.54	22439.10	14581.89	11216.35		
TOTAL FOR THE YEAR	33655.44	-	-	33655.44	19073.56	3365.54	22439.10	14581.89	11216.35		
TOTAL FOR THE PREVIOUS YEAR	33655.44	-	-	33655.44	15708.00	3365.54	19073.56	17947.44	14581.89		



As at 31.03.2015

As at 31.03.2014

NOTE No. 11**NON-CURRENT INVESTMENTS - At Cost****(a) Investments in Equity Instruments****I. Quoted**

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

II. Unquoted**i. Associate**

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

ii. Others

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
Total of Equity instrument	15,586.52	15,586.52



As at 31.03.2015 As at 31.03.2014

NOTE No. 11 (Contd.)**(b) Investments in Preference shares**

8,95,900 5% Redeemable Non-Convertible Cumulative Preference Shares in Sri Chamundeswari Sugars Ltd

Total of Preference Shares

895.90 895.90

895.90 895.90

(c) Investments in Government/Trust Securities

Investment in Govt. Securities

1.04 1.24

Less: Provision for diminution in value of Investments

16,483.46 16,483.66

174.50 175.04

TOTAL

16,308.96 16,308.62

Aggregate amount of quoted Investments

428.37 428.37

Market value of quoted Investments

1,619.09 620.36

Aggregate amount of unquoted Investments

16,055.09 16,055.29

Provision for diminution in value of Investments

174.50 175.04

NOTE No. 12**LONG TERM LOANS AND ADVANCES - Unsecured, considered good**

a) Capital advances

2,317.81 2,264.53

b) Security Deposits

285.85 202.46

c) Loans and advances to related parties
(for details please see Note No. 34)

15,682.08 16,999.89

d) Other Loans and Advances:

Loans and advance due by officers

128.84 137.81

Advance Income-tax

235.08 235.08

MAT Credit Entitlement

1,849.11 1,849.11

Advance for Purchases & Others

109.16 107.25

2,322.19 2,329.25

TOTAL

20,607.93 21,796.13

NOTE No. 13**OTHER NON-CURRENT ASSETS**

Long term Trade receivables - Unsecured, considered good

2,925.30 77.02

Funded Interest under CDR Scheme

-- 4,040.43

Sundry Deposits

3,222.57 3,144.80

TOTAL

6,147.87 7,262.25



As at 31.03.2015

As at 31.03.2014

NOTE No. 14**INVENTORIES**

a) Raw Materials:

Molasses - Distillery Unit
Soyabean
Soya Flour
News print paper

29.12
13.84
156.76
1.09
200.81

223.34
4.53
184.29
1.22
413.38

b) Work in Progress:

Sugar
Molasses

299.22
48.41
347.63

455.89
83.04
538.93

c) Finished goods:

Sugar
Molasses - Sugar Unit
Industrial Alcohol
Soya Products
Bio-Earth
Fusel Oil
Bagasse

3,865.55
27.51
878.99
1,709.81
10.40
6.31
48.23
6,546.80

8,343.17
126.10
374.28
1,120.55
9.51
3.42
85.28
10,062.31

d) Stock in Trade:

Chemicals, Fertilisers & Others

185.96

200.79

e) Stores and spares:

Stores and spares

2,668.60

1,866.75

f) Other Stock:

Standing crop

0.99

2.12

TOTAL

9,950.79

13,084.28

For mode of valuation please refer Sl. No. 2 in Significant Accounting Policies.

NOTE No. 15**TRADE RECEIVABLES - Unsecured, considered good**

Trade Receivables outstanding for a period exceeding six months
Other Trade Receivables

409.19
12,726.55

2,503.32
2,067.76

TOTAL

13,135.74

4,571.08



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2015	As at 31.03.2014
NOTE No. 16		
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents:		
Balances with banks	4,821.74	325.35
Cash on hand	80.90	44.67
Earmarked balance with banks:		
Unpaid dividend/interest warrants	5.09	23.62
Margin money with banks/security against borrowings	467.35	290.32
TOTAL	5,375.08	683.96
Margin money with banks includes deposits with maturity period of more than 12 months of Rs.31.65 lakhs (Rs.238.69 lakhs)		
NOTE No. 17		
SHORT TERM LOANS AND ADVANCES - Unsecured, considered good		
Loans and Advances to related parties (for details please see Note No. 34)	44.71	36.16
Other Loans and Advances:		
Security Deposits	27.18	1.47
Loans and advance due by officers	80.03	198.45
Prepaid expenses	489.31	334.15
Deposits with Government authorities	1,398.33	1,451.68
Advance Income-tax	55.90	72.48
Advance for purchases & others	7,003.68	2,084.77
TOTAL	9,054.43	4,143.00
	9,099.14	4,179.16
NOTE No. 18		
OTHER CURRENT ASSETS		
Outstanding income and interest receivable	1,554.66	274.99
	Year Ended 31.03.2015	Year Ended 31.03.2014
NOTE No. 19		
REVENUE FROM OPERATIONS		
a) Sale of Products		
Manufactured Goods		
Sugar	42,780.43	38,608.30
Industrial alcohol	10,433.22	14,542.30
Power	16,877.21	3,129.14
Ethanol	--	955.81
Soya products	13,464.71	13,239.47
Bio earth	244.49	166.04
Carbon-di-oxide	8.06	17.77



(Rs. in lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
NOTE No. 19 (Contd.)		
Fusel oil	12.58	1.24
Magazines	15.60	16.35
Bagasse	29.97	--
Ash	7.51	--
Seeds	10.72	334.91
	83,884.50	71,011.33
Traded Goods		
Fertilisers & chemicals	556.55	425.74
Total (a)	84,441.05	71,437.07
b) Other Operating revenues		
Sale of used materials	191.30	139.87
Duty drawback/other export incentive	116.26	127.65
Total (b)	307.56	267.52
Total (a+b)	84,748.61	71,704.59
Less : Excise Duty	1,097.74	976.48
	83,650.87	70,728.11
NOTE No. 20		
OTHER INCOME		
a) Interest income	1,589.14	141.34
b) Dividend income from non-current investment	15.06	14.84
c) Reduction in provision for diminution in value of investments	0.54	--
d) Other non-operating income:		
Rent receipts	86.46	79.12
Profit on sale of fixed assets	1,474.97	4.55
Miscellaneous income	61.03	65.05
Sundry balance written back	18.33	2.73
	1,640.79	151.45
	3,245.53	307.63
NOTE No. 21		
COST OF MATERIAL CONSUMED		
a) Opening Stock		
Molasses	223.34	565.58
Newspaper paper	1.22	0.11
Soyabean seeds & others	4.53	149.34
Soya products	184.29	79.87
Total (a)	413.38	794.90
b) Purchases		
Sugarcane	33,233.46	43,857.20
Molasses	716.36	2,129.82
Raw Sugar	33.55	10.00
Newspaper paper	21.90	24.48
Soyabean seeds & others	11,323.10	11,130.20
Soya products	--	7.99
Total (b)	45,328.37	57,159.69



	Year Ended 31.03.2015	Year Ended 31.03.2014
NOTE No. 21 (Contd.)		
c) Closing Stock		
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 (c)	200.81	413.38
TOTAL (a+b-c)	45,540.94	57,541.21
NOTE No. 22		
PURCHASES OF STOCK IN TRADE		
Fertiliser & chemical	525.26	381.74
NOTE No. 23		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
a) Opening Stock		
Finished Goods		
Sugar	8,343.17	3,071.18
Molasses	126.10	424.62
Industrial alcohol	374.28	688.95
Ethanol	—	196.71
Soya products	1,120.55	627.97
Bagasse	85.28	30.77
Bio earth	9.51	3.95
Fusel oil	3.42	0.02
Total (a)	10,062.31	5,044.17
Work in Progress and Stock in trade		
Sugar in process	455.89	754.32
Molasses in process	83.04	82.40
Fertilisers & chemicals	200.79	224.31
Total (a)	739.72	1,061.03
	10,802.03	6,105.20
b) Closing Stock		
Finished Goods		
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



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
NOTE No. 23 (Contd.)		
Work in Progress and Stock in trade		
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 (b)	7,080.39	10,802.03
TOTAL (a-b)	3,721.64	(4,696.83)
NOTE No. 24		
EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,272.62	4,966.56
Contribution to provident and other funds	418.76	436.53
Staff welfare expenses	496.70	545.64
	6,188.08	5,948.73
NOTE No. 25		
FINANCE COSTS		
Interest expense:		
On borrowings	12,277.77	16,858.21
On trade payable	627.73	1,689.24
Other borrowing costs	37.22	30.36
(Gain)/Loss on foreign currency transaction (net)	(8.52)	13.12
	12,934.20	18,590.93
NOTE No. 26		
DEPRECIATION AND AMORTIZATION EXPENSE		
Depreciation	4,736.63	5,591.11
Less : Transferred from Revaluation reserve	1,722.81	2,318.44
	3,013.82	3,272.67
Amortization expenses	3,365.54	3,365.54
	6,379.36	6,638.21
NOTE No. 27		
OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spares	1,967.09	2,125.58
Printing and publication charges	41.56	35.39
Power and fuel	985.23	1,225.40
Consumption of Coal	9,711.56	936.80
Water charges	28.98	42.58
Rent	68.15	66.84
Repairs to buildings	185.27	193.93



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
NOTE No. 27 (Contd.)		
Repairs to machinery	929.76	1,887.95
Repairs to others	264.33	292.03
Insurance	117.77	143.33
Rates and taxes, excluding taxes on income	376.13	326.87
Effluent disposal expenses	222.94	353.39
State administrative service fees	80.82	138.71
Selling and Distribution Expenses:		
Selling and distribution expenses	50.50	77.37
Freight & transport on finished goods	308.11	535.06
Commission and brokerage	68.14	32.15
Other Administrative Expenses:		
Travelling expenses	295.71	292.36
Printing, postage, telephone & telex	163.64	206.33
Freight and transport	24.40	31.26
Donations	12.06	16.83
Legal and professional charges	90.99	261.74
Excise Duty on stock adjustments	(106.64)	86.40
Administrative and other expenses	233.64	298.42
Bank charges	172.56	127.86
R & D expenses	26.34	20.49
Data processing charges	21.72	18.60
Payment to Auditors:		
For Statutory Audit	18.00	18.00
Other services	17.96	12.76
Service tax	4.44	3.64
Reimbursement of expenses	3.03	1.95
Managerial remuneration	38.24	53.21
Directors sitting Fees	8.20	6.98
Provision for diminution in value of investments	--	2.76
Loss on sale of fixed assets	5.31	0.66
Loss on sale of used materials	26.35	26.13
Deferred revenue expenditure written off	77.25	164.25
Irrecoverable advances written off	5.27	5.43
TOTAL	16,544.81	10,069.44



NOTES TO FINANCIAL STATEMENTS

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
28 Value of imports calculated on C.I.F. basis:		
i) Capital goods	--	5.81
ii) Spares and Others	14.96	--
29 Expenditure in foreign currency:		
i) Professional fees	--	10.82
ii) Travelling expenses	12.90	6.24
iii) Subscription/Membership Fee	1.00	0.83
iv) Commission	15.21	6.46
Total	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 29.11	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 24.35

(Rs. in lakhs)

Particulars	Year Ended 31.03.2015		Year Ended 31.03.2014	
	Value	%	Value	%
30 Value of Raw Materials, Chemicals and Stores and Spares Consumed:				
Raw Material :				
Imported	--	--	--	--
Indigenous	45540.94	100.00	57541.21	100.00
Total	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 45540.94	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 100.00	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 57541.21	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 100.00
Chemicals, Stores and Spares :				
Imported	6.94	0.35	9.72	0.46
Indigenous	1960.15	99.65	2115.86	99.54
Total	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 1967.09	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 100.00	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 2125.58	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 2px;"/> 100.00

(Rs. in lakhs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
31 Earnings in foreign currency :		
FOB value of exports	2161.25	6856.06

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 31.03.2015	Year ended 31.03.2014
Gratuity	286.65	302.19
Provident Fund	349.39	366.22
Employees State Insurance	9.43	10.11



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 31.03.2015	Year ended 31.03.2014
I Principal Actuarial Assumptions (Expressed as weighted average)		
Discount Rate	7.85%	9.10%
Salary escalation rate	8.00%	8.00%
Attrition rate	3.00%	3.00%
Expected rate of return on Plan Assets	--	--
II Changes in the Present Value of the Obligation (PVO)-reconciliation of Opening and Closing Balances		
PVO as at the beginning of the period	696.62	659.15
Interest cost	52.35	57.67
Current service cost	89.99	57.02
Past service cost-(non vested benefits)	--	--
Past service cost-(vested benefits)	--	--
Benefits paid	-59.34	-50.89
Actuarial loss/(gain) on obligation (balancing figure)	66.96	-26.33
PVO as at the end of the period	846.58	696.62
III Changes in the Fair Value of Plan Assets - Reconciliation of Opening and Closing Balances		
Fair value of plan assets as at the beginning of the period	--	--
Expected return on Plan Assets	--	--
Contributions	59.34	50.89
Benefits paid	-59.34	-50.89
Actuarial gain/(loss) on obligation (balancing figure)	--	--
Fair value on plan assets as at the end of the period	--	--
IV Actual Return on Plan Assets		
Expected return on Plan Assets	--	--
Actuarial gain/(loss) on Plan Assets	--	--
Actual return on Plan Assets	--	--
V Actual Gain/ Loss Recognized		
Actuarial gain/(loss) for the period-Obligation	-66.96	26.33
Actuarial gain/(loss) for the period-Plan Assets	--	--
Total (gain)/loss for the period	66.96	-26.33
Actuarial (gain)/loss recognized in the period	66.96	-26.33
Unrecognized actuarial (gain)/loss at the end of the year	--	--
VI Amounts Recognised in the Balance Sheet and Related Analyses		
Present value of the obligation	846.58	696.62
Fair value of Plan Assets	--	--
Difference	846.58	696.62
Unrecognised transitional liability	--	--
Unrecognised past service cost-non vested benefits	--	--
Liability recognized in the balance sheet	846.58	696.62



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

(Rs. in lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
VII Expenses Recognised in the Statement of Profit and Loss		
Current service cost	89.99	57.02
Interest Cost	52.35	57.67
Expected return on Plan Assets	--	--
Net actuarial (gain)/loss recognised in the year	66.96	-26.33
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	209.30	88.36
VIII Movements in the Liability Recognized in the Balance Sheet		
Opening net liability	696.62	659.15
Expenses as above	209.30	88.36
Contribution paid	-59.34	-50.89
Closing net liability	846.58	696.62
IX Amount for the Current Period		
Present value of obligation	846.58	696.62
Plan Assets	--	--
Surplus(Deficit)	-846.58	-696.62
X Major Categories of Plan Assets (as Percentage of Total Plan Assets)	NIL	NIL

33 Segment information for the year ended 31.03.2015:

(Rs. in lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
PRIMARY										
External Sales	42332.18	38215.78	10654.65	15543.15	13472.18	13572.50	16884.29	3129.14	83343.30	70460.57
Inter Segment Sales	6291.93	8236.80	1.17	1.86	2.19	--	4406.21	5286.37	10701.50	13525.03
Operating Income	1750.26	267.32	13.64	12.43	184.46	138.73	--	0.49	1948.36	418.97
Total Revenue	50374.37	46719.90	10669.46	15557.44	13658.83	13711.23	21290.50	8416.00	95993.16	84404.57
Segment Result	-2383.27	-8743.68	5100.23	5942.33	419.35	620.81	6712.30	642.15	9848.61	-1538.39
Unallocated Corporate Expenses/ Income (Net)									3441.45	3449.71
Operating Profit									6407.16	-4988.10
Finance Cost									12934.20	18590.93
Interest Income									1589.14	141.34
Profit from Ordinary activities									-4937.89	-23437.69
Net Profit/Loss before Tax									-4937.89	-23437.69



33 Segment information for the year ended 31.03.2015: (Contd.)

(Rs. in lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Less: Income-tax:									--	--
Current Tax									-1460.96	-7499.36
Deferred Tax									-3476.93	-15938.33
Net Profit/Loss after Tax										
OTHER INFORMATION										
Segment Assets	56975.19	54494.14	11904.46	12068.77	8231.39	7151.85	43434.47	36024.62	120545.51	109739.38
Unallocated Corporate Assets									20872.20	20958.60
Total Assets									141417.71	130697.98
Segment Liabilities									114865.11	100604.12
Unallocated Corporate Liabilities									--	--
Deferred Tax Liability(+)/Asset (-)									-12695.46	-11234.50
Total Liabilities									102169.65	89369.62
Capital Expenditure	656.28	84.74	75.00	12.65	7.82	3.69	54.32	81.21	793.42	182.29
Depreciation/Amortization	5194.29	5061.65	322.86	281.42	335.59	125.02	526.62	1170.12	6379.36	6638.21
SECONDARY										
Revenue by Geographical Market										
India	50374.37	42218.13	10669.46	15557.44	11405.70	11256.33	21290.50	8416.00	93740.03	77447.90
Outside India	--	4501.77	--	--	2253.13	2454.90	--	--	2253.13	6956.67

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. Associates

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.

Sakthi Finance Limited

Sri Chamundeswari Sugars Limited

Chamundeswari Enterprises Private Limited

Nachimuthu Industrial Association

Sakthi Cofee Estates (P) Ltd.

ABT Textiles (P) Ltd.

Sakthi Automotive Group USA, INC.

**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
Purchase					
Purchase of Materials		3.37 (4.57)			3.37 (4.57)
Purchase of Fuel				37.60 (44.92)	37.60 (44.92)
Purchase of Milk		4.02 (4.42)			4.02 (4.42)
Sales					
Sale of Materials		8.41 (5.79)			8.41 (5.79)
Sale of Power		165.80 (--)			165.80 (--)
Rendering of services					
Rent Receipts	12.60 (12.60)				12.60 (12.60)
EB Receipts	1.76 (3.41)				1.76 (3.41)
Water & Technical Service charges receipts		17.07 (15.11)			17.07 (15.11)
Advertisement Receipts		13.80 (13.80)		4.80 (4.80)	18.60 (18.60)
Receiving of services					
Interest Payments	89.78 (134.90)	59.97 (75.81)			149.75 (210.71)
Printing charges		15.22 (12.29)			15.22 (12.29)
Electricity Charges	1.24 (1.14)				1.24 (1.14)
Rent Payments	15.84 (15.84)				15.84 (15.84)

**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
Vehicle Purchase/Maintenance		11.32 (12.73)			11.32 (12.73)
Transport charges		122.60 (250.09)			122.60 (250.09)
Purchase of Computer Consumables		19.05 (16.52)			19.05 (16.52)
Managerial Remuneration					
Remuneration paid to Whole time Directors			26.26 (53.21)		26.26 (53.21)
Remuneration paid to Non-whole time Director			0.20 (0.40)		0.20 (0.40)
Balance outstanding at the end of the year					
Payable to Key Managerial Personnel			19.15 (21.67)		19.15 (21.67)
Loans and advances	6.64 (6.64)	15719.65 (17029.09)		0.51 (0.31)	15726.80 (17036.04)
Borrowings	5303.75 (4344.99)	2542.60 (3039.84)		3.61 (3.74)	7849.97 (7388.57)

Figures in brackets are that of the previous year

35 Earnings Per Share :

Particulars	2014-15	2013-14
Basic :		
a) Face value per Share (Rs.)	10	10
b) Profit After Tax (Rs. In lakhs)	-3476.93	-15938.33
c) The weighted average No. of Equity Shares	96213279	37946631
d) Earnings per Share - Basic (Rs.)	-3.61	-42.00
Diluted :		
a) The weighted average No. of Equity Shares	96213279	37946631
b) Earnings per Share - Diluted (Rs.)	-3.61	-42.00

36 Deferred Tax :

(Rs. in lakhs)

Particulars	31.03.2015	31.03.2014
A) Deferred Tax Liability:		
Arising out of depreciation of Fixed Assets (Net)	9719.18	9962.49
Difference in treatment of expenses/income (Net)	-678.73	3516.77
TOTAL	9040.45	13479.26
B) Deferred Tax Asset:		
Carried forward losses/Unabsorbed depreciation	21735.91	24713.76
Net Deferred Tax Liability (+) /Asset (-)	-12695.46	-11234.50

**37 Contingent Liabilities, Contingent Liabilities on account of Guarantees, Commitments :****(A) Contingent liabilities:**

(Rs. in lakhs)

Particulars	31.03.2015	31.03.2014
Claims against the Company not acknowledged as debts:		
(i) Income tax matters	5120.81	6349.34
(ii) Purchase tax/sales tax matters	2484.29	2484.29
(iii) Cane Price *	3570.69	--
(iv) Others	9169.80	7823.04
* 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 in the High Court is pending disposal. The differential price on this account is Rs.3570.69 lakhs for the season 2013-14 and 2014-15.		
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	31.03.2015	31.03.2014
a) Corporate guarantee given to erstwhile Foreign subsidiary*		
(i) Guarantee amount	27004.16	33030.60
(ii) Outstanding amount	29863.74	35031.34
b) Guarantees issued by bankers	66.74	239.01
c) Corporate guarantee given for loans to Associates		
(i) Guarantee amount	11200.00	12603.49
(ii) Outstanding amount	6994.78	7297.84
* Orlandofin B.V a wholly owned subsidiary of the company prior to 1.4.2014 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	31.03.2015	31.03.2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	2167.35	2160.93

38 Micro, Small and Medium Enterprises Development Act, 2006

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



39 Disclosure as required under clause 32 of the listing agreement:

Amount of loans and advances in the nature of loans to subsidiaries and associates and the maximum amount outstanding during 2014-15:

Name of the Company	Outstanding as on 31.03.2015 (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	5303.75 Cr. (4344.99) Cr.	5303.75 (22614.60)	67463540 (67463540)	-- (--)
Associate Sakthi Auto Component Limited	15675.34 Dr. (16993.14) Dr.	16993.14 (17180.61)	-- (--)	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, except to the extent of Nil (3.82 lakhs) in the Beverage Division, which has been provided for.

- 41** Interest of Rs.4115.85 lakhs (Nil) relating to loan taken over by the Holding company is reversed and adjusted.
- 42** As per the requirement of the provisions of Schedule II of the Companies Act : 2013 the management has adopted the useful lives as per Part C of Schedules II of the Act. with effect from 1.4.2014 for all its fixed assets. Due to the adoption of the revised useful life of assets as prescribed in Schedule II, the charge for depreciation in the statement of Profit and Loss is lower by Rs.715.62 lakhs for the current year. Pursuant to such adoption in accordance with the transitional provisions under Schedule II of the Act, an amount of Rs.423.20 lakhs has been adjusted in the retained earnings, pertaining to assets whose balance useful life as on 1st April 2014 was Nil.
- 43** Funded Interest under CDR Scheme for Nil (Rs.4040.43 lakhs) included in Other Non Current Asset in Note No. 13 in the previous year, has been fully written off during the year.
- 44** 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.
- 45** 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

28th May 2015

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

M K VIJAYARAGHAVAN
Chief Financial Officer

S BASKAR
Senior Vice President - Finance &
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. 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.

3. 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.

4. 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.

5. 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.

6. 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 upto the month of such sale/discardment, as the case may be.

The additional depreciation relating to increased value of revalued assets is adjusted against Revaluation Reserve.

7. 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.

8. 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.



9. Foreign currency transactions:
Recognition of foreign exchange fluctuation is based on the Settlement of obligations.
10. 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 31.03.2015.
11. 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.
12. 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.
13. 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.
14. Impairment of Assets:
Impairment, if any, is recognized in accordance with the Accounting Standard 28.
15. 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.
16. 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.



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 2014
2.	Shares of Associate held by the company on the year end	
	No.	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	Pursuant to third proviso to Rule 6 of the Companies (Accounts) Rules 2014
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.9372.39 lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	Not Applicable
	ii. Not Considered in Consolidation	Not Applicable

Vide our report annexed

For P N RAGHAVENDRA RAO & Co
Chartered Accountants

Firm Registration Number : 003328S

P R VITTEL
Partner

Membership Number : 018111

Coimbatore
28th May 2015

M MANICKAM
Executive Chairman

M K VIJAYARAGHAVAN
Chief Financial Officer

M BALASUBRAMANIAM
Managing Director

S BASKAR
Senior Vice President - Finance &
Company Secretary



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)
1966	332794	28741	8.64	328.24	18.47	11.63	6.84	6	180.66
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

▲ 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

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)

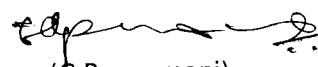


SAKTHI SUGARS LIMITED

CORPORATE OFFICE
180 RACE COURSE ROAD, COIMBATORE - 641 018

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges
(Pursuant to Clause 31(a) of the Listing Agreement)

No.	Particulars	Details
1.	Name of the company	Sakthi Sugars Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit Qualification	Qualified: Non-provision of interest and guarantee commission claim of Rs.5444.38 lakhs (Rs.4410 lakhs) payable to the holding company and that the loss of the Company is understated to that extent.
4.	Frequency of Qualification	Repetitive from the financial year ended 31 st March 2014
5.	Draw attention to relevant notes in the annual financial statement and management response to the qualification in the directors report	<u>Auditors Qualification:</u> In Page No.48 of the Annual Report under the heading "Basis for Qualified Opinion" of Independent Auditors' Report. <u>Management Response:</u> In page No.9 under the heading "Auditors Report" of Directors Report.
6.	Additional comments from the Board/Audit Committee Chairman	---
7.	To be signed by	<p>For SAKTHI SUGARS LIMITED  Managing Director</p>
	CEO/Managing Director	<p>For SAKTHI SUGARS LTD.  Chief Financial Officer & Company Secretary</p>
	Audit Committee Chairman	<p> (C. Rangamani) Chairman - Audit Committee</p>
	Auditor of the Company	<p>For P.N. Raghavendra Rao & Co. Chartered Accountants  P.R. Vittei Partner Membership No. 200/18111</p>