



Sakthi Sugars Limited

180, Race Course Road, Post Box No. 3775, Coimbatore - 641 018. Phone : + 91 422-2221551, 4322222
Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/2049/2019

30.8.2019

Dear Sirs,

Sub: Annual Report and Notice of 57th Annual General Meeting

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, we enclose copy of Annual Report along with Notice convening the 57th Annual General Meeting of the Company on Friday, the 27th September 2019 at 2.45 P.M. at the Registered Office at Sakthinagar-638 315, Bhavani Taluk, Erode District, Tamil Nadu.

The said Annual Report along with Notice is being despatched/sent to the shareholders by permitted mode(s) and is also available on the Company's website: www.sakthisugars.com.

Kindly take the above on record.

Thanking you,

Yours faithfully
For SAKTHI SUGARS LIMITED

Senior Vice President &
Company Secretary

Encl: As above.

To:

BSE Ltd
P.J.Towers
Dalal Street
Mumbai - 400 001

THE NATIONAL STOCK EXCHANGE
OF INDIA LIMITED
Exchange Plaza, 5th Floor,
Plot No.C/1, G-Block, Bandra Kurla
Complex, Bandra (East),
MUMBAI - 400 051



SAKTHI SUGARS LIMITED

ANNUAL REPORT 2018-19



BUSINESS WITH VALUES

śarvakaryogitvam kriyā śakti

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
E-mail : shares@sakthisugars.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@sakthisugars.com
Website : www.sakthisugars.com

AUDITORS

M/s. P K Nagarajan & Co
Coimbatore

MAIN BANKERS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

DIRECTORS

Dr M MANICKAM
Chairman and Managing Director

Sri M BALASUBRAMANIAM

Sri M SRINIVAASAN

Sri C RANGAMANI

Sri S S MUTHUVELAPPAN

Sri P K CHANDRAN

Sri N K VIJAYAN

Sri K V RAMACHANDRAN

Sri S CHANDRASEKHAR

Sri S BALASUBHARAMANIAN

Smt PRIYA BHANSALI

Sri JIGAR DALAL
(Nominee of ARCIL)

Sri S BASKAR
Sr. Vice President &
Company Secretary

Sri C R SANKAR
Chief Financial Officer



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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to fill in and forward the E-mail Address Registration Form given in page No. 115 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.



NOTICE TO MEMBERS

Notice is hereby given that 57th Annual General Meeting of the Company will be held at its Registered Office at Sakthinagar - 638315, Bhavani Taluk, Erode District, Tamil Nadu, on Friday, the 27th September 2019 at 2.45 p.m. to transact the following business:

1. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that the Audited Financial Statements of the Company for the financial year ended 31st March 2019 and Notes thereon, and Reports of the Board and of the Auditors be and are hereby adopted.”

2. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that Dr.M. Manickam (holding DIN 00102233), who retires by rotation, be and is hereby appointed as a Director of the Company in the place vacated by him.”

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri C.Rangamani (holding DIN 00090786), aged 77 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

4. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri S.S.Muthuvelappan (holding DIN 00273870), aged 77 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri P.K. Chandran (holding DIN 00273738), aged 71 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

“RESOLVED FURTHER that pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, continuation of Sri P.K. Chandran as a Non-Executive Independent Director of the Company after his attainment of the age of 75 years till the conclusion of his term of office i.e upto 29th September 2024, be and is hereby approved.”

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri N.K. Vijayan (holding DIN 00300871), who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri K.V. Ramachandran (holding DIN 00322331), who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri S. Chandrasekhar (holding DIN 00011901), who holds office



as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri S. Balasubramanian (holding DIN 00458139), who holds of office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

10. To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act 2013 read with the Rules made thereunder, the Company hereby ratifies the remuneration of Rs.5.50 lakhs plus applicable tax thereon and reimbursement of out-of-pocket expenses to M/s. STR & Associates, Cost Accountants (Firm No.000029), Tiruchirapalli, who are appointed as Cost Auditors of the Company for the financial year ending 31st March 2020.”

11. To consider and, if though fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 181 of the Companies Act 2013, the Board of Directors of the Company be and is hereby authorised to donate and contribute a sum/sums in the aggregate upto Rs.20 lakhs per financial year during the financial years 2019-20 and 2020-21 from out of the funds of the Company to bona fide charitable and other funds and for deserving causes and institutions.”

By Order of the Board

S Baskar

Sr. Vice President &
Company Secretary

Coimbatore
13th August 2019

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total share capital of the Company. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company at Sakthinagar - 638 315, Bhavani Taluk, Erode District duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. Corporate members intending to attend the meeting by sending authorised representatives are requested to handover a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf, at the entrance of the Annual General Meeting venue along with the attendance slip.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2), relevant information on the Directors seeking reappointment at the Annual General Meeting is provided in the annexure.
5. Route map for the venue of the Annual General Meeting and the land mark for easy identification forms part of the Notice.
6. Pursuant to Sections 124 and 125 of the Companies Act 2013 (formerly Section 205A and 205C of the Companies Act 1956), all unclaimed dividends up to the financial year ended 31st March 1997 and for the financial years ended 30th June 2006 & 2007 which remained unclaimed for a period of seven years had been transferred to the Investor Education and Protection Fund of the Central Government. Members who have not so far claimed their dividends for the said financial years are requested to forward their claims to IEPF Authority in the prescribed form by following the process mentioned in the IEPF Rules.
7. Notice and Annual Report are being sent to all the shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 23rd August 2019. Electronic copies are being sent to all the members whose E-mail ID is registered with the Company / Depository Participants, unless request for a hard copy of the same is received from any such member. For members who have not registered their E-mail ID, physical copies of AGM Notice and Annual Report are being sent through permitted mode.



8. The cut-off date (record date) for the purpose of determining the voting rights of the members is 20th September 2019. The voting rights of the members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
9. The persons who have become members of the Company after 23rd August 2019 and whose names appear in the Register of Members of the Company or in the register of beneficial owners maintained by the depositories as on the cut-off date may contact the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Limited through e-mail "coimbatore@linkintime.co.in" and provide their e-mail ID and folio/client ID for sending the AGM Notice and the Annual Report electronically. The members can also download the AGM Notice and the Annual Report from the Company's website www.sakthisugars.com. Password for e-voting can be generated by the shareholders themselves by following the instructions for e-voting given herein below.
10. Members holding shares in physical form are requested to notify the change, if any, in their address to the Company or the Registrars and Share Transfer Agents, Link Intime India Pvt. Limited. Members holding shares in electronic form are requested to advise the change in their address to their Depository Participants.
11. As required under Section 108 of the Companies Act 2013 and Regulation 44 of the SEBI Listing Regulations, members are provided with remote e-voting facility for exercising their voting rights. The members, who attend the Annual General Meeting and have not exercised their voting rights earlier, may vote at the venue of the Meeting using the ballot form being provided to them at the venue of the meeting.
12. Sri M.D.Selvaraj, Proprietor, M/s. MDS & Associates, Company Secretaries, Coimbatore, has been appointed as Scrutinizer for conducting the remote e-voting and voting through ballot form at the AGM in a fair and transparent manner.
13. The remote e-voting period begins on Tuesday, 24th September 2019 at 9.00 a.m. and ends on Thursday, 26th September 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2019, may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Following are the procedures for voting electronically:

- (i) Visit the e-voting system of Link Intime India Private Limited (LIIPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section.
- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (iv) Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No. + Folio Number registered with the Company
- (v) Your Password details are given below:

If you are using e-Voting system of LIIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Proxy Form / Attendance Slip indicated in the PAN field.
DOB/DOI	Enter the DOB (Date of Birth) / DOI as recorded with depository participant or in the Company record for the said demat account or folio in dd/mm/yyyy format.



Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio number. ● Please enter the DOB or DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the Depository participants or Company, please enter folio number in the Dividend Bank details field as mentioned in instruction (iv-c).
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If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If shareholders holding shares in demat form or physical form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Casting of vote electronically:

- (vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No.” of the company, you choose to vote.
- (vii) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- (viii) If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- (ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- (x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xi) You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

General Guidelines for shareholders:

- (xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund/ Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund/Corporate Body’ login for the Scrutinizer to verify the same.
- (xiii) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- (xiv) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/ demat account.
- (xv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or call LIIPL : Tel : 022 - 49186000.

14. In case of any query or issue or grievance connected with the facility of remote e-voting, members may contact Sri S Baskar, Sr. Vice President & Company Secretary, through e-mail id ‘shares@sakthisugars.com’ or through Phone No. 0422 - 4322222.



15. The Scrutinizer shall, immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting to the Chairman and Managing Director or the authorized Director / Executive.
16. The results of voting will be declared by the Chairman and Managing Director or the authorized Director/Executive at the Corporate Office of the Company at 180 Race Course Road, Coimbatore within 48 hours from the conclusion of the Annual General Meeting. The result along with Scrutinizer's Report will be posted on the Company's website www.sakthisugars.com and on the website of LIIPL:<https://instavote.linkintime.co.in>. It will also be displayed in the Notice Board of the Company at its Registered Office and at the Corporate Office. It will also be forwarded to the stock exchanges.

Statement pursuant to Section 102 of the Companies Act 2013**Item No.3 to 9**

The members of the Company at the Annual General Meeting held on 30th September 2014 and on 30th September 2015 approved, inter alia, appointment of the following Directors, viz. Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian, as Independent Directors to hold office for a term of five consecutive years upto 29th September 2019. Accordingly, they will hold office as Independent Directors upto 29th September 2019.

Notices proposing the above Independent Directors for re-appointment have been received from certain members of the Company under Section 160 of the Companies Act, 2013.

Considering their vast experience, skills and the contributions made by them, and based on the evaluations made on their performance, the Nomination and Remuneration Committee and the Board of Directors are of the opinion that their continued association would benefit the Company and have recommended for re-appointment of Sri C.Rangamani, Sri S.S. Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian, who have given their consents for re-appointment as Independent Directors for the second term of five consecutive years from 30th September 2019. They have also declared that they are not disqualified for re-appointment under the Companies Act 2013 or SEBI (LODR) Regulations 2015 and that they fulfil the criteria of independence as stipulated in these statutes. The Independent Directors are not liable to retire by rotation.

Sri C.Rangamani and Sri S.S.Muthuvelappan are 77 years of age. Sri P.K.Chandran, who is 71 years, will attain the age of 75 years before completion of the proposed term of appointment. Since Sri C.Rangamani has vast experience in finance/accounts, insurance and in general management, and Sri S.S.Muthuvelappan and Sri P.K.Chandran, in agriculture and sugarcane farming and have developed good contacts and relationships over years with majority of farmers in the command areas of sugarcane cultivation, the Board of Directors and the Nomination and Remuneration Committee felt that their continuation would be beneficial to the Company.

The Board also formed opinion that the proposed appointees fulfil the conditions specified in the Companies Act 2013 and in the SEBI (LODR) Regulations 2015 for appointment as Independent Directors and that they are persons of integrity and possess relevant expertise and experience considering the nature of the Company. The profile of the proposed appointees is annexed to the Notice. A copy each of the draft letters for re-appointment of Sri C.Rangamani, Sri S.S. Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian as Independent Directors setting out the terms and conditions will be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day until the date of the Annual General Meeting.

Re-appointment of Independent Directors for the second term of five years requires approval of the members by special resolution. Further in terms of Regulation 17(1A) of SEBI (LODR) Regulations 2015, a person who has attained the age of seventy-five years shall not be appointed or continue as a non-executive director unless his appointment or continuation is approved by special resolution. Necessary special resolutions with respect to re-appointment and continuation after the age of 75 years, as the case may be, are set out under items No.3 to 9 in the Notice of the meeting for members' approval. These special resolutions are recommended for members' approval by the Board of Directors of the Company for the reasons stated above.

Except Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri V.K.Ramachandran, Sri S.Chandrasekhar and Sri S.Balasubhramanian, being the appointees, none of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions.

**Item No. 10**

Pursuant to Section 148 of the Companies Act 2013, the Board of Directors of the Company has appointed M/s. STR & Associates, Cost Accountants, Tiruchirappalli, as Cost Auditors for audit of the cost records relating to Sugar, Distillery, Power and Soya Divisions of the Company for the financial year ending 31st March 2020 and fixed a remuneration of Rs.5.50 lakhs. Rule 14 of the Companies (Audit and Auditors) Rules 2014 specifies that the remuneration payable to the Cost Auditors is to be ratified by the members at the General Meeting. Accordingly, necessary resolution is set out in item No.10 of the Notice for the Members' approval. The Board of Directors has recommended the resolution for members' approval.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

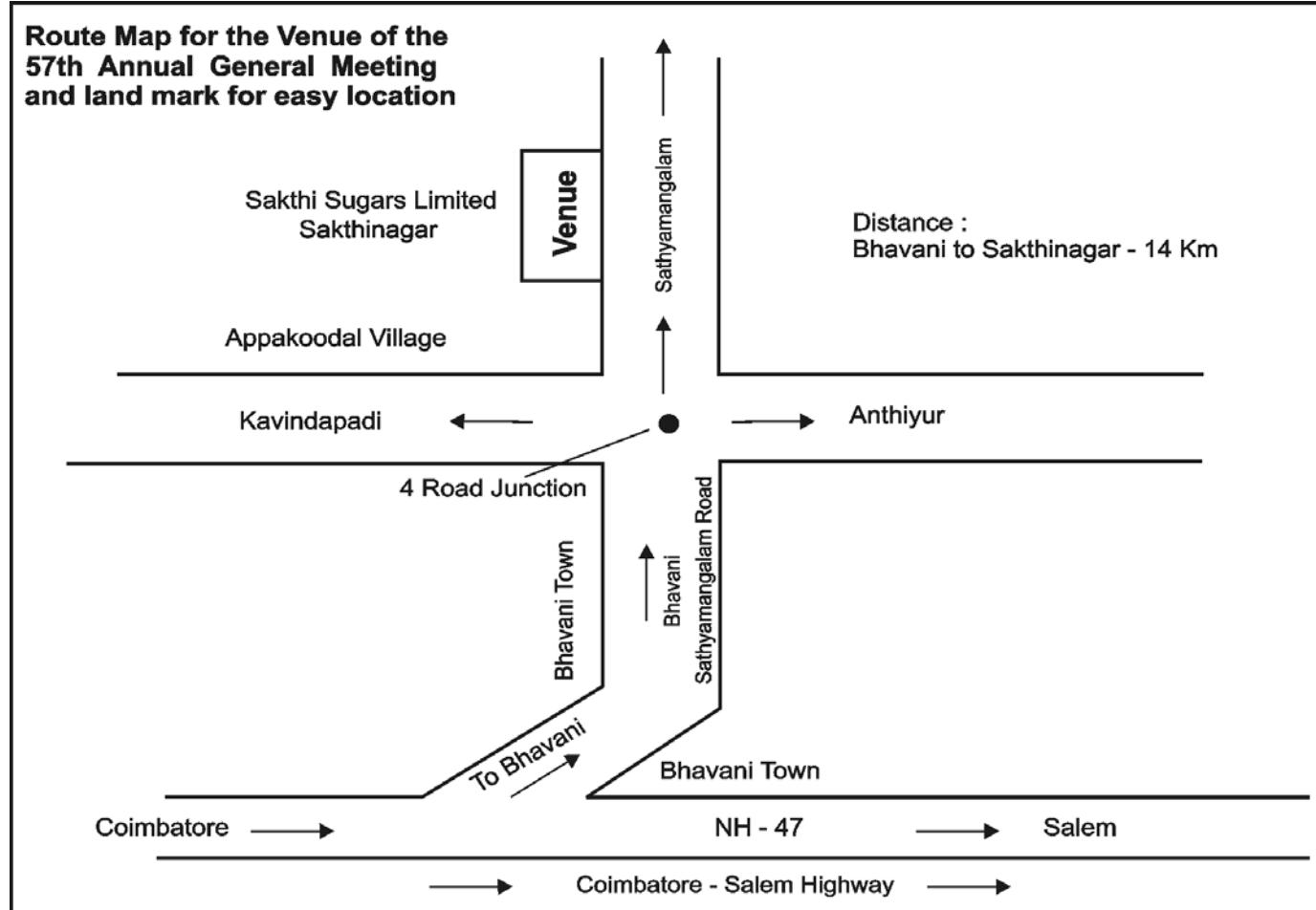
Item No.11

To meet certain charitable and social obligations, it is proposed to authorise the Board of Directors to make donations up to Rs.20 lakhs (Rupees twenty lakhs only) per financial year during the financial years ending 31st March 2020 and 31st March 2021. Necessary resolution is set out in item No.11 of the Notice for members' approval. The Board of Directors has recommended the resolution for members' approval.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

By Order of the Board

S Baskar

Coimbatore
13th August 2019Sr. Vice President &
Company Secretary



Annexure
Details of Directors

Brief resume of the Directors proposed to be appointed/re-appointed is given in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2.

Name of Director	Dr. M. Manickam (DIN - 00102233)	Sri C.Rangamani (DIN - 00090786)	Sri S.S. Muthuvelappan (DIN - 00273870)	Sri P.K. Chandran (DIN - 00273738)
Date of birth and age	24.03.1956 / 63 years	01.11.1941 / 77 years	05.12.1941 / 77 years	06.09.1948 / 71 years
Qualification	M.Sc.,MBA(USA)	B.Sc.,BGL, FII	S.S.L.C.	P.J.C.
Nature of expertise in functional areas and experience	About 40 years experience in sugar & auto industries. Past president of ISMA and SISMA	Over 40 years of experience in insurance, finance/accounts and general management	Rich experience and expertise in agriculture and sugarcane cultivation	Rich experience and expertise in agriculture and sugarcane cultivation
Terms and conditions of re-appointment	Retirement by rotation	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.
Last remuneration drawn, if any	Nil	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board and Committees attended
Date of first appointment as Director	16.09.1980	As Nominee of GLCI : 25.01.1999 As Director : 29.01.2008	18.02.1985	14.11.1977
Shareholding in the company (No. of shares)	19,14,200	500	3,009	6,424
Relationship with other Directors/ KMP	Brother of Sri M.Balasubramaniam & Sri M.Srinivasan	None	None	None
No. of Board Meetings attended during the year	6	7	7	7
Names of the companies in which directorship is held:				
i) Listed entities	Sakthi Finance Ltd. and Kovai Medical Centre & Hospital Ltd.	Nil	Nil	Nil
ii) Others	ABT Ltd., Sri Chamundeswari Sugars Ltd., ABT Foods Retailing (India) Ltd., Sakthi Auto Component Ltd., The Gounder and Co. Auto Ltd., Sakthi Properties (Cbe) Ltd., Anamalais Bus Transport P. Ltd. & ABT Infosystems P. Ltd., Nachimuthu Industrial Association	Sakthi Auto Component Ltd.	Nil	Nil
Chairmanship/ Membership of Committees:	Sakthi Finance Ltd : I) Listed entities ii) Others	Nil Sakthi Auto Component Ltd : - Audit Committee - Chairman - NR Committee - Member - CSR Committee - Chairman	Nil Sakthi Auto Component Ltd. - Audit Committee - Chairman - NR Committee - Chairman	Nil Nil



Name of Director	Sri. K.V.Ramachandran (DIN - 00322331)	Sri N.K.Vijayan (DIN - 00300871)	Sri S.Chandrasekhar (DIN - 00011901)	Sri S.Balasubramanian (DIN - 00458139)
Date of birth and age	25.03.1956 / 64 years	22.05.1952 / 67 years	03.12.1966 / 52 years	22.09.1968 / 50 years
Qualification	B.Sc., PGDBM (XLRI)	M.Com.	B.B.M., MBA(USA)	B.E., MS
Nature of expertise in functional areas and experience	Has expertise in finance and industrial management experience of about 40 years.	Has rich experience and expertise in sugarcane cultivation	Marketing and industrial experience of about 28 years.	Industrial structural engineering and consultancy experience of about 27 years.
Terms and conditions of re-appointment	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.	Re-appointment as Independent Director for the second term of five consecutive years from 30th September 2019.
Last remuneration drawn, if any	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board and Committees attended
Date of first appointment as Director	30.09.2014	01.01.1995	30.09.2014	30.09.2014
Shareholding in the company (No. of shares)	500	1,850	1,990	23,900
Relationship with other Directors/ KMP	None	None	None	None
No. of Board Meetings attended during the year	6	7	6	5
Names of other companies in which directorship is held:				
i) Listed entities	E L Forge Limited	Nil	Nil	Nil
ii) Others	Coromandel Steels Ltd. Wesco Engineers Ltd.	Nil	Anamalla Eng. P. Ltd. ARC Retreading Co. P. Ltd. Sakthi Properties (Cbe) Ltd. Sakthi Realty Holdings Ltd. Chamundeswari Enterprises P.Ltd.	Chamundeswari Enterprises P.Ltd. Indel Narrow Fabrics P. Ltd.
Chairmanship/ Membership of Committees:				
i) Listed entities	E L Forge Ltd. - SR Committee - Member	Nil	Sakthi Auto Component Ltd.	Nil
ii) Others	Nil	Nil	- Audit Committee - Member - NR Committee - Member - SR Committee - Member	Nil

CSR Committee - Nomination & Remuneration Committee

SR Committee - Stakeholders Relationship Committee

NR Committee - Nomination & Remuneration Committee

CSR Committee - Cooperate Social Responsibility Committee



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, 2019.

FINANCIAL HIGHLIGHTS	(Rs in lakhs)	
Particulars	2018-19	2017-18
Revenue		
Sugar Division	27020.40	34246.59
Distillery Division	8522.92	4936.91
Cogeneration Division	1189.69	1015.50
Soya Division	13772.92	12821.06
Total Revenue	50505.93	53020.06
Other Income	15207.84	1139.64
Total Income	65713.77	54159.70
Profit / (Loss) before Finance Cost and Depreciation & Amortisation and Exceptional Item	9628.97	(2694.44)
Finance Cost	25966.57	14994.92
Provision for Depreciation	5158.53	5281.69
Net Profit before Exceptional Item and Tax	(21496.13)	(22971.05)
Exceptional Items Gain / (Loss)	(5180.09)	(2249.33)
Net Profit before Tax	(26676.22)	(25220.38)
Provision for Tax	(5274.80)	(7510.12)
Net Profit after Tax	(21401.42)	(17710.26)
Comprehensive Income - Net of Tax	76.35	13.62
Total comprehensive Income	(21325.07)	(17696.64)

REVIEW OF OPERATION

The rainfall during the last south-west and north-east monsoons was better than the previous years but was not enough to meet the water requirements for cultivation of sugarcane in all areas. The quantum of sugarcane crushed during the financial year was higher than the previous year. However, the increase was not sufficient to improve the level of operation to a significant level. There was improvement in the production of industrial alcohol. There has been decrease in the selling price of sugar and industrial alcohol resulting in reduction in the average realisation. Generation of power showed a slight improvement with marginal increase in the per unit price for power. The operational performance of Soya Unit is satisfactory. There is 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 2018-19 is as under:

Name of the Unit	Cane crushed (in MT)
Sakthi Nagar	4,25,205
Sivaganga	1,15,930
Dhenkanal	3,08,368

During the year under review, 0.81 lakh MT of sugar was produced by the Company as compared to 0.85 lakh MT (including 0.35 lakh MT out of raw sugar) in the previous year. The quantum of sugar sales and the sale value have come down as compared to the previous year.

DISTILLERY DIVISION

During the year under review, 81.68 lakh litres (previous year 63.23 lakh litres) of industrial alcohol was produced at Sakthi Nagar Distillery Unit and 70.94 lakh litres (previous year 47.31 lakh litres), at Dhenkanal Distillery Unit.



SOYA DIVISION

25,027 tonnes (previous year 25,004 tonnes) of soya bean was crushed in the Soya Plant during the year under review. This Division had exported products worth Rs.1549.58 lakhs (previous year Rs.1530.58 lakhs) to various countries.

CO-GENERATION DIVISION

The total power generated in the co-generation plants during the year was 659.03 lakh units (Previous year 638.41 lakh units) out of which 343.94 lakh units (Previous year 379.83 lakh units) of power was exported. The Company is selling the power through Indian Energy Exchange (IEX).

FUTURE OUTLOOK

The beginning of the current south-west monsoon has not been encouraging and availability of sugarcane for the next season will depend upon the performance of the monsoons. The improvement in the financial performance depends upon the availability of sugarcane for crushing and prevalence of economical market prices for sugar and other products.

DEPOSITS

The Company has not accepted any deposit during the financial year under review. At the end of the financial year, there was no unclaimed deposit.

CORPORATE INFORMATION

In view of issue and allotment of further shares by Sakthi Auto Component Limited (SACL) on 17th October 2018, the Company's shareholding in the share capital of SACL has come down to 19.81% from 22.67%. As such SACL has ceased to be an Associate Company within the meaning of Section 2(6) of the Companies Act 2013 with effect from the aforesaid date.

The Board has decided not to operate its Modakurichi plant during the financial year 2019-20 due to inadequate availability of sugarcane for crushing. This will not have any adverse impact as the entire cane available in the command area of Modakurichi Unit will be crushed in Sakthiagar Sugar Unit.

As informed in the last Report, the Company has made applications to Term Lenders for restructure, elongation of the repayment period, etc. While Edelweiss has restructured its loans to the Company, the request of the Company with other lenders are under consideration.

DIRECTORS

Dr.M.Manickam (DIN 00102233) retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered for re-appointment.

As per Regulation 17(1A) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, Non-Executive Directors who have attained the age of 75 years as at 1st April 2019 should not be appointed or continue their appointment unless approved by the members of the Company by special resolution. Sri C.Rangamani and Sri S.S.Muthuvelappan are aged 77 years and their continuation till expiry of the current term of appointment, i.e. upto 29th September 2019, has been approved by members by special resolutions at the Annual General Meeting held on 28th September 2018.

The five year term of office as Independent Directors of Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K.Chandran, Sri N.K.Vijayan, Sri K.V.Ramachandran, Sri S.Chandrasekhar and Sri S.Balasubhramanian will expire on 29th September 2019. Notices Proposing the above Independent Directors for re-appointment have been received from certain members of the company under Section 160 of the Companies Act 2013. These Independent Directors have given their consent for reappointment for the second term of five consecutive years. They have declared that they fulfil the criteria of independence as stipulated in the Companies Act 2013 and in the SEBI (LODR) Regulations 2015 and that they are not disqualified for appointment as Directors under the said statutes. Based on the evaluation of the performance and considering the contributions made during their tenure of office as Independent Directors and taking into account their skill sets and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have recommended for approval of the members of the Company of re-appointment of Sri C. Rangamani, Sri S.S.Muthuvelappan, Sri P.K.Chandran, Sri N.K.Vijayan, Sri K.V.Ramachandran, Sri S.Chandrasekhar and Sri S.Balasubhramanian as Independent Directors for the second term of five consecutive years from 30th September 2019 to 29th September 2024 at the ensuing Annual General Meeting of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that financial year;



- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF BOARD OF DIRECTORS

The Board met seven times during the financial year ended 31st March 2019. 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 comprises the following Directors as its members:

Sri C.Rangamani, Chairman

Sri N.K.Vijayan

Sri K.V.Ramachandran

Smt. Priya Bhansali

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

BOARD EVALUATION

Pursuant to the provisions contained in the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a formal annual evaluation of the performance of the Board, its Committees and of individual Directors has been made. The manner in which the evaluation was carried out and the process adopted are given in the Corporate Governance Report.

DETAILS OF REMUNERATION TO DIRECTORS

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

RISK MANAGEMENT POLICY

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

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company, the selling price of which is subject to market fluctuations.

INTERNAL CONTROL

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

VIGIL MECHANISM

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



CORPORATE GOVERNANCE

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

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

OTHER DISCLOSURES UNDER THE COMPANIES ACT 2013

i. Extract of Annual Return

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

ii. Changes in Share Capital

There is no change in the share capital during the financial year under review.

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 available in the Company's website www.sakthisugars.com and the salient features of the Policy are given in Annexure-C.

iv. Related Party Transactions

All the related party transactions are at arm's length basis. Prior approval of the Audit Committee and/or Board, as the case may be, has been obtained for the transactions with related parties. A statement of all related party transactions is placed before the Audit Committee on quarterly basis. There has been no contract or arrangement with related parties attracting the provisions of Section 188(1) of the Companies Act 2013 during the financial year under review.

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 Parties are provided in the accompanying financial statements.

v. Statement of declarations given by Independent Directors

The Independent Directors have given their declarations to the Board to the effect that they meet 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 2018-19 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 out go 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.

x. The Company has complied with the Secretarial Standards as may be applicable to the Company.

STATUTORY AUDITORS

M/s. P.K. Nagarajan & Co., Chartered Accountants (Firm Registration Number 016676S), have been appointed by the members as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 55th Annual General Meeting held on 27th September, 2017 till the conclusion of the 60th Annual General Meeting. They have confirmed that they are not disqualified for continuing as Statutory Auditors of the Company. Their Audit Report for the financial year ended 31st March 2019 does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act 2013 and Regulation 24A of SEBI (LODR) Regulations 2015, the Board of Directors of the Company has appointed M/s.S. Krishnamurthy & Co., Company Secretaries, Chennai as Secretarial Auditors to undertake the secretarial audit of the Company for the year ended 31st March 2019. Secretarial Audit Report of M/s. S.Krishnamurthy & Co.,



Company Secretaries, Chennai for the year ended 31st March 2019 is annexed as Annexure-E. As the Company does not have any subsidiary, the question of appointment of Secretarial Auditor for material subsidiary does not arise.

COST AUDIT

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. 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 2019.

The said Firm has been appointed for the financial year ending 31st March 2020 and necessary resolution for ratification of their remuneration is included in the Notice for the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee and has adopted a CSR Policy and the same is available in the Company's website www.sakthisugars.com. The composition of the CSR Committee is given in the Corporate Governance Report. 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 complied with the provisions relating to the constitution of Internal Complaints Committee under the 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 said Act. An Internal Complaints Committee (ICC) has been set up at every work place of business 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 2018-19.

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
13th August 2019

M Manickam
Chairman and Managing Director

**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 Personnel/employees of the Company is as follows:

(a) The ratio of the remuneration of each director to the median employee's remuneration of the Company for the financial year ended 31st March 2019:

	Name of Persons	Ratio to median remuneration
I	Non-Executive Directors:	
	Sri M.Balasubramaniam*	0.54
	Sri M.Srinivaasan*	0.23
	Sri C.Rangamani	0.69
	Sri S.S.Muthuvelappan	0.42
	Sri P.K.Chandran	0.42
	Sri N.K.Vijayan	0.54
	Sri K.V.Ramachandran	0.46
	Sri S.Chandrasekhar	0.31
	Sri S.Balasubramanian	0.27
II	Smt.Priya Bhansali	0.31
	Sri Jigar Dalal	0.04
	Executive Directors	-
III	Dr. M.Manickam, Chairman & Managing Director	-
	Sri V.K.Swaminathan, Executive Director**	-

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

	Name of Persons	% increase in remuneration
I	Non-Executive Directors:	
	Sri M.Balasubramaniam*	100.00
	Sri M.Srinivaasan*	100.00
	Sri C.Rangamani	80.00
	Sri S.S.Muthuvelappan	83.33
	Sri P.K.Chandran	83.33
	Sri N.K.Vijayan	55.56
	Sri K.V.Ramachandran	33.33
	Sri S.Chandrasekhar	100.00
	Sri S.Balasubramanian	40.00
II	Smt.Priya Bhansali	-
	Sri Jigar Dalal	-
	Executive Directors	-
III	Dr. M.Manickam, Chairman & Managing Director	-
	Sri V.K.Swaminathan, Executive Director**	-
IV	Key Managerial Personnel:	
	Sri.S.Baskar, Sr.Vice President & Company Secretary	0.96
	Sri C.R.Sankar, Chief Financial Officer	0.81

* Non-Executive Directors from 28.6.2018 and 12.6.2018 respectively. ** Ceased to be a Director and Executive Director on 29.5.2018.



- i. The remuneration to Non-Executive Directors consists of sitting fees paid for the meetings of Board and Committees thereof attended by each Director. The sitting fees paid per meeting attended by the Directors is the same as that of the last year.
- ii. For the period Dr.M.Manickam, Sri M.Balasubramaniam, Sri M.Srinivaasan and Sri V.K.Swaminathan held office as Executive Chairman, Managing Director, Joint Managing Director and Executive Director respectively during the financial year, they were not paid any remuneration as their appointment and remuneration were subject to approval of the Central Government and the approvals were not received. The appointment of Dr.M.Manickam as Chairman and Managing Director with effect from 12.6.2018 is without remuneration.
- c) The percentage increase in the median remuneration of employees in the financial year is 1.30.
- d) The number of permanent employees on the rolls of the Company as on 31.3.2019 is 1348.
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
There is no increase in the average percentile of salaries of employees other than managerial personnel in the year 2018-19. The managerial personnel have not been paid any remuneration.
- f) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration paid during the financial year ended 31.3.2019 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.
- g) The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personal) Rules 2014 forms part of this report. However as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary.

On behalf of the Board of Directors

Coimbatore
13th August 2019

M Manickam
Chairman and Managing Director



ANNEXURE B TO BOARD'S REPORT

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019

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	Sakthinagar-638 315, Bhavani Taluk Erode District, Tamilndu. Phone: 04256 246241 Email: shares@sakthisugars.com Website: www.sakthisugars.com
	Head Office	180, Race Course Road, Coimbatore - 641 018. Phone: 0422 4322 222, 2221 551 Fax: 0422 2220 574, 4322 488 Email: shares@sakthisugars.com Website: www.sakthisugars.com
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Limited "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, Phone No.0422 2314792 Email ID: coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Sugar	10721	45.51%
2	Soya Products	10402/06	26.94%
3	Industrial Alcohol	1101	16.57%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	ABT Investments (India) Pvt. Limited 180, Race Course Road, Coimbatore - 641 018.	U50101TZ2002PTC010085	Holding Company	56.06	2(46)

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

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	2696404	-	2696404	2.27	2696404	-	2696404	2.27	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	69261573	-	69261573	58.28	68426573	-	68426573	57.58	(0.70)
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	145200	-	145200	0.12	145200	-	145200	0.12	-
Sub-total (A) (1)	72103177	-	72103177	60.67	71268177	-	71268177	59.97	(0.70)
(2) Foreign									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	72103177	-	72103177	60.67	71268177	-	71268177	59.97	(0.70)
* Includes Promoter Group									
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	50	6910	6960	0.01	50	6910	6960	0.01	-
b) Banks/ FI	22722327	300	22722627	19.12	22676057	300	22676357	19.08	(0.04)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	424000	495099	919099	0.77	424000	495099	919099	0.77	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	1050	1050	-	-	1050	1050	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	23146377	503359	23649736	19.90	23100107	503359	23603466	19.86	(0.04)
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	1613123	14441	1627564	1.37	1589941	14350	1604291	1.35	(0.02)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13450784	831531	14282315	12.02	14053217	795304	14848521	12.49	0.48
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4779167	-	4779167	4.02	5459047	-	5459047	4.59	0.57
c) NBFCs registered with RBI	-	-	-	-	3400	-	3400	-	-



(i) Categorywise shareholding (Contd.)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Others (Specify)									
i. Trust	9100	-	9100	0.01	9100	-	9100	0.01	-
ii. Clearing Member	165505	-	165505	0.14	89667	-	89667	0.08	(0.06)
iii. Market Maker	28005	-	28005	0.02	19947	-	19947	0.02	(0.01)
iv. Foreign National	-	-	-	-	-	-	-	-	-
v. NRI (Repatriate)	506733	200	506933	0.43	412706	200	412906	0.35	(0.08)
vi. NRI (Non-Repatriate)	446024	250	446274	0.38	193954	250	194204	0.16	(0.21)
vii. OCBs	-	-	-	-	-	-	-	-	-
viii. Office Bearers	5060	39746	44806	0.04	5060	39236	44296	0.04	(0.00)
ix. HUF	1081058	-	1081058	0.91	1166798	-	1166798	0.98	0.07
x. Unclaimed Shares	125396	-	125396	0.11	125216	-	125216	0.11	(0.00)
Sub-total (B)(2)	22209955	886168	23096123	19.43	23128053	849340	23977393	20.17	0.74
Total Public Shareholding (B) = (B)(1) + (B)(2)	45356332	1389527	46745859	39.33	46228160	1352699	47580859	40.03	0.70
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	117459509	1389527	118849036	100.00	117496337	1352699	118849036	100.00	0.00

(ii) Shareholding of Promoters*

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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. M Manickam	1914200	1.61	1.43	1914200	1.61	1.43	-
2	Sri M Balasubramaniam	337325	0.28	0.17	337325	0.28	0.17	-
3	Sri M Srinivaasan	201000	0.17	0.17	201000	0.17	0.17	-
4	Smt. B. Vinodhini	16860	0.01	-	16860	0.01	-	-
5	Smt. Karunambal Vanavarayar	205000	0.17	-	205000	0.17	-	-
6	Dr. B.K.K. Vanavarayar	5019	0.00	-	5019	0.00	-	-
7	Smt. K. Karpagavalli	12000	0.01	-	12000	0.01	-	-
8	Sri K. Shankar Vanavarayar	5000	0.00	-	5000	0.00	-	-
Estate of:								
9	Dr. N. Mahalingam	145100	0.12	0.12	145100	0.12	0.12	-
10	Smt. M Mariammal	100	0.00	-	100	0.00	-	-
11	A B T Investments (India) Pvt. Ltd.	67463540	56.76	56.76	66628540	56.06	56.06	(0.70)
12	Sakthi Finance Ltd.	552833	0.47	-	552833	0.47	-	-
13	Sri Chamundeswari Sugars Ltd.	1245200	1.05	-	1245200	1.05	-	-
	Total	72103177	60.67	58.65	71268177	59.97	57.95	(0.70)

* Includes Promoter Group



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

	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	72103177	60.67	72103177	60.67
Datewise increase/decrease in Promoters share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)				
Date	Reason	No. of shares	%	Cumulative shares
11.01.2019	Transfer	(60000)	(0.05)	72043177
18.01.2019	Transfer	(30000)	(0.03)	72013177
08.02.2019	Transfer	(170000)	(0.14)	71843177
15.02.2019	Transfer	(250000)	(0.21)	71593177
01.03.2019	Transfer	(325000)	(0.27)	71268177
At the end of the year		71268177	59.97	71268177
59.97				

* 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 shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED				
	At the beginning of the year	22635757	19.05	22635757	19.05
	Datewise increase/decrease in the 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	22635757	19.05	22635757	19.05
2	THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED				
	At the beginning of the year	495099	0.42	495099	0.42
	Datewise 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	495099	0.42	495099	0.42
3	TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED				
	At the beginning of the year	424000	0.36	424000	0.36
	Datewise 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	424000	0.36	424000	0.36
4	MODEM ALEKHYA				
	At the beginning of the year	285000	0.24	285000	0.24
	Datewise increase/decrease in the share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)				
Date	Reason	No. of shares	%	Cumulative shares	%
04.05.2018	Transfer	-285000	(0.24)	-	-
02.11.2018	Transfer	285000	0.24	285000	0.24
At the end of the year		285000	0.24	285000	0.24



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	KARVY STOCK BROKING LTD				
	At the beginning of the year	134702	0.11	134702	0.11
Datewise increase/decrease in the share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)					
Date	Reason	No. of shares	%	Cumulative shares	%
06.04.2018	Transfer	2691	0.00	137393	0.12
13.04.2018	Transfer	(5059)	(0.00)	132334	0.11
20.04.2018	Transfer	(59817)	(0.05)	72517	0.06
27.04.2018	Transfer	(793)	(0.00)	71724	0.06
04.05.2018	Transfer	59777	0.05	131501	0.11
11.05.2018	Transfer	1362	0.00	132863	0.11
18.05.2018	Transfer	7304	0.01	140167	0.12
25.05.2018	Transfer	(450)	(0.00)	139717	0.12
01.06.2018	Transfer	3383	0.00	143100	0.12
08.06.2018	Transfer	228	0.00	143328	0.12
15.06.2018	Transfer	(60)	(0.00)	143268	0.12
22.06.2018	Transfer	(2684)	(0.00)	140584	0.12
30.06.2018	Transfer	1309	0.00	141893	0.12
06.07.2018	Transfer	909	0.00	142802	0.12
13.07.2018	Transfer	2484	0.00	145286	0.12
20.07.2018	Transfer	(1829)	(0.00)	143457	0.12
27.07.2018	Transfer	(413)	(0.00)	143044	0.12
03.08.2018	Transfer	809	0.00	143853	0.12
10.08.2018	Transfer	1418	0.00	145271	0.12
17.08.2018	Transfer	364	0.00	145635	0.12
24.08.2018	Transfer	(1859)	(0.00)	143776	0.12
31.08.2018	Transfer	1150	0.00	144926	0.12
07.09.2018	Transfer	(161)	(0.00)	144765	0.12
14.09.2018	Transfer	11060	0.01	155825	0.13
21.09.2018	Transfer	(10825)	(0.01)	145000	0.12
29.09.2018	Transfer	10981	0.01	155981	0.13
05.10.2018	Transfer	(944)	(0.00)	155037	0.13
12.10.2018	Transfer	6683	0.01	161720	0.14
19.10.2018	Transfer	505	0.00	162225	0.14
26.10.2018	Transfer	113	0.00	162338	0.14
02.11.2018	Transfer	1992	0.00	164330	0.14
09.11.2018	Transfer	890	0.00	165220	0.14
16.11.2018	Transfer	922	0.00	166142	0.14
23.11.2018	Transfer	(3007)	(0.00)	163135	0.14
30.11.2018	Transfer	(1065)	(0.00)	162070	0.14
07.12.2018	Transfer	8459	0.01	170529	0.14



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Date	Reason	No. of shares	%	Cumulative shares	%
	14.12.2018	Transfer	4781	0.00	175310	0.15
	21.12.2018	Transfer	1615	0.00	176925	0.15
	28.12.2018	Transfer	1040	0.00	177965	0.15
	31.12.2018	Transfer	3100	0.00	181065	0.15
	04.01.2019	Transfer	29069	0.02	210134	0.18
	11.01.2019	Transfer	(1825)	(0.00)	208309	0.18
	18.01.2019	Transfer	1340	0.00	209649	0.18
	25.01.2019	Transfer	(27629)	(0.02)	182020	0.15
	01.02.2019	Transfer	3604	0.00	185624	0.16
	08.02.2019	Transfer	(2254)	(0.00)	183370	0.15
	15.02.2019	Transfer	16087	0.01	199457	0.17
	01.03.2019	Transfer	(9384)	(0.01)	190073	0.16
	08.03.2019	Transfer	3475	0.00	193548	0.16
	15.03.2019	Transfer	16007	0.01	209555	0.18
	22.03.2019	Transfer	(4210)	(0.00)	205345	0.17
	29.03.2019	Transfer	(2411)	(0.00)	202934	0.17
	At the end of the year		202934	0.17	202934	0.17
6	SHAREKHAN LIMITED					
	At the beginning of the year		161600	0.14	161600	0.14
	Datewise increase/decrease in the share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)					
	Date	Reason	No. of shares	%	Cumulative shares	%
	06.04.2018	Transfer	(2629)	(0.00)	158971	0.13
	13.04.2018	Transfer	(3335)	(0.00)	155636	0.13
	20.04.2018	Transfer	108	0.00	155744	0.13
	27.04.2018	Transfer	17020	0.01	172764	0.15
	04.05.2018	Transfer	(6654)	(0.01)	166110	0.14
	11.05.2018	Transfer	145	0.00	166255	0.14
	18.05.2018	Transfer	(3306)	(0.00)	162949	0.14
	25.05.2018	Transfer	2886	0.00	165835	0.14
	01.06.2018	Transfer	(4624)	(0.00)	161211	0.14
	08.06.2018	Transfer	696	0.00	161907	0.14
	15.06.2018	Transfer	313	0.00	162220	0.14
	22.06.2018	Transfer	(3166)	(0.00)	159054	0.13
	30.06.2018	Transfer	5201	0.00	164255	0.14
	06.07.2018	Transfer	9268	0.01	173523	0.15
	13.07.2018	Transfer	(10566)	(0.01)	162957	0.14
	20.07.2018	Transfer	(238)	(0.00)	162719	0.14
	27.07.2018	Transfer	1727	0.00	164446	0.14
	03.08.2018	Transfer	1597	0.00	166043	0.14



Sl. No.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date	Reason	No. of shares	%	Cumulative shares	%
	10.08.2018	Transfer	1318	0.00	167361	0.14
	17.08.2018	Transfer	(5430)	(0.00)	161931	0.14
	24.08.2018	Transfer	4601	0.00	166532	0.14
	31.08.2018	Transfer	(4060)	(0.00)	162472	0.14
	07.09.2018	Transfer	(463)	(0.00)	162009	0.14
	14.09.2018	Transfer	28463	0.02	190472	0.16
	21.09.2018	Transfer	(11445)	(0.01)	179027	0.15
	29.09.2018	Transfer	23243	0.02	202270	0.17
	05.10.2018	Transfer	(8159)	(0.01)	194111	0.16
	12.10.2018	Transfer	2078	0.00	196189	0.17
	19.10.2018	Transfer	(1943)	(0.00)	194246	0.16
	26.10.2018	Transfer	(1242)	(0.00)	193004	0.16
	02.11.2018	Transfer	(28966)	(0.02)	164038	0.14
	09.11.2018	Transfer	(775)	(0.00)	163263	0.14
	16.11.2018	Transfer	11885	0.01	175148	0.15
	23.11.2018	Transfer	(11025)	(0.01)	164123	0.14
	30.11.2018	Transfer	1053	0.00	165176	0.14
	07.12.2018	Transfer	(1581)	(0.00)	163595	0.14
	14.12.2018	Transfer	650	0.00	164245	0.14
	21.12.2018	Transfer	3765	0.00	168010	0.14
	28.12.2018	Transfer	(4445)	(0.00)	163565	0.14
	31.12.2018	Transfer	250	0.00	163815	0.14
	04.01.2019	Transfer	1076	0.00	164891	0.14
	11.01.2019	Transfer	(621)	(0.00)	164270	0.14
	18.01.2019	Transfer	(155)	(0.00)	164115	0.14
	25.01.2019	Transfer	(103)	(0.00)	164012	0.14
	01.02.2019	Transfer	13479	0.01	177491	0.15
	08.02.2019	Transfer	(7777)	(0.01)	169714	0.14
	15.02.2019	Transfer	(3924)	(0.00)	165790	0.14
	01.03.2019	Transfer	6146	0.01	171936	0.14
	08.03.2019	Transfer	9658	0.01	181594	0.15
	15.03.2019	Transfer	976	0.00	182570	0.15
	22.03.2019	Transfer	(205)	(0.00)	182365	0.15
	29.03.2019	Transfer	2986	0.00	185351	0.16
	At the end of the year		185351	0.16	185351	0.16
7	PERIASAMY SAKTIVEL					
	At the beginning of the year		-	-	-	-
	Datewise increase/decrease in the share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)					
	Date	Reason	No.of shares	%	Cumulative Shares	%
	21.09.2018	Transfer	40000	0.03	40000	0.03
	29.09.2018	Transfer	20000	0.02	60000	0.05



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year		
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
	Date	Reason	No. of shares	%	Cumulative shares	%
	05.10.2018	Transfer	5000	0.00	65000	0.05
	12.10.2018	Transfer	5000	0.00	70000	0.06
	09.11.2018	Transfer	1723	0.00	71723	0.06
	16.11.2018	Transfer	620	0.00	72343	0.06
	30.11.2018	Transfer	657	0.00	73000	0.06
	07.12.2018	Transfer	2806	0.00	75806	0.06
	14.12.2018	Transfer	8417	0.01	84223	0.07
	21.12.2018	Transfer	6500	0.01	90723	0.08
	31.12.2018	Transfer	2574	0.00	93297	0.08
	04.01.2019	Transfer	(1560)	(0.00)	91737	0.08
	11.01.2019	Transfer	(1689)	(0.00)	90048	0.08
	18.01.2019	Transfer	14000	0.01	104048	0.09
	25.01.2019	Transfer	4771	0.00	108819	0.09
	01.02.2019	Transfer	11462	0.01	120281	0.10
	08.02.2019	Transfer	12719	0.01	133000	0.11
	15.02.2019	Transfer	11000	0.01	144000	0.12
	22.02.2019	Transfer	12000	0.01	156000	0.13
	At the end of the year		156000	0.13	156000	0.13
8	HARIVALLABH CHANDAK					
	At the beginning of the year		154000	0.13	154000	0.13
	Datewise increase/decrease in the share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)					
	At the end of the year		154000	0.13	154000	0.13
9	SAKTHI FINANCIAL SERVICES (COCHIN) P LTD					
	At the beginning of the year		150000	0.13	150000	0.13
	Datewise 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		150000	0.13	150000	0.13
10	GEETA PRABHUDAS DEVANI					
	At the beginning of the year		-	-	-	-
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)					
	Date	Reason	No.of shares	%	Cumulative Shares	%
	30.11.2018	Transfer	1400	0.00	1400	0.00
	08.03.2019	Transfer	1400	0.00	2800	0.00
	22.03.2019	Transfer	107600	0.09	110400	0.09
	At the end of the year		110400	0.09	110400	0.09



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	DR.M.MANICKAM				
	At the beginning of the year	1914200	1.61	1914200	1.61
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
2	Sri M.BALASUBRAMANIAM				
	At the beginning of the year	337325	0.28	337325	0.28
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
3	Sri M. SRINIVAASAN				
	At the beginning of the year	201000	0.17	201000	0.17
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
4	Sri S.S.MUTHUVELAPPAN				
	At the beginning of the year	3009	-	3009	-
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
5	Sri P.K.CHANDRAN				
	At the beginning of the year	6424	0.01	6424	0.01
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
6	Sri N.K.VIJAYAN				
	At the beginning of the year	1850	-	1850	-
	Datewise increase/decrease in share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus/sweat equity, etc.)		No change		
7	Sri C.RANGAMANI				
	At the beginning of the year	500	-	500	-
	Datewise 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	500	-	500	-



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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	Sri S.BALASUBHARAMANIAN				
	At the beginning of the year	23900	0.02	23900	0.02
	Datewise 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	23900	0.02	23900	0.02
9	Sri S.CHANDRASEKHAR				
	At the beginning of the year	1990	-	1990	-
	Datewise 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	1990	-	1990	-
10	Sri K.V.RAMACHANDRAN				
	At the beginning of the year	500	-	500	-
	Datewise 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	500	-	500	-
11	Smt.PRIYA BHANSALI				
	At the beginning of the year	-	-	-	-
	Datewise 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	-	-	-	-
12	Sri. JIGAR DALAL				
	At the beginning of the year	-	-	-	-
	Datewise 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	-	-	-	-
13	Sri.S.BASKAR				
	At the beginning of the year	5000	-	5000	-
	Datewise 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	5000	-	5000	-
14	Sri.C.R.SANKAR				
	At the beginning of the year	600	-	600	-
	Datewise 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	600	-	600	-

**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	70,661.27	21,216.03	-	91,877.30
ii) Interest due but not paid	21,710.31	3,563.96	-	25,274.27
iii) Interest accrued but not due	2,304.87	-	-	2,304.87
Total (i+ii+iii)	94,676.45	24,779.99	-	119,456.44
Change in Indebtedness during the financial year				
Addition	26685.43	4624.73	-	31310.16
Reduction	4642.87	2934.92	-	7577.79
Net Change	22042.56	1689.81	-	23732.37
Indebtedness at the end of the financial year				
i) Principal Amount	68,876.19	21,090.84	-	89,967.03
ii) Interest due but not paid	47,828.38	5,378.97	-	53,207.35
iii) Interest accrued but not due	14.43	-	-	14.43
Total (i+ii+iii)	116,719.01	26,469.80	-	143,188.81

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

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

* Upto 27.06.2018 ** Upto 12.06.2018 *** Upto 29.05.2018

B. Remuneration to other Directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors								Total Amount
		C.Rangamani	S.S.Muthuvelappan	P.K.Chandran	N.K.Vijayan	K.V.Ramachandran	S.Chandrasekhar	S.Balasubramanian	Priya Bhansali	
1	Independent Directors - Mr / Mrs.	1.80	1.10	1.10	1.40	1.20	0.80	0.70	0.80	8.90
	(a) Fee for attending Board/ Committee meetings	-	-	-	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	1.80	1.10	1.10	1.40	1.20	0.80	0.70	0.80	8.90
2	Other Non-Executive Directors - Mr	M.Balasubramaniam*	M.Srinivaasan*	Jigar Dalal						2.10
	(a) Fee for attending Board/ Committee meetings	1.40	0.60	0.10	-	-	-	-	-	
	(b) Commission	-	-	-	-	-	-	-	-	
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	1.40	0.60	0.10	-	-	-	-	-	2.10
	Total B (1+2)									11.00
	Total Managerial Remuneration									11.00
	Overall ceiling as per the Act	Non-Executive Directors are paid only sitting fees within the prescribed limit.								

* Non-Executive Directors from 28.06.2018 and 12.06.2018 respectively



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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personal		Total
		Company Secretary	CFO*	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	33.69 0.49 -	16.27 0.29 -	49.96 0.78 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit, others, (specify)	-	-	-
5	Others, please specify	-	-	-
	Total	34.18	16.56	50.74
	Ceiling as per the Act	-	-	-

* From 13-08-2018

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
13th August 2019M Manickam
Chairman and Managing Director



ANNEXURE - C TO THE BOARD'S REPORT

SALIENT FEATURES OF 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 (NR 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 candidate for 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 any of the fields of engineering, manufacturing, finance, accounts, taxation, agricultural operations, sales & marketing and general management.
 - b. In the case of Independent Directors, the candidate, in addition to the requirements under (a) above, should satisfy the criteria of independence as stipulated in the Companies Act and the Listing Regulations.
 - c. The NR Committee while recommending a candidate for appointment as a Director, shall consider and get itself satisfied about -
 - The candidate not being disqualified for appointment under Section 164 of the Companies Act, 2013.
 - Attributes/criteria regarding qualification, expertise 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 Committees 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 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.

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 calculated in accordance with the Companies Act 2013. The remuneration of Executive Director consists of only fixed remuneration.

The above remuneration will be subject to such approvals and conditions as laid down in applicable statute.

**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 NR Committee identifies persons and recommends to the Board for consideration and appointment.

In respect of other Senior Management Personnel, the NR Committee will recommend to the Board, all remuneration, in whatever form, payable to them for its approval.

Senior management means officers/personnel of the Company who are members of its core management team, excluding Board of Directors, comprising members of management one level below the Chief Executive Officer/Managing Director, including Company Secretary and Chief Financial Officer, and the functional heads.

In respect of other employees, the Chairman and Managing Director is authorised by the NR 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
13th August 2019

M Manickam
Chairman and Managing Director



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:*

In Dhenkanal unit, for raw juice heating 1st stage hot water is used as heating media instead of 3rd vapour.

(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:*

Nil

B. TECHNOLOGY ABSORPTION

(i) *Efforts made towards technology absorption:*

A new variety of cane Co-11015 is taken up for multiplication for planting by cane growers.

(ii) *Benefits derived*

Yield of sugarcane per acre will go up.

(iii) *In case of imported technology*

a. *details of technology imported*

b. *the year of import*

c. *whether the technology has been fully absorbed*

d. *if not absorbed, areas where absorption has not taken place and reasons thereof*

Not applicable

(iv) *Expenditure on Research and Development - Rs.23.56 lakhs*

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned Rs. 1549.58 lakhs

Foreign exchange used Rs. 175.23 lakhs

On behalf of the Board of Directors

Coimbatore
13th August 2019

M Manickam
Chairman and Managing Director



ANNEXURE-E TO THE BOARD'S REPORT

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2019

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

To,

The Members,

SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]

Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu–638315

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SAKTHI SUGARS LIMITED (hereinafter called "the Company") during the financial year from 1st April 2018 to 31st March 2019 ("the year"/ "audit period"/ "period under review").

We conducted the Secretarial Audit 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:

- (i) Our examination / verification of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us, forms / returns filed and compliance related action taken by the Company during the year as well as after 31st March 2019 but before the issue of this audit report;
- (ii) Our observations during our visits to the Corporate office of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee / Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2019 the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013 and the rules made thereunder (the Act).
 - (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
 - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations"):-
 - (a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, ['SEBI ICDR'] 2009 (upto November 09, 2018) and the SEBI ICDR, 2018 (from November 10, 2018);
 - (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
 - (v) The following laws are specifically applicable to the Company (Specific laws):
 - (a) Essential Commodities Act, 1955 and the rules / orders made thereunder with respect to sugar;



(b) Tamil Nadu Prohibition Act, 1937 and the rules made thereunder with respect to molasses and industrial alcohol;

(c) Sugar Development Fund Act, 1982 and the rules made thereunder;

(d) Sugar Cess Act, 1982;

(e) Food Safety and Standards Act, 2006 and the rules/regulations made thereunder with respect to sugar and soya; and

(f) Electricity Act, 2003 and the rules made thereunder, with respect to co-generation of power.

(vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).

(vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (FEMA);

(viii) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2019 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) Complied with the applicable provisions / clauses of the Acts, Rules, SEBI Regulations and Specific laws mentioned under sub-paragraphs (i) to (vii) of paragraph 1.1 above; and
- (ii) Complied with the applicable provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1.(viii) above to the extent applicable to Board / Committee Meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3), being non-mandatory has not been adopted by the Company. Secretarial Standards-4 (SS-4) on 'Report of the Board of Directors' (non-mandatory) came into effect from October 01, 2018, after approval of the report of the Board of Directors for the financial year ended March 31, 2018; and hence compliance with same did not arise during the year.

1.3. We are informed that, during / in respect of the year, due to non-occurrence of certain events, the Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (FEMA);
- (ii) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act, 2013 and dealing with the client;
- (iii) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (iv) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (v) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

2. Board processes:

We further report that:

2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and LODR.

2.2 As on 31st March 2019, the Board has:

- (i) 1 [One] Executive Director designated as Chairman and Managing Director
- (ii) 2 [Two] Non-Executive Non-Independent Directors
- (iii) 1 [One] Nominee Director
- (iv) 8 [Eight] Non-Executive Independent Directors including a Woman Independent Director.

2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:

- (i) Cessation of Sri.V.K.Swaminathan (DIN 00210869) Executive Director due to resignation.
- (ii) Change in designation of Sri.M.Srinivaasan (DIN 00102387) from Managing Director to Non-Executive Non-Independent Director.



- (iii) Change in designation of Sri.M.Balasubramaniam (DIN 00377053) from Managing Director to Non-Executive Non-Independent Director.
- (iv) Appointment of Dr.M.Manickam (DIN 00102233) as Chairman and Managing Director for a period of five years from 12th June 2018.
- (v) Re-appointment of Sri.M.Balasubramaniam (DIN 00377053) as a Director upon retirement by rotation at the 56th Annual General Meeting held on 28th September 2018.
- (vi) Continuation of Sri. S.S. Muthuvelappan (DIN 00273870) and Sri C Rangamani (DIN 00090786) as Non-Executive Independent Directors from 1st April 2019 to 29th September 2019.

2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.

2.5 Notice of Board meetings were sent to the directors at least seven days in advance.

2.6 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings.

2.7 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

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

2.8 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.

2.9 We are informed that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that:

3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events / actions

4.1 During the year, there are no specific events / actions having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards.

For S Krishnamurthy & Co.,
Company Secretaries

Date : 13th August 2019
Place : Coimbatore

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



Annexure - A to Secretarial Audit Report of even date

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2019 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2019 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have not verified the compliances as regards payments of statutory dues, since the same has been covered by the statutory auditor.
8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
9. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co.,
 Company Secretaries

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

Date : 13th August 2019
 Place : Coimbatore



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

a. Composition and category of Directors

The composition of the Board is in conformity with the provisions contained in the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March 2019, the Board consisted of a Chairman and Managing Director, two Non-Executive Promoter Directors, eight Independent Directors including a Woman Director, and a Nominee Director representing Asset Reconstruction Company (India) Limited, a lender. The number of Independent Directors is more than 50% of the total number of Directors on the Board.

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

The Independent Directors have confirmed/declared that they satisfy/meet with the criteria of independence as stipulated under Section149(6) of the Companies Act 2013 and in Regulation 16(1)(b) of SEBI (LODR) Regulations 2015. During the financial year, the Independent Directors had a separate meeting on 14.02.2019 without the participation of Non-Independent Directors and the management team. All the Independent Directors except Sri K.V.Ramachandran were present at the meeting.

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

During the financial year ended 31st March 2019, the Board met 7 times on 30.05.2018, 12.06.2018, 13.07.2018, 13.08.2018, 24.08.2018, 12.11.2018 and 14.02.2019. The Board is provided with all material information, including the minimum information to be placed before the Board as specified in Part A of Schedule II to the SEBI (LODR) Regulations. The gap between two meetings did not exceed 120 days. The details of attendance of each Director at the Board Meetings and at the last Annual General Meeting held on 28.09.2018 and the number of other Directorships and Committee Chairmanship/ Membership as on 31st March 2019 are given below:

Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships	Committee Position		
			Board Meeting	Annual General Meeting		Chairman	Member	
						(Other than SSL)		
Dr.M.Manickam	00102233	Promoter Executive	6	Yes	13	1	-	
Sri M.Balasubramaniam	00377053	Promoter Non-executive*	5	Yes	13	-	3	
Sri M.Srinivaasan	00102387	Promoter Non-executive*	3	Yes	8	-	2	
Sri C.Rangamani	00090786	Non-executive Independent	7	No	1	1	-	
Sri S.S.Muthuvelappan	00273870	Non-executive Independent	7	Yes	-	-	-	
Sri P.K.Chandran	00273738	Non-executive Independent	7	Yes	-	-	-	
Sri N.K.Vijayan	00300871	Non-executive Independent	7	Yes	-	-	-	



Name of the Director	DIN	Category of Directorship	Attendance at		No. of other Directorships	Committee Position	
			Board Meeting	Annual General Meeting		Chairman	Member
			(Other than SSL)				
Sri K.V.Ramachandran	00322331	Non-executive Independent	6	Yes	3	-	1
Sri S.Chandrasekhar	00011901	Non-executive Independent	6	Yes	10	-	1
Sri S.Balasubramanian	00458139	Non-executive Independent	5	Yes	2	-	-
Smt. Priya Bhansali	00195848	Non-executive Independent	4	Yes	2	-	-
Sri Jigar Dalal	07681541	Nominee Director (ARCIL)	1	No	-	-	-

* Promoter Non-Executive from 28.6.2018 and 12.6.2018 respectively.

c. Details of directorships held by the Directors of the Company in other listed entities

Name of Director	Name of listed entity	Category of directorship
Dr. M. Manickam	Sakthi Finance Limited	Promoter Non-executive
	Kovai Medical Centre & Hospitals Limited	Non-executive Independent
Sri M.Balasubramaniam	Sakthi Finance Limited	Promoter Executive
Sri M.Srinivaasan	Sakthi Finance Limited	Promoter Non-executive
Sri K.V.Ramachandran	E L Forge Limited	Promoter Executive
Smt. Priya Bhansali	Sakthi Finance Limited	Non-executive Independent

d. Chart/Matrix setting out skills/expertise/competence of the Directors

The Company being manufacturers of refined white crystal sugar and other bye-products, the Board of Directors of the Company has identified the following core skills/expertise/competencies for effective functioning of the Company:

- Entrepreneurial skill and business management
- Engineering and manufacturing expertise with reference to sugar industry
- Agricultural expertise and experience in sugar cane cultivation
- Expertise in finance, accounting, legal and taxation
- Sales and marketing expertise and experience

Each of the Directors on the Board of the Company possesses one or more of the above identified skills/expertise/competencies.

e. Relationships between Directors inter se

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



f. Number of shares and convertible instruments held by Non-Executive Directors in the Company as on 31st March 2019

Sl. No	Name of the Non-Executive Director	No. of Equity Shares Held
1	Sri M. Balasubramaniam	337325
2	Sri M. Srinivaasan	201000
3	Sri C. Rangamani	500
4	Sri S.S. Muthuvelappan	3009
5	Sri P.K. Chandran	6424
6	Sri N.K. Vijayan	1850
7	Sri K.V. Ramachandran	500
8	Sri S. Chandrasekhar	1990
9	Sri S. Balasubramanian	23900
10	Smt. Priya Bhansali	-
11	Sri Jigar Dalal	-

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

g. 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 and briefing of amendments to the Companies Act, SEBI Regulations, etc. The familiarisation process is disclosed at the Company's weblink www.sakthisugars.com/investorinformation/familiarisationprog.pdf.

h. Performance Evaluation

Pursuant to the provisions of the Companies Act and SEBI (LODR) Regulations, evaluation of the performance of the Board, Committees and individual Directors was carried out by the Board for the year 2018 -19 which Included performance of the Directors and fulfilment of independence criteria as specified in SEBI (LODR) Regulations and their independence from the management. The questionnaires were prepared in a structured manner taking into consideration the guidance note on Board Evaluation issued by SEBI. The performance of each of the individual Directors was evaluated on parameters such as attendance, level of participation in the meetings and contribution, independence of judgement, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of all the Independent Directors was done by the entire Board excluding the concerned Independent Director based on the criteria of performance evaluation laid down by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

i. 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 Chairman and Managing Director in this regard is attached.

j. It is confirmed that in the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the SEBI (LODR) Regulations 2015 and that they are independent of the management of the Company.

None of the Independent Directors of the Company has resigned before expiry of his/her tenure of office as Independent Director.

3. AUDIT COMMITTEE

a. Composition and Meetings

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

Smt. Priya Bhansali



The Committee met 6 times during the financial year on 30.05.2018, 13.07.2018, 13.08.2018, 24.08.2018, 12.11.2018 and 14.02.2019 and the attendance of its members are given below. The gap between two meetings did not exceed 120 days.

Members of the Committee	Category	Number of Meetings Attended
Sri C.Rangamani - Chairman	Independent, Non-Executive	6
Sri N.K.Vijayan	Independent, Non-Executive	6
Sri K.V.Ramachandran	Independent, Non-Executive	5
Smt.Priya Bhansali	Independent, Non-Executive	3

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 Committee appointed Sri K.V.Ramachandran as Chairman of the Committee in the absence of Sri C.Rangamani during September and October 2018. Sri K.V.Ramachandran as Chairman of the Audit Committee attended the last Annual General Meeting.

Sri S. Baskar, Company Secretary, functions as Secretary for the Committee.

b. Terms of reference

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

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

1. Examination of the financial statement and draft auditors' report.
2. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Recommendation for appointment, remuneration and terms of appointment of statutory auditors and cost auditors of the Company.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of sub-section (3)(c) of Section 134 of the Companies Act 2013.
 - b. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations.
 - c. Any changes in accounting policies and practices and reasons for them.
 - d. Major accounting entries involving estimates based on exercise of judgment by management.
 - e. Significant adjustments made in the financial statements arising out of audit findings.
 - f. Modified opinions in the draft audit report.
 - g. Disclosure of any related party transaction.
 - h. Compliance with listing and other legal requirements relating to financial statements.
- i. Review the statement for uses/applications of funds by major category on a quarterly basis, with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus/notice. Such review shall be conducted till the full money raised through the issue has been fully spent.
- j. Evaluation of internal financial controls and risk management systems.
6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.
7. Approval/recommendation to the Board of related party transactions, including omnibus approval and modification, if any, therein.



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.

The Committee has taken appropriate action with regard to the above references that have arisen during the financial year.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition and Meetings

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

Sri S.S. Muthuvelappan, Chairman

Sri P.K. Chandran

Sri C. Rangamani

The Nomination and Remuneration Committee met 3 times during the financial year on 12.06.2018, 13.08.2018, 14.02.2019 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. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Carry out evaluation of every Director's performance.
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees and to ensure the following:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - ii. relationship of remuneration to performance is clear and meets the appropriate benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long term performance, objectives appropriate to the working of the Company and its goals.
7. Review and recommend the compensation and variable pay for Executive Directors to the Board.
8. Recommend on Board diversification.
9. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

c. Performance evaluation criteria for Independent Directors

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

5. REMUNERATION OF DIRECTORS

a. Policy on Remuneration

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

**b. Details of remuneration to Directors**

The details of remuneration paid to Executive and Non-Executive Directors during the financial year ended 31st March 2019 are given below:

(Rs. in Lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr.M.Manickam	—	—	—	—
Sri M.Balasubramaniam*	—	—	1.40	1.40
Sri M.Srinivaasan*	—	—	0.60	0.60
Sri V.K.Swaminathan**	—	—	—	—
Sri C.Rangamani	—	—	1.80	1.80
Sri S.S.Muthuvelappan	—	—	1.10	1.10
Sri P.K.Chandran	—	—	1.10	1.10
Sri N.K.Vijayan	—	—	1.40	1.40
Sri K.V.Ramachandran	—	—	1.20	1.20
Sri S.Chandrasekhar	—	—	0.80	0.80
Sri S.Balasubramanian	—	—	0.70	0.70
Smt.Priya Bhansali	—	—	0.80	0.80
Sri Jigar Dalal	—	—	0.10	0.10

* Non-Executive Directors from 28.6.2018 and 12.6.2018 respectively.

** Ceased to be a Director/Executive Director on 29.5.2018.

- i. The Non-Executive Directors were paid sitting fees for attending the Board and Committee Meetings within the limits prescribed under the Companies Act 2013. The sitting fees paid to any single Non-executive Director does not exceed 50% of the total fees paid to all the Non-executive Directors together. There has been no other pecuniary relationship or transactions with the Non-Executive Directors.
- ii. For the period Dr.M.Manickam, Sri M.Balasubramaniam, Sri M.Srinivaasan and Sri V.K.Swaminathan held office as Executive Chairman, Managing Director, Joint Managing Director and Executive Director respectively during the financial year, they were not paid any remuneration as their appointment and remuneration were subject to approval of the Central Government and the approvals were not received. The appointment of Dr.M.Manickam as Chairman and Managing Director effective from 12th June 2018 is without remuneration. There is no service contract with the Chairman and the Managing Director.
- iii. No severance fee is payable to the Directors on termination of office/employment.
- iv. The Company has no stock option scheme to its Directors or employees.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE**a. Composition and Meetings**

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

Sri S. Chandrasekhar

Dr. M. Manickam

Sri M. Balasubramaniam

Sri S. Chandrasekhar, an Independent Non-Executive Director, heads the Stakeholder Relationship Committee as its Chairman. He was present at the last Annual General Meeting of the Company.

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

The Committee met once during the financial year on 28.03.2019 and Sri S.Chandrasekhar, Chairman, and Sri M.Balasubramaniam were present at the meeting.

The Company had received 7 complaints during the year under review and the said complaints have been resolved to the satisfaction of the shareholders. There is no complaint remaining unresolved or pending as on 31st March 2019.

**b. Terms of reference**

The terms of reference of the Committee includes the following:

1. Resolving the grievances of the security holders of the Company, including complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Reviewing of measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

7. RISK MANAGEMENT COMMITTEE

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

Sri C. Rangamani, Chairman

Sri P.K. Chandran

Sri K.V. Ramachandran

The Committee met once during the financial year on 29.03.2019. All the members of the Committee, except Sri P.K. Chandran, were present at the meeting. The Board has framed a Risk Management Policy for assessing and mitigating the risks.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Sri N.K. Vijayan, Chairman

Sri M. Srinivaasan

Sri S. Chandrasekhar

Since the Company has incurred loss during the three immediately preceding financial years, the necessity of incurring expenditure towards Corporate Social Responsibility as specified in the Companies Act read with Schedule VII to the Act, has not arisen during the year under review. The Committee did not meet during the financial year under review.

The CSR Policy approved by the Board is displayed on the website of the Company www.sakthisugars.com

9. OTHER COMMITTEE OF DIRECTORS**a. Share Transfer Committee**

The Committee met 10 times during the financial year on 13.04.2018, 13.07.2018, 13.08.2018, 17.10.2018, 10.11.2018, 07.12.2018, 27.12.2018, 12.01.2019, 22.02.2019 and 11.03.2019.

The details of members of the Committee and their attendance are as under:

Members of the Committee	No. of meetings attended
Dr. M. Manickam, Chairman	7
Sri M. Balasubramaniam	10
Sri M. Srinivaasan	6

b. Committee of Directors (Borrowing)

The Committee met 2 times during the financial year on 15.5.2018, and 10.10.2018. The details of members and their attendance are as under:

Members of the Committee	No. of meetings attended
Dr. M. Manickam, Chairman	1
Sri M. Balasubramaniam	2
Sri V.K. Swaminathan (upto 29.5.2018)	1
Sri S. Balasubhramanian (from 12.6.2018)	1



10. GENERAL BODY MEETINGS

a. Location and time of last three AGMs

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

AGM	Date	Venue	Time
54 th	27.09.2016	Registered Office at Sakthinagar, Bhavani Taluk, Erode District	02.45 p.m.
55 th	27.09.2017	- do -	03.00 p.m.
56 th	28.09.2018	- do -	02.45 p.m.

b. Special Resolutions passed in the previous three AGMs

No Special Resolution was passed at the 54th and 55th Annual General Meetings held on the dates mentioned above.

At the 56th Annual General Meeting held on 28.09.2018, two special resolutions were passed pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approving continuation of Sri S.S.Muthuvelappan (holding DIN 00273870) and Sri C. Rangamani (holding DIN 00090786), both aged 76 years, as Non-Executive Independent Directors from 1st April 2019 till the conclusion of their present tenure of office i.e. upto 29th September 2019.

c. Special Resolutions passed through Postal Ballot

No Special Resolution was passed through Postal Ballot during the financial year 2018-19 or is proposed to be conducted through postal ballot.

11. MEANS OF COMMUNICATION

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

12. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting

Day and Date	:	Friday, 27th September 2019
Time	:	2.45 p.m.
Venue	:	Sakthinagar - 638 315, Bhavani Taluk, Erode district, Tamil Nadu.

b. Cut-off Date (Record Date) for Voting

c. Financial Calendar for the financial year

Result for the quarter ending	:	Result announcement
30th June 2019	:	On or before 14th August 2019
30th September 2019	:	On or before 14th November 2019
31st December 2019	:	On or before 14th February 2020
31st March 2020 (Audited)	:	On or before 30th May 2020



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

e. Market Price Data

The high and low quotations of the Company's shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from April 2018 to March 2019 are given below:

Month	BSE		NSE		BSE (Sensex)	
	High	Low	High	Low	High	Low
April 2018	19.70	16.15	19.75	16.20	35213.30	32972.56
May 2018	16.95	13.45	17.00	13.30	35993.53	34302.89
June 2018	16.80	13.10	16.80	13.50	35877.41	34784.68
July 2018	14.50	11.92	15.65	11.80	37644.59	35106.57
August 2018	14.55	12.60	14.70	12.55	38898.65	37128.99
September 2018	21.90	12.52	21.70	12.55	38934.35	35985.63
October 2018	15.50	12.19	15.75	12.30	36616.64	33291.58
November 2018	15.46	13.16	15.40	13.00	36389.22	34303.38
December 2018	13.94	12.37	13.85	12.60	36554.99	34426.29
January 2019	13.70	11.55	13.65	11.50	36701.03	35375.51
February 2019	12.40	8.00	12.20	7.80	37172.18	35287.16
March 2019	14.20	10.36	14.15	10.40	38748.54	35926.94

Performance in comparison to BSE Sensex:

	31.03.2019	31.03.2018	% change
Company share price (closing)	11.35	16.15	-29.72
SENSEX (closing)	38673	32969	17.30

f. The equity shares of the Company have not been suspended from trading by National Stock Exchange of India Limited and by BSE Limited.

g. Registrar and Share Transfer Agents

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

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

**h. Share Transfer System**

Requests for transfer of equity shares in physical form received upto 31st March 2019 and resubmission thereof after that date were 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. Fresh requests for transfer of shares in physical form received from 1st April 2019 are not processed pursuant to the amendment to Regulation 40 of SEBI (LODR) Regulations 2015.

i. Distribution of Shareholding as on 31st March 2019

Shareholdings	No. of shareholders	% of shareholders	Number of shares	% of shareholding
1 - 500	32455	82.88	4382719	3.69
501 - 1000	3209	8.20	2660808	2.24
1001 - 2000	1633	4.17	2501635	2.10
2001 - 3000	597	1.52	1530641	1.29
3001 - 4000	285	0.73	1030562	0.87
4001 - 5000	272	0.70	1291159	1.09
5001 - 10000	408	1.04	2963513	2.49
10001 & above	298	0.76	102487999	86.23
Total	39157	100.00	118849036	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 2019, 11,74,96,337 equity shares of the Company representing 98.86% have been dematerialised.

k. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments and impact on equity

The Company has not issued any global depository receipts or American depository receipts or warrants. The details of outstanding Foreign Currency Convertible Bonds (Series A) (FCCB) issued by the Company as on 31st March 2019 and its impact on the equity shares are given in Note No.17 of the financial statement. The right of the holders of the FCCB of conversion and / or claim thereon have lapsed on 30th May 2019.

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

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company.

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

m. Plant Location

Sugar Unit, Distillery Unit, Ethanol & Co-Generation Plant	: Sakthi Nagar - 638 315 Erode District, Tamilnadu
Sugar Unit & Beverage Plant and Co-generation Plant	: Padamathur Village – 630 561 Sivaganga District, Tamil Nadu
Sugar Unit & Distillery Unit and Soya Extrusion Plant	: Haripur Village, Korian Post -759 013 Dhenkanal District, Orissa
Sugar Unit & Co-Generation Plant	: Poonthurai Semur Post - 638 115 Modakurichi, Erode District, Tamilnadu
Soya Unit	: Marchinaickenpalayam Ambarampalayam Post - 642 103 Coimbatore District



Address for correspondence : Sakthi Sugars Limited
180, Race Course Road
Coimbatore – 641 018
Phone No: 0422-4322222
Fax Nos: 0422-2220574 & 4322488
E-mail : shares@sakthisugars.com
Website : www.sakthisugars.com

n. The Company has not obtained or revised any credit rating during the financial year.

13. OTHER DISCLOSURES

a. Materially significant related party transactions

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

b. Instances of non-compliance, if any

There is no instance 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.

c. 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. No compliant / report has been received under this Policy during the year under review.

d. Compliance on Corporate Governance

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

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

- i. Shareholders rights: As the quarterly/half yearly financial results are published in newspapers and are also posted in the website of the Company, they are not being sent to the shareholders separately.
- ii. Audit qualification: The Report of the Statutory Auditors is an unmodified report.
- iii. Separate posts of Chairman and CEO: The Articles of Association of the Company permits appointment of the same individual as Chairperson as well as the Managing Director of the Company as permitted in the first proviso to Section 203(1) of the Companies Act 2013.
- iv. Reporting of Internal Auditor: The Company has in house internal audit system and the head of internal audit team reports to the Audit Committee of the Company.

e. Subsidiary

During the financial year ended 31st March 2019, the Company did not have any subsidiary. As such the need for framing a policy for determining material subsidiary does not arise at present.

f. 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.

The Policy on related party transactions are posted on the Company's web link www.sakthisugars.com/investorinformation/rptpolicy.pdf.

g. Compliance with Accounting Standards

The Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 have been followed by the Company while preparing Financial Statements and the Company has not adopted a treatment different from that prescribed in the Indian Accounting Standards.

**h. Utilisation of funds raised from issue of securities**

The Company has not raised any fund through issue of securities during the financial year ended 31st March 2019.

- i. A certificate issued by M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed.
- j. All the recommendations of the Committees which are mandatorily required have been accepted by the Board of Directors of the Company.
- k. The total fees paid by the Company for all the services to its statutory auditors is Rs.39.70 lakhs plus applicable tax thereon. The statutory auditors of the Company do not have any network arrangement.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:
 - a. Number of complaints filed during the financial year : Nil
 - b. Number of complaints disposed of during the financial year : Nil
 - c. Number of complaints pending at the end of the financial year : Nil

m. Reconciliation of Share Capital Audit

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

14. CEO/CFO Certification

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

The Senior Management personnel have made disclosures to the Board relating to all material, financial and commercial transaction stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large. The Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics during the year ended 31.3.2019. The Declaration issued by the Chairman and Managing Director in this regard is annexed.

15. DETAILS OF UNCLAIMED SHARE CERTIFICATES

Pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has opened a Demat Account in the name of "Sakthi Sugars Limited Unclaimed Suspense Account" with Stock Holding Corporation of India Limited. The details of unclaimed shares as on 31.3.2019 are as under:

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2018)	125396	2772
Shareholders approached for transfer during the year	180	4
Transferred during the year	180	4
Outstanding at the end of the year (31.03.2019)	125216	2768

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

16. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

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

On behalf of the Board of Directors

Coimbatore
13th August 2019

M MANICKAM
Chairman and Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[In terms of Regulation 34(3) read with Schedule V Para C Clause(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]
Sakthi Nagar, Bhavani Taluk,
Erode District, Tamilnadu-638315

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sakthi Sugars Limited [CIN: L15421TZ1961PLC000396] having registered office at Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu 638 315 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C Sub Clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification at MCA Portal as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that none of the directors on the Board of Sakthi Sugars Limited ("the Company") as stated below for the financial year ended as on the 31st March 2019, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs, Government of India (MCA) or such other Statutory Authority.

S.No	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Mahalingam Manickam	Chairman and Managing Director	00102233
2.	Balasubramaniam Mahalingam	Non-Executive Non-Independent Director	00377053
3.	Srinivaasan Mahalingam	Non-Executive Non-Independent Director	00102387
4.	Shanmugasundaram Chandrasekhar	Independent Director	00011901
5.	Rangamani	Independent Director	00090786
6.	Puliyampatti Karuthirumagounder Chandran	Independent Director	00273738
7.	Savandapur Senniappa Gounder Muthuvellappan	Independent Director	00273870
8.	Nanjagoundenpalayam Kaliappa Gounder Vijayan	Independent Director	00300871
9.	Korukkai Visweswaran Ramachandran	Independent Director	00322331
10.	Swaminathan Balasubramanian	Independent Director	00458139
11.	Priya Bhansali	Independent Director	00195848
12.	Jigar Chinu Dalal	Nominee Director	07681541

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.Krishnamurthy & Co.,
Company Secretaries,

R.Sivasubramanian
Partner.

Membership No. A22289
Certificate of Practice No.12052

Coimbatore
13th August 2019



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

As required under Schedule V (D) of the SEBI (LODR) Regulations, 2015, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31.03.2019.

On behalf of the Board of Directors

Coimbatore
13th August 2019

M. MANICKAM
Chairman and Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Sakthi Sugars Limited

We have examined the compliance of the conditions of Corporate Governance by Sakthi Sugars Limited ('the Company'), for the year ended on 31st March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation(2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations 2015 for the year ended on 31st March 2019.

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 K.NAGARAJAN & Co
Chartered Accountants
Firm Reg. No. : 016676S

P.K. NAGARAJAN

Partner

M.No.: 025679

UDIN : 19025679AAAAAJ5206

Place : Coimbatore
Date : 13.08.2019



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments

Sugar Industry is the second largest agro-based industry in India next to textile. The prospects of this industry depend on availability of sugarcane which is subject to vagaries of monsoon and the policies of the Central and State Governments.

The sugar mills in Tamilnadu and south Karnataka suffered for more than four years continuously due to non-availability of sugarcane for crushing on account of drought. While the mills in northern India have recovered last year with good monsoon, high rate of crushing and high level of sugar production, the sugar mills in the South, especially in the western side of Tamilnadu, are yet to get good rain. With estimated level of production of 315 lakh tonnes of sugar, the price for sugar started tumbling down and the Central Government had to take actions like maintenance of buffer stock, giving export incentive, fixing of minimum selling price for sugar, policy announcement for production of ethanol from juice/B-heavy molasses, Minimum Indicative Export Quota, etc. to sustain reasonably economical selling price for sugar to enable the mills to pay the sugarcane price to farmers in time.

With nature's correction, there has been certain reversal from the estimated high level of sugar production in 2018-19 season and this has resulted in sales realisation being maintained a little above the minimum selling price of Rs.3,100 per quintal. It is expected that during the sugar season 2019-20, there may be further reduction in production of sugar. With ever growing sugarcane price and falling selling price for sugar, mills are facing difficulty in paying sugarcane price on time. Sugarcane price arrears for the season 2018-19 pan India has mounted to Rs.20,000 crores, which has come down to about Rs.9,000 crores with the extension of soft loans by banks over and above the existing credit facilities.

B. Opportunities and Threats

i. Opportunities

Sugarcane as a crop is a long term crop and hassle free for farmers to grow. There is assured market for the produce with definite price. These factors assure cultivation of sugar cane, subject to factors like good monsoon, etc., and availability of raw material to sugar mills.

Sugar business is cyclical in nature and is capable of self-adjusting in the long run.

In growing economy like India with population exceeding 130 million, there will be no dearth for demand for sugar.

Bye-products like molasses, power, are capable of being used in production of value- added goods.

ii. Threats

The price of sugarcane is politically sensitive and is fixed in advance. There is no chance of reducing the price when there is fall in price of the final product sugar.

Behaviour of monsoon, an uncontrollable factor, determines the prospects of sugar industry.

The State getting surplus in power makes the cogeneration operation unviable with low per unit power price.

Urbanisation, non-availability of farm labourers and fragmented land holdings have adverse impact on sugarcane cultivation, which is labour intensive.

C. Segment wise or Product wise Performance

Segment wise results are given in the Notes on Financial Statements for the financial year ended 31.3.2019. Product wise performance is furnished in the Board's Report.

D. Outlook

The beginning of south-west monsoon has not been encouraging. It is expected that the monsoon will pick up during the remaining period and availability of sugarcane would increase from next season.

E. Risks and Concerns

Availability of sugarcane for crushing, price realisation on sale of sugar and the controls imposed by the Governments are the major risks faced by the sugar industry. These factors have direct impact on the financial liquidity and profitability of the Company.

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

The Company has an in-house internal audit team to ensure that all activities are monitored and controlled. Adequate internal checks are built-in to cover all monetary and material transactions in the system developed by the Company. The Internal Audit reports are presented to the Audit Committee on a quarterly basis for review and deliberation. The Company Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2019 and found the same to be adequate and effective.

G. Financial Performance with respect to Operational Performance

The total revenue for the financial year under review is Rs.50505.93 lakhs (previous year Rs.53020.06 lakhs). The financial year has ended with net loss of Rs.21401.42 lakhs (previous year net loss Rs.17710.26 lakhs) after providing Rs.25966.57 lakhs (Rs.14994.92 lakhs) for finance cost and Rs.5158.53 lakhs (Rs.5281.69 lakhs) for depreciation and amortisation.

H. Key Financial Ratios

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios and the reasons therefor are as under:

Description	Unit of measurement	2018-19	2017-18	Change (%)	Explanation
Interest coverage ratio	Times	0.37	- 0.18	306.37	Operations during the year resulted in cash profit as against cash loss for the last year. Hence ratio has improved.
Debt Equity Ratio	Times	19.67	3.50	462.00	Reduction in equity due to loss and increase in debt.
Return on Networth	%	- 474.14	- 68.54	- 405.60	Reduction of networth due to loss.

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

The industrial relations at all plants and offices remain cordial. The total number of employees on the rolls of the Company, including temporary employees and apprentice, was 1407 as at the financial year ended 31st March 2019. 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
13th August 2019

M Manickam
Chairman and Managing Director



INDEPENDENT AUDITOR'S REPORT

To The Members of Sakthi Sugars Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Sakthi Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. We draw attention to Note 40 of the Financial Statements. The company has incurred net loss of Rs. 26676.22 lakhs during the year ended March 31, 2019 and as of that date, the Company's accumulated losses aggregate to Rs. 37508.86 lakhs. Further, as of that date, company's current liabilities exceeded its current assets by Rs. 102416.02 lakhs. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not modified in respect of this matter..

Emphasis of Matter

5. Certain banks have classified its advance to company as Non-Performing Assets and are not charging/applying interest accrued. In order to account for all probable liabilities, the management in its best judgement has provided interest including penal interest, as per the terms of original sanction, on such borrowings. The management is of the opinion that the difference in interest, if any, shall be accounted for as and when the interest is charged or adjusted by the banks. Our opinion is not modified in respect of this matter.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	How the matter was addressed in the audit
6.1	Determination of net realizable value of inventory of sugar as at the year ended March 31, 2019 (Refer to the accompanying note 1.4 and 7 forming integral part of the Financial Statements) As on March 31, 2019, the Company has inventory of sugar with the carrying value Rs. 4396.61 lakhs. The inventory of sugar is valued at the lower of cost and net realizable value. We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.	Our audit procedures included the following: (a) We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar. (b) We considered various factors including the actual selling price prevailing around and subsequent to the date of Balance Sheet, minimum selling price & monthly quota and other notifications of the Government. (c) Based on the above procedures performed, the management's determination of the cost and net realizable value of the inventory of sugar as at the end of the year is considered to be reasonable



S.No.	Key Audit Matter	How the matter was addressed in the audit
6.2	Assessment of litigations and related disclosure of contingent liabilities (Refer to the accompanying note 1.3 and 39(A) forming integral part of the Financial Statements) As at March 31, 2019, the Company has exposures towards litigations relating to various matters. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none">(a) We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;(b) We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;(c) We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in the Financial Statements;(d) We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; and(e) We assessed the adequacy of the Company's disclosures. <p>Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Financial Statements are considered to be reasonable.</p>

Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.
8. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
9. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
10. When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

11. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in



the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

16. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

17. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable..

20. 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



(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 39(A) 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.K.NAGARAJAN & CO.,
Chartered Accountants
Firm Registration Number: 016676S

Coimbatore
May 28, 2019

P.K. NAGARAJAN
Partner
Membership Number: 025679

Annexure - A to the Independent Auditor's Report

Referred to in paragraph 19 of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2019

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
(c) The title deeds of immovable properties, as disclosed on Note No. 2 on Property, Plant and Equipment to the financial statements, are held in the name of the Company, except for land of Soya division acquired, pursuant to scheme of amalgamation having a carrying value of Rs.2438.28 lakhs as at March 31, 2019.
- ii. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. The Company had granted unsecured loan in earlier years to the erstwhile Associate Company covered in the register maintained under Section 189 of the Act and during the year the loan has been fully repaid and there is an outstanding balance of Rs. 14711.49 lakhs towards interest as at the date of balance sheet.
 - (a) The terms and conditions, of the grant of loan to the erstwhile associate company, are not prejudicial to the interest of the company.
 - (b) Principal amount of the loan has been fully repaid during the year. Interest has been charged during the last quarter of the year. As per the representation of the management of the company, the interest has become due and payable on demand.
 - (c) In respect of the aforesaid loan, principal has been fully repaid and the amount of outstanding interest is not overdue for more than ninety days.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loan given, investments made, security provided, and guarantee given.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the cost records maintained by the company specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues with appropriate authorities except undisputed statutory dues relating to provident fund and goods and services tax that have not generally been regularly deposited during the year by the Company with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable, except Electricity Generation Tax as mentioned below:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates
Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Electricity Generation Tax	167.72	30/06/2016 to 30/04/2018

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and value added tax, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and service tax as at March 31, 2019, which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Penalty	3,189.24	2005-06, 2010-11, 2011-12, 2012-13, 2014-15, 2016-18	Commissioner of Income Tax (Appeals), Coimbatore
		187.41	2010-11, 2011-12	ITAT, Chennai
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1056.09	1983-84 to 1995-96, 1989-90 to 1994-95	Madras High Court, Chennai
		28.25	2000-01	Additional Commissioner (CT)/(RP), Chennai.
The Central Excise Act, 1944	Excise Duty	5.49	2002-03	Madras High Court, Chennai
		442.26	2007-08, 2010-12, 2015	CESTAT, Chennai.
		236.81	2006-07, 2008-2010, 2016-17	Commissioner of Central Excise (Appeals).
The Bihar & Orissa Excise Act, 1915	Excise Duty	12.63	2002-03	High Court of Orissa, Cuttack.
Finance Act, 1994	Service Tax	265.90	2005, 2006, 2007, 2008, 2009-2013, 2014-15	CESTAT, Chennai.
		1.47	2014-15	Commissioner of Central Excise (Appeals).

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

(a) Default in repayment of loans to Bank

S. No.	Particulars	Amount of default as at 31.03.2019 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Rupee Term Loan from Bank of India	436.70	881.36	June 2016 to December 2018	April 2016 to February 2019
2	Term Loan from Bank of India	436.77	881.41	June 2016 to December 2018	April 2016 to February 2019
3	Corporate Loan from Bank of India	220.49	444.98	June 2016 to December 2018	April 2016 to February 2019
4	Rupee Term Loan from Punjab National Bank	3,197.37	1,910.57	October 2012 to January 2019	December 2015 to February 2019
5	Working Capital Term Loan from Bank of India	155.19	313.20	June 2016 to December 2018	April 2016 to February 2019
6	Working Capital Term Loan from Bank of India	325.54	656.92	June 2016 to December 2018	April 2016 to February 2019
7	Funded Interest Term Loan from Bank of India	102.99	205.77	June 2016 to December 2018	April 2016 to February 2019



S. No.	Particulars	Amount of default as at 31.03.2019 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
8	Funded Interest Term Loan from Bank of India	343.99	704.74	June 2016 to December 2018	April 2016 to February 2019
9	Funded Interest Term Loan from Punjab National Bank	330.19	194.12	December 2012 to January 2019	December 2015 to February 2019
10	FCCB Term Loan from Axis Bank Limited	2,977.60	677.44	August 2017 to February 2019	August 2017 to February 2019
11	FCCB Term Loan from Bank of India	615.00	1,237.29	June 2016 to December 2018	April 2016 to February 2019
12	SEFASU Loans from Bank of India	3,757.93	51.85	November 2016 to February 2019	February 2019
13	SEFASU Loans from Indian Overseas Bank	2,686.17	929.95	April 2016 to February 2019	January 2017 to February 2019

(b) Default in repayment of loans to Financial Institutions

S. No.	Particulars	Amount of default as at 31.03.2019 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Asset Reconstruction Company (India) Limited [HDFC Bank Limited]	2,308.97	3,843.03	February 2019	October 2015 to March 2019
2	Asset Reconstruction Company (India) Limited [Canara Bank]	8,100.92	9,261.08	February 2019	October 2015 to March 2019
3	Asset Reconstruction Company (India) Limited [State Bank of India]	7,050.49	7,759.52	February 2019	October 2015 to March 2019
4	Asset Reconstruction Company (India) Limited [IDBI Bank]	3,847.98	5,970.02	February 2019	October 2015 to March 2019
5	Asset Reconstruction Company (India) Limited [Indian Overseas Bank]	6,241.16	6,333.83	February 2019	October 2015 to March 2019
6	Asset Reconstruction Company (India) Limited [Allahabad Bank]	1,730.62	1,635.38	February 2019	October 2015 to March 2019

(c) Default in repayment of loan to Government:

S. No.	Particulars	Amount of default as at 31.03.2019 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Sugar Development Fund Loan	4,416.41	3,290.84	May 2013 to February 2019	May 2011 to February 2019

- ix. The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor availed any term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.



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

For P.K. NAGARAJAN & Co.,

Chartered Accountants

Firm Registration Number: 016676S

P.K. NAGARAJAN

Partner

Membership Number: 025679

Coimbatore

May 28, 2019

Annexure - B to the Independent Auditor's Report

Referred to in paragraph 20(f) of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2019

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

1. We have audited the internal financial controls over financial reporting of Sakthi Sugars Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.K. NAGARAJAN & Co.,
Chartered Accountants
Firm Registration Number: 016676S

Coimbatore
May 28, 2019

P.K. NAGARAJAN
Partner
Membership Number: 025679

**BALANCE SHEET AS AT 31.03.2019**

(Rs. in lakhs)

	Note No.	As at 31.03.2019	As at 31.03.2018
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	118,866.56	123,871.73
(b) Capital work-in-progress	2	—	3,229.22
(c) Financial Assets			
i) Investments	3	926.98	1,072.38
ii) Loans	4	84.72	107.41
iii) Other financial assets	5	666.77	653.05
(d) Deferred tax assets (Net)	22	1,023.21	—
(e) Other Non-current Assets	6	5,165.70	6,402.51
Total Non-Current Assets		126,733.94	135,336.30
(2) CURRENT ASSETS			
(a) Inventories	7	11,328.48	10,849.77
(b) Financial Assets			
i) Investments	8	402.59	776.47
ii) Trade receivables	9	6,760.72	6,852.73
iii) Cash and cash equivalents	10	1,196.46	1,495.23
iv) Bank balances other than Cash and cash equivalents	11	128.02	96.67
v) Loans	12	14,798.04	2,337.37
vi) Other Financial Assets	13	108.11	2,733.86
(c) Current tax assets (Net)	14	513.76	276.98
(d) Other current assets	15	3,192.26	4,479.56
(e) Assets Classified as held for Sale	16	23,887.97	20,666.81
Total Current Assets		62,316.41	50,565.45
TOTAL ASSETS (1 to 2)		189,050.35	185,901.75
II. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	17	11,884.90	11,884.90
(b) Other Equity	18	(7,371.16)	13,953.91
Total Equity		4,513.74	25,838.81
(2) LIABILITIES			
A) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	19	17,013.34	45,504.60
ii) Other Financial Liabilities	20	281.25	279.21
(b) Provisions	21	2,509.59	2,462.27
(c) Deferred tax liabilities (Net)	22	—	4,211.81
Total Non-Current Liabilities		19,804.18	52,457.89



BALANCE SHEET AS AT 31.03.2019 (CONT....)

(Rs. in lakhs)

	Note No.	As at 31.03.2019	As at 31.03.2018
B) CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	23	12,779.52	11,531.86
ii) Trade Payables	24		
a) Total outstanding dues of micro and small enterprises		328.15	189.69
b) Total outstanding dues of other than (ii) (a) above		25,673.01	24,847.50
iii) Other financial liabilities	25	115,935.74	64,330.53
(b) Other current liabilities	26	9,463.69	6,147.10
(c) Provisions	27	552.32	558.37
Total Current Liabilities		164,732.43	107,605.05
Total Liabilities		184,536.61	160,062.94
TOTAL EQUITY AND LIABILITIES (1 to 2)		189,050.35	185,901.75

Significant Accounting Policies 1

See accompanying notes to financial statements

Vide our report annexed
For P K NAGARAJAN & Co
Chartered Accountants

Firm Registration Number : 016676S

P K NAGARAJAN

Partner

Membership Number : 025679

Coimbatore
28th May 2019

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Director

S BASKAR
Sr. Vice President &
Company Secretary

C.R. SANKAR
Chief Financial Officer



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2019

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
CONTINUING OPERATIONS			
I. Income			
Revenue from Operations	28	50,505.93	53,020.06
Other Income	29	15,207.84	1,139.64
Total Income		65,713.77	54,159.70
II. Expenses			
Cost of material consumed	30	36,996.14	39,636.97
Purchase of stock in trade	31	393.80	287.44
Changes in inventories of finished goods, work-in-progress and stock in trade	32	(1,137.66)	1,554.06
Excise Duty on sale of goods		–	137.13
Employee benefits expense	33	5,862.94	5,906.62
Finance costs	34	25,966.57	14,994.92
Depreciation and amortization expense	35	5,158.53	5,281.69
Other expenses	36	13,969.58	9,331.92
Total expenses		87,209.90	77,130.75
III. Profit/(Loss) before exceptional items and tax (I-II)		(21,496.13)	(22,971.05)
IV. Exceptional Items	37	5,180.09	2,249.33
V. Profit/(Loss) before tax (III-IV)		(26,676.22)	(25,220.38)
VI. Tax Expense:	22		
1. Current tax		–	–
2. Deferred tax		(5,274.80)	(7,510.12)
		(5,274.80)	(7,510.12)
VII. Profit/(Loss) for the year from continuing operations (V-VI)		(21,401.42)	(17,710.26)
VIII. Other Comprehensive Income			
Items that will not be reclassified to Statement of Profit and Loss			
i) Remeasurement benefit of defined benefit plans		116.13	20.82
ii) Income tax expense on remeasurement benefit of defined benefit plans		(39.78)	(7.20)
IX. Total Comprehensive Income for the year		(21,325.07)	(17,696.64)
X. Earnings per equity share (for Continuing Operations)			
1. Basic	47	(17.94)	(14.89)
2. Diluted	47	(17.94)	(14.89)

Significant Accounting Policies

1

See accompanying notes to financial statements

Vide our report annexed

For P K NAGARAJAN & Co

Chartered Accountants

Firm Registration Number : 016676S

P K NAGARAJAN

Partner

Membership Number : 025679

Coimbatore

28th May 2019

M MANICKAM

Chairman and Managing Director

M BALASUBRAMANIAM

Director

S BASKAR

Sr. Vice President &
Company Secretary

C.R. SANKAR

Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019

(Rs. in lakhs)

Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per statement of Profit and Loss	(26,676.22)	(25,220.38)
Adjustment for:		
Depreciation of Property, Plant and Equipment	5,158.53	5,281.69
Finance Costs	25,966.57	14,994.92
Remission of Interest (or reversal)	5,180.09	2,249.33
Reversal of Income receivable	1,813.71	–
Reversal of Sundry deposit	1,283.57	–
(Profit) / Loss on Sale / Redemption of Investments (Net)	8.50	14.02
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded (Net)	25.09	(377.48)
Impairment Loss on Property, Plant and Equipment	--	1.04
(Gain) / Loss on Fair Valuation of Non-Current Investment through Profit and Loss (Net)	145.40	36.66
(Gain) / Loss on Fair Valuation of Current Investment through Profit and Loss (Net)	298.84	–
Dividend Income	(13.19)	(16.33)
Interest Income	(14,872.94)	(117.61)
	24,994.17	22,066.24
Operating Profit before Working Capital / Other Changes	(1,682.05)	(3,154.14)
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories	(478.71)	45.02
Trade Receivables	92.01	693.28
Other Financial Assets	798.32	(374.95)
Other Current Assets	1,278.44	13.72
Other Non-current Assets	(24.07)	(81.97)
Adjustments for Increase / (Decrease) in Operating Liabilities		
Trade Payables	(47.86)	228.77
Other Financial Liabilities	631.28	169.01
Other Current Liabilities	3,089.94	(1,747.15)
Other Long Term Liabilities	163.45	67.30
	5,502.80	(986.97)
Cash Generated from Operations	3,820.75	(4,141.11)
Income Tax Paid (Net)	(236.78)	(194.39)
Net Cash from / (used in) Operating Activities (A)	3,583.97	(4,335.50)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(299.51)	(722.75)
Proceeds from Disposal of Property, Plant and Equipment	129.12	1,801.45
Investment in Long Term Investments (Net)	--	247.60
Proceeds from Current Investments (Net)	66.54	1,803.45
Dividend received	13.19	16.33
Interest Income	161.45	117.61
Loans and Advances - Related Parties	2,259.68	5,303.52
Net Cash from / (used in) Investing Activities (B)	2,330.47	8,567.21



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2019 (CONT....)

(Rs. in lakhs)

Particulars	2018-19		2017-18	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Finance Costs Paid	(2,994.72)		(3,174.06)	
Repayment of Long Term Borrowings	(3,240.55)		(625.23)	
Short Term Borrowings (Net)	(54.75)		(102.11)	
Loans from Body corporate (Net)	108.16		(551.78)	
Net Cash from / (used in) Financing Activities (C)		(6,181.86)		(4,453.18)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		(267.42)		(221.47)
Cash and cash equivalents at the beginning of the year		1,591.90		1,813.37
Cash and cash equivalents at the end of the year		1,324.48		1,591.90
Cash and cash equivalents at the end of the year comprises of				
(a) Cash on hand		19.35		14.36
(b) Balances with banks:				
i) In Current Accounts		847.11		1,150.87
ii) Unclaimed Dividend / Interest warrants		--		2.89
iii) Margin Money with banks / Security against borrowings		458.02		423.78
Cash and cash equivalents as at the end of the year		1,324.48		1,591.90

Vide our report annexed

For P K NAGARAJAN & Co

Chartered Accountants

Firm Registration Number : 016676S

P K NAGARAJAN

Partner

Membership Number : 025679

Coimbatore

28th May 2019

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Director

S BASKAR
Sr. Vice President &
Company Secretary

C.R. SANKAR
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY



A. Equity Share Capital

Particulars	Note No.	No of Shares	(Rs. In Lakhs)
Balance as at 01.04.2017	17	118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2018		--	--
Balance as at 31.03.2018		118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2019		--	--
Balance as at 31.03.2019		118849036	11884.90

B. Other Equity

(Rs. In Lakhs)

Particulars	Note No.	Reserves and Surplus					
		Capital Reserve	Capital Re-deemption Reserve	Securities Premium Account	Retained Earnings	Other Comprehensive Income	Total
Balance as at 01.04.2017	18	625.24	2512.27	27000.19	1681.86	-169.01	31650.55
Profit / (Loss) for the Year		--	--	--	-17710.26	--	-17710.26
Other Comprehensive Income		--	--	--	--	13.62	13.62
Balance as at 31.03.2018		625.24	2512.27	27000.19	-16028.40	-155.39	13953.91
Balance as at 01.04.2018		625.24	2512.27	27000.19	-16028.40	-155.39	13953.91
Profit / (Loss) for the Year		--	--	--	-21401.42	--	-21401.42
Comprehensive Income for the year		--	--	--	--	76.35	76.35
Balance as at 31.03.2019		625.24	2512.27	27000.19	-37429.82	-79.04	-7371.16

Vide our report annexed

For P K NAGARAJAN & Co

Chartered Accountants

Firm Registration Number : 016676S

P K NAGARAJAN

Partner

Membership Number : 025679

Coimbatore

28th May 2019

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Director

S BASKAR
Sr. Vice President &
Company Secretary

C.R. SANKAR
Chief Financial Officer



NOTES TO FINANCIAL STATEMENTS

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information:

Sakthi Sugars Limited is engaged in the business of manufacture of sugar, industrial alcohol, power and soya products. The Company's segments include sugar, industrial alcohol, soya products and power. The by-products/waste products include molasses, bagasse and press mud.

The installed capacity of sugar division is 19000 tons of cane crush per day (TCD). Its power division has co-generation power plants at Sakthi Nagar, Sivaganga and Modakurichi, and the aggregate power generation capacity of all three plants is 92 MW.

Its distillery produces rectified spirit, extra neutral alcohol and ethanol, and has a distillation capacity of 150 kiloliters per day (KLKD) and ethanol plant capacity of over 50 KLKD.

The Company has the capacity to process 90,000 tons soya beans per annum.

The company shares are listed in BSE Ltd and National Stock Exchange of India Ltd.

Significant Accounting Policies:

1.1 Basis of Preparation and Presentation:

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 Current/Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

(a) An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Expected to be realised within twelve months after the reporting period, or
- (iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (iv) Held primarily for the purpose of trading

All other assets are classified as non-current.

(b) A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is due to be settled within twelve months after the reporting period, or
- (iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) Held primarily for the purpose of trading

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.3 Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for taxation, etc., during the reporting year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.



The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.4 Inventory:

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.

1.5 Property, Plant and Equipment:

Measurement at recognition: Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Historical cost includes taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations but excludes duties and taxes that are recoverable from taxing authorities. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and Capital work-in-progress are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Depreciation: Depreciation on Property, Plant and Equipments provided on the straight-line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013.

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

De-recognition: An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

1.6 Intangible assets

Measurement at recognition: Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization: Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition: The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized

1.7 Impairment of Assets

The carrying values of assets/cash generating units are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable



amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

1.8 Revenue Recognition

The Company adopted Ind AS 115 Revenue from Contracts with Customers, using the modified retrospective method of adoption with the date of initial application of April 01, 2018.

The Company elected to apply this standard to all the contracts as at April 01, 2018. The effect of adoption of Ind AS 115 on the Financial Statements is not material.

a) Sale of goods

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities

b) Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Insurance claims:

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

d) Export benefits:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

e) Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

All other income and expenses are accounted for on accrual basis.

1.9 Foreign Currency Transactions:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency(i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.



1.10 Employee Benefits:

a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Post-employment benefits:

i) Defined contribution plans:

Defined contribution plans are Employee Provident Fund, Employee State Insurance scheme for all applicable employees and superannuation scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contribution payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

ii) Defined Benefit plans

Gratuity: Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

Leave encashment / Compensated absences: The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/ availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the other comprehensive income.

1.11 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

1.12 Non-Current Assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

1.13 Investment in Erstwhile Associate Company

The Company has elected to recognize its investments in erstwhile associate company at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Provision for diminution, if any, in the value of investments is made to recognise a decline in value, other than temporary.

1.14 Government Grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred



revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

1.15 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax:

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred Tax:

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an item in deferred tax asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of fifteen succeeding assessment years.

1.16 Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options.

1.17 Provisions and Contingencies

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.



If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A Contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

1.18 Leases

a) Company as Lessee

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease or based on the time pattern of user benefit basis. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

b) Company as Lessor

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.19 Borrowing Costs

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

1.20 Financial Instrument

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

**a) Fair Value Measurement**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

b) Financial Assets**i) Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

ii) Subsequent measurement

For purposes of subsequent measurement: Debt instruments are measured at amortised cost.

iii) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised primarily when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred substantially all the risks and rewards of the asset.

iv) Impairment of Financial Assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.



The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider:

- (a) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument..
- (b) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Losses. The Balance Sheet presentation for various financial instruments is that in the case of Financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

c) Financial Liabilities

i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

ii) Subsequent measurement

Financial liabilities designated upon initial recognition at Fair Value Through Profit or Loss (FVTPL) are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risks are recognized in Other Comprehensive Income (OCI). These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

iii) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.21 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

1.22 Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.23 Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



1.24 Cash flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh with two decimals, as per the requirement of Schedule III, unless otherwise stated.

1.26 Recent accounting pronouncements

Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 01, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

a) Ind AS 116, Leases

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 01, 2019. The Company is in the process of assessing the impact of adoption of Ind AS 116.

b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 01, 2019.

The impact of the Appendix on the Financial Statements, as assessed by the Company, is expected to be not material.

c) Other Amendments (effective from April 01, 2019)

- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 109, Financial Instruments

Effective date for application of these amendments is annual period beginning on or after April 01, 2019. Based on preliminary work done, the Company does not expect any significant impact in its Financial Statements.



NOTE No. 2
PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

PARTICULARS	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total	CWIP*
Gross carrying Amount:									
Deemed cost as at 1st April, 2018	31037.71	15987.67	87194.79	385.26	994.43	478.27	23.60	136101.73	3229.22
Additions	-	28.76	267.07	1.41	-	10.33	-	307.57	2.69
Disposals / Transfer	0.53	-	208.94	0.30	5.41	0.80	-	215.98	10.75
Transfer to Asset held for sale	-	-	-	-	-	-	-	-	3221.16
Balance as at 31st March, 2019	31037.18	16016.43	87252.92	386.37	989.02	487.80	23.60	136193.32	-
Accumulated Depreciation :									
Balance as at 1st April, 2018	-	1280.18	9374.41	356.48	839.11	379.82	-	12230.00	-
Additions	-	639.12	4425.46	3.22	30.63	60.10	-	5158.53	-
Disposals	-	-	55.97	0.29	5.14	0.37	-	61.77	-
Balance as at 31st March, 2019	-	1919.30	13743.90	359.41	864.60	439.55	-	17326.76	-
Net Carrying Amount :									
Balance as at 1st April, 2018	31037.71	14707.49	77820.38	28.78	155.32	98.45	23.60	123871.73	3229.22
Balance as at 31st March, 2019	31037.18	14097.13	73509.02	26.96	124.42	48.25	23.60	118866.56	-

*Capital Work-in-Progress



(Rs. In Lakhs)

As at 31.03.2019

As at 31.03.2018

NOTE No. 3**NON-CURRENT INVESTMENTS****I. Investments in Equity Instruments****a. Quoted Equity Shares**

In Other Entities at FVTPL

Sakthi Finance Limited

10,40,000 (1040000) Shares of Rs.10 each

187.20

328.64

ICICI Bank Limited

2425 (2425) Shares of Rs.2 each

9.67

6.75

NIIT Limited

2,527 (2527) Shares of Rs. 2 each

2.28

2.52

NIIT Technologies Limited

759 (759) Shares of Rs. 10 each

10.06

6.56

K G Denim Limited

16,129 (16129) Shares of Rs.10 each

7.89

7.34

IFCI Limited

100 (100) Shares of Rs.10 each

0.01

0.02

The Industrial Development Bank of India Limited

1,360 (1360) Shares of Rs.10 each

0.63

0.98

The South Indian Bank Limited

1,65,000 (165000) Shares of Re.1 each

27.29

37.62

Total of Quoted equity shares

245.03

390.43

b. Unquoted Equity Shares**i. Other Entities (Measured at Cost)**

The ABT Co-operative Stores Limited

1,000 (1000) Shares of Rs. 10 each

0.10

0.10

Sakthi Sugars Co-operative Stores Limited

760 (760) Shares of Rs.10 each

0.08

0.08

Angul Central Co-op Bank Limited

100 (100) Shares of Rs.100 each

0.10

0.10

Shamarao Vithal Co-op Bank Limited

25 (25) Shares of Rs.25 each

0.01

0.01

0.29

0.29

ii. Other Entities (Measured at FVTPL)

Sri Chamundeswari Sugars Limited

6,81,146 (681146) Shares of Rs.10 each

35.76

35.76

II. Investments in Preference Shares

Sri Chamundeswari Sugars Ltd

6,45,900 (645900) 5% Redeemable Non-Convertible

Cumulative Preference Shares of Rs. 100 each

645.90

645.90

TOTAL**926.98**

1,072.38

Aggregate cost of Quoted Investments

290.49

290.49

Aggregate cost of Unquoted Investments

646.19

646.19

Aggregate market value of Quoted Investments

245.03

390.43



(Rs. in Lakhs)

As at 31.03.2019

As at 31.03.2018

NOTE No. 4**NON-CURRENT LOANS**

Loans to Employees

84.72

107.41

Less : Provision for Expected Credit Loss

84.72

107.41

TOTAL**84.72**

107.41

Security-wise Breakup:

Loans Receivables considered good - Secured

—**—**

Loans Receivables considered good - Unsecured

84.72

107.41

Loans Receivables which have significant increase in Credit Risk

—**—**

Loans Receivables - credit impaired

—**—****84.72**

107.41

Less : Provision for Expected Credit Loss

—**—****84.72**

107.41

NOTE No. 5**OTHER NON-CURRENT FINANCIAL ASSETS**

Security Deposits

653.71

632.71

Margin Money / Fixed Deposits - Maturing after 12 Months

13.06

20.34

TOTAL**666.77**

653.05

NOTE No. 6**OTHER NON-CURRENT ASSETS**

Capital advances

3,182.93

3,060.64

Sundry Deposits

1,917.61

3,243.86

Advance for Purchases & Others

65.16

98.01

TOTAL**5,165.70**

6,402.51

NOTE No. 7**INVENTORIES****(a) Raw Materials:**

Molasses - Distillery Unit

178.69

524.32

Soyabean

1,989.80

2,166.85

Soya Flour

31.42

25.45

News print paper

1.36

--

2,201.27

2,716.62

(b) Work in Progress:

Sugar

427.60

241.77

Molasses

92.51

53.82

520.11

295.59



(Rs. In Lakhs)

	As at 31.03.2019	As at 31.03.2018
(c) Finished goods:		
Sugar	4,396.61	1,991.70
Molasses - Sugar Unit	249.33	344.18
Industrial Alcohol	271.48	1,839.46
Ethanol	13.26	--
Soya Products	1,235.70	1,125.38
Bio-Earth	58.15	46.19
Fusel Oil	1.10	0.32
Bagasse	5.59	18.79
	6,231.22	5,366.02
(d) Stock in Trade:		
Chemicals, Fertilisers & Others	214.72	166.77
	214.72	166.77
(e) Stores and spares:		
Stores and spares	2,157.98	2,304.77
	2,157.98	2,304.77
(f) Other Stock:		
Standing crop	3.18	--
	3.18	--
	11,328.48	10,849.77

For mode of valuation please refer Sl. No.1.4 in Significant Accounting Policies.

NOTE No. 8**CURRENT INVESTMENTS**

Investments in Equity Instruments

Quoted

Kovai Medical Centre and Hospital Limited

52217 (62083) Shares of Rs.10 each

402.59 776.47**TOTAL****402.59** 776.47

Aggregate cost of Quoted Investments

5.22 6.21

Aggregate market value of Quoted Investments

402.59 776.47**NOTE No. 9****CURRENT TRADE RECEIVABLES**

Trade Receivables

6751.08 6836.38

Receivable from Related Parties (Ref. Note No. 49)

9.64 16.35

Less : Provision for Expected Credit Loss

6,760.72 6,852.73**TOTAL****6,760.72** 6,852.73



(Rs. In Lakhs)

	As at 31.03.2019	As at 31.03.2018
Security-wise Breakup:		
Trade Receivables Considered good - Secured	—	—
Trade Receivables Considered good - Unsecured	6,751.08	6,836.38
Trade Receivables which have significant increase in Credit Risk	—	—
Trade Receivables - credit impaired	—	—
	6,751.08	6,836.38
Less : Provision for Expected Credit Loss	—	—
	6,751.08	6,836.38
NOTE No. 10		
CASH AND CASH EQUIVALENTS		
Bank balances in current accounts	847.11	1,150.87
Fixed Deposits with maturity of less than three months	330.00	330.00
Cash on hand	19.35	14.36
	1,196.46	1,495.23
NOTE No. 11		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Balances with Banks for Unclaimed dividend/interest warrants	—	2.89
Fixed deposits with maturity more than 3 Months but less than 12 months	128.02	93.78
	128.02	96.67
NOTE No. 12		
CURRENT LOANS		
(Unsecured, Considered good)		
Loans to Employees	46.30	37.44
Loans and Advances to Related Parties	14,751.74	2,299.93
	14,798.04	2,337.37
Less : Provision for Expected Credit Loss	—	—
	14,798.04	2,337.37
Security-wise Breakup:		
Loans Receivables considered good - Secured	—	—
Loans Receivables considered good - Unsecured	46.30	37.44
Loans Receivables which have significant increase in Credit Risk	—	—
Loans Receivables - credit impaired	—	—
	46.30	37.44
Less : Provision for Expected Credit Loss	—	—
	46.30	37.44



(Rs. In Lakhs)

	As at 31.03.2019	As at 31.03.2018
NOTE No. 13		
OTHER CURRENT FINANCIAL ASSETS		
Outstanding interest receivable	7.93	7.33
Income Receivable	100.18	2,726.53
TOTAL	108.11	2,733.86
NOTE No. 14		
CURRENT TAX ASSETS (NET)		
Advance Income Tax and TDS	513.76	276.98
TOTAL	513.76	276.98
NOTE No. 15		
OTHER CURRENT ASSETS		
Employee related Loans and Advances	10.55	10.89
Prepaid expenses	352.43	367.94
Deposits with Government authorities	1,294.89	1,862.66
Advance for purchases & others	1,534.39	2,238.07
TOTAL	3,192.26	4,479.56
NOTE No. 16		
ASSETS CLASSIFIED AS HELD FOR SALE		
Land and Building	5,508.95	5,508.95
Plant and Equipment	3,221.16	--
Investment in Equity instruments		
Sakthi Auto Component Limited (Erstwhile Associate)	15157.86	15,157.86
6,38,60,000 (63860000) Shares of Rs.10 each		
TOTAL	23887.97	20,666.81
NOTE NO - 17		
EQUITY SHARE CAPITAL		
Authorised		
12,00,00,000 Equity Shares of Rs.10 each	12,000.00	12,000.00
(12,00,00,000)		
50,00,000 Preference Shares of Rs.100 each	5,000.00	5,000.00
(50,00,000)		
17,000.00	17,000.00	
Issued		
11,89,65,705 Equity Shares of Rs.10 each	11,896.57	11,896.57
(11,89,65,705)		
11,896.57	11,896.57	
Subscribed and Paid up		
11,88,49,036 Equity Shares of Rs.10 each fully paid up	11,884.90	11,884.90
(11,88,49,036)		
TOTAL	11,884.90	11,884.90



	As at 31.03.2019	As at 31.03.2018
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Reconciliation of Number of Shares

	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	118,849,036	118,849,036
Add: Shares issued/allotted on preferential basis	--	--
Equity Shares at the end of the year	118,849,036	118,849,036

Rights, Preferences and Restrictions of each class of Shares

The Company has only one class of equity shares having a face value of Rs.10 each. Each shareholder is eligible for one vote per share held. 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 of the Company after payment of all the preferential amounts.

Shares held by the holding company

Particulars	As at 31.03.2019	As at 31.03.2018
ABT Investments (India) Private Ltd.	66628540	67463540

List of shareholders holding more than 5%

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	%	No. of Shares	%
ABT Investments (India) Private Ltd.	66628540	56.06	67463540	56.76
Asset Reconstruction Company (India) Ltd.	22635757	19.05	22635757	19.05

Terms of security convertible into equity shares

Particulars	As at 31.03.2019	As at 31.03.2018
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

Details of equity shares allotted as fully paid up pursuant to the terms of restructure of loans under CDR Scheme and by an Asset Reconstruction Company

Name of the Allottee	Date of allotment
ABT Ltd	25.03.2014
Asset Reconstruction Company (India) Limited (ARCIL)	24.06.2016

(Rs. in lakhs)

	As at 31.03.2019	As at 31.03.2018
--	------------------	------------------

NOTE No. 18**OTHER EQUITY**

Capital reserve	625.24	625.24
Capital redemption reserve	2,512.27	2,512.27
Securities premium account	27,000.19	27,000.19
Retained Earnings	(37,429.82)	(16,028.40)
Other Comprehensive Income	(79.04)	(155.39)
	(7,371.16)	13,953.91



(Rs. In Lakhs)

	As at 31.03.2019	As at 31.03.2018
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	27,000.19	27,000.19
Retained Earnings		
Balance as per last Balance Sheet	(16,028.40)	1,681.86
Net Profit/(Loss) after tax for the year	(21,401.42)	(17,710.26)
	(37,429.82)	(16,028.40)
Other Comprehensive Income		
Balance as per last Balance Sheet	(155.39)	(169.01)
Addition/Deletion during the year	76.35	13.62
	(79.04)	(155.39)
TOTAL	(7,371.16)	13,953.91

NOTE No. 19**NON-CURRENT BORROWINGS**

(a) Secured Loans

i) Term Loans		
From Banks	6,859.87	11,439.43
From Other Parties	6,098.26	28,973.30
	12,958.13	40,412.73
ii) Long term maturities of finance lease obligations (secured)	—	9.16
Total of Secured Loans	12,958.13	40,421.89

(b) Unsecured Loans

Term Loans		
From Banks	355.72	526.74
From Other Parties	3,699.49	4,555.97
Total of Unsecured Loans	4,055.21	5,082.71
TOTAL	17,013.34	45,504.60


A) SECURED LOANS FROM BANKS

Nature of Security	Terms of Repayment
<p>1 Term loans amounting to Rs.5128.13 lakhs (Rs.7593.58 lakhs) are secured by</p> <ul style="list-style-type: none"> a. Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b. Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis. 	<p>The loans are restructured and are repayable in 24 quarterly installments commencing from June 2016.</p> <p>Rate of Interest 11.50% p.a (11.50% p.a)</p>
<p>2 Term loans amounting to Rs.1560 lakhs (Rs.2735.50 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing loans, except the assets charged on exclusive basis.</p>	<p>Term Loan of Rs.1560 lakhs (Rs.2310 lakhs) is repayable in 24 quarterly installments commencing from June 2016.</p> <p>Rate of Interest 11.50% p.a (11.50% p.a)</p> <p>Term Loan of Rs.Nil (Rs.425.50 lakhs) is repayable in 8 quarterly installments commencing from August 2017.</p> <p>Rate of Interest Nil (11.50% p.a)</p>
<p>3 Term loan amounting to Rs.Nil (Rs.80.14 lakhs) is secured by</p> <ul style="list-style-type: none"> a. Pari passu first charge on fixed assets pertaining to Co-generation Plant at Sakthinagar. b. Subservient pari passu charge on the fixed assets of the Company after the existing loans, except the assets charged on exclusive basis. 	<p>The loan is repayable in 36 monthly instalments commencing from May 2016</p> <p>Rate of Interest Nil (Nil)</p>
<p>4 Term Loan amounting to Rs.225 lakhs (Rs.1125 lakhs) is secured by</p> <ul style="list-style-type: none"> a. Extension of first charge on the Company's property situated at 180 Race Course Road , Coimbatore. b. Subservient charge on the fixed assets of the Company except, the assets charged on exclusive basis. 	<p>The Loan is repayable in 16 quarterly instalments from September 2016</p> <p>Rate of Interest 11.65% p.a (11.15% p.a)</p>
<p>5 The loans under 1 above are further secured by pledge of shares held by the promoters in the Company.</p> <p>6 Guarantees given by Directors/Others:</p> <ul style="list-style-type: none"> a. Term Loans amounting to Rs.6913.13 lakhs (Rs.11534.22 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan. b. Term Loan amounting to Rs.1560 lakhs (Rs.2310 lakhs) is additionally secured by corporate guarantee and collateral security given by a group company c. Term Loan amounting to Rs.225 lakhs (Rs.1125 lakhs) is additionally secured by collateral security given by promoters 	



7 Period and amount of continuing default as on the date of Balance Sheet: (Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2019		Period of Default	
	Principal	Interest	Principal	Interest
Rupee Term Loan from Bank of India	436.70	881.36	June 16 to Dec 18	April 16 to Feb 19
Term Loan from Bank of India	436.77	881.41	June 16 to Dec 18	April 16 to Feb 19
Corporate Loan from Bank of India	220.49	444.98	June 16 to Dec 18	April 16 to Feb 19
Rupee Term Loan from Punjab National Bank	3197.37	1910.57	Oct 12 to Jan 19	Dec 15 to Feb 19
Working Capital Term Loan from Bank of India	155.19	313.20	June 16 to Dec 18	April 16 to Feb 19
Working Capital Term Loan from Bank of India	325.54	656.92	June 16 to Dec 18	April 16 to Feb 19
FITL from Bank of India	102.99	205.77	June 16 to Dec 18	April 16 to Feb 19
FITL from Bank of India	343.99	704.74	June 16 to Dec 18	April 16 to Feb 19
FITL from Punjab National Bank	330.19	194.12	Oct 12 to Jan 19	Dec 15 to Feb 19
FCCB Term Loan from Axis Bank Limited	2977.60	677.44	Aug 17 to Feb 19	Aug 17 to Feb 19
FCCB Term Loan from Bank of India	615.00	1237.29	June 16 to Dec 18	April 16 to Feb 19
SEFASU Loan from Bank of India	3757.93	51.85	Nov 16 to Feb 19	Feb 19
SEFASU Loan from Indian Overseas Bank	2686.17	929.95	Apr 16 to Feb 19	Jan 17 to Feb 19

8 An amount of Rs.53.26 lakhs (Rs.94.79 lakhs) relating to deferred expenses towards processing charges is netted off against loans.

B) SECURED LOANS FROM OTHER PARTIES

Nature of Security	Terms of Repayment
<p>1 Term Loans amounting to Rs.6224.50 lakhs (Rs.5515 lakhs) are secured by</p> <ul style="list-style-type: none"> 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. 	<p>Term loan of Rs.2386 lakhs (Rs.2112 lakhs) is restructured and is repayable in 36 monthly instalments commencing from January 2019 (22 quarterly installments commencing from June 2016)</p> <p>Rate of Interest 12.00% p.a (12.00% p.a)</p> <p>Term loan of Rs.3838.50 lakhs (Rs. 3403.00 lakhs) is restructured and is repayable in 57 monthly instalments commencing from January 2019</p> <p>Rate of Interest 12.00% p.a (12.00% p.a)</p>
<p>2 Term Loans amounting to Rs.Nil (Rs.23625.65 lakhs) are secured by</p> <ul style="list-style-type: none"> 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. c. Term Loan amounting to Rs. Nil (Rs.1500 lakhs) included above is further secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit 	<p>Term loans amounting to Rs.Nil (Rs.23625.65 lakhs) are restructured and are repayable in 24 quarterly installments commencing from June 2016.</p> <p>Rate of Interest Nil p.a (12.00% p.a)</p>
3 The loans under 1 & 2 above are further secured by pledge of shares held by the promoters in the Company.	
4 Guarantees given by Directors:	Term Loans amounting to Rs.6224.50 lakhs (Rs.29140.65 lakhs) are guaranteed by Dr. M. Manickam, Sri. M. Balasubramaniam and Sri. M. Srinivaasan.



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

(Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2019		Period of Default	
	Principal	Interest	Principal	Interest
Asset Reconstruction Company (India) Limited [HDFC Bank Limited]	2308.97	3843.03	February 2019	October 2015 to March 2019
Asset Reconstruction Company (India) Limited [Canara Bank]	8100.92	9261.08	February 2019	October 2015 to March 2019
Asset Reconstruction Company (India) Limited [State Bank of India]	7050.49	7759.52	February 2019	October 2015 to March 2019
Asset Reconstruction Company (India) Limited [IDBI Bank]	3847.98	5970.02	February 2019	October 2015 to March 2019
Asset Reconstruction Company (India) Limited [Indian Overseas Bank]	6241.16	6333.83	February 2019	October 2015 to March 2019
Asset Reconstruction Company (India) Limited [Allahabad Bank]	1730.62	1635.38	February 2019	October 2015 to March 2019

6 Default in repayment of loan to Government:

(Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2019		Period of Default	
	Principal	Interest	Principal	Interest
Sugar Development Fund Loan	4416.41	3290.84	May 2013 to February 2019	May 2011 to February 2019

7 An amount of Rs. 126.24 lakhs (Rs.167.34 lakhs) relating to deferred expenses towards processing charges is netted off against loans.

Nature of Security	Terms of Repayment
A) UNSECURED LOANS FROM BANKS Term Loans amounting to Rs.355.72 lakhs (Rs.526.74 lakhs)	The Loans are repayable in 24 quarterly instalments commencing from June 2016 Rate of Interest 11.50% p.a (11.50% p.a)
B) UNSECURED LOANS FROM OTHER PARTIES Loans amounting to Rs.1845.70 lakhs (Rs.2526.01 lakhs).	The amount of Rs.1845.70 lakhs (Rs.2526.01 lakhs) to be adjusted by supply of bagasse. Rate of interest 10.50 % p.a. (10.50%)

(Rs. in lakhs)

As at 31.03.2019

As at 31.03.2018

NOTE No. 20

OTHER NON-CURRENT FINANCIAL LIABILITIES

Provision for superannuation contribution

281.25

279.21

NOTE No. 21

NON-CURRENT PROVISIONS

Provision for gratuity

1,620.09

1,609.17

Provision for compensated absence

889.50

853.10

TOTAL

2,509.59

2,462.27

**NOTE No. 22****INCOME TAXES****22.1 Tax expense recognized in the Statement of Profit and Loss**

(Rs. in lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(i) Income Tax recognised in Statement of Profit and Loss		
Current tax		--
Current Tax on taxable income for the year	--	--
Total current tax expense	--	--
Deferred tax		
Deferred tax charge/(credit)	-5274.80	-7510.12
MAT Credit (taken)/utilised	--	--
Total deferred income tax expense/(benefit)	-5274.80	-7510.12
Total income tax expense	-5274.80	-7510.12
(ii) Income tax recognised in Other Comprehensive Income		
Deferred Tax		
Deferred Tax Expenses on remeasurement of defined benefit plans	-39.78	-7.20

22.2 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(Rs. in lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Enacted income tax rate in India applicable to the Company	34.944%	34.608%
Profit before tax	-26676.22	-25220.38
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	-9321.74	-8728.27
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Effect of expenses that are not deductible in determining taxable profit	4059.26	1390.89
Income exempted from income taxes	-12.33	-172.74
	4046.93	1218.15
Total Tax Expenses	-5274.80	-7510.12



22.3 The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31.03.2019

(Rs. in lakhs)

Particulars	Balance sheet 01.04.2018	Profit & Loss 2018-19	OCI 2018-19	Balance sheet 31.03.2019
A. Deferred tax Liabilities:				
Difference between WDV/CWIP of PPE as per books of accounts and income tax	35051.42	1384.64	--	36436.06
Total deferred tax liabilities (A)	35051.42	1384.64	--	36436.06
B. Deferred tax assets:				
Carry forward business loss/unabsorbed depreciation	25091.05	2037.15	--	27128.20
43B Disallowances, etc.	4417.02	4622.29	--	9039.31
Remeasurement benefit of the defined benefit plans	82.24	--	-39.78	42.46
MAT Credit Entitlement	1249.30	--	--	1249.30
Total deferred tax assets (B)	30839.61	6659.44	-39.78	37459.27
Net deferred tax liabilities (Net) (A-B)	4211.81	-5274.80	39.78	-1023.21

As at 31.03.2018

Particulars	Balance sheet 01.04.2017	Profit & Loss 2017-18	OCI 2017-18	Balance sheet 31.03.2018
A. Deferred tax Liabilities:				
Difference between WDV/CWIP of PPE as per books of accounts and income tax	36442.51	-1391.09	--	35051.42
Total deferred tax liabilities (A)	36442.51	-1391.09	--	35051.42
B. Deferred tax assets:				
Carry forward business loss/unabsorbed depreciation	23273.86	1817.19	--	25091.05
43B Disallowances, etc.	115.18	4301.84	--	4417.02
Remeasurement benefit of the defined benefit plans	89.44	--	-7.20	82.24
MAT Credit Entitlement	1249.30	--	--	1249.30
Total deferred tax assets (B)	24727.78	6119.03	-7.20	30839.61
Net deferred tax liabilities (Net) (A-B)	11714.73	-7510.12	7.20	4211.81

(Rs. in lakhs)

As at 31.03.2019

As at 31.03.2018

22.4 Deferred tax assets / (liabilities)

Significant components of deferred tax asset/(liabilities) recognised in the financial statements are as follows:

Deferred tax liabilities (net)	226.09	5,461.11
Less : MAT credit entitlement	1,249.30	1,249.30
Deferred tax (assets) / liabilities (net)	-1023.21	4,211.81



(Rs. in lakhs)

As at 31.03.2019

As at 31.03.2018

NOTE No. 23**CURRENT BORROWINGS**

(a) Secured loans

Loan repayable on demand

From banks

Total of secured loans

297.00

297.00

297.00

297.00

(b) Unsecured loans

i) Term loans

From other parties

70.00

124.75

ii) Loan from related party

Total of unsecured loans

12,412.52

11,110.11

12,482.52

11,234.86

TOTAL**12,779.52**

11,531.86

SECURED LOAN FROM BANKS**Nature of Security:**

Working Capital loan amounting to Rs.297 lakhs (Rs. 297 lakhs) is secured by the fixed deposit amounting to Rs.330 lakhs held with them.

As at 31.03.2019

As at 31.03.2018

NOTE No. 24**TRADE PAYABLE**

Dues of micro and small enterprises (Refer Note.44)

328.15

189.69

Dues of creditors other than micro and small enterprises :

Amount due to Related Party

674.73

612.39

Other trade creditors

24,998.28

24,235.11

TOTAL**25,673.01**

24,847.50

26,001.16

25,037.19



(Rs. in lakhs)

As at 31.03.2019

As at 31.03.2018

NOTE No. 25**OTHER CURRENT FINANCIAL LIABILITIES**

Current maturities of long term debts	60,165.15	34,817.37
Current maturities of finance lease obligations	9.03	23.47
Interest accrued but not due on borrowings	14.43	2,304.87
Interest accrued and due on borrowings	53,207.35	25,274.28
Expenses payable	1,262.65	765.07
Security deposits	1,277.13	1,145.47
TOTAL	115,935.74	64,330.53

NOTE No. 26**OTHER CURRENT LIABILITIES**

Statutory remittances	1,347.99	816.25
Advance from customers	2,307.91	2,376.79
Liabilities for capital expenditure	556.15	553.52
Employee related obligations	983.82	760.54
Other liabilities	4,267.82	1,640.00
TOTAL	9,463.69	6,147.10

NOTE No. 27**CURRENT PROVISIONS**

Provision for gratuity	379.37	403.14
Provision for compensated absence	172.95	155.23
TOTAL	552.32	558.37



(Rs. in lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
--	--------------------------	--------------------------

NOTE No. 28**REVENUE FROM OPERATIONS****(a) Sale of products**

Manufactured goods:

Sugar	22,985.14	32,516.75
Industrial alcohol	8,366.40	4,725.95
Power	1,179.44	1,003.67
Soya products	13,606.21	12,679.87
Bio earth	58.54	144.46
Carbon-di-oxide	2.07	2.86
Fusel oil	0.30	1.50
Bio diesel	1.61	-
Magazines	31.40	15.89
Bagasse	3,505.06	1,243.47
Ash	10.25	11.83
	49,746.42	52,346.25

Traded goods:

Fertilisers & chemicals	460.90	407.06
Seeds	3.24	0.78
	464.14	407.84
	50,210.56	52,754.09

Total (a)

(b) Other operating revenues

Sale of used materials	199.37	178.64
Duty drawback/other export incentive	96.00	87.33
	295.37	265.97
	50,505.93	53,020.06

NOTE No. 29**OTHER INCOME**

(a) Interest income from financial assets at amortised cost	14,872.94	117.61
(b) Dividend income from investments mandatorily measured at FVTPL	13.19	16.33
(c) Other non-operating income		
Rent receipts	203.30	91.16
Net gain on disposal of Property, Plant and Equipment	22.09	482.79
Net gain on investments carried at FVTPL	6.97	--
Sundry balances written back	8.14	351.50
Other miscellaneous income	81.21	80.25
	321.71	1,005.70
	15,207.84	1,139.64



(Rs. in lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
NOTE No. 30		
COST OF MATERIAL CONSUMED		
(a) Opening Stock		
Molasses	524.32	112.05
Soyabean seeds & others	2,166.85	795.69
Soya products	25.45	50.42
Total (a)	2,716.62	958.16
(b) Purchases		
Sugarcane	24,927.41	18,299.71
Molasses	1,355.52	1,524.88
Raw sugar	--	11,269.38
Newsprint paper	12.36	3.38
Soyabean seeds & others	10,017.07	10,218.21
Soya products	168.43	79.87
Total (b)	36,480.79	41,395.43
(c) Closing Stock		
Molasses	178.69	524.32
Newsprint paper	1.36	--
Soyabean seeds & others	1,989.80	2,166.85
Soya products	31.42	25.45
Total (c)	2,201.27	2,716.62
TOTAL (a+b-c)	36,996.14	39,636.97
NOTE No. 31		
PURCHASES OF STOCK IN TRADE		
Fertiliser & chemicals	393.80	287.44
NOTE No. 32		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
(a) Opening Stock		
Finished goods:		
Sugar	1,991.71	4,489.56
Molasses	344.18	190.34
Industrial alcohol	1,839.46	913.80
Soya products	1,125.38	1,117.31
Bagasse	18.79	4.25
Bio earth	46.19	39.20
Fusel oil	0.32	0.86
TOTAL	5,366.03	6,755.32



(Rs. in lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
Work in progress and stock in trade:		
Sugar in process	241.77	341.26
Molasses in process	53.82	88.74
Fertilisers & chemicals	166.77	197.13
	462.36	627.13
Total (a)	5,828.39	7,382.45
(b) Closing Stock		
Finished goods:		
Sugar	4,396.61	1,991.71
Molasses	249.33	344.18
Industrial alcohol	271.48	1,839.46
Ethanol	13.26	--
Soya products	1,235.70	1,125.38
Bagasse	5.59	18.79
Bio earth	58.15	46.19
Fusel oil	1.10	0.32
	6,231.22	5,366.03
Work in Progress and Stock in trade:		
Sugar in process	427.60	241.77
Molasses in process	92.51	53.82
Fertilisers & chemicals	214.72	166.77
	734.83	462.36
Total (b)	6,966.05	5,828.39
TOTAL (a-b)	(1,137.66)	1,554.06
NOTE No. 33		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	4,895.20	4,943.95
Contribution to provident fund and other funds	514.02	537.60
Workmen and staff welfare expenses	453.72	425.07
	5,862.94	5,906.62
NOTE No. 34		
FINANCE COSTS		
Interest expense on -		
Borrowings	24,827.75	14,233.19
Trade payable	1,011.83	478.86
Other borrowing costs	373.51	292.94
Exchange differences regarded as an adjustment to borrowing costs	(246.52)	(10.07)
	25,966.57	14,994.92



(Rs. in lakhs)

	Year Ended 31.03.2019	Year Ended 31.03.2018
NOTE No. 35		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on property, plant and equipment	5,158.53	5,281.69
NOTE No. 36		
OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spares	1,265.56	1,122.70
Printing and publication charges	46.81	47.97
Power and fuel	1,343.04	1,032.03
Consumption of coal	4,342.24	3,861.09
Water charges	96.30	88.97
Rent	169.20	61.61
Repairs to buildings	216.11	210.32
Repairs to machinery	1,289.28	849.56
Repairs to others	242.08	253.06
Insurance	104.43	121.44
Rates and taxes	499.10	368.58
Effluent disposal expenses	203.26	112.40
State administrative service fees	588.27	31.64
Selling and Distribution Expenses:		
Selling and distribution expenses	6.64	14.34
Freight & transport on finished goods	264.39	245.34
Commission and brokerage	41.01	33.11
Other Administrative Expenses:		
Travelling expenses	206.43	202.40
Printing, postage, telephone & telex	106.06	114.61
Freight and transport	25.63	24.70
Donations	19.11	11.75
Legal and professional charges	115.52	69.23
Excise Duty Payments & Excise Duty on stock adjustments	--	(102.88)
Administrative and other expenses	2,172.90	283.26
R & D expenses	23.56	22.10
Data processing charges	20.89	26.37
Auditors remuneration	39.70	31.03
Directors sitting fees	11.00	6.18
Loss on sale of fixed assets	47.18	105.31
Loss on sale of used materials	3.14	6.13
Loss on Sale of investments	8.50	14.02
Net Loss on Fair Valuation of Investment through Profit and Loss	451.19	36.66
Irrecoverable advances written off	1.05	25.85
Impairment loss on investments	--	1.04
TOTAL	13,969.58	9,331.92



NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2019

37 EXCEPTIONAL ITEMS (Rs. in lakhs)

Particulars	2018-19	2017-18
Remission of Interest	-4993.85	--
Reversal of Remission of Interest	10173.94	2249.33
	5180.09	2249.33

Asset Reconstruction Company (India) Limited (ARCIL), which had acquired the loan portfolios in respect of the Company from Canara Bank, State Bank of India, HDFC, IOB and IDBI, vide letter dated 22nd April 2016, restructured the exposures, granting remission of liability of Rs.101.74 crores during the year 2016-17. However, due to delay in servicing of the loans, ARCIL have revoked the remission granted earlier vide letter dated 18th February 2019. The same is disclosed under "Exceptional Items" in the Statement of Profit & Loss for the financial year ended 31st March 2019. Further ARCIL has charged differential interest of Rs.86.72 crores for the period from October 2015 to March 2019 and the same is accounted under Finance Cost.

Edelweiss Asset Reconstruction Company Limited (Edelweiss), which had acquired the loan portfolios from IDFC and OBC, vide letter dated 11th February 2016, restructured the exposures, granting remission of liability of Rs.22.49 crores. However, due to delay in servicing of the loans, Edelweiss has revoked the remission granted earlier. The same is disclosed under "Exceptional Items" in the Statement of Profit & Loss for the financial year ended 31st March 2018. Subsequently Edelweiss has approved a restructuring package, vide letter dated 31st December 2018, wherein remission of liability amounting to Rs. 49.94 crores has been given and the same is disclosed under Exceptional Items in the Statement of Profit and Loss for the year ended 31st March 2019.

38 ASSETS CLASSIFIED AS HELD FOR SALE

The Company intends to dispose off certain non-core assets (land and building and certain plant and equipment) it no longer requires, in the next 12 months. A search for Buyers is underway and no impairment loss is recognised as the fair value (estimated based on market price) less costs to sell is higher than the carrying amount.

Investment amounting to Rs.15157.86 lakhs in respect of the other entity (erstwhile associate company) has been reclassified under 'held for sale'. On reclassification the related investment has been measured at lower of carrying amount and fair value less cost to sell.

39 CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES (Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
Claims against the Company not acknowledged as debts:-		
a. Income tax matters	3376.66	4367.30
b. Purchase tax/sales tax matters	2420.94	2420.94
c. Cane price (refer Note. 39.1)	10421.56	9851.68
d. Differential price of levy sugar (refer Note 39.2)	1948.34	1858.10
e. Excise Duty / Service Tax	1787.71	2099.06
f. Water tax, Electricity tax and Start-up power charges	6150.67	5086.10
g. Others	13.67	13.67

B. CONTINGENT LIABILITIES ON ACCOUNT OF GUARANTEES

Particulars	31.03.2019	31.03.2018
a. Guarantees issued by bankers	2.75	2.75
b. Corporate guarantee given for loans to erstwhile Associate		
i. Guarantee amount	--	11200.00
ii. Outstanding amount	--	2822.59

C. COMMITMENTS

Particulars	31.03.2019	31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for Towards Property, Plant and Equipment		7.27



39.1 The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in High Court of Madras is pending disposal. The differential price on this account is Rs.10421.56 lakhs for the seasons from 2013-14 to 2018-19 (upto 31st March 2019).

39.2 Writ petitions were filed by us before the High Court of Orissa, Cuttack challenging the Orders passed by the Deputy Director (Cost), Ministry of Consumer Affairs relating to price payable for supply of levy quotas of sugar for the years from 1999-2000 to 2009-2010. The recall/review petitions filed by us are pending. The amount under dispute is Rs.1948.34 lakhs.

40 GOING CONCERN ASSUMPTIONS

The financial statement of the Company has been prepared on going concern basis as in the opinion of the Directors, there is a reasonable expectation that the Company will continue its operations for the foreseeable future. The Directors have examined the following points in order to ascertain the validity of going concern assumption:

- The Company has incurred a loss of Rs. 26,676.22 lakhs during the year ended 31st March 2019 and as of that date the Company's accumulated losses amount to Rs. 37,508.86 lakhs. Further as of that date, Company's current liabilities exceeded its current assets by Rs. 102,416.02 lakhs. Significant financial ratios are also negative.
- The Company has defaulted in repayment of dues to financial institutions, banks and Asset Reconstruction Companies for principal amount of Rs.49,282.48 lakhs and interest amounting of Rs.47,183.30 lakhs since May 2011. The Company has received recall notice from one of the Asset Reconstruction Company for non-payment of principal and interest thereon after the due date by the Company.

The company has taken steps for restructuring its liabilities with banks and other lenders/creditors which will result in significant reduction of the liabilities and revive its ability to continue as a going concern. Further, the company is in the process of selling of investments and certain non-core assets. The management is hopeful of finalizing a restructuring package and sale of those assets soon.

Conditions explained above indicate existence of material uncertainty that may cast significant doubt of the Company's ability to continue as going concern due to which the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, considering management plans relating to restructuring of debt, expected improvement in operating activities and proposed sale of investments and non-core assets, the financial statement has been prepared on going concern basis.

41 EXPENDITURE ON RESEARCH AND DEVELOPMENT

REVENUE EXPENDITURE	(Rs. in lakhs)	
Particulars	31.03.2019	31.03.2018
(i) Revenue expenses (excluding depreciation and fixed assets scrapped):		
a. Employee cost	22.86	17.20
b. Stores and spares	1.79	0.05
c. Materials consumed	3.50	2.39
d. Others	—	5.60
	28.15	25.24
Less : Sale of agri products	4.59	3.14
Net revenue expenses on Research and Development	23.56	22.10
(ii) Fixed assets additions in R & D centre made during the year	--	--

42 INVESTMENT IN OTHER ENTITY (ERSTWHILE ASSOCIATE)

These Financial statements are separate financial statements prepared in accordance with Ind AS-27 'Separate Financial Statement'.

The Company's investment in other entity (erstwhile Associate) is as under:

Name of other entity	Country of Incorporation	Portion of Ownership interest as at 31.03.2019	Portion of Ownership interest as at 31.03.2018	Method used to account for the Investment
Sakthi Auto Component Ltd	India	19.81%	22.67%	At cost

**43 AUDITORS' REMUNERATION :**

(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
Statutory audit fee	24.00	24.00
Other services	14.33	6.25
Reimbursement of expenses	1.37	0.78
	39.70	31.03

44 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	328.15	189.69
Interest due on above	45.78	--
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	--	--
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	24.59	--
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	70.37	--
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	--	--

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

45 A. DISCLOSURE AS PER REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS

Loans and advances in the nature of loans given to subsidiaries, associates and others and investment in shares of the Company by such parties:

(Rs. in lakhs)

Name of the Party	Relationship	Amount as at 31.03.2019	Amount as at 31.03.2018	Maximum balance outstanding during the year 31.03.2019	Maximum balance outstanding during the year 31.03.2018
Sakthi Auto Component Limited (erstwhile Associate)	Other Entity	14715.74 Dr. (2263.93) Dr.	2263.93 Dr. (7603.45) Dr.	14715.74 (7603.45)	7603.45 (15432.40)

The above loan was given to the erstwhile associate for its business activities (Refer Note 49). Figures in bracket refer to amount as at 31st March 2018.

B. DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loan, guarantees or made any investment under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 during the Financial year ended 31.03.2019.

46 EMPLOYEE BENEFITS

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.358.57 lakhs (Rs.307.52 lakhs) for Provident Fund contributions, Rs.44.28 lakhs (Rs.46.85 lakhs) for Superannuation Fund contributions and Rs.11.61 lakhs (Rs.12.73 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss for the year ended 31st March 2019. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.



B. Defined benefit plans : Gratuity

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by Mr. Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment risk : The probability or likelihood of occurrence of losses relating to the expected return on any particular investment.

Salary escalation risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	(Rs. in lakhs)	
	2018-19	2017-18
Present Value of obligations at the beginning of the year	2132.91	2039.19
Current service cost	99.66	108.26
Interest Cost	153.77	155.18
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	-86.07	29.36
Benefits paid	-224.58	-199.08
Present Value of obligations at the end of the year	2075.69	2132.91
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	120.61	196.84
Interest Income	7.34	12.19
Return on plan assets	-3.47	0.63
Contributions from the employer	176.35	110.03
Benefits paid	-224.58	-199.08
Fair Value of plan assets at the end of the year	76.25	120.61
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	2075.69	2132.91
Fair value of plan assets at end of the year	76.25	120.61
Funded status of the plans – Liability recognised in the balance sheet	1999.44	2012.30
Components of defined benefit cost recognised in Profit or Loss		
Current service cost	99.66	108.26
Net interest expense	146.43	142.99
Net Cost in Profit or Loss	246.09	251.25
Components of defined benefit cost recognised in Other Comprehensive Income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	-86.07	29.36
Return on plan assets	-3.47	0.63
Net Cost in Other Comprehensive Income	-89.54	29.99



(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
Assumptions:		
Discount rate	7.61%	8.00%
Expected rate of salary increases	4.00%	5.00%
Expected rate of attrition	5.00%	3.00%
Average age of members	46.69	46.24
Average remaining working life	11.31	11.76
Mortality (IALM (2006-2008) Ultimate)	100%	100%

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31.03.2019	31.03.2018
Discount rate		
+ 100 Basic Points	1969.18	2039.81
- 100 Basic Points	2193.22	2236.20
Salary growth rate		
+ 100 Basic Points	2195.21	2237.27
- 100 Basic Points	1965.79	2037.20
Attrition rate		
+ 100 Basic Points	2093.65	2144.91
- 100 Basic Points	2056.28	2119.88
Mortality rate		
+ 10% up	2076.77	2133.51

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in increase in liability without corresponding increase in the asset).



Expected contributions to the plan for the next annual periods is given below:

(Rs. in lakhs)

Particulars	31.03.2019	31.03.2018
Year - I - 31.03.2020	234.95	287.77
Year - II - 31.03.2021	183.40	175.26
Year - III - 31.03.2022	199.56	206.16
Year - IV - 31.03.2023	226.48	131.27
Year - V - 31.03.2024	151.82	206.28

C. Note on Provident Fund:

With respect to employees, who are covered under Provident Fund Trust administered by the Company, the Company shall make good deficiency, if any in the interest rate declared by Trust over statutory limit. Having regards to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

D. Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows.

Particulars	2018-19	2017-18
Discount rate	7.61%	7.70%
Attrition rate	5.00%	3.00%
Expected rate of salary increase	4.00%	8.00%

47 EARNINGS PER SHARE:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Basic earnings per share (Rs.)	-17.94	-14.89
Diluted earnings per share (Rs.)	-17.94	-14.89

47.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit after taxation (Rs.in lakhs)	-21325.07	-17696.64
Earnings used in the calculation of basic earnings per share	-21325.07	-17696.64
Number of equity shares of Rs.10 each outstanding at the beginning of the year	118849036	118849036
Add: Equity shares issued/allotted during the year	--	--
Revised number of equity shares of Rs. 10 each outstanding at the end of the year	118849036	118849036
(a) Number of equity Shares of Rs.10 each outstanding at the end of the year	118849036	118849036
(b) Weighted average number of equity shares	118849036	118849036

47.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Earnings used in the calculation of basic earnings per share	-21325.07	-17696.64
Adjustments	--	--
Earnings used in the calculation of diluted earnings per share	-21325.07	-17696.64



The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Weighted average number of equity shares used in the calculation of basic earnings per share	118849036	118849036
Adjustments	--	--
Weighted average number of equity shares used in the calculation of diluted earnings per share	118849036	118849036

48 FINANCIAL INSTRUMENT

48.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

48.2 Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

(Rs. in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Debt	89967.04	91877.30
Cash and Cash Equivalent	(1196.46)	(1495.23)
Net Debt	88770.58	90382.07
Total Equity	4513.74	25838.81
Net Debt to Equity Ratio	19.67	3.50

48.3 Category-wise Classification of Financial Instruments

(Rs. in lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Financial Assets measured at Fair Value Through Profit & Loss [FVTPL]				
Investment in quoted equity instruments	245.03	390.43	402.59	776.47
Investment in unquoted equity instruments	35.76	35.76	--	--
	280.79	426.19	402.59	776.47
Financial assets measured at Amortised Cost				
Investments	646.19	646.19	--	--
Trade receivables	--	--	6760.72	6852.73
Loans	84.72	107.41	14798.04	2337.37
Cash and cash equivalents	--	--	1196.46	1495.23
Other balances with banks	--	--	128.02	96.67
Other financial assets	666.77	653.05	108.11	2733.86
	1397.68	1406.65	22991.35	13515.86
Total	1678.47	1832.84	23393.94	14292.33
Financial Liabilities measured at Fair Value Through Profit & Loss [FVTPL]				
	--	--	--	--
Financial Liabilities measured at Amortised Cost				
Borrowings	17013.34	45504.60	12779.52	11531.86
Trade payables :				
Dues of micro enterprises and small enterprises	--	--	328.15	189.69
Dues of creditors other than micro enterprises and small enterprises	--	--	25673.01	24847.50
Other financial liabilities	281.25	279.21	115935.74	64330.53
Total	17294.59	45783.81	154716.42	100899.58



48.4 Fair Value Measurements

The following table provides the fair value measurement hierarchy of the Company's Financial Assets and Liabilities:

48.4.1 Quoted prices in an active market (Level 1):

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual fund investments.

48.4.2 Valuation techniques with observable inputs (Level 2):

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

48.4.3 Valuation techniques with significant unobservable inputs (Level 3):

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

48.4.4 As at March 31, 2019

(Rs. in lakhs)

Particulars	Fair Value as at 31.03.2019	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	647.62	647.62	--	--
Investment in unquoted equity instruments	681.95	--	--	681.95

48.4.5 As at March 31, 2018

Particulars	Fair Value as at 31.03.2018	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	1166.90	1166.90	--	--
Investment in unquoted equity instruments	681.95	--	--	681.95

48.4.6 Financial Instrument measured at Amortised Cost:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

48.5 Financial Risk Management Objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.



48.5.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

48.5.2 Foreign Currency Exchange Rate Risk

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

48.5.3 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

48.5.4 Credit Risk Management

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the Company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

48.5.5 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through borrowings.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The liquidity position of the Company is given below:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Cash and Cash Equivalents	1196.46	1495.23



The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018:

Particulars	As at	Less than 1 Year	1-2 Years	(Rs. in lakhs)
				2 Years and above
Borrowings	March 31, 2019	72953.70	10670.31	25486.12
	March 31, 2018	46372.80	12066.20	33700.53
Trade payables	March 31, 2019	26001.16	--	--
	March 31, 2018	25037.19	--	--
Other financial liabilities	March 31, 2019	56042.81	--	--
	March 31, 2018	29768.90	--	--

48.5.6 Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables, trade payables and FCCB in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Impact on Profit or (Loss) for the year	225.59	207.53

48.5.7 Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

48.5.8 Interest Rate Sensitivity Analysis

If interest rates had been 1% higher and all other variables were held constant, the Company's profit for the year ended would have impacted in the following manner:

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Impact on Profit or (Loss) for the year	60.04	69.14

**49 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY IND AS-24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31.03.2019.****49.1 Name of Related Parties and nature of relationship:**

Holding Company	ABT Investments (India) Pvt Ltd
Associates	Sakthi Auto Component Limited Sakthi Finance Limited Sri Chamundeswari Sugars Limited
Key Management Personnel (KMP)	Executive Director:- Sri M Manickam, Chairman and Managing Director Non-Executive Directors:- Sri M Balasubramanian, Promotor Director Sri M Srinivaasan, Promotor Director Sri C Rangamani, Independent Director Sri S S Muthuvelappan, Independent Director Sri P K Chandran, Independent Director Sri N K Vijayan, Independent Director Sri K V Ramachandran, Independent Director Sri S Chandrasekar, Independent Director Sri S Balasubramanian, Independent Director Smt Priya Bhansali, Independent Director Sri Jigar Dalal, Nominee Director Executive Officers:- Sri S Baskar, Sr. Vice President & Company Secretary Sri C R Sankar, Chief Financial Officer *
Relatives of KMP	There have been no transactions with relatives of Key Management Personnel.
Other entities over which there is a significant influence	ABT Limited ABT (Madras) Pvt Ltd ABT Info Systems Pvt.Limited ABT Foods Limited ABT (Madurai) Pvt Ltd ABT Two Wheelers Pvt Ltd Anamallais Bus Transport Pvt. Limited The Anamallais Retreading Company Pvt Ltd Chamundeswari Enterprises Pvt Ltd Nachimuthu Industrial Association Sakthi Coffee Estates (P) Ltd. ABT Textiles (P) Ltd Anamallais Retreading Corporation N.Mahalingam & Company Sakthi Automobiles The Gounder & Co.

Note : Related party relationships are as identified by the management and relied upon by the auditors.

* W.e.f. 13.08.2018



49.2 Transaction with Related Parties:

49.2.1 Key management personnel compensation

(Rs. in lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Employee share-based payment	--	--
Short-term employee benefits	50.74	33.85
Post-employment benefits	--	--
Total Compensation	50.74	33.85
Remuneration / sitting fees to Non-Executive and Independent Directors	11.00	6.18

49.2.2 Details of Related Party transactions during the year ended 31.03.2019 and balances outstanding as at 31.03.2019:

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Purchases:					
Purchase of materials					
- Sakthi Auto Component Limited		4.09 (4.29)			4.09 (4.29)
Purchase of Fuel					
- N. Mahalingam & Co.				31.72 (20.62)	31.72 (20.62)
Purchase of Milk					
- ABT Industries Ltd*				-	-
				4.92	4.92
Sales:					
Sale of materials					
- Sakthi Auto Component Limited		6.90 (4.43)			6.90 (4.43)
- N. Mahalingam & Co.				1.71 (1.65)	1.71 (1.65)
- ABT Foods Ltd				9.05 (1.71)	9.05 (1.71)
- ABT Ltd				0.87 (--)	0.87 (--)
Sale of Car/Bus					
- Sakthi Auto Component Limited		-- (1.28)			-- (1.28)
- ABT Ltd. - Maruti				-- (1.24)	-- (1.24)
Sale of Sugar					
- ABT Industries Ltd*				-- (8.73)	-- (8.73)
- Nachimuthu Industrial Association (NIA)				2.27 (0.57)	2.27 (0.57)
- ABT Ltd				0.35 (--)	0.35 (--)



(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Interest Income					
- Sakthi Auto Component Limited		14,711.49			14,711.49
Rendering of services:					
Rent and other receipts					
- Sakthi Auto Component Limited		7.06			7.06
		(6.72)			(6.72)
- ABT Limited				115.03	115.03
				(10.89)	(10.89)
- Sri Chamundeswari Sugars Limited		8.13			8.13
		(--)			(--)
Technical Service Charges Receipts					
- ABT Industries Ltd*				--	--
				(18.19)	(18.19)
Advertisement Receipts					
- Sakthi Finance Limited		3.60			3.60
		(3.60)			(3.60)
- Sri Chamundeswari Sugars Limited		2.40			2.40
		(2.40)			(2.40)
- N. Mahalingam & Co.				4.80	4.80
				(4.80)	(4.80)
- ABT Limited				3.60	3.60
				(3.60)	(3.60)
- ABT Industries Limited*				--	--
				(3.60)	(3.60)
- NIA (MCET)				3.60	3.60
				(3.60)	(3.60)
- ABT Industries Ltd-Dairy Division*				--	--
				(1.80)	(1.80)
- ARC Retreading Co P Ltd				1.80	1.80
				(1.80)	(1.80)
Receiving of services:					
Interest payments					
- ABT Limited				1,330.03	1,330.03
				(1,076.26)	(1,076.26)
- Annamallais Bus Transports P Ltd				27.79	27.79
				(--)	(--)
Printing charges					
- NIA (Rukmani Offset Press)				26.71	26.71
				(22.17)	(22.17)



(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Rent payments					
- ABT Limited				117.15 (14.07)	117.15 (14.07)
Vehicle purchase/maintenance					
- ABT Limited				5.01 (2.90)	5.01 (2.90)
- ABT Industries Ltd*				--	--
- ARC Retreading Co. P. Ltd				(1.45) 1.18 (0.33)	(1.45) 1.18 (0.33)
Transport charges					
- ABT Ltd. - Parcel Service				53.62 (346.30)	53.62 (346.30)
Purchase of computer consumables					
- ABT Ltd. - Infonet				30.94 (28.89)	30.94 (28.89)
Remuneration to KMP					
- S Baskar				34.18 (33.85)	34.18 (33.85)
- C R Sankar (From 13.08.2018)				16.56 (--)	16.56 (--)
Balances outstanding at the end of the year					
Key Managerial Personnel					
- Sri M Manickam Chairman and Managing Director				38.20 (38.63)	38.20 (38.63)
Loans and advances					
- Sakthi Auto Component Limited			14,715.74 (2,263.93)		14,715.74 (2,263.93)
- Sakthi Finance Limited			0.57 (0.46)		0.57 (0.46)
- Sri Chamundeswari Sugars Limited			-- (0.62)		-- (0.62)
- ABT Industries Limited*				-- (4.14)	-- (4.14)
- Sakthi Beverages Limited				-- (0.40)	-- (0.40)
- Nachimuthu Industrial Association				2.52 (8.00)	2.52 (8.00)
- ABT Limited				39.29 (36.62)	39.29 (36.62)



(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
- N.Mahalingam & Co.				0.11 (0.21)	0.11 (0.21)
- Sakthifinance Financial Services Ltd.				0.07 (0.06)	0.07 (0.06)
- ARC Retreading Company				1.55 (1.54)	1.55 (1.54)
- ABT Foods Limited				1.54 (--)	1.54 (--)
- Sakthi Automobiles				-- (0.30)	-- (0.30)
Loans from Body Corporate					
- ABT Investments (India) P. Limited	400.00				400.00
	(400.00)				(400.00)
- Anamallais Bus Transports P. Ltd.				1,349.50 (1,379.50)	1,349.50 (1,379.50)
- ABT Limited				10,663.02 (9,330.61)	10,663.02 (9,330.61)
Advance from Body Corporate					
- Sri Chamundeswari Sugars Limited		877.93			877.93
		(877.93)			(877.93)
Trade Payables					
- ABT Ltd.				522.15 (398.63)	522.15 (398.63)
- ABT (Madras) P. Limited				27.43 (27.43)	27.43 (27.43)
- Nachimuthu Industrial Association				21.05 (20.86)	21.05 (20.86)
- ABT Industries Limited*				-- (0.68)	-- (0.68)
- ARC Retreading Company				-- (0.12)	-- (0.12)
- Anamallais Bus Transports P. Ltd.				116.50 (184.70)	116.50 (184.70)
- N.Mahalingam & Co.				2.05 (0.82)	2.05 (0.82)

Note:-

- Information has been furnished with respect to individuals/entities with whom/which related party transactions had taken place during the year.
- Figures in bracket pertain to previous year

* Not a related party during the financial year 2018-19.



49.2.3 Details of transactions during the financial year ended 31st March 2019 with any person or entity belonging to Promoter/ Promoters Group who/which holds 10% or more shareholding in the Company

Name of the Person / Entity	Details of Transaction
ABT Investments (India) Private Limited	Nil

50 SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Reportable Segment	Products/Service
Sugar	Manufacturing and trading of sugar and its by-products
Industrial alcohol	Manufacturing and trading of Industrial Alcohol and its by-products
Soya products	Manufacturing and trading of Soya and its by-products
Power	Generation and trading of Power

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net un-allocable expenses/income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Inter segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.

50.1 Operating segments revenue and results:

(Rs. in lakhs)

	Sugar		Industrial Alcohol		Soya Products		Power		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue (Sales/Income):										
External Customers	26888.49	34121.01	8522.93	4936.93	13609.45	12680.65	1189.69	1015.50	50210.56	52754.09
Inter-segmental Sales	3770.47	2304.96	1.06	0.77	--	--	4470.56	1931.85	8242.09	4237.58
Operating Income	429.81	1115.51	7.08	2.23	179.93	153.63	0.25	0.30	617.07	1271.67
	31088.77	37541.48	8531.07	4939.93	13789.38	12834.28	5660.50	2947.65	59069.72	58263.34
Operating Profit (+)/ Loss (-)	-21717.64	-7138.99	-892.74				-3320.73	-3191.06	-25074.76	-8050.54
Interest Income									14872.94	117.61
Dividend Income									13.19	16.33
Other Unallocated Expenses/Income(-) (Net)									-9,478.99	2,308.86
Finance Cost									25966.57	14994.92
Profit/(Loss) before Tax									-26676.21	-25220.38
Less: Income-tax:-									--	--
Current Tax									-5274.80	-7510.12
Deferred Tax									-5274.80	-7510.12
Total Tax									-21401.41	-17710.26
Net Profit/Loss after Tax										
Other Information:-										
Segment Assets	128714.60	118536.37	11302.95	14457.70	12675.65	13756.71	31315.99	35280.01	184009.19	182030.79
Unallocated Corporate Assets									4017.96	3870.96
Total Assets									188027.15	185901.75
Segment Liabilities	61716.64	50410.63	459.19	275.62	2073.22	1370.77	11712.34	12762.96	75961.39	64819.98
Unallocated Corporate Liabilities									108575.22	91031.14
Total Liabilities									184536.61	155851.12
Capital Expenditure	182.73	185.55	60.32	40.96	12.86	14.84	43.60	481.39	299.51	722.74
Depreciation & Amortization	3187.22	3302.53	724.22	741.83	364.45	367.01	882.64	870.32	5158.53	5281.69

50.2 **Geographical information**

(Rs. in lakhs)

Country	2018-19	2017-18
India	57520.13	56732.76
Korea	735.63	823.76
Malaysia	91.95	94.73
Philippines	18.52	31.94
Turkey	--	30.64
Vietnam	703.49	549.51
Total	59069.72	58263.34

50.3 The entire Non-current assets of the Company are located in India.

50.4 There is no transaction with single external customer which amounts to 10% or more of the Company's revenue.

51 Operating Lease**51.1 As Lessee**

(Rs. in lakhs)

Particulars	2018-19	2017-18
Annual lease payments included as expenses in the Statement of Profit and Loss	169.20	61.61
Future Minimum Lease Payable		
Not later than one year	146.33	169.20
Later than one year and not later than five years	285.73	432.01
Later than five years	--	0.04

51.2 As Lessor

(Rs. in lakhs)

Particulars	2018-19	2017-18
Annual lease receipts included as income in the Statement of Profit and Loss	203.30	91.16
Future Minimum Lease receivable		
Not later than one year	136.41	203.30
Later than one year and not later than five years	336.33	429.80
Later than five years	346.19	389.18

52. The financial statements have been approved for issue by the Board of Directors on 28th May 2019.

53. The comparative figures have been regrouped / rearranged wherever considered necessary to make them comparable with current year numbers.

Vide our report annexed
For P K NAGARAJAN & Co

Chartered Accountants

Firm Registration Number : 016676S

P K NAGARAJAN

Partner

Membership Number : 025679

Coimbatore
28th May 2019

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Director

S BASKAR
Sr. Vice President &
Company Secretary

C.R. SANKAR
Chief Financial Officer



COMPANY'S PERFORMANCE AT A GLANCE

YEAR	SUGARCANE CRUSHED (TONNES)	SUGAR PRODUCED (TONNES)	RECOVERY (%)	TURNOVER (Rs.in Lakhs)	PROFIT BEFORE DEPRN (Rs. In Lakhs)	DEPRECIATION (Rs. In Lakhs)	PROFIT AFTER DEPRN (Rs. In Lakhs)	EQUITY DIVIDEND (%)	GROSS BLOCK (Rs. In Lakhs)
1967	202641	16750	8.27	346.44	3.08	12.78	-9.70	-	181.33
1968	195997	17614	8.99	346.60	74.97	14.90	60.07	12	173.51
1969	332822	27955	8.40	520.65	31.09	13.74	17.35	12	179.75
1970	460457	38704	8.41	536.07	10.30	15.23	-4.93	6	312.82
1971	434862	40159	9.23	692.62	55.05	20.04	35.01	12	345.52
1972	526103	50063	9.52	1112.43	135.34	29.89	104.45	15	466.18
1973	687892	59691	8.72	1358.41	67.83	34.66	33.17	15	567.55
1974	813430	67776	8.33	1779.28	72.04	46.99	25.05	12	958.57
1975	1002544	84494	8.43	2324.35	128.52	65.61	62.91	-	1014.43
1976	311774	28025	8.98	1395.33	19.20	64.00	-44.80	-	1026.49
1977	298725	22692	7.60	653.64	-98.96	0.00	-98.96	-	1020.98
1978	366487	33883	9.25	706.32	-27.36	0.00	-27.36	-	1021.26
1979	767844	64299	8.37	1201.64	52.40	0.00	52.40	-	1037.86
1980	624399	54680	8.76	2323.30	303.52	58.24	245.28	12	1068.08
1981	648514	57236	8.83	2400.96	138.32	67.22	71.10	17.5	1207.00
1982▲	1121964	104305	9.30	3861.03	322.10	99.89	222.21	20	1396.35
1983	803716	79295	9.87	3371.42	248.52	194.78	53.74	15	1846.66
1984	336704	34375	10.12	3063.41	109.28	108.20	1.08	15	2024.62
1985	697491	70103	10.05	3211.28	297.71	128.91	168.80	16	2122.82
1986	704626	72150	10.24	3739.00	211.46	116.05	95.41	15	2229.53
1987	496762	48791	9.82	3647.90	173.62	150.86	22.76	-	2443.58
1989	934601	96145	10.28	5087.15	849.45	249.08	600.37	30	4530.72
1990	1122219	108421	9.66	8762.84	989.65	377.09	612.56	20	6101.95
1991	1130173	107984	9.55	7474.44	801.55	394.37	407.18	20	6617.61
1992	1091843	103723	9.50	11200.64	1010.49	409.11	601.38	20	8540.39
1993	1115158	107158	9.61	11547.77	1027.03	411.07	615.96	20	11387.44
1994	956993	89163	9.36	18109.42	1521.21	489.38	1031.83	24	17649.21
1995	1724621	159199	9.28	21701.32	1859.60	782.45	1077.15	24	18638.23
1996	2345289	211267	9.00	33568.19	2953.13	857.58	2095.55	24	26042.75
1997	2106840	191940	9.11	33442.13	2022.05	1019.11	1002.94	20	30242.48
1998	1569438	143991	9.21	36753.07	2478.28	1414.47	1063.81	-	32548.89
1999▲	2607462	246609	9.43	40788.52	2298.23	1860.97	437.26	-	35155.94
2000	2161594	212600	9.86	36393.04	2102.55	1485.66	616.89	-	28394.91
2001	2316874	233278	10.04	45197.53	1596.80	1272.83	323.97	-	29463.22
2002	1914453	193302	10.04	45022.47	1791.99	1309.48	482.51	-	30771.78
2003	1472547	192505 ■	9.80	32221.35	-3968.28	1347.49	-5315.77	-	61006.09*
2004	499480	124559 ■	10.15	30313.24	-3339.32	948.67	-4287.99	-	56054.15
2005	847934	257611 ■	9.30	63942.19	3972.94	1158.49	2814.45	-	56273.16
2006	2746916	347702 ■	9.52	89601.78	10835.71	1218.85	9616.86	15	60637.41
2007	3477203	336996 ■	9.56	76651.73	4358.84	1340.87	3017.97	15	91376.04
2008●	4416309	400678	9.07	103847.83	-4419.38	4294.29	-8713.67	-	136053.62*
2009	2045681	427288 ■	9.22	140435.07	15496.43	3025.71	12470.72	-	138730.83
2011▲	2356303	536973 ■	9.47	216553.65	-8915.89	3878.48	-12794.37	-	142173.20
2012	2900630	278431	9.60	112126.99	-2187.62	3162.85	-5350.47	-	143553.93
2013	3056321	286296	9.37	118989.97	-8515.22	3232.54	-11747.76	-	146750.52
2014	1653822	147240	8.82	71704.59	-20165.02	3272.67	-23437.69	-	146898.93
2015	1476477	131893	8.90	84748.61	-1924.07	3013.82	-4937.89	-	147110.70
2016	1562489	121622	7.93	83034.12	-2903.08	4621.12	-7524.20	-	147317.80
2017	1975869	175613	8.83	93897.56	10015.62	5700.47	4315.15	-	145679.38*
2018	549241	84800	8.97	53020.06	-19938.69	5281.69	-25220.38	-	139330.95
2019	849503	81216	9.63	50505.93	-21517.69	5158.53	-26676.22	-	136193.32

▲ 15 Months ● 18 Months ■ Includes sugar produced out of Raw sugar

* Including increase in value on account of revaluation of fixed assets Rs.30045.71 Lakhs

* Including increase in value on account of revaluation of fixed assets Rs.38696.60 Lakhs

* Including net increase of Rs.36642.32 Lakhs on account of adoption of fair value under Ind AS

E-MAIL Address Registration Form

(In terms of Circular Nos. 17/2011 and 18/211 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