BUSINESS WITH VALUES

SAKTHI SUGARS LIMITED

ANNUAL REPORT 2016-17

sarvakaryogitvam kriya sakthi

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 N Raghavendra Rao & 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
Executive Chairman

Sri M BALASUBRAMANIAM
Managing Director

Sri M SRINIVAASAN
Joint Managing Director

Sri V K SWAMINATHAN
Executive Director

Sri P K CHANDRAN

Sri S S MUTHUVELAPPAN

Sri N K VIJAYAN

Sri C RANGAMANI

Sri S CHANDRASEKHAR

Sri K V RAMACHANDRAN

Sri S BALASUBRAMANIAN

Smt PRIYA BHANSALI

Sri JIGAR DALAL
(Nominee of ARCIL)

Sri S BASKAR
Chief Financial Officer &
Company Secretary

CONTENTS

Report of the Board of Directors	4
Report on Corporate Governance	34
Management Discussion and Analysis Report	47
Independent Auditors' Report	49
Balance Sheet	57
Statement of Profit and Loss	58
Cash Flow Statement	59
Notes to Financial Statements	60
Significant Accounting Policies	83
Statement relating to Associate Company	86
Consolidated Financial Statements	87

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.

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, 2017.

FINANCIAL HIGHLIGHTS **(Rs in lakhs)**

Particulars	2016-17	2015-16
Sales (Net)		
Sugar Division	60677.27	36254.73
Distillery Division	13285.26	14462.74
Cogeneration Division	5678.07	19278.44
Soya Division	13045.36	12104.64
Total sales	92685.96	82100.59
Other Income	1227.85	3667.52
Total Income	93913.81	85768.11
Profit before Finance Cost and Depreciation & Amortisation and exceptional item	13791.07	7762.23
Finance Cost	13367.11	7849.43
Provision for Depreciation & Amortisation	8953.79	7437.00
Net Profit before exceptional item and Tax	(8529.83)	(7524.20)
Exceptional Items (Gain)	10173.94	–
Net Profit before Tax	1644.11	(7524.20)
Provision for Tax	600.17	(2017.09)
Net Profit after Tax	1043.94	(5507.11)
Balance Profit brought forward	(35090.37)	(31302.54)
Add: Transfer from revaluation reserve	1717.88	1719.28
Surplus carried to Balance Sheet	(32328.55)	(35090.37)

REVIEW OF OPERATION

The operational performance of Sugar Division has been better than the previous financial year. The quantum of production of industrial alcohol has marginally come down as compared to the previous year. The Co-generation Division has been affected as Tamil Nadu State has become surplus in power. The selling price of sugar is better during the current financial year compared to the previous financial year. There has been increase in the selling price of industrial alcohol. The power division is losing its significance on account of surplus availability of power and sluggishness in demand resulting in drastic reduction in per unit price for power. The performance of soya unit is satisfactory. There has been no change in the nature of business during the financial year and until the date of this report.

SUGAR DIVISION

The quantum of sugarcane crushed at various units of the Company during the year 2016-17 is as under:

Name of the Unit		Cane crushed (in tonnes)
Sakthinagar	:	9,07,001
Sivaganga	:	3,44,291
Modakkurichi	:	3,96,195
Dhenkanal	:	3,28,383

During the year under review, 1.76 lakh MT of sugar was produced by the Company, which is more by 0.54 lakh MT as compared to the previous year. The quantum of sugar sales and the sale value have also gone up as compared to the previous year.

DISTILLERY DIVISION

During the year under review, 228.91 lakh litres (previous year 270.82 lakh litres) of industrial alcohol was produced at Sakthinagar Distillery Unit and 61.28 lakh litres (previous year 63.51 lakh litres) at Dhenkanal Distillery Unit.

SOYA DIVISION

21,947 tonnes (previous year 21,016 tonnes) of soya bean was crushed in the soya plant during the year under review. This division had exported products worth Rs.1495.87 lakhs (previous year Rs. 1278.01 lakhs) to various countries.

CO-GENERATION DIVISION

The total power generated in the co-generation plants during the year was 2712.09 lakh units (previous year 4424.94 lakh units) out of which 1614.55 lakh units (previous year 3580.77 lakh units) of power was exported. After the expiry of the Agreement with TANGEDCO on 31st May 2016, the Company is selling the power through Indian Power Exchange (IEX).

FUTURE OUTLOOK

While world's sugar production suggests a situation of surplus during 2017-18, there is uncertainty in the Indian scenario with near normalcy of production in the Northern States and deficit in Southern States. Failure of both south west monsoon and north east monsoon last year has affected planting of sugarcane in Tamil Nadu drastically resulting in deficiency in production of sugar during 2016-17 season. The drought situation continues during the current year also with scanty rainfall in the southwest monsoon so far.

There has been appreciation in the selling price of sugar to a reasonable level. It is expected that the current price may sustain through 2017-18 season. The sugar mills have to pay a higher price as Fair and Remunerative Price for 2017-18 season.

Although the prospects of sugar industry is looking good in view of the sugar price being viable, in the raw material front, it appears to be gloomy in the southern states due to non-availability of adequate sugarcane for crushing on account of severe drought. With a view to tide over the shortage in sugar production, the Central Government has permitted import of 5 lakh MT of raw sugar in all India level and the Company has been permitted to import 37,615 MT of raw sugar, which the Company has imported for refinifng in its Tamilnadu units.

Unless the nature favours with good monsoon and adequate quantity of sugarcane is made available, the outlook of sugar industry, especially in the south, does not seem to be encouraging.

DEPOSITS

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

At the end of the financial year, 1 deposit amounting to Rs.0.21 lakh (including interest) remained unclaimed. The Company has transferred the unclaimed amount to IEPF account in May 2017.

CORPORATE INFORMATION

At the request of the Company, Bank of India has restructured the loans including interest granted by them by elongating the repayment period i.e. in 24 quarterly instalments in a ballooning manner. A similar request has been made to Punjab National Bank for restructure of the loans sanctioned by them amounting to Rs.50 crores. Allahabad Bank have sold their loan portfolio in respect of the Company to Asset Restructuring Company (India) Limited (Arcil).

FCCB (Series B) of face value of USD 2.90 million had been settled at 75% of the face value as mentioned in the last report. In respect of FCCB (Series B) of USD 1 million for which a compromise has been arrived at with the bondholders, based on the order of the Madras High Court on the compromise memo for settlement of FCCB of face value USD 600,000, the Reserve Bank of India has just given its permission for remittance. This settlement is yet to take place. The order of the High Court on the compromise memo for the balance FCCB of face value of USD 400,000 is awaited.

DIRECTORS

Sri M.Srinivaasan (DIN:00102387) retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

During the financial year under review, Arcil had withdrawn its Nominee Sri P.S. Ravendernath from the Board of the Company on 27.11.2016 and nominated Sri. Jigar Dalal in his place with effect from 2.1.2017. The Board places on record its appreciation of the services rendered by Sri Ravendernath during his tenure as Nominee Director of the Company.

DIRECTORS RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that financial year;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared the annual accounts on a going concern basis;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF BOARD OF DIRECTORS

The Board met 5 times during the financial year ended 31st March 2017. 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:

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

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

BOARD EVALUATION

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

DETAILS OF REMUNERATION TO DIRECTORS

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

RISK MANAGEMENT POLICY

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

ASSOCIATE COMPANY

Pursuant to Rule 6 of the Companies (Accounts) Rules 2014, the financial statements for the year ended 31st March 2017 of Sakthi Auto Component Limited, Associate Company, have been consolidated and the consolidated financial results of the Company and the Associate Company form part of the audited financial statements of the Company. In terms of Rule 8 of the said Rules, report on the performance and financial position of the said Associate Company are given hereunder:

(Rs. in lakhs)

	31.3.2017	31.3.2016
Revenue from operations	66376.18	68284.96
Profit before tax	3265.45	5141.61
Profit after tax	1664.40	3198.58

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

INTERNAL CONTROL

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

VIGIL MECHANISM

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

CORPORATE GOVERNANCE

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

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

OTHER DISCLOSURES UNDER THE COMPANIES ACT 2013

i. Extract of Annual Return

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

ii. Changes in Share Capital

As mentioned in the last report, the paid-up share capital of the Company has gone up to Rs.118.85 crores in view of allotment of 2,26,35,757 equity shares on preferential issue basis on 24th June 2016.

iii. Policy on Directors' Appointment and Remuneration

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

iv. Related Party Transactions

All the related party transactions are at arm's length basis and have taken place in the ordinary course of business. Prior approval of the Audit Committee 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.

The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website www.sakthisugars.com. The details of the transactions with Related Party are provided in the accompanying financial statements.

v. Statement of declarations given by Independent Directors

The Independent Directors have given 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 2016-17 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.

STATUTORY AUDITORS

M/s.P.N.Raghavendra Rao & Co., Coimbatore, Statutory Auditors of the Company, (Firm Registration No.003328S) shall hold office till the conclusion of the 55th Annual General Meeting as an audit firm which has completed the term of office for a particular period cannot be considered for re-appointment for a period of five years, pursuant to the provisions of Section 139(2) of the Companies Act, 2013. The Board of Directors wishes to place on record the excellent professional services rendered by the said firm during the tenue of their office. On the recommendation of the Audit Committee, the Board has proposed the appointment of M/s. P.K. Nagarajan & Co., Chartered Accountants (Firm Registration Number 016676S), as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 55th Annual General Meeting (AGM) of the Company, subject to ratification at every AGM, if required. Necessary resolution in this regard is included in the Notice of the AGM.

SECRETARIAL AUDIT

Pursuant to Section 204 of the Companies Act 2013, the Board of Directors of the Company has appointed M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai as Secretarial Auditors to undertake the secretarial audit of the Company for the year ended 31st March 2017. Secretarial Audit Report of M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai is annexed as Annexure-E.

COST AUDIT

M/s. STR & Associates, Cost & Management Accountants, Tiruchirapalli, are the Cost Auditors for auditing the cost accounting records relating to Sugar, Industrial Alcohol, Power and Soya Divisions of the Company for the year ended 31st March 2017. The said Firm has been appointed for the financial year ending 31st March 2018 and necessary resolution for ratification of their remuneration is included in the Notice for the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up at every work place to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaint has been received during the financial year 2016-17.

AUDITORS' REPORT

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

a) The unprovided interest and guarantee commission to Promoter group company (erstwhile holding company) will be accounted subject to the approval of the Lenders.

b) Non-provision of interest is as per the original agreement entered into with the Associate Company.

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

ACKNOWLEDGEMENT

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

On behalf of the Board of Directors

Coimbatore
11th August 2017

M Manickam
Executive Chairman

ANNEXURE - A TO THE BOARD'S REPORT

PARTICULARS OF REMUNERATION

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

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

	Name of Persons	Ratio to median remuneration
I	Non-Executive Directors:	
	Sri P.K.Chandran	0.29
	Sri S.S.Muthuvelappan	0.26
	Sri N.K.Vijayan	0.37
	Sri C.Rangamani	0.37
	Sri K.V.Ramachandran	0.40
	Sri S.Chandrasekhar	0.26
	Sri S.Balasubramanian	0.22
	Smt. Priya Bhansali	0.37
	Sri P.S.Ravendernath	0.11
	Sri Jigar Dalal	-
II	Executive Directors	
	Dr. M.Manickam, Executive Chairman	-
	Sri M.Balasubramaniam, Managing Director	-
	Sri M.Srinivaasan, Joint Managing Director	-
	Sri V.K.Swaminathan, Executive Director	-

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

	Name of Persons	% increase in remuneration
I	Non-Executive Directors:	
	Sri P.K.Chandran	-
	Sri S.S.Muthuvelappan	-
	Sri N.K.Vijayan	11.11
	Sri C.Rangamani	-
	Sri K.V.Ramachandran	10.00
	Sri S.Chandrasekhar	-
	Sri S.Balasubramanian	20.00
	Smt. Priya Bhansali	42.86
	Sri P.S.Ravendernath	50.00
	Sri Jigar Dalal	-
II	Executive Directors	
	Dr. M.Manickam, Executive Chairman	-
	Sri M.Balasubramaniam, Managing Director	-
	Sri M.Srinivaasan, Joint Managing Director	-
	Sri V.K.Swaminathan, Executive Director	-
III	Key Managerial Personnel:	
	Sri.S.Baskar, Chief Financial Officer & Company Secretary	13.80

i. The remuneration to Non-Executive Directors consists of sitting fees paid for the meetings of Board and Committees thereof attended by each Director. The sitting fees paid per meeting attended by the Directors is the same as that of the last year.

ii. No remuneration has been paid to the Executive Chairman, Managing Director, Joint Managing Director and the Executive Director during the financial year as approval of the Central Government is yet to be received.

c) The percentage increase in the median remuneration of employees in the financial year is 6.51%.

d) The number of permanent employees on the rolls of the Company as on 31.3.2017 is 1420.

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in the year 2016-17 was 4.59%. 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 31st March 2017 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.

g) A statement showing the names of top ten employees as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached.

On behalf of the Board of Directors

Coimbatore
11th August 2017

M Manickam
Executive Chairman

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

S. No.	Name of employee	Designation	Remuneration received (Rs. in Lakhs)	Qualification & experience	Date of commencement of employment	Age (No. of years)	Last employment
1	Sri S. Baskar	Chief Financial Officer & Company Secretary	24.73	M.A., M.Com., FCS 39 years	15.11.1993	62	Company Secretary, Sakthi Soyas Ltd.
2	Sri R. Venkatachalam	Sr. Vice President - Materials	24.20	B.E., MBA 41 years	14.09.1990	64	Sr. Executive-Purchase, Seshasayee Industries Ltd.,
3	Sri P. Muthuvelappan	Sr. Vice President - HRD	23.86	MSW, MBA, B.L. 38 years	24.04.1991	61	Asst. Manager-Personnel, L.G.Balakrishnan & Brothers Ltd.
4	Sri R. Ramadurai	Sr. Vice President-Orissa Operations	23.76	B.Sc. (Agri), MBA 41 years	12.06.2002	62	General Manager, Nagarjuna International (Vietnam) Ltd.
5	Sri L. Arumugam	Vice President	21.93	B.Sc. (Agri) 36 years	05.02.2004	58	Dy. General Manager - Cane, Thiru Arooran Sugars Ltd
6	Sri M. Ravicandran	Vice President - Projects & Technical	19.72	B.E. BOE 31 years	01.09.2000	53	Asst. General Manager Engg, Sri Ram Sugar Mills Ltd.
7	Sri C.R. Sankar	Vice President - Finance & Accounts	19.29	B.Com., FCA 34 years	21.08.1989	57	Sr. Accounts Officer, Sri Rama Machinery Corporation Ltd.
8	Sri P. Sankararaja Pandian	Vice President - Taxation & Internal Audit	18.94	M.Com., B.L., FCMA 38 years	17.05.1999	59	Sr. Manager - Legal & Taxation, Hindustan Motors Ltd
9	Sri S. Mahendra Kumar	Vice President - Systems	18.24	B.Com., MCA 35 years	02.03.1987	53	System Analyst-cum-Programmer, Sree Krishna Data Centre.
10	Sri. K.J. Sreeraj	Vice President - Marketing	17.47	B.Sc., 28 years	10.03.2003	51	Regional Sales Manager Heinz India P. Ltd.

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

ANNEXURE B TO BOARD'S REPORT

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2017
Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i	CIN	L15421TZ1961PLC000396
ii	Registration Date	12.5.1961
iii	Name of the Company	Sakthi Sugars Limited
iv	Category / Sub-Category of the Company	Company Limited by shares
v	Address of the Registered office and contact details: Registered Office	Sakthinagar-638 315, Bhavani Taluk Erode District, 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:	M/s. Link Intime India Pvt. Limited "Surya" 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028, Phone No.0422 2314792 Email ID: coimbatore@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Sugar	107211	65.47
2	Industrial Alcohol	1551	14.33
3	Soya Products	15493	14.07

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	U50101TZ2002PTC010085	Holding Company	56.76	2(46)
2	Sakthi Auto Component Limited	U29199TZ1999PLC008751	Associate Company	–	2(6)

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

(i) 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	2841604	-	2841604	2.95	2841604	-	2841604	2.39	-0.56
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	69261573	-	69261573	71.99	69261573	-	69261573	58.28	-13.71
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	72103177	-	72103177	74.94	72103177	-	72103177	60.67	-14.27
(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) * Includes Promoter Group	72103177	-	72103177	74.94	72103177	-	72103177	60.67	-14.27
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	50	6910	6960	0.01	50	6910	6960	0.01	-
b) Banks/FI	40300	300	40600	0.04	22985602	300	22985902	19.34	19.30
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	424000	495099	919099	0.96	424000	495099	919099	0.77	-0.19
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)	464350	503359	967709	1.01	23409652	503359	23913011	20.12	19.11
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	2076991	14741	2091732	2.17	2247244	14441	2261685	1.90	-0.27
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12326487	851530	13178017	13.70	14799879	840705	15640584	13.16	-0.54
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	5499262	-	5499262	5.72	2650957	-	2650957	2.23	-3.49

(i) Categorywise shareholding (Contd.)

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (Specify)	2332986	40396	2373382	2.47	2239326	40296	2279622	1.92	-0.55
i. Trust	14600	-	14600	0.02	9100	-	9100	0.01	-0.01
ii. Clearing Member	551565	-	551565	0.57	370796	-	370796	0.31	-0.26
iii. Market Maker	43855	-	43855	0.05	70787	-	70787	0.06	0.01
iv. Foreign National	-	-	-	-	-	-	-	-	-
v. NRI (Repatriate)	349024	200	349224	0.36	390257	200	390457	0.33	-0.03
vi. NRI (Non-Repatriate)	214434	250	214684	0.22	247864	250	248114	0.21	-0.01
vii. Office Bearers	5060	39946	45006	0.05	5060	39846	44906	0.04	-0.01
viii. HUF	1028752	-	1028752	1.07	1019826	-	1019826	0.86	-0.21
ix. Unclaimed Shares	125696	-	125696	0.13	125636	-	125636	0.11	-0.02
Sub-total (B)(2)	22235726	906667	23142393	24.05	21937406	895442	22832848	19.21	-4.84
Total Public Shareholding (B) = (B)(1) + (B)(2)	22700076	1410026	24110102	25.06	45347058	1398801	46745859	39.33	14.27
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**94803253**	**1410026**	**96213279**	**100.00**	**117450235**	**1398801**	**118849036**	**100.00**	-

(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 toal shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Dr. N. Mahalingam	145100	0.15	0.15	145100	0.12	0.12	-0.03
2	Dr. M Manickam	1914200	1.99	1.72	1914200	1.61	1.43	-0.38
3	Sri M Balasubramaniam	337325	0.35	0.21	337325	0.28	0.17	-0.07
4	Sri M Srinivaasan	201000	0.21	0.21	201000	0.17	0.17	-0.04
5	Smt. M Mariammal	100	-	-	100	-	-	-
6	Smt. B. Vinodhini	16860	0.02	-	16860	0.01	-	-
7	Smt. Karunambal Vanavarayar	205000	0.21	-	205000	0.17	-	-0.04
8	Dr. B.K.K. Vanavarayar	5019	0.01	-	5019	-	-	-
9	Smt. K. Karpagavalli	12000	0.01	-	12000	0.01	-	-
10	Sri K. Shankar Vanavarayar	5000	0.01	-	5000	-	-	-
11	A B T Limited	67463540	70.12	7.81	-	-	-	-70.12
12	A B T Investments (India) Pvt. Ltd.	-	-	-	67463540	56.76	56.76	56.76
13	Sakthi Finance Ltd.	552833	0.57	-	552833	0.47	-	-0.11
14	Sri Chamundeswari Sugars Ltd.	1245200	1.29	-	1245200	1.05	-	-0.25
	Total	72103177	74.94	10.10	72103177	60.67	58.65	-14.27

* Includes Promoter Group

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

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
At the beginning of the year	72103177	74.94	72103177	74.94
Datewise increase/decrease in Promoters share holding during the year specifying the reasons for increase/decrease (e.g.allotment/ transfer/bonus/sweat equity, etc.)	No Change			
At the end of the year	72103177	60.67	72103177	60.67

* 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		-	-	-	-
	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	%
	24.6.2016	Allotment	22635757	19.05	22635757	19.05
	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	0.51	495099	0.51
	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	0.44	424000	0.44
	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	AXIS BANK LIMITED					
	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	%
	08.04.2016	Transfer	15407	0.02	15407	0.02
	22.04.2016	Transfer	(480)	0.00	14927	0.02
	29.04.2016	Transfer	1050	0.00	15977	0.02
	13.05.2016	Transfer	(1050)	0.00	14927	0.02
	20.05.2016	Transfer	1000	0.00	15927	0.02

(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	%
	24.06.2016	Transfer	13204	0.01	29131	0.02
	30.06.2016	Transfer	(28131)	-0.02	1000	0.00
	15.07.2016	Transfer	32640	0.03	33640	0.03
	22.07.2016	Transfer	(216)	0.00	33424	0.03
	29.07.2016	Transfer	180000	0.15	213424	0.18
	05.08.2016	Transfer	(75000)	-0.06	138424	0.12
	12.08.2016	Transfer	12600	0.01	151024	0.13
	19.08.2016	Transfer	2624	0.00	153648	0.13
	02.09.2016	Transfer	(2170)	0.00	151478	0.13
	16.09.2016	Transfer	850	0.00	152328	0.13
	23.09.2016	Transfer	(1160)	0.00	151168	0.13
	30.09.2016	Transfer	(5670)	0.00	145498	0.12
	07.10.2016	Transfer	(300)	0.00	145198	0.12
	14.10.2016	Transfer	44160	0.04	189358	0.16
	21.10.2016	Transfer	1760	0.00	191118	0.16
	28.10.2016	Transfer	14050	0.01	205168	0.17
	04.11.2016	Transfer	(15000)	-0.01	190168	0.16
	11.11.2016	Transfer	11702	0.01	201870	0.17
	18.11.2016	Transfer	(250)	0.00	201620	0.17
	02.12.2016	Transfer	(6650)	-0.01	194970	0.16
	06.01.2017	Transfer	(1030)	0.00	193940	0.16
	13.01.2017	Transfer	(1000)	0.00	192940	0.16
	10.02.2017	Transfer	55524	0.05	248464	0.21
	17.02.2017	Transfer	(2480)	0.00	245984	0.21
	24.02.2017	Transfer	1401	0.00	247385	0.21
	17.03.2017	Transfer	1000	0.00	248385	0.21
	24.03.2017	Transfer	(3090)	0.00	245295	0.21
	31.03.2017	Transfer	(13400)	-0.01	231895	0.20
	At the end of the year		231895	0.20	231895	0.20
5	NIRMAL BANG SECURITIES PRIVATE LIMITED					
	At the beginning of the year		12140	0.01	12140	0.01
	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	%
	01.04.2016	Transfer	2850	0.00	14990	0.02
	08.04.2016	Transfer	(5126)	-0.01	9864	0.01
	15.04.2016	Transfer	3089	0.00	12953	0.01
	22.04.2016	Transfer	1993	0.00	14946	0.02
	29.04.2016	Transfer	(3820)	0.00	11126	0.01

(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	%
	06.05.2016	Transfer	267	0.00	11393	0.01
	13.05.2016	Transfer	4706	0.00	16099	0.02
	20.05.2016	Transfer	5544	0.01	21643	0.02
	27.05.2016	Transfer	(2374)	0.00	19269	0.02
	03.06.2016	Transfer	(1030)	0.00	18239	0.02
	10.06.2016	Transfer	(65)	0.00	18174	0.02
	17.06.2016	Transfer	7081	0.01	25255	0.03
	24.06.2016	Transfer	3856	0.00	29111	0.02
	30.06.2016	Transfer	(7170)	-0.01	21941	0.02
	01.07.2016	Transfer	9521	0.01	31462	0.03
	08.07.2016	Transfer	(5215)	0.00	26247	0.02
	15.07.2016	Transfer	6755	0.01	33002	0.03
	22.07.2016	Transfer	(1560)	0.00	31442	0.03
	29.07.2016	Transfer	628	0.00	32070	0.03
	05.08.2016	Transfer	(61)	0.00	32009	0.03
	12.08.2016	Transfer	7473	0.01	39482	0.03
	19.08.2016	Transfer	(1715)	0.00	37767	0.03
	26.08.2016	Transfer	23600	0.02	61367	0.05
	02.09.2016	Transfer	8859	0.01	70226	0.06
	09.09.2016	Transfer	(17408)	-0.01	52818	0.04
	16.09.2016	Transfer	2789	0.00	55607	0.05
	23.09.2016	Transfer	(5269)	0.00	50338	0.04
	30.09.2016	Transfer	5784	0.00	56122	0.05
	07.10.2016	Transfer	(16150)	-0.01	39972	0.03
	14.10.2016	Transfer	(3717)	0.00	36255	0.03
	21.10.2016	Transfer	(1837)	0.00	34418	0.03
	28.10.2016	Transfer	(1624)	0.00	32794	0.03
	04.11.2016	Transfer	(635)	0.00	32159	0.03
	11.11.2016	Transfer	(4411)	0.00	27748	0.02
	18.11.2016	Transfer	(14698)	-0.01	13050	0.01
	25.11.2016	Transfer	(364)	0.00	12686	0.01
	02.12.2016	Transfer	16209	0.01	28895	0.02
	09.12.2016	Transfer	(2603)	0.00	26292	0.02
	16.12.2016	Transfer	58	0.00	26350	0.02
	23.12.2016	Transfer	119591	0.10	145941	0.12
	30.12.2016	Transfer	13447	0.01	159388	0.13
	06.01.2017	Transfer	(8079)	-0.01	151309	0.13
	13.01.2017	Transfer	4589	0.00	155898	0.13
	20.01.2017	Transfer	98667	0.08	254565	0.21
	27.01.2017	Transfer	10672	0.01	265237	0.22

(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	%
	03.02.2017	Transfer	2988	0.00	268225	0.23
	10.02.2017	Transfer	15574	0.01	283799	0.24
	17.02.2017	Transfer	(28907)	-0.02	254892	0.21
	24.02.2017	Transfer	(3469)	0.00	251423	0.21
	03.03.2017	Transfer	208	0.00	251631	0.21
	10.03.2017	Transfer	(511)	0.00	251120	0.21
	17.03.2017	Transfer	(29199)	-0.02	221921	0.19
	24.03.2017	Transfer	3427	0.00	225348	0.19
	31.03.2017	Transfer	(3995)	0.00	221353	0.19
	At the end of the year		221353	0.19	221353	0.19
6	TARUN JAIN					
	At the beginning of the year		75000	0.08	75000	0.08
	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	%
	17.03.2017	Transfer	105000	0.09	180000	0.15
	At the end of the year		180000	0.15	180000	0.15
7	HARIVALLABH CHANDAK					
	At the beginning of the year		154000	0.16	154000	0.16
	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		154000	0.13	154000	0.13
8	SAKTHI FINANCIAL SERVICES (COCHIN) PRIVATE LIMITED					
	At the beginning of the year		150000	0.16	150000	0.16
	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
9	SURESH M					
	At the beginning of the year		200821	0.21	200821	0.21
	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	%
	17.06.2016	Transfer	(5521)	-0.01	195300	0.20
	24.06.2016	Transfer	(18000)	-0.02	177300	0.15
	07.10.2016	Transfer	(23313)	-0.02	153987	0.13
	13.01.2017	Transfer	(20000)	-0.02	133987	0.11
	10.02.2017	Transfer	(5000)	0.00	128987	0.11
	At the end of the year		128987	0.11	128987	0.11

(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
10	KARVY STOCK BROKING LIMITED					
	At the beginning of the year		131366	0.14	131366	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	%
	01.04.2016	Transfer	1900	0.00	133266	0.14
	08.04.2016	Transfer	(9106)	-0.01	124160	0.13
	15.04.2016	Transfer	3693	0.00	127853	0.13
	22.04.2016	Transfer	8098	0.01	135951	0.14
	29.04.2016	Transfer	(5425)	-0.01	130526	0.14
	06.05.2016	Transfer	(53661)	-0.06	76865	0.08
	13.05.2016	Transfer	7372	0.01	84237	0.09
	20.05.2016	Transfer	5335	0.01	89572	0.09
	27.05.2016	Transfer	(40576)	-0.04	48996	0.05
	03.06.2016	Transfer	5107	0.01	54103	0.06
	10.06.2016	Transfer	3376	0.00	57479	0.06
	17.06.2016	Transfer	10439	0.01	67918	0.07
	24.06.2016	Transfer	61668	0.05	129586	0.11
	30.06.2016	Transfer	(16847)	-0.01	112739	0.09
	01.07.2016	Transfer	(2617)	0.00	110122	0.09
	08.07.2016	Transfer	(6542)	-0.01	103580	0.09
	15.07.2016	Transfer	(2593)	0.00	100987	0.08
	22.07.2016	Transfer	7696	0.01	108683	0.09
	29.07.2016	Transfer	3551	0.00	112234	0.09
	05.08.2016	Transfer	675	0.00	112909	0.10
	12.08.2016	Transfer	(1878)	0.00	111031	0.09
	19.08.2016	Transfer	(8266)	-0.01	102765	0.09
	26.08.2016	Transfer	1497	0.00	104262	0.09
	02.09.2016	Transfer	(7000)	-0.01	97262	0.08
	09.09.2016	Transfer	(1327)	0.00	95935	0.08
	16.09.2016	Transfer	4399	0.00	100334	0.08
	23.09.2016	Transfer	(774)	0.00	99560	0.08
	30.09.2016	Transfer	10982	0.01	110542	0.09
	07.10.2016	Transfer	(16111)	-0.01	94431	0.08
	14.10.2016	Transfer	6951	0.01	101382	0.09
	21.10.2016	Transfer	(11733)	-0.01	89649	0.08
	28.10.2016	Transfer	8022	0.01	97671	0.08
	04.11.2016	Transfer	1965	0.00	99636	0.08
	11.11.2016	Transfer	(1088)	0.00	98548	0.08
	18.11.2016	Transfer	6751	0.01	105299	0.09
	25.11.2016	Transfer	(5779)	0.00	99520	0.08
	02.12.2016	Transfer	(6843)	-0.01	92677	0.08

(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
	09.12.2016	Transfer	(851)	0.00	91826	0.08
	16.12.2016	Transfer	(285)	0.00	91541	0.08
	2312.2016	Transfer	1144	0.00	92685	0.08
	30.12.2016	Transfer	3388	0.00	96073	0.08
	06.01.2017	Transfer	(2810)	0.00	93263	0.08
	13.01.2017	Transfer	(12962)	-0.01	80301	0.07
	20.01.2017	Transfer	(1920)	0.00	78381	0.07
	27.01.2017	Transfer	(7758)	-0.01	70623	0.06
	03.02.2017	Transfer	2839	0.00	73462	0.06
	10.02.2017	Transfer	8959	0.01	82421	0.07
	17.02.2017	Transfer	5235	0.00	87656	0.07
	24.02.2017	Transfer	(2838)	0.00	84818	0.07
	03.03.2017	Transfer	(4395)	0.00	80423	0.07
	10.03.2017	Transfer	(920)	0.00	79503	0.07
	17.03.2017	Transfer	1210	0.00	80713	0.07
	24.03.2017	Transfer	3354	0.00	84067	0.07
	31.03.2017	Transfer	19690	0.02	103757	0.09
	At the end of the year		103757	0.09	103757	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	1.99	1914200	1.99
	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	1914200	1.61	1914200	1.61
2	Sri M.BALASUBRAMANIAM				
	At the beginning of the year	337325	0.35	337325	0.35
	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	337325	0.28	337325	0.28
3	Sri M. SRINIVAASAN				
	At the beginning of the year	201000	0.21	201000	0.21
	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	201000	0.17	201000	0.17

(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
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			
	At the end of the year	3009	-	3009	-
5	Sri P.K.CHANDRAN				
	At the beginning of the year	6424	0.01	6424	0.01
	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	6424	0.01	6424	0.01
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			
	At the end of the year	1850	-	1850	-
7	Sri V.K.SWAMINATHAN				
	At the beginning of the year	2400	-	2400	-
	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	2400	-	2400	-
8	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	-
9	Sri S.BALASUBRAMANIAN				
	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
10	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	-
11	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	-

(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
12	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	-	-	-	-
13	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	-	-	-	-
14	Sri S.BASKAR				
	At the beginning of the year	5000	0.01	5000	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			
	At the end of the year	5000	0.00	5000	0.00

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	90219.95	17675.22	–	107895.17
ii) Interest due but not paid	16939.09	2745.95	–	19685.04
iii) Interest accrued but not due	116.74	–	–	116.74
Total (i+ii+iii)	107275.78	20421.17	–	127696.95
Change in Indebtedness during the financial year				
Addition	11851.21	4232.80	–	16084.01
Reduction	35566.66	9131.95	–	44698.61
Net Change	-23715.45	-4899.15	–	-28614.60
Indebtedness at the end of the financial year				
i) Principal Amount	71832.99	12429.56	–	84262.55
ii) Interest due but not paid	9316.69	3092.46	–	12409.15
iii) Interest accrued but not due	2410.65	–	–	2410.65
Total (i+ii+iii)	83560.33	15522.02	–	99082.35

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 Executive Chairman	M. Balasubramaniam Managing Director	M. Srinivaasan Joint Managing Director	V.K.Swaminathan Executive Director	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-	-	-	-
	(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	-	-	-	-	-

B. Remuneration to other Directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors								Total Amount
1	**Independent Directors - Mr / Mrs.**	C.Rangamani	S.S.Muthuvelappan	P.K.Chandran	N.K.Vijayan	K.V.Ramachandran	S.Chandrasekhar	S.Balasubramanian	Priya Bhansali	
	(a) Fee for attending Board/ Committee meetings	1.00	0.70	0.80	1.00	1.10	0.70	0.60	1.00	6.90
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	1.00	0.70	0.80	1.00	1.10	0.70	0.60	1.00	6.90
2	**Other Non-Executive Directors - Mr**	P.S. Ravendernath	Jigar Dalal							
	(a) Fee for attending Board/ Committee meetings	0.30	-	-	-	-	-	-	-	0.30
	(b) Commission	-	-	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	0.30	-	-	-	-	-	-	-	0.30
	Total B (1+2)									7.20
	Total Managerial Remuneration									7.20
	Overall ceiling as per the Act	Independent Directors and the Non-Executive Directors are paid only sitting fees within the prescribed limit.								

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	CFO & Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	24.73
	(b) Value of perquisites under section 17(2) Income Tax Act, 1961	1.23
	(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	25.96

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			Nil		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors

Coimbatore
11th August 2017

M Manickam
Executive Chairman

ANNEXURE - C TO THE BOARD'S REPORT

POLICY ON APPOINTMENT AND REMUNERATION

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

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

i. Criteria of selection

a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of engineering, manufacturing, finance, accounts, taxation, agricultural operations, and general management.

b. In the case of Independent Directors, the candidate, in addition to the requirements under (a) above, should satisfy the criteria of independence as stipulated in the Companies Act and the Listing Regulations.

c. The NR Committee while recommending a candidate for appointment as a Director, shall consider and get itself satisfied about -

- The candidate not being disqualified for appointment under Section 164 of the Companies Act, 2013.
- Attributes/criteria regarding qualification, and experience in relevant field.
- Personal, Professional or business standing
- Requirement with respect to Board's diversity

d. In the case of re-appointment, the performance evaluation of the Director and his level of participation will be considered.

ii. Remuneration to Non-Executive Directors

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

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

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

i. Criteria of selection/appointment

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

ii. Remuneration

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

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

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

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

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

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

On behalf of the Board of Directors

Coimbatore
11th August 2017

M Manickam
Executive Chairman

ANNEXURE - D TO BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

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

Installation of S.S Hopper Trays

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

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

(iii) Capital investment on energy conservation equipments:

During the year an amount of Rs. 12.00 lakhs has been spent on equipments towards optimising the operational efficiency with lesser consumption of energy.

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption:

- Multiplication of Tissue Culture seed material.

(ii) Benefits derived

Disease free sugarcane seeds are made available.

(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. 24.03 lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned	Rs. 1446.58 lakhs
Foreign exchange used	Rs. 3606.17 lakhs

On behalf of the Board of Directors

Coimbatore
11th August 2017

M Manickam
Executive Chairman

ANNEXURE-E TO THE BOARD'S REPORT

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2017

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

To,

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SAKTHI SUGARS LIMITED (hereinafter called "the Company") during the financial year from 1st April 2016 to 31st March 2017 (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 verification of the physical/ electronic books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed (physical/ electronic) and compliance related action taken by the Company during the year as well as after 31st March 2017 but before the issue of this audit report;

(ii) Our observations during our visits to the corporate office and two of the Company's factories;

(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, physical/ electronic 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 2017, to the extent, in the manner and subject to the reporting made hereinafter:

(i) The Company has complied with the statutory provisions listed hereunder; and

(ii) The Company has Board processes and compliance mechanism in place.

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

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, in physical/ electronic form, 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/ 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, 2009;

(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;

(d) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(v) The following laws that are specifically applicable to the Company (Specific laws), to the extent so applicable:

(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 rules/regulations made thereunder with respect to sugar and soya;

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

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

1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the physical/ electronics records, information, explanations and representations furnished to us, complied with the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations, Specific laws, Agreements and Standards specified in sub-paragraphs (i) to (viii) of paragraph 1.1 above.

1.3 We are informed that, during/ in respect of the year, 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 Investments;

(ii) Securities and Exchange Board of India (Buyback of Securities) Regulations,1998

(iii) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(iv) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

2. Board processes:

We further report that during the year/ as at 31st March 2017 as the context indicates:

2.1 The Board of Directors of the Company was duly constituted with four Executive Directors, one Nominee Director and eight Independent Directors including one Woman Director.

2.2 A Nominee Director was appointed by Asset Reconstruction Company (India) Limited (ARCIL) on 2nd January 2017 in place of the outgoing Nominee Director. At the 54thAnnual General Meeting held on 27th September 2016 the members approved the re-appointment of the retiring director.

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

2.4 Notices of Board meetings were sent at least seven days in advance.

2.5 Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for so circulating them was duly obtained as required under the Secretarial Standards:

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

(ii) Additional subjects/ information/ presentations and supplementary notes.

2.6 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.

2.7 We noted from the minutes that, at the Board meetings:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed.

3 Compliance mechanism

We further report that:

3.1 There are reasonably adequate systems and processes of the Company commensurate with its size and operations and to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The Company is taking steps to further strengthen the compliance monitoring systems and for ensuring timely updation and authentication of statutory registers.

4 Specific events/ actions

4.1 During the year, the following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards took place:

(i) Members, through a Postal Ballot process in accordance with Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 accorded their consent/ approval for the following:

(a) By way of an Ordinary Resolution for increasing the authorized capital of the Company from Rs.160 crores to Rs.170 crores;

(b) By way of an Ordinary Resolution for consequently amending Clause V (Capital Clause) of the Memorandum of Association of the Company to reflect the increased authorised capital; and

(c) By way of a Special Resolution for issuing and allotting 2,26,35,757 equity shares of Rs.10/- each at a price of Rs. 27 per equity share to ARCIL,in conversion of loans aggregating to Rs. 61.12 Crores.

For S Krishnamurthy & Co.,
Company Secretaries,

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

Date : 8th August 2017
Place : Coimbatore

Annexure - A to Secretarial Audit Report of even date

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

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2017 is to be read along with this letter

1. 1. The Company's management is responsible for the 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 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 2017 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on Independent legal / professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.

7. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.

8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co.,
Company Secretaries,

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

Date : 8th August 2017
Place : Coimbatore

ANNEXURE - F TO THE BOARD'S REPORT

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017

(Rs. in Lakhs)

I

S.No.	Particulars	Adudited Figures (as reported before adjusting for qualifications)	Audited Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	93913.81	93913.81
2	Total Expenditure	102443.64	110119.91
3	Net Profit/(Loss) after exceptional items	1644.11	(6032.16)
4	Earnings Per Share (in Rs.)	0.92	(3.75)
5	Total Assets	180359.88	182731.85
6	Total Liabilities	180359.88	182731.85
7	Net Worth	9068.81	3764.51
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II

Audit Qualification (each audit qualification separately):

Audit Qualification -1

a. *Details of Audit Qualification*

Interest and guarantee commission claim of Rs.7676.27 lakhs by a Company (erstwhile Holding Company) have not been provided and the Profit of the Company is overstated to that extent.

b. *Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion*

Adverse Opinion

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

Repetitive from the financial year ended 31st March 2014.

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

The unprovided interest and guarantee commission to a Promoter Group Company (erstwhile Holding Company) will be accounted subject to the approval of the lenders.

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

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

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

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

Not applicable

Audit Qualification - II

a. *Details of Audit Qualification*

As per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non-provision of interest at least to the extent of interest on Government Securities is in violation of Section 186(7) of the Companies Act, 2013. Consequential impact of the same on the profit for the year/accumulated loss is not ascertainable.

b. *Type of Audit Qualification: Qualified Opinion/Disclaimer of Opinion/Adverse Opinion*

Adverse Opinion

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 (Contd..)

	c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing Repetitive from the financial year ended 31st March 2016. *d. For Audit Qualification where the impact is quantified by the Auditor, Management's views:* Not applicable *e. For Audit Qualification(s) where the impact is not quantified by the auditor:* (i) Management's estimation on the impact of audit qualification: The impact is unascertainable (ii) If management is unable to estimate the impact, reasons for the same No interest is provided as per the original agreement entered into with the Associate Company (iii) Auditors' Comments on (i) or (ii) above: As per the requirement of Section 186(7) of the Companies Act, 2013, the Report is qualified.
III	Signatories
CEO/Managing Director	Sd. (M. Balasubramaniam) Managing Director
CFO	Sd. (S. Baskar) Chief Financial Officer & Company Secretary
Audit Committee Chairman	Sd. (C.Rangamani) Chairman of the Audit Committee
Statutory Auditors	Sd. (P.R. Vittel) Partner M/s. P.N. Raghavendra Rao & Co. Membership No. 018111

Place : Coimbatore
Date : 27.5.2017

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 2017, the Board consists of an Executive Chairman, a Managing Director, a Joint Managing Director, an Executive Director, 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 the Directors.

The Independent Directors have confirmed that they satisfy the criteria of independence as stipulated under Section 149(6) of the Companies Act 2013. During the year, the Independent Directors had a separate meeting on 10.02.2017 without the participation of Non-Independent Directors and the management team. All the Independent Directors were present at the meeting.

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

During the financial year ended 31st March 2017, the Board met 5 times on 02.05.2016, 30.05.2016, 12.08.2016, 14.11.2016 and 10.02.2017. 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 27.09.2016 and the number of other Directorships and Committee Chairmanship/ Membership as on 31st March 2017 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	5	Yes	14	1	-
Sri M.Balasubramaniam	00377053	Promoter Executive	5	Yes	13	-	3
Sri M.Srinivaasan	00102387	Promoter Executive	5	Yes	8	-	2
Sri V.K.Swaminathan	00210869	Non- promoter Executive	5	Yes	2	-	1
Sri C.Rangamani	00090786	Non-executive Independent	4	Yes	1	-	1
Sri S.S.Muthuvelappan	00273870	Non-executive Independent	5	Yes	-	-	-
Sri P.K.Chandran	00273738	Non-executive Independent	5	Yes	-	-	-
Sri N.K.Vijayan	00300871	Non-executive Independent	5	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	5	Yes	3	-	2
Sri S.Chandrasekhar	00011901	Non-executive Independent	5	No	10	-	1
Sri S.Balasubramanian	00458139	Non-executive Independent	5	Yes	2	-	-
Smt. Priya Bhansali	00195848	Non-executive Independent	5	Yes.	2	-	-
Sri P.S.Ravendernath (upto 8.11.2016)	00030770	Nominee Director (ARCIL)	3	No	1	-	-
Sri Jigar Dalal (From 2.1.2017)	07681541	Nominee Director (ARCIL)	-	N.A.	-	-	-

N.A. : Not applicable

c. Relationships between Directors inter se:

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

d. Number of shares and convertible instruments held by Non-Executive Directors in the Company as on 31st March 2017:

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

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

e. Familiarisation programme for Independent Directors

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

f. Performance Evaluation

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

g. Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company www.sakthisugars.com. All Board Members and Senior Management personnel have confirmed compliance with the code and an annual declaration signed by the Managing Director in this regard is attached.

3. AUDIT COMMITTEE

a. Composition and Meetings

The Audit Committee 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 4 times during the financial year on 30.05.2016, 12.08,2016, 14.11.2016 and 10.02.2017 and the attendance of its members are given below. The gap between two meetings did not exceed 120 days.

Name of the Director	Category	Number of Meetings	
		Held	Attended
Sri C.Rangamani - Chairman	Independent, Non-Executive	4	3
Sri N.K.Vijayan	Independent, Non-Executive	4	4
Sri K.V.Ramachandran	Independent, Non-Executive	4	4
Smt.Priya Bhansali	Independent, Non-Executive	4	4

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

b. Terms of reference:

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

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

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

b. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations.

c. Any changes in accounting policies and practices and reasons for them.

d. Major accounting entries involving estimates based on exercise of judgment by management.

e. Significant adjustments made in the financial statements arising out of audit findings.

f. Modified opinions in the draft audit report.

g. Disclosure of any related party transactions.

h. Compliance with listing and other legal requirements relating to financial statements.

i. Review the statement for uses/applications of funds by major category on a quarterly basis, with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document / prospectus /notice. Such review shall be conducted till the full money raised through the issue has been fully spent.

j. Evaluation of internal financial controls and risk management systems.

6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.

7. Approval/recommendation to the Board of related party transactions, including omnibus approval 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.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition and Meetings:

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

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

The Nomination and Remuneration Committee met once during the year on 10.2.2017 and all the members of the Committee were present in the meeting. The Chairman of the Committee was present at the last Annual General Meeting of the Company.

b. Terms of reference:

The terms of reference of the Committee includes the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
2. Recommend to the Board about appointment and removal of directors and senior management personnel.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Carry out evaluation of every Director's performance.
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel (KMP) and other employees and to ensure the following:

   i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

   ii. relationship of remuneration to performance is clear and meets the appropriate benchmarks; and

   iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long term performance, objectives appropriate to the working of the Company and its goals.

7. Review and recommend the compensation and variable pay for Executive Directors to the Board.

8. Recommend on Board diversification.

c. Performance evaluation criteria for Independent Directors:

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

5. REMUNERATION OF DIRECTORS

a. Policy on Remuneration:

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

b. Details of remuneration to Directors:

The details of remuneration paid to Executive and Non-executive Directors during the financial year ended 31st March 2017 are given below:

(Rs. in Lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr.M.Manickam	–	–	–	–
Sri M.Balasubramaniam	–	–	–	–
Sri M.Srinivaasan	–	–	–	–
Sri V.K.Swaminathan	–	–	–	–
Sri P.K.Chandran	–	–	0.80	0.80
Sri S.S.Muthuvelappan	–	–	0.70	0.70
Sri N.K.Vijayan	–	–	1.00	1.00
Sri C.Rangamani	–	–	1.00	1.00
Sri K.V.Ramachandran	–	–	1.10	1.10
Sri S.Chandrasekhar	–	–	0.70	0.70
Sri S.Balasubramanian	–	–	0.60	0.60
Smt.Priya Bhansali	–	–	1.00	1.00
Sri P.S.Ravendernath	–	–	0.30	0.30
Sri Jigar Dalal	–	–	–	–

i. The Non-executive Directors were paid sitting fee for attending the meetings of Board and Committee Meetings. There has been no other pecuniary relationship or transactions with the Non-executive Directors.

ii. As re-appointment of Dr.M.Manickam, Executive Chairman has been made subject to the approval of the Central Government and as the approval of the Central Government is still awaited, he has not been paid remuneration during the financial year. Similarly Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, have not been paid remuneration during the financial year for want of Central Government approval for payment of remuneration. While there is no service contract with the Executive Chairman and the Managing Director, the Company has entered into service agreement with the Joint Managing Director.

iii. As the re-appointment of Sri V.K.Swaminathan, Executive Director, is subject to approval of the Central Government, his remuneration for the financial year is also not paid. The Company does not have any service contract with the Executive Director.

iv. No severance fee is payable to the Directors on termination of employment.

v. The Company has no stock option scheme to its Directors or employees.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

Sri S. Chandrasekhar

Dr. M. Manickam

Sri M. Balasubramaniam

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

The Committee met once during the financial year on 04.01.2017 and all the Members were present at the meeting.

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

The Company had received 1 complaint during the year under review and the said complaint has been resolved to the satisfaction of the shareholder. There is no complaint remaining unresolved or pending as on 31st March 2017.

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 3.1.2017 and all the members attended the meeting. The Board has framed a Risk Management Policy for assessing and mitigating the risks.

8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

Sri N.K.Vijayan, Chairman

Sri M.Srinivaasan

Sri S.Chandrasekhar

The Company has made profit for the financial year ended 31st March 2017. However, 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 any time 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 5 times during the financial year on 20.6.2016, 24.6.2016, 12.8.2016, 26.11.2016 and 11.2.2017. The details of members and their attendance are as under:

Members of the committee	No. of meetings attended
Dr.M.Manickam, Chairman	5
Sri M.Balasubramaniam	5
Sri M.Srinivaasan	5

b. Allotment Committee

This Committee was formed with Dr.M.Manickam (Chairman), Sri M.Balasubramaniam and Sri M.Srinivaasan as Members for the specific purpose of allotment of the equity shares issued on preferential basis to Asset Reconstruction Company (India) Limited upon completion of the required procedures.

The Committee met and allotted equity shares on 24.6.2016 and all the members were present at the meeting.

c. Committee of Directors (Borrowing)

The Committee met 5 times during the financial year on 14.5.2016, 30.6.2016, 8.8.2016, 26.9.2016 and 11.1.2017. The details of members and their attendance are as under:

Members of the committee	No. of meetings attended
Dr.M.Manickam, Chairman	5
Sri M.Balasubramaniam	5
Sri V.K. Swaminathan	5

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
52nd	30.09.2014	Registered Office at Sakthinagar, Bhavani Taluk, Erode District	02.45 p.m.
53rd	30.09.2015	- do -	03.15 p.m.
54th	27.09.2016	- do -	02.45 p.m.

b. Special Resolutions passed in the previous three AGMs:

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

Date of AGM	Special Resolutions with respect to
30.09.2014 (52nd AGM)	Approval to borrow not exceeding Rs.1,500 crores over and above the aggregate of paid up capital and free reserves of the Company. Consent of the Company to hypothecate, mortgage and/or charge the assets of the Company as security.
30.09.2015 (53rd AGM)	Nil
27.09.2016 (54th AGM)	Nil

c. Special Resolutions passed through Postal Ballot

The following Special Resolution was passed through Postal Ballot during the year 2016-2017:

S. No.	Details of resolution	Voting pattern			
		For		Against	
		No. of shares	%	No. of shares	%
1.	Issue and Allotment of equity shares on preferential basis to Asset Reconstruction Company (India) Limited	7,25,67,121	99.93	54,086	0.07

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

Notice dated 2nd May, 2016 together with explanatory statement and postal ballot form and in case of physical form postal envelope bearing the address of the Scrutinizer were sent to the members. E-voting facility was also provided using the CDSL platform. Based on the combined voting through E-voting and Postal Ballot, the Scrutinizer submitted his

report and on that basis all resolutions were declared passed with requisite majority. In this process the procedures laid down in the Companies (Management and Administration) Rules 2014 and the Listing Regulation with respect to Postal Ballot were followed.

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	:	Wednesday, 27th September 2017
Time	:	3.00 p.m.
Venue	:	Sakthinagar-638 315, Bhavani Taluk,Erode district, Tamil Nadu.
b. Financial Calendar for the financial year	:	From 1st April 2017 to 31st March 2018:
Result for the quarter ending	:	Result announcement
30th June 2017	:	On or before 14th August 2017
30th September 2017	:	On or before 14th November 2017
31st December 2017	:	On or before 14th February 2018
31st March 2018(Audited)	:	On or before 30th May 2018

c. Date of Book Closure:

The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, the 21st September, 2017 till Wednesday, the 27th September, 2017 (both days inclusive) for the purpose of Annual General Meeting.

d. Listing on Stock Exchanges:

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

Name of Stock 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 2016 to March 2017 are given below:

Month	BSE		NSE		BSE (Sensex)	
	High	Low	High	Low	High	Low
April 2016	44.40	36.20	44.40	36.00	26101	24523
May 2016	40.20	31.75	40.30	31.60	26837	25058
June 2016	56.00	32.40	55.90	32.50	27105	25911
July 2016	52.70	44.70	52.50	45.20	28240	27034
August 2016	49.25	34.90	49.25	34.85	28532	27628
September 2016	42.90	35.40	42.95	35.20	29077	27717
October 2016	40.50	35.95	40.50	35.85	28478	27488
November 2016	39.00	28.50	40.90	28.30	28030	25718
December 2016	38.00	30.45	38.60	30.50	26804	25754
January 2017	44.30	35.60	44.40	35.50	27980	26447
February 2017	44.40	34.50	44.45	34.55	29065	27590
March 2017	38.10	32.75	38.25	32.60	29825	28716

Performance in comparison to BSE Sensex:

	31.03.2017	31.03.2016	% change
Company share price (closing)	33.00	36.50	-9.59%
SENSEX (closing)	29634	25365	16.83%

f. The equity shares of the Company have not 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:

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

i. Distribution of Shareholding as on 31st March 2017:

Shareholdings	No. of shareholders	% of shareholders	Number of shares	% of shareholding
1 - 500	34299	84.24	4649046	3.91
501 - 1000	3132	7.69	2584995	2.18
1001 - 2000	1557	3.82	2398451	2.02
2001 - 3000	566	1.39	1449524	1.22
3001 - 4000	272	0.67	988237	0.83
4001 - 5000	255	0.63	1209178	1.02
5001 - 10000	362	0.89	2652557	2.23
10001 & above	274	0.67	102917048	86.59
Total	40717	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 2017, 11,74,50,235 equity shares of the Company representing 98.82% 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) issued by the Company and its impact on the equity shares are given in Note No.1 of the financial statement.

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

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

m. Plant Location:

Sugar Unit, Distillery Unit, Ethanol & Co-Generation Plant	:	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
n. 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

13. OTHER DISCLOSURES

a. Materially significant related party transactions:

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

b. Instances of non-compliance, if any:

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

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.

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 removal of the qualification with respect to provision of interest and guarantee commission is possible only when the lenders to the Company permit payment of interest and guarantee commission to the erstwhile holding company. Similarly, provision of interest on the advances given to the Associate Company requires approval of the entities to which the Company has given guarantee. The Company is thriving for a regime of unqualified financial statements.

iii. Separate posts of Chairman and CEO: As the Company has multiple products and more than one managerial personnel, one of the managerial personnel is appointed as Executive Chairman in terms of first proviso to Section 203(1) of the Companies Act 2013.

iv. Reporting of Internal Auditor: The Company has in house internal audit system and the head of internal audit team reports to the Audit Committee of the Company.

e. Subsidiary:

During the financial year ended 31st March 2017, 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.

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

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

g. Compliance with Accounting Standards:

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

h. Proceeds from issue of shares:

The Preferential issue of equity shares made by the Company during the financial year ended 31st March 2017 was by way of conversion of loan into equity shares.

i. 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 31.3.2017. The Declaration issued by the Managing Director in this regard is annexed.

15. DETAILS OF UNCLAIMED SHARE CERTIFICATES:

Pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has opened a Demat Account in the name of "Sakthi Sugars Limited Unclaimed Suspense Account" with Stock Holding Corporation of India Limited. The details of unclaimed shares as on 31.3.2017 are as under:

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2016)	125696	2778
Shareholders approached for transfer during the year	60	3
Transferred during the year	60	3
Outstanding at the end of the year (31.03.2017)	125636	2775

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
11th August 2017

M MANICKAM
Executive Chairman

Annual Declaration by 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 31.03.2017.

On behalf of the Board of Directors

Coimbatore
11th August 2017

M. BALASUBRAMANIAM
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Sakthi Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Sakthi Sugars Limited ('the Company'), for the year ended on 31st March 2017 as referred to in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

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

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

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

P R VITTEL
Partner
Membership Number: 018111

Place : Coimbatore
Date : 11th August 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments:

The second largest agro based sugar industry after textile, comprises of private co-operative and government undertakings. The industry is seasonal in nature and is subject to vagaries of monsoon. India's sugar production hit a seven-year low of 21.30 million tonnes in 2016-17 following consecutive years of drought. Planting of sugar cane is lower for 2017-18 crushing season due to continuous drought in the southern states. Sugar price has increased due to estimated fall in production of sugar. This is very supportive to the industry to meet out its financial obligations that are in arrears, besides the current requirements. In view of lower sugar output, the Central Government has allowed duty free import of 5 lakh tonnes of raw sugar to improve domestic supply.

The Government of India has increased the fair and remunerative price (FRP) from Rs.230 per quintal to Rs.255 for 2017-18 season. Although this increase in FRP may give a fillip to farmers, it will not bring immediate increase in the area of plantation of sugarcane due to paucity of water for cultivation.

B. Opportunities and Threats:

i. Opportunities:

The industry is on the upswing as demand for sugar is expected to be higher than the production with higher realisation on sale of sugar. Further there has been gradual growth in demand year after year. The hike in import duty by the Central Government on sugar from 40% to 50% would be beneficial to the domestic markets.

ii. Threats

The sugar sector is impacted by induced cyclicality, since high sugarcane price leads to increase in production resulting in low prices for sugar. This in turn affects the ability of mills to pay the farmers, thus leading to arrears in cane payment.

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

The power division is losing its significance on account of surplus availability of power and sluggishness in demand resulting in drastic reduction in per unit price for power. This makes the power units unviable to operate.

C. Segment wise or Product wise Performance:

Segmentwise results are given in the Notes on Financial Statements for the financial year ended 31.3.2017. Productwise performance is furnished in the Board's Report.

D. Outlook:

The current financial year will be challenging for the sugar mills in South India because of the drought. The outlook of the sugar industry in the South is not encouraging as it will take atleast two years for getting adequate cane for crushing even if the monsoon favours with good rain now.

E. Risks and Concerns:

The sugar industry is a cyclical in nature and the availability of raw material for crushing depends on monsoon which is unpredictable. The drought situation has affected availability of sugarcane for crushing drastically. This has adverse impact on the operations of Distillery and Cogeneration Divisions. However, no risk mitigation efforts can be taken in this respect, except by the Central Government by allowing further duty free import of raw sugar by mills in South India.

Another risk mills are facing is initiative of farmers to grow alternate crops.

Increase in sugarcane price year after year will affect the margin of the mills. This may be mitigated by adopting a price based on a revenue sharing formula.

F. Internal Control Systems and their adequacy:

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

G. Financial Performance with respect to Operational Performance:

The total revenue for the financial year under review is Rs.93913.81 lakhs (previous year Rs.85,768.11 lakhs). The financial year has ended with net profit of Rs.1644.11 lakhs (previous year net loss of Rs.7524.20 lakhs) after providing Rs.13,367.11 lakhs (Rs.7849.43 lakhs) for finance cost and Rs.8953.79 lakhs (Rs.7437.00 lakhs) for depreciation and amortization expense.

H. 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 1,631 as at the financial year ended on 31st March 2017. 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

Place: Coimbatore
Date : 11th August 2017

M Manickam
Executive Chairman

INDEPENDENT AUDITORS' REPORT

To The Members of Sakthi Sugars Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Sakthi Sugars Limited('the Company'), which comprise the Balance Sheet as at March 31,2017, the Statement of Profit and Loss,the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014.

3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstance. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

9. The Company has not provided for the interest and guarantee commission claim of Rs.7676.27 lakhs (Rs. 6579.01 lakhs) made by a Company (erstwhile holding company). In our opinion, the Profit of the Company is overstated to that extent. This matter was also qualified in our report on the financial statements for the year ended March 31, 2016.

10. As per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non-provision of interest at least to the extent of Interest on Government Securities is in contravention of sub-section (7) of Section 186 of the Act. Consequential impact of the same on the profit for the year/accumulated loss is not ascertainable. This matter was also qualified in our report on the financial statements for the year ended March 31, 2016.

Qualified Opinion

11. In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion Paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

12. 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.

13. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) Except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.

(f) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors,none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

(g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure - B"; and

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations, as at March 31, 2017, on its financial position in its standalone financial statements – Refer Note no. 37 (A) and (B) to the financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(iv) The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016, on the basis of information available with the Company. Based on audit procedures and relying on the management representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management. – Refer Note 38.

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

P.R. VITTEL
Partner
Membership Number: 018111

Coimbatore
May 27, 2017

Annexure - A to the Independent Auditors' Report

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

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

(c) The title deeds of immovable properties, as disclosed on Note No.9 on tangible assets to the standalone financial statements, are held in the name of the Company, except for land of Soya division acquired, pursuant to scheme of amalgamation having a carrying value of Rs.418.00 lakhs as at March 31, 2017.

ii. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

iii. The Company has granted unsecured loan in earlier years to the Associate Company covered in the register maintained under Section 189 of the Act and outstanding balance of which, as at the date of balance sheet, is Rs.7603.45 lakhs.

(a) As per the terms and conditions of the loan granted to the associate company, no interest is chargeable. Non-charging of interest is prejudicial to the interest of the company.

(b) In respect of the aforesaid loan, the schedule of repayment is stipulated and as per which no amount of principal has fallen due during the year.

(c) In respect of the aforesaid loan, as per the terms and conditions, there is no amount which is overdue for more than ninety days.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the investments made and guarantee given. With respect to a loan given to the associate, no interest has been charged in contravention of stipulations of sub-section (7) of Section 186 of the Act and with the exception of the above, Company has complied with the provisions of Section 185 and 186 of the Act. As per management representation, interest has not been charged as per the terms of agreement and considering the economic interest of the company in the entity. The Company has not provided any security to others.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder.

vi. We have broadly reviewed the cost records maintained by the company as 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, income-tax, sales tax, service tax, duty of excise and value added tax that have not generally been regularly deposited during the year by the Company with the appropriate authorities, though the delays in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, duty of customs and value added tax, which have not been deposited on account of any dispute. The particulars of dues of sales tax, duty of excise and service tax as at March 31, 2017, which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tamilnadu General Sales Tax Act, 1959	Sales Tax	1056.09	1983-84 to 1995-96, 1989-90 to 1992-93, 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
		887.62	2006-07, 2008-2015	CESTAT, Chennai
		36.33	2011-2016	Commissioner of Central Excise (Appeals), Salem
The Bihar & Orissa Excise Act, 1915	Excise Duty	12.63	2002-03	High Court of Orissa, Cuttack.
Finance Act, 1994	Service Tax	272.69	2005, 2006, 2007 & 2008, 2009-2013	CESTAT, Chennai.
		1.47	2014-15	Commissioner of Central Excise (Appeals), Salem

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

(a) Default in repayment of loans to Banks:

Particulars	Amount of default as at 31.03.2017 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Rupee Term Loan from Bank of India	79.88	235.21	June 2016 to December 2016	April 2016 to February 2017
Term Loan from Bank of India	79.90	235.25	June 2016 to December 2016	April 2016 to February 2017
Corporate Loan from Bank of India	40.33	118.76	June 2016 to December 2016	April 2016 to February 2017
Term Loan from Allahabad Bank	1,071.17	845.09	April 2013 to January 2017	April 2013 to February 2017
Rupee Term Loan from Punjab National Bank	2,239.04	1,546.99	October 2012 to January 2017	January 2013 to February 2017
Working Capital Term Loan from Bank of India	28.39	83.58	June 2016 to December 2016	April 2016 to February 2017
Working Capital Term Loan from Bank of India	59.55	175.87	June 2016 to December 2016	April 2016 to February 2017
Funded Interest Term Loan from Bank of India	18.84	55.45	June 2016 to December 2016	April 2016 to February 2017
Funded Interest Term Loan from Bank of India	62.93	185.14	June 2016 to December 2016	April 2016 to February 2017
Funded Interest Term Loan from Allahabad Bank	–	87.21	–	April 2013 to February 2017
Funded Interest Term Loan from Pubjab National Bank	–	172.57	–	January 2013 to February 2017
FCCB Term Loan from Axis Bank Limited	–	52.09	–	January 2017 to February 2017
FCCB Term Loan from Bank of India	112.50	331.24	June 2016 to December 2016	April 2016 to February 2017

Particulars	Amount of default as at 31.03.2017 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Soft Loan from Axis Bank Ltd	–	51.78	–	January 2017 to February 2017
SEFASU Loan from Bank of India	576.58	–	October 2016 to February 2017	–
SEFASU Loan from Indian Overseas Bank	762.83	–	May 2016 to February 2017	–

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

Particulars	Amount of default as at 31.03.2017 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Asset Reconstruction Company (India) Limited [HDFC Bank Limited]	26.20	276.08	May 2016 to February 2017	May 2016 to February 2017
Asset Reconstruction Company (India) Limited [Canara Bank]	131.35	546.72	May 2016 to February 2017	May 2016 to February 2017
Asset Reconstruction Company (India) Limited [State Bank of India]	107.01	450.15	May 2016 to February 2017	May 2016 to February 2017
Asset Reconstruction Company (India) Limited [IDBI Bank]	39.27	425.64	May 2016 to February 2017	May 2016 to February 2017
Asset Reconstruction Company (India) Limited [Indian Overseas Bank]	84.66	360.47	May 2016 to February 2017	May 2016 to February 2017
Edelweiss Asset Reconstruction Company Limited [IDFC]	–	70.30	–	February 2016 to December 2016
Edelweiss Asset Reconstruction Company Limited [Oriental Bank of Commerce]	–	74.95	–	February 2016 to December 2016

(c) Default in repayment of loan to Government:

Particulars	Amount of default as at 31.03.2017 (Rs.in lakhs)		Period of Default	
	Principal	Interest	Principal	Interest
Sugar Development Fund Loan	3,452.95	2,158.59	May 2013 to February 2017	May 2011 to February 2017

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Term loan availed during the year has been applied for the purpose for which it was raised.

x. According to the information and explanations given to us, no 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 where applicable and 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 made preferential allotment of equity shares by way of conversion of borrowings as per the Scheme of Restructure and the requirements of Section 42 of the Act have been complied with. Since

the borrowings have been converted into shares the question of utilization does not arise.The company has not made any preferential allotment or private placement of fully or partly convertible debentures during the year.

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 them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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

P.R. VITTEL
Partner
Membership Number: 018111

Coimbatore
May 27, 2017

Annexure - B to the Independent Auditors' Report

Referred to in paragraph 13(h) of the Independent Auditors' Report of even date to the members of Sakthi Sugars Limited on the standalone financial statements for the year ended March 31, 2017

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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P.R. VITTEL
Partner
Membership Number: 018111

Coimbatore
May 27, 2017

BALANCE SHEET AS AT 31.03.2017

(Rs. in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	**11,884.90**	9,621.33
(b) Reserves and Surplus	2	**31,838.24**	26,962.62
		43,723.14	36,583.95
(2) NON-CURRENT LIABILITIES			
(a) Long term borrowings	3	**59,339.07**	73,224.16
(b) Other long term liabilities	4	**34.73**	47.90
(c) Long term provisions	5	**3,039.53**	2,536.22
		62,413.33	75,808.28
(3) CURRENT LIABILITIES			
(a) Short term borrowings	6	**523.86**	7,261.29
(b) Trade payables		**24,808.21**	28,722.66
(c) Other current liabilities	7	**47,356.59**	55,616.98
(d) Short term provisions	8	**1,534.75**	1,474.18
		74,223.41	93,075.11
TOTAL (1 to 3)		**180,359.88**	205,467.34
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	9	**89,427.42**	92,109.52
(ii) Intangible assets	10	**5,795.34**	8,400.46
(iii) Capital work-in-progress		**11,875.92**	14,987.81
		107,098.68	115,497.79
(b) Non-current investments	11	**16,401.25**	16,399.41
(c) Deferred tax assets (net)		**14,937.26**	14,941.00
(d) Long term loans and advances	12	**12,257.70**	13,301.30
(e) Other non-current assets	13	**7,320.31**	6,154.29
		158,015.20	166,293.79
(2) CURRENT ASSETS			
(a) Inventories	14	**10,894.00**	10,416.99
(b) Trade receivables	15	**2,171.82**	10,800.95
(c) Cash and cash equivalents	16	**1,845.39**	2,058.27
(d) Short term loans and advances	17	**4,633.53**	13,096.94
(e) Other current assets	18	**2,799.94**	2,800.40
		22,344.68	39,173.55
TOTAL (1 and 2)		**180,359.88**	205,467.34

The Notes form part of these financial statements.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

(Rs. in lakhs)

		Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
I.	**Revenue from Operations**	19	**92,685.96**	82,100.59
II.	**Other Income**	20	**1,227.85**	3,667.52
III.	**Total Revenue (I + II)**		**93,913.81**	85,768.11
IV.	**Expenses:**			
	Cost of material consumed	21	**61,912.13**	52,406.38
	Purchase of stock in trade	22	**429.05**	664.36
	Changes in inventories of finished goods, work-in-progress and stock in trade	23	**(583.46)**	282.20
	Employee benefit expenses	24	**6,845.09**	5,902.41
	Finance costs	25	**13,367.11**	7,849.43
	Depreciation and amortization expenses	26	**8,953.79**	7,437.00
	Other expenses	27	**11,519.93**	18,750.53
	Total expenses		**102,443.64**	93,292.31
V.	**Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)**		**(8,529.83)**	(7,524.20)
VI.	Exceptional Items		**(10,173.94)**	–
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		**1,644.11**	(7,524.20)
VIII.	Extraordinary Items		**–**	–
IX.	Profit/(Loss) before tax (VII-VIII)		**1,644.11**	(7,524.20)
X.	Tax Expense:			
	1. Current tax		**596.43**	228.45
	2. Deferred tax		**3.74**	(2,245.54)
			600.17	(2,017.09)
XI.	Profit/(Loss) for the year from continuing operations (IX-X)		**1,043.94**	(5,507.11)
XII.	Earnings per equity share of Rs.10/- each:			
	1. Basic		**0.92**	(5.72)
	2. Diluted		**0.92**	(5.72)

The Notes form part of these financial statements.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Rs. in lakhs)

Particulars	2016-17		2015-16	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per statement of Profit and Loss		**1,644.11**		(7,524.20)
Adjustment for:				
Depreciation and Amortisation Expense	**8,953.79**		7,437.00	
Finance Costs	**13,367.11**		7,849.43	
Remission of Interest	**(9,280.47)**		–	
Remission of Liability	**(893.47)**		–	
Miscellaneous Expenses & Other exp. written off	**0.27**		5.10	
Provision for diminution in value of Investments	**(1.84)**		(90.45)	
Loss on Sale of Assets	**1.50**		1.17	
Dividend Income	**(14.53)**		(16.71)	
Interest Income	**(949.29)**		(1,116.29)	
Profit on Sale of Assets	**(55.84)**		(69.32)	
		11,127.23		13,999.93
Operating Profit before Working Capital Changes		**12,771.34**		6,475.73
Adjustment for:				
Inventories	**(477.01)**		(466.20)	
Trade and Other Receivables	**7,460.07**		1,131.72	
Other Current Assets	**3.50**		(49.09)	
Loans and Advances	**1,123.62**		2,809.95	
Trade and Other Payables	**(3,632.05)**		2,610.27	
		4,478.13		6,036.65
Cash Generated from Operations		**17,249.47**		12,512.38
Income Tax Paid		**(2.02)**		(14.66)
Net Cash from/(used in) Operating Activities		**17,247.45**		12,497.72
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	**(729.79)**		(432.03)	
Sale of Fixed Assets	**213.05**		73.18	
Investment Income	**963.82**		1,133.00	
Loans and Advances - Related Parties	**7,788.71**		279.99	
Net Cash from Investing Activities		**8,235.79**		1,054.14
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of Equity Shares	**2,263.57**		–	
Premium on Issue of Equity Shares	**3,848.08**		–	
Finance Costs Paid	**(7,187.59)**		(5,477.86)	
Proceeds from Long Term Borrowings	**2,312.30**		3,600.00	
Loans converted into Equity shares	**(6,111.65)**		–	
Repayment of Long Term Borrowings	**(14,419.09)**		(4,607.08)	
Short Term Borrowings (net)	**(3,627.04)**		(8,947.48)	
Loans from Related Parties (net)	**(2,774.70)**		(1,436.25)	
Net Cash from/(used in) Financing Activities		**(25,696.12)**		(16,868.67)
Net Increase in Cash and Cash Equivalents		**(212.88)**		(3,316.81)
Opening Balance of Cash and Cash Equivalents		**2,058.27**		5,375.08
Closing Balance of Cash and Cash Equivalents		**1,845.39**		2,058.27

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

(Rs. in Lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 1		
SHARE CAPITAL		
Authorised		
12,00,00,000 Equity Shares of Rs.10 each (11,00,00,000)	**12,000.00**	11,000.00
50,00,000 Preference Shares of Rs.100 each (50,00,000)	**5,000.00**	5,000.00
	17,000.00	16,000.00
Issued		
11,89,65,705 Equity Shares of Rs.10 each (9,63,29,948)	**11,896.57**	9,632.99
	11,896.57	9,632.99
Subscribed and Paid up		
11,88,49,036 Equity Shares of Rs.10 each fully paid up (9,62,13,279)	**11,884.90**	9,621.33
TOTAL	**11,884.90**	9,621.33
Reconciliation of Number of Shares	**No. of Shares**	No. of Shares
Equity Shares at the beginning of the year	**9,62,13,279**	9,62,13,279
Add: Shares issued/alloted on preferential basis	**2,26,35,757**	–
Equity Shares at the end of the year	**11,88,49,036**	9,62,13,279

Rights, Preferences and Restrictions of each class of Shares

The Company has only one class of Equity shares having face value of Rs.10 each. Each shareholder is eligible for one vote per share. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential amounts.

Shares held by the holding Company		
ABT Limited	**–**	6,74,63,540
ABT Investments (India) Private Limited	**6,74,63,540**	–
List of Shareholders holding more than 5%		
ABT Limited	**–**	6,74,63,540
ABT Investments (India) Private Limited	**6,74,63,540**	–
Asset Reconstruction Company (India) Limited (ARCIL)	**2,26,35,757**	–
Terms of security convertible into Equity Shares		
Foreign Currency Convertible Bonds (FCCB)	**Series A**	Series A
a. No. of bonds outstanding	**10**	10
b. Date of maturity	**30.5.2009**	30.5.2009
c. Value of bonds for conversion (Rs. in lakhs)	**448.90**	448.90
d. Conversion price (Rs. per share)	**208.00**	208.00
e. Earliest date of conversion	**10.07.2006**	10.07.2006
f. Date of expiry of conversion right	**30.5.2019**	30.5.2019

(Rs. in Lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 2		
RESERVES AND SURPLUS		
Capital reserve		
Balance as per last Balance Sheet	**625.24**	625.24
Capital redemption reserve		
Balance as per last Balance Sheet	**2,512.27**	2,512.27
Securities premium account		
Balance as per last Balance Sheet	**23,152.11**	20,208.87
Add: Premium on Allotment of Shares during the year	**3,848.08**	–
Add: Premium on FCCB - Earlier year reversed	**–**	3,159.65
	27,000.19	23,368.52
Less: Premium on FCCB	**–**	216.41
	27,000.19	23,152.11
Revaluation reserve		
Balance as per last Balance Sheet	**35,719.14**	37,538.64
Less: Depreciation on revalued assets - Transfer to Surplus	**1,717.88**	1,719.28
Less: Withdrawn on sale of assets	**16.40**	100.22
	33,984.86	35,719.14
Subsidy from Government		
Balance as per last Balance Sheet	**44.23**	44.23
Surplus		
Balance as per last Balance Sheet	**(35,090.37)**	(31,302.54)
Net Profit/(Loss) after tax	**1,043.94**	(5,507.11)
	(34,046.43)	(36,809.65)
Add : Transfer from Revaluation Reserve - Depreciation on Revalued Assets	**1,717.88**	1,719.28
	(32,328.55)	(35,090.37)
TOTAL	**31,838.24**	26,962.62
NOTE No. 3		
LONG TERM BORROWINGS		
(a) Term Loans		
Secured Loans		
From Banks	**18,545.69**	19,917.47
From Other Parties	**32,879.88**	43,645.09
	51,425.57	63,562.56
Unsecured Loans		
From Banks	**595.14**	–
From Other Parties	**4,390.47**	4,790.79
	4,985.61	4,790.79
Total of Term Loans	**56,411.18**	68,353.35
(b) Loans and advances from related parties (unsecured) (For details please refer to Note No.34)	**2,902.06**	4,866.54
(c) Long term maturities of finance lease obligations (secured)	**25.83**	4.27
TOTAL	**59,339.07**	73,224.16

NOTE No. 3 (Contd.)

NATURE OF SECURITY AND OTHER TERMS OF LONG TERM BORROWINGS

A) SECURED LOANS FROM BANKS

	Nature of Security	Terms of Repayment
1	Term loans amounting to Rs. 808.45 lakhs (Rs.2222.81 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.	The loans are restructured and are repayable in 32 quarterly installments commencing from April 2011. Rate of Interest 10.50% p.a (10.50% p.a)
2	Term loans amounting to Rs.8579.76 lakhs (Rs.3029.26 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.	The loans are restructured and are repayable in 24 quarterly installments commencing from June 2016. Rate of Interest 11.50% p.a (10.50% p.a)
3.	Term loans amounting to Rs.4592.49 lakhs (Rs.6403.60 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.	Term Loan of Rs.2610 lakhs (Rs.3000 lakhs) is repayable in 24 quarterly installments commencing from June 2016. Rate of Interest 11.50% p.a (10.95% p.a) Term Loan of Rs.1982.49 lakhs (Rs.3403.60 lakhs) is repayable in 8 quarterly installments commencing from August 2017. Rate of Interest 10.75 % p.a (11.00% p.a)
4	Term Loans amounting to Rs.2708.47 lakhs (Rs.5336.80 lakhs) are secured by a) Pari passu first charge on fixed assets pertaining to Co-generation Plant at Sakthinagar. b) Subservient pari passu charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.	The Loans are repayable in 36 monthly instalments commencing from April 2016 Rate of Interest Nil (Nil)
5	Term Loan amounting to Rs.1856.52 lakhs (Rs.2925 lakhs) is secured by a) Extension of first charge on the Company's property situated at 180 Race Course Road , Coimbatore. b) Subservient charge on the fixed assets of the Company except the assets charged on exclusive basis.	The Loan is repayable in 16 quarterly instalments from September 2016 Rate of Interest 11.40% p.a (12% p.a)

6 The loans under 1 and 2 above is further secured by pledge of shares held by Promoters in the Company.

7 Guarantees given by Directors/Others:

a) Term Loans amounting to Rs.18545.69 lakhs (Rs.19917.47 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.

b) Term Loan amounting to Rs.2610 lakhs (Rs.3000 lakhs) is additionally secured by corporate guarantee and collateral security given by a group company.

c) Term Loan amounting to Rs.1856.52 lakhs (Rs.2925 lakhs) is additionally secured by collateral security given by promoter.

NOTE No. 3 (Contd.)

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

	Amount (Rs.in lakhs)	Period	Since paid (Rs.in lakhs)
Principal	5131.94 (4653.60)	Varying period from October' 2012 to February 2017	– (–)
Interest	4176.23 (3086.41)		57.48 (–)

B) SECURED LOANS FROM OTHER PARTIES

	Nature of Security	Terms of Repayment
1	Term Loans amounting to Rs.6693 lakhs (Rs.7666 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Paripassu second charge on the current assets of the Company, except the assets charged on exclusive basis.	Term loan of Rs.2880 lakhs (Rs.3648 lakhs) is restructured and is repayable in 22 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (10.00% p.a) Term loan of Rs.3813 lakhs (Rs.4018 lakhs) is restructured and is repayable in 28 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (10.00% p.a)
2	Term Loans amounting to Rs.25956.69 lakhs (Rs.35015.62 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Paripassu second charge on the current assets of the , Company except the assets charged on exclusive basis. c) Term Loan amounting to Rs. 1500 lakhs (Rs.1500 lakhs) included above is further secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit	Term loans amounting to Rs.25956.69 lakhs (Rs.35015.62 lakhs) are restructured and are repayable in 24 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (12.00% p.a)
3	Term Loan amounting to Rs.Nil (Rs.722.91 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Sivaganga.	Repayable in 10 half yearly instalments from May 2013. Rate of Interest Nil (4.00% p.a)
4	Term Loan amounting to Rs.80.19 lakhs (Rs.240.56 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Modakuruchi.	Repayable in 10 half yearly instalments from February 2014. Rate of Interest 4.00% p.a (4.00% p.a)
5	Loan amounting to Rs.150 lakhs (Nil) is secured by pledge of shares held by the company	Bullet Payment in May 2018

6 The loans under 1 & 2 above are further secured by pledge of shares held by Promotors in the company.

7 Guarantees given by Directors:

Term Loans amounting to Rs.32649.69 lakhs (Rs.42681.62 Lakhs) are guaranteed by Dr. M. Manickam, Sri. M. Balasubramaniam and Sri. M. Srinivaasan

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

	Amount (Rs.in lakhs)	Period	Since paid (Rs.in lakhs)
Principal	388.50 (–)	From May 2016 to February 2017	– (–)
Interest	2204.31 (10650.30)	From February 2016 to February 2017	100.00 (862.00)

NOTE No. 3 (Contd.)

C) UNSECURED LOAN FROM BANKS Term Loan amounting to Rs.595.14 lakhs (Nil)	Repayable in 24 quarterly instalments commencing from June 2016 Rate of Interest 11.50% p.a (Nil)
D) UNSECURED LOANS FROM OTHER PARTIES Loan amounting to Rs.2571.51 lakhs (Rs.1215 lakhs)	Rs.45 lakhs (Rs.135 lakhs) is repayable in 1 (3) half yearly instalment and the balance amount of Rs.2526.51 lakhs (Rs.1080 lakhs) to be adjusted by supply of bagasse. Rate of interest 10.50% p.a. (9% p.a)
E) FINANCE LEASE OBLIGATIONS Hire Purchase Loans amounting to Rs.25.83 lakhs (Rs.4.27 lakhs) are secured by hypothecation of vehicles so financed	Repayable in 36 monthly instalments.

	As at 31.03.2017	As at 31.03.2016
NOTE No. 4		
OTHER LONG TERM LIABILITIES		
Other Payables	**34.73**	47.90
NOTE No. 5		
LONG TERM PROVISIONS		
Provision for employee benefits	**3,039.53**	2,536.22
NOTE No. 6		
SHORT TERM BORROWINGS		
(a) Loan repayable on demand		
Secured Loan		
From Bank	**297.00**	5,775.97
Unsecured Loans		
From Bank	**–**	625.10
From Other Parties	**226.86**	50.00
	226.86	675.10
	523.86	6,451.07
(b) Loans and advances from related parties (unsecured) (For details please refer to Note No.34)	**–**	810.22
TOTAL	**523.86**	7,261.29

NATURE OF SECURITY FOR SHORT TERM BORROWINGS

A) SECURED LOANS FROM BANKS

1 Working capital loans amounting to Rs.Nil (Rs.1675.08 lakhs) is secured by

a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.

b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.

2 Working capital loan (Bills Discounting facility) amounting to Rs.Nil (Rs.3617.92 lakhs) is secured by

a) Exclusive charge on receivables from TANGEDCO against supply of power from cogeneration plants at Sakthinagar, Sivaganga and Modakurichi.

b) Pari passu first charge on the Company's Corporate office building at Coimbatore.

3 Working capital loan amounting to Rs.Nil (Rs.185.97 lakhs) is secured by

a) Pari passu first charge on the current assets of sugar division (except Modakuruchi), distillery and soya units.

b) Pari passu second charge on the immovable & movable assets of the Company's Sakthinagar Distillery unit, Dhenkanal sugar and Distillery units and Soya units.

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

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

6 Guarantees given by Directors:

a) Working capital loans amounting to Rs.Nil (Rs.5293 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.

b) Working capital loan amounting to Rs.Nil (Rs.185.97 lakhs) is guaranteed by Dr. M.Manickam.

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 7		
OTHER CURRENT LIABILITIES		
Current maturities of long term debts	**24,370.64**	27,407.28
Current maturities of finance lease obligations	**28.98**	2.45
Interest accrued but not due on borrowings	**2,410.65**	116.74
Interest accrued and due on borrowings	**11,707.00**	19,064.48
Unclaimed matured deposits	**0.21**	0.21
Unclaimed matured debentures	**0.01**	0.23
Other Payables:		
Statutory remittance	**879.85**	1,308.44
Advance from customers	**3,687.84**	3,646.31
Other liabilities	**2,622.39**	2,389.40
Security deposits	**1,095.19**	1,095.19
Liabilities for capital expenditure	**553.83**	586.25
	8,839.10	9,025.59
TOTAL	**47,356.59**	55,616.98
NOTE No. 8		
SHORT TERM PROVISIONS		
Provision for employee benefits	**186.05**	138.13
Premium/interest payable on FCCB	**702.15**	620.55
Other provisions	**646.55**	715.50
TOTAL	**1,534.75**	1,474.18

NOTE No. 9

TANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/IMPAIRMENT				NET BLOCK	
	As on 01.04.2016	Additions	Deletions/ Written back	As on 31.03.2017	Upto 31.03.2016	For the Year	With-drawn	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
A. Land	13605.38	-	-	**13605.38**	-	-	-	**-**	**13605.38**	13605.38
B. Buildings	20445.62	131.88	-	**20577.50**	4003.23	620.53	-	**4623.76**	**15953.74**	16442.39
C. Plant and Equipment	95535.63	1647.51	34.46	**97148.68**	33826.33	3929.32	16.25	**37739.40**	**59409.28**	61709.30
D. Furniture and Fixtures	384.20	0.86	-	**385.06**	337.47	15.84	-	**353.31**	**31.75**	46.73
E. Vehicles	1032.28	93.24	101.59	**1023.93**	891.04	30.34	87.14	**834.24**	**189.69**	141.24
F. Office Equipment	1303.28	125.87	2.54	**1426.61**	1162.40	52.63	2.40	**1212.63**	**213.98**	140.88
G. Others (Dev.of property eco friendly trees)	23.60	-	-	**23.60**	-	-	-	**-**	**23.60**	23.60
Total	132329.99	1999.36	138.59	**134190.76**	40220.47	4648.66	105.79	**44763.34**	**89427.42**	92109.52
H.Work in progress	14987.81	205.42	1617.31	**13575.92**	-	1700.00	-	**1700.00**	**11875.92**	14987.81
TOTAL FOR THE YEAR	147317.80	2204.78	1755.90	**147766.68**	40220.47	6348.66	105.79	**46463.34**	**101303.34**	107097.33
TOTAL FOR THE PREVIOUS YEAR	147110.70	505.07	297.97	**147317.80**	35719.04	4621.12	119.69	**40220.47**	**107097.33**	111391.66

Note: 1. Land, Buildings, Plant & Machinery and Electrical Installations have been revalued as on 31.12.2008. The difference between revalued figures and original cost is Rs.42675.33 Lakhs.
2. Impairment loss of Rs.1700 lakhs on fixed assets has been provided during the year.

NOTE No. 10

INTANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				AMORTISATION			NET BLOCK	
	As on 01.04.2016	Additions	Deduction	As on 31.03.2017	Upto 31.03.2016	For the Year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
Goodwill	33655.44	-	-	**33655.44**	25254.98	2605.13	27860.11	**5795.34**	**8400.46**
TOTAL FOR THE YEAR	33655.44	-	-	**33655.44**	25254.98	2605.13	27860.11	**5795.34**	**8400.46**
TOTAL FOR THE PREVIOUS YEAR	33655.44	-	-	**33655.44**	22439.10	2815.88	25254.98	**8400.46**	**11216.34**

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 11		
NON-CURRENT INVESTMENTS - At Cost		
(a) Investments in Equity Instruments		
I. Quoted		
Sri Chamundeswari Sugars Limited 6,81,146 Shares of Rs.10 each	**117.88**	117.88
Sakthi Finance Limited 10,40,000 Shares of Rs.10 each	**282.00**	282.00
ICICI Bank Limited 2205 Shares of Rs.2 each	**0.24**	0.24
NIIT Limited 2,527 Shares of Rs. 2 each	**0.06**	0.06
NIIT Technologies Limited 759 Shares of Rs. 10 each	**0.09**	0.09
Kovai Medical Centre and Hospital Limited 2,00,000 Shares of Rs.10 each	**20.00**	20.00
K G Denim Limited 16,129 Shares of Rs.10 each	**2.74**	2.74
IFCI Limited 100 Shares of Rs.10 each	**0.04**	0.04
The Industrial Development Bank of India Limited 1,360 Shares of Rs.10 each	**1.10**	1.10
The South Indian Bank Limited 1,65,000 Shares of Re.1 each	**4.22**	4.22
Total of Quoted Investments	**428.37**	428.37
II. Unquoted		
i. Associate		
Sakthi Auto Component Limited 6,38,60,000 Shares of Rs.10 each	**15,157.86**	15,157.86
ii. Others		
The ABT Co-operative Stores Limited 1,000 Shares of Rs. 10 each	**0.10**	0.10
Sakthi Sugars Co-operative Stores Limited 760 Shares of Rs.10 each	**0.08**	0.08
Angul Central Co-op Bank Limited 100 Shares of Rs.100 each	**0.10**	0.10
The Shamarao Vithal Co-op Bank Limited 25 Shares of Rs.25 each	**0.01**	0.01
	0.29	0.29
Total of Unquoted Investments	**15,158.15**	15,158.15
Total of Equity instrument	**15,586.52**	15,586.52

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
(b) Investments in Preference shares		
8,95,900 5% Redeemable Non-Convertible Cumulative Preference Shares in Sri Chamundeswari Sugars Limited	**895.90**	895.90
Total of Preference Shares	**895.90**	895.90
(c) Investments in Government/Trust Securities		
Investment in Govt. Securities	**1.04**	1.04
	16,483.46	16,483.46
Less: Provision for diminution in value of Investments	**82.21**	84.05
TOTAL	**16,401.25**	16,399.41
Aggregate amount of quoted Investments	**428.37**	428.37
Market value of quoted Investments	**3,053.35**	1,802.58
Aggregate amount of unquoted Investments	**16,055.09**	16,055.09
Provision for diminution in value of Investments	**82.21**	84.05
NOTE No. 12		
LONG TERM LOANS AND ADVANCES - Unsecured, considered good		
a) Capital advances	**3,063.15**	2,663.63
b) Security Deposits	**176.88**	152.70
c) Loans and advances to related parties (for details please see Note No. 34)	**7,640.91**	8,439.49
d) Other Loans and Advances:		
Loans and advance due by officers	**115.92**	117.03
Advance Income-tax	**–**	235.08
MAT Credit Entitlement	**1,249.30**	1,620.66
Advance for Purchases & Others	**11.54**	72.71
	1,376.76	2,045.48
TOTAL	**12,257.70**	13,301.30
NOTE No. 13		
OTHER NON-CURRENT ASSETS		
Long term Trade receivables - Unsecured considered good	**4,074.88**	2,905.82
Sundry Deposits	**3,245.43**	3,248.47
TOTAL	**7,320.31**	6,154.29

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 14		
INVENTORIES		
(a) Raw Materials:		
Molasses - Distillery Unit	**112.05**	460.87
Soyabeans	**795.69**	128.02
Soya Flour	**50.42**	4.35
	958.16	593.24
(b) Work in Progress:		
Sugar	**341.26**	565.64
Molasses	**88.74**	146.41
	430.00	712.05
(c) Finished goods:		
Sugar	**4,489.56**	2,901.92
Molasses - Sugar Unit	**190.34**	285.06
Industrial Alcohol	**913.80**	915.80
Ethanol	**–**	0.07
Soya Products	**1,116.51**	1,660.98
Bio-Earth	**39.20**	7.55
Fusel Oil	**0.86**	1.74
Bagasse	**4.25**	55.51
	6,754.52	5,828.63
(d) Stock in Trade:		
Chemicals, Fertilisers & Others	**197.13**	257.51
(e) Stores and spares:		
Stores and spares	**2,553.53**	3,021.27
(f) Other Stock:		
Standing crop	**0.66**	4.29
TOTAL	**10,894.00**	10,416.99

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

NOTE No. 15		
TRADE RECEIVABLES - Unsecured, considered good		
Trade Receivables outstanding for a period exceeding six months	**780.32**	1,585.09
Other Trade Receivables	**1,391.50**	9,215.86
TOTAL	**2,171.82**	10,800.95

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 16		
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents		
Balances with banks	**1,416.65**	1,575.10
Cash on hand	**21.25**	45.73
Earmarked Balance with Banks		
Unclaimed interest warrants	**0.46**	1.00
Margin money with banks/security against borrowings	**407.03**	436.44
TOTAL	**1,845.39**	2,058.27
Margin money with banks includes deposits with maturity period of more than 12 months of Rs.32.02 lakhs (Rs.65.97 lakhs)		
NOTE No. 17		
SHORT TERM LOANS AND ADVANCES - Unsecured, considered good		
Loans and Advances to related parties (for details please see Note No. 34)	**17.18**	7,007.31
Other Loans and Advances:		
Security Deposits	**3.12**	5.12
Loans and advance due by officers	**53.54**	58.35
Prepaid expenses	**275.51**	384.27
Deposits with Government authorities	**1,199.66**	1,509.55
Advance Income-tax	**82.59**	70.56
Advance for purchases & others	**3,001.93**	4,061.78
	4,616.35	6,089.63
TOTAL	**4,633.53**	13,096.94
NOTE No. 18		
OTHER CURRENT ASSETS		
Outstanding income and interest receivable	**2,799.94**	2,800.40

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 19		
REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods		
Sugar	**61,227.66**	36,319.84
Industrial alcohol	**12,959.40**	13,884.37
Power	**5,652.15**	19,256.32
Ethanol	–	346.67
Soya products	**12,953.85**	12,014.60
Bio earth	**347.42**	260.95
Carbon-di-oxide	**12.56**	10.54
Fusel oil	**3.38**	8.12

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 19 (Contd.)		
Magazines	**16.78**	12.67
Bagasse	**2.27**	11.37
Ash	**27.40**	23.30
Seeds	**7.51**	7.15
	93,210.38	82,155.90
Traded Goods		
Fertilisers & chemicals	**504.48**	611.20
Total (a)	**93,714.86**	82,767.10
(b) Other Operating revenues		
Sale of used materials	**163.39**	178.70
Duty drawback/other export incentive	**67.21**	88.32
Total (b)	**230.60**	267.02
Total (a+b)	**93,945.46**	83,034.12
Less : Excise Duty	**1,259.50**	933.53
TOTAL	**92,685.96**	82,100.59
NOTE No. 20		
OTHER INCOME		
(a) Interest income	**949.29**	1,116.29
(b) Dividend income from non-current investment	**14.53**	16.71
(c) Reduction in provision for diminution in value of investments	**1.84**	90.45
(d) Remission of Liability	**–**	2,170.45
(e) Other non-operating income		
Rent receipts	**91.37**	83.63
Profit on sale of fixed assets	**55.84**	69.32
Miscellaneous income	**84.42**	73.40
Sundry balance written back	**30.56**	47.27
	262.19	273.62
TOTAL	**1,227.85**	3,667.52
NOTE No. 21		
COST OF MATERIAL CONSUMED		
(a) Opening Stock		
Molasses	**460.87**	29.12
Newsprint paper	**–**	1.09
Soyabean seeds & others	**128.02**	13.84
Soya products	**4.35**	156.76
Total (a)	**593.24**	200.81
(b) Purchases		
Sugarcane	**51,172.59**	42,003.32
Molasses	**824.29**	1,339.72
Newsprint paper	**3.68**	12.81
Soyabean seeds & others	**10,276.49**	9,442.96
Total (b)	**62,277.05**	52,798.81

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 21 (Contd.)		
(c) Closing Stock		
Molasses	**112.05**	460.87
Soyabean seeds & others	**795.69**	128.02
Soya products	**50.42**	4.35
Total (c)	**958.16**	593.24
TOTAL (a+b-c)	**61,912.13**	52,406.38
NOTE No. 22		
PURCHASES OF STOCK IN TRADE		
Fertiliser & Chemicals	**429.05**	664.36
NOTE No. 23		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
(a) Opening Stock		
Finished Goods		
Sugar	**2,901.92**	3,865.55
Molasses	**285.06**	27.51
Industrial alcohol	**915.80**	878.99
Ethanol	**0.07**	–
Soya products	**1,660.98**	1,709.81
Bagasse	**55.51**	48.23
Bio earth	**7.55**	10.40
Fusel oil	**1.74**	6.31
	5,828.63	6,546.80
Work in Progress and Stock in trade		
Sugar in process	**565.64**	299.22
Molasses in process	**146.41**	48.41
Fertilisers & chemicals	**257.51**	185.96
	969.56	533.59
Total (a)	**6,798.19**	7,080.39
(b) Closing Stock		
Finished Goods		
Sugar	**4,489.56**	2,901.92
Molasses	**190.34**	285.06
Industrial alcohol	**913.80**	915.80
Ethanol	**–**	0.07
Soya products	**1,116.51**	1,660.98
Bagasse	**4.25**	55.51
Bio earth	**39.20**	7.55
Fusel oil	**0.86**	1.74
	6,754.52	5,828.63

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 23 (Contd.)		
Work in Progress and Stock in trade		
Sugar in process	**341.26**	565.64
Molasses in process	**88.74**	146.41
Fertilisers & chemicals	**197.13**	257.51
	627.13	969.56
Total (b)	**7,381.65**	6,798.19
TOTAL (a-b)	**(583.46)**	282.20
NOTE No. 24		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	**5,849.84**	4,989.49
Contribution to provident and other funds	**437.82**	409.25
Staff welfare expenses	**557.43**	503.67
TOTAL	**6,845.09**	5,902.41
NOTE No. 25		
FINANCE COSTS		
Interest Expense		
On borrowings	**11,890.69**	6,528.19
On trade payable	**423.11**	258.86
Other borrowing costs	**–**	57.25
(Gain)/Loss on foreign currency transaction (Net)	**1,053.31**	1,005.13
TOTAL	**13,367.11**	7,849.43
NOTE No. 26		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation/Impairment on Fixed Assets	**6,348.66**	4,621.12
Amortization expenses	**2,605.13**	2,815.88
TOTAL	**8,953.79**	7,437.00
NOTE No. 27		
OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spares	**2,365.45**	1,967.91
Printing and publication charges	**50.22**	38.66
Power and fuel	**1,084.66**	984.98
Consumption of coal	**2,432.24**	10,543.06
Water charges	**103.33**	74.18
Rent	**65.84**	64.02
Repairs to buildings	**256.98**	163.65
Repairs to machinery	**2,484.42**	1,997.33
Repairs to others	**299.71**	268.50
Insurance	**112.08**	108.46

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 27 (Contd.)		
Rates and taxes, excluding taxes on income	**480.38**	444.38
Effluent disposal expenses	**183.95**	393.63
State administrative service fees	**114.51**	135.64
Selling and Distribution Expenses:		
Selling and distribution expenses	**55.10**	37.77
Freight & transport on finished goods	**257.56**	222.95
Commission and brokerage	**41.43**	27.76
Other Administrative Expenses:		
Travelling expenses	**260.25**	241.11
Printing, postage, telephone & telex	**177.48**	178.61
Freight and transport	**32.84**	25.95
Donations	**14.46**	11.38
Legal and professional charges	**84.52**	204.73
Excise Duty on stock adjustments	**18.02**	(30.21)
Administrative and other expenses	**294.22**	242.61
Bank charges	**140.98**	233.82
R & D expenses	**24.03**	26.79
Data processing charges	**18.91**	25.38
Payment to Auditor		
For Statutory Audit	**21.00**	21.00
Other services	**26.26**	20.29
Service tax	**7.10**	5.90
Reimbursement of expenses	**0.56**	0.79
Managerial remuneration	**–**	7.50
Directors sitting Fees	**8.27**	7.63
Loss on sale of fixed assets	**1.50**	1.17
Loss on sale of used materials	**–**	4.56
Deferred revenue expenditure written off	**0.27**	5.10
Irrecoverable advances written off	**1.40**	43.54
TOTAL	**11,519.93**	18,750.53

NOTES FORMING PART OF FINANCIAL STATEMENT

(Rs. in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
28) Value of imports calculated on C.I.F. basis:		
i) Capital goods	**6.64**	16.33

(Rs. in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
29) Expenditure in Foreign Currency:		
(i) Redemption of FCCB	**3573.72**	3069.53
(ii) Travelling expenses	**3.67**	4.35
(iii) Subscription, Books &Others	**0.46**	–
(iv) Consultancy Charges	**–**	7.44
(v) Commission	**21.68**	6.91
Total	**3599.53**	3088.23

(Rs. in lakhs)

Particulars	Year ended 31.03.2017		Year ended 31.03.2016	
	Value	**%**	Value	%
30) Value of Raw Materials, Chemicals and Stores and Spares Consumed:				
Raw Materials :				
Imported	–	–	–	–
Indigenous	**61912.13**	**100.00**	52406.38	100.00
Total	**61912.13**	**100.00**	52406.38	100.00
Chemicals, Stores and Spares :				
Imported	**5.12**	**0.22**	6.73	0.34
Indigenous	**2360.33**	**99.78**	1961.18	99.66
Total	**2365.45**	**100.00**	1967.91	100.00

(Rs. in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
31) Earnings In Foreign Currency		
FOB value of exports	**1446.58**	1230.36

32) Employee Benefits

Gratuity and Provident Fund:

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

(Rs. in lakhs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Gratuity	**319.59**	177.16
Provident Fund	**327.52**	328.76
Employees State Insurance	**8.94**	8.49

Disclosure report under Accounting Standard-15 – Leave Salary

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

(Rs. in Lakhs)

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
I	**Principal Actuarial Assumptions (Expressed as weighted average)**		
	Discount rate	**7.34%**	7.80%
	Salary escalation rate	**8.00%**	8.00%
	Attrition rate	**3.00%**	3.00%
	Expected rate of return on Plan Assets	**–**	**–**
II	**Changes in the Present Value of the Obligation (PVO)- reconciliation of Opening and Closing Balances**		
	PVO as at the beginning of the period	**762.51**	846.58
	Interest cost	**58.01**	63.93
	Current service cost	**153.12**	79.85
	Past service cost-(non vested benefits)	**–**	**–**
	Past service cost-(vested benefits)	**–**	**–**
	Benefits paid	**-37.49**	-53.86
	Actuarial loss/ (gain) on obligation (balancing figure)	**174.10**	-173.99
	PVO as at the end of the period	**1110.25**	762.51
III	**Changes in the Fair Value of Plan Assets - Reconciliation of Opening and Closing Balances**		
	Fair value of plan assets as at the beginning of the period	**–**	**–**
	Expected return on plan assets	**–**	**–**
	Contributions	**37.49**	53.86
	Benefits paid	**-37.49**	-53.86
	Actuarial gain/ (loss) on obligation (balancing figure)	**–**	**–**
	Fair value on plan assets as at the end of the period	**–**	**–**
IV	**Actual Return On Plan Assets**		
	Expected return on plan assets	**–**	**–**
	Actuarial gain/(loss) on plan assets	**–**	**–**
	Actual return on plan assets	**–**	**–**
V	**Actual Gain / Loss Recognized**		
	Actuarial (gain)/loss for the period-Obligation	**-174.10**	173.99
	Actuarial gain/(loss) for the period-Plan Assets	**–**	**–**
	Total (gain)/loss for the period	**174.10**	-173.99
	Actuarial (gain) /loss recognized in the period	**174.10**	-173.99
	Unrecognized actuarial (gain)/ loss at the end of the year	**–**	**–**
VI	**Amounts Recognised in the Balance Sheet and Related Analyses**		
	Present value of the obligation	**1110.25**	762.51
	Fair value of plan assets	**–**	**–**
	Difference	**1110.25**	762.51
	Unrecognised transitional liability	**–**	**–**
	Unrecognised past service cost-non vested benefits	**–**	**–**
	Liability recognized in the balance sheet	**1110.25**	762.51

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

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
VII	**Expenses Recognised in the Statement of Profit and Loss**		
	Current service cost	**153.12**	79.85
	Interest Cost	**58.01**	63.93
	Expected return on plan assets	**–**	**–**
	Net actuarial (gain)/loss recognised in the year	**174.10**	-173.99
	Transitional Liability recognised in the year	**–**	**–**
	Past service cost-non-vested benefits	**–**	**–**
	Past service cost-vested benefits	**–**	**–**
	Expenses recognized in the statement of profit and loss	**385.23**	-30.21
VIII	**Movements in the Liability Recognized in the Balance Sheet**		
	Opening net liability	**762.51**	846.58
	Expenses as above	**385.23**	-30.21
	Contribution paid	**-37.49**	-53.86
	Closing net liability	**1110.25**	762.51
IX	**Amount for the Current Period**		
	Present value of obligation	**1110.25**	762.51
	Plan Assets	**–**	**–**
	Surplus(Deficit)	**-1110.25**	-762.51
X	**Major Categories of Plan Assets (as percentage of Total Plan Assets)**	**NIL**	NIL

33) Segment Information for the year ended 31.03.2017:

(Rs. in Lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.3.17	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16
PRIMARY:-										
External Sales	**60532.71**	36072.87	**13285.26**	14462.74	**12959.32**	12019.53	**5678.07**	19278.44	**92455.36**	81833.58
Inter Segment Sales	**11673.75**	12210.00	**1.17**	1.04	**--**	--	**7475.73**	5561.72	**19150.65**	17772.76
Operating Income	**392.21**	435.88	**11.37**	13.69	**89.21**	88.36	**--**	2.71	**492.79**	540.64
Total Revenue	**72598.67**	48718.75	**13297.80**	14477.47	**13048.53**	12107.89	**13153.80**	24842.87	**112098.80**	100146.98
Segment Result	**-7353.68**	-10172.00	**2526.15**	1971.36	**218.47**	91.56	**977.71**	7921.31	**-3631.35**	-187.77
Unallocated Corporate Expenses/ Income (Net)									**-7519.34**	603.29
Operating Profit									**3887.99**	-791.06
Finance Cost									**13367.11**	7849.43
Interest Income									**949.29**	1116.29
Profit from Ordinary activities									**-8529.83**	-7524.20
Exceptional Items (Gain)									**-10173.94**	--
Net Profit/Loss before Tax									**1644.11**	-7524.20

33) Segment Information for the year ended 31.03.2017: (Contd.) (Rs. in Lakhs)

REVENUE	SUGAR		INDUSTRIAL ALCOHOL		SOYA PRODUCTS		POWER		TOTAL	
	31.3.17	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16	**31.3.17**	31.3.16
Current Tax									**–**	–
Mat Credit-Reversal of earlier year									**596.43**	228.45
Deferred Tax									**3.74**	-2245.54
Net Profit/Loss after Tax									**1043.94**	-5507.11
OTHER INFORMATION:										
Segment Assets	**88127.95**	100322.01	**11418.34**	12503.66	**9323.93**	9160.01	**36534.64**	47811.69	**145404.86**	169797.37
Unallocated Corporate Assets									**20017.74**	20728.98
Total Assets									**165422.60**	190526.35
Segment Liabilities	**49699.45**	59525.35	**122.40**	218.70	**738.85**	1924.98	**11979.17**	15167.31	**62539.87**	76836.34
Unallocated Corporate Liabilities									**74096.86**	92047.04
Total Liabilities									**136636.73**	168883.38
Capital Expenditure	**479.49**	186.76	**167.20**	53.19	**27.18**	63.00	**55.90**	129.08	**729.77**	432.03
Depreciation/ Amortization	**5445.96**	5669.13	**606.75**	572.87	**532.43**	529.80	**2368.85**	665.20	**8953.79**	7437.00
SECONDARY:-										
Revenue by Geographical Market										
India	**72598.67**	48718.75	**13297.80**	14477.47	**11552.66**	10829.88	**13153.80**	24842.87	**110602.93**	98868.97
Outside India	**–**	–	**–**	–	**1495.87**	1278.01	**–**	–	**1495.87**	1278.01

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

34) Related Parties Disclosure:

I. RELATED PARTIES:

a. Holding Company

ABT Investments (India) Private Limited

b. Fellow Subsidiary

ABT (Madurai) Pvt. Ltd
ABT Two Wheelers Pvt. Limited

c. Associate

Sakthi Auto Component Limited
Sakthi Finance Limited
Sri Chamundeswari Sugars Limited

d. Key Management Personnel (KMP)

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

e. Relatives of Key Management Personnel

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

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

ABT Limited
ABT (Madras) Pvt. Ltd
ABT Industries Limited
ABT Info Systems Pvt. Ltd
ABT Foods Limited
Anamallais Bus Transport Pvt. Ltd

34) Related Parties Disclosure: (contd.)

The Anamallias Retrading Company (P) Ltd
Chamundeswari Enterprises Private Limited
Nachimuthu Industrial Association
Sakthi Coffee Estates (P) Ltd.
ABT Textiles (P) Ltd
Anamallais Retreading Corporation
N.Mahalingam & Company
Sakthi Automobiles
The Gounder & Co.

II Related Parties Transactions : **(Rs. in lakhs)**

Nature of Transactions	Associates	Key Management Personnel	Enterprises in which KMP/ relatives of KMP have significant influence	Total
Purchase				
Purchase of Materials	**2.98** (2.99)			**2.98** (2.99)
Purchase of Fuel			**69.75** (29.76)	**69.75** (29.76)
Purchase of Milk			**7.98** (4.98)	**7.98** (4.98)
Sales				
Sale of Materials	**–** (10.49)		**1.84** (–)	**1.84** (10.49)
Sale of Assets	**161.83** (–)			**161.83** (–)
Sale of Car			**4.40** (0.60)	**4.40** (0.60)
Sale of Sugar			**6.38** (1.91)	**6.38** (1.91)
Rendering of services				
Rent & Other Receipts			**14.09** (14.14)	**14.09** (14.14)
Technical Service charges receipts			**16.85** (15.82)	**16.85** (15.82)
Advertisement Receipts	**6.00** (6.00)		**19.20** (18.30)	**25.20** (24.30)
Receiving of services				
Interest Payments	**58.56** (–)		**68.44** (91.07)	**127.01** (91.07)
Printing charges			**13.39** (11.51)	**13.39** (11.51)
Electricity Charges			**–** (7.81)	**–** (7.81)
Rent Payments			**13.79** (13.68)	**13.79** (13.68)
Vehicle Purchase/Maintenance			**38.71** (12.31)	**38.71** (12.31)
Transport charges			**226.49** (114.36)	**226.49** (114.36)
Purchase of Computer Consumables			**25.23** (23.32)	**25.23** (23.32)

II Related Parties Transactions : (Contd.)

Nature of Transactions	Associates	Key Management Personnel	Enterprises in which KMP/ relatives of KMP have significant influence	Total
Managerial Remuneration				
Remuneration paid to Whole time Directors		**–** (7.50)		**–** (7.50)
Balance outstanding at the end of the year				
Payable to Key Management Personnel		**12.28** (15.48)		**12.28** (15.48)
Loans and advances	**7605.58** (15433.17)		**52.51** (13.63)	**7658.10** (15446.80)
Borrowings			**2902.06** (5676.76)	**2902.06** (5676.76)
Trade Payables			**362.43** (330.27)	**362.43** (330.27)
Current Liabilities			**877.93** (–)	**877.93** (–)

Figures in brackets are that of the previous year.

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

35) Earnings Per Share :

Particulars	2016-17	2015-16
Basic:		
a) Face value per Share (Rs.)	**10**	10
b) Profit after Tax (Rs. in lakhs)	**1043.94**	-5507.11
c) The weighted average no. of Equity Shares	**113639711**	96213279
d) Earnings per Share - Basic (Rs.)	**0.92**	-5.72
Diluted:		
a) The weighted average no. of Equity Shares	**113639711**	96213279
b) Earnings per Share – Diluted (Rs.)	**0.92**	-5.72

36) Deferred Tax : (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
A) Deferred Tax Liability:-		
Arising out of depreciation of Fixed Assets(Net)	**8508.86**	9136.55
Difference in treatment of expenses/income (Net)	**1675.59**	-1895.95
TOTAL	**10184.45**	7240.60
B) Deferred Tax Asset:-		
Carried forward losses/Unabsorbed depreciation	**25121.72**	22181.60
Net Deferred Tax Liability (+) /Asset (-)	**-14937.26**	-14941.00

37) Contingent Liabilities, Contingent Liabilities on Account of Guarantees and Commitments :

(A) Contingent Liabilities (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
Claims against the Company not acknowledged as debts:-		
(i) Income tax matters	**4457.51**	6109.58
(ii) Purchase tax/sales tax matters	**2420.94**	2420.94
(iii) Cane Price *	**11325.46**	6655.74
(iv) Differential Price of Levy Sugar	**1767.86**	1677.62
(v) Others	**6714.11**	7898.43

* The sugarcane price for the crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in High Court is pending disposal. The differential price on this account is Rs.11325.46 lakhs for the seasons from 2013-14 to 2016-17 (upto 31st March 2017).

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

(B) Contingent Liabilities on Account of Guarantees (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
a) Corporate guarantee given to erstwhile Foreign Subsidiary		
(i) Guarantee amount	**27699.04**	30038.20
(ii) Outstanding amount	**33090.41**	34567.51
b) Guarantees issued by bankers	**8.08**	72.78
c) Corporate guarantee given for loans to Associate		
(i) Guarantee amount	**11200.00**	11200.00
(ii) Outstanding amount	**4247.56**	5689.37

(C) Commitments

Particulars	31.03.2017	31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	**28.87**	34.15

38) Disclosure on Specified Bank Notes (SBNs):

Disclosure as per MCA Notification GSR 308(E) dated March 31, 2017 on Specified Bank Notes (SBNs):- (Rupees)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	4028000	1174910	5202910
(+) Permitted receipts from 09.11.2016 to 30.12.2016	–	18235698	18235698
(-) permitted payments from 09.11.2016 to 30.12.2016	–	15764250	15764250
(-) Amount Deposited in Banks from 09.11.2016 to 30.12.2016	4028000	768873	4796873
Closing cash in hand as on 30.12.2016	–	2877485	2877485

39) Micro, Small and Medium Enterprises Development Act, 2006

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

40) Disclosure as required under Regulation 34(3) of the listing regulation:

Amount of loans and advances in the nature of loans to subsidiaries and associates and the maximum amount outstanding during 2016-17 and Investment as on 31.3.2017:

Name of the Company	Outstanding as on 31.3.2017	Maximum amount Outstanding during the year	Investment in the shares of the Company	Investment in the shares of the Associate/ (Subsidiary) of the Company
	(Rs. in lakhs)	(Rs. in lakhs)	(No. of shares)	(No. of shares)
Holding Company				
ABT Investments (India) Private Limited (ABT Limited)	– (–)	– (–)	67463540 (67463540)	– (–)
Associate				
Sakthi Auto Component Limited	7603.45 Dr. (15432.40) Dr.	15432.40 (15675.34)	– (–)	63860000 (63860000)

41) Disclosure pursuant to AS-28 on Impairment of Assets:

During the year, a review has been done for carrying value of the assets for finding out the impairment, if any. The review has not revealed any impairment of assets in terms of AS-28, except to the extent of Rs.1700 lakhs in the Sakthinagar Co-gen II, which has been provided for.

42) The Company has opted to recognize foreign exchange fluctuation based on settlement of obligations in conformity with the option given by notification No.GSR 913(E) dated 29th December 2011 issued by the Ministry of Corporate Affairs.

43) Previous year's figures have been regrouped / restated wherever necessary to correspond with the current year's classification/ disclosure.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation:

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

2. Valuation of Inventories:

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

3. Fixed Assets:

   a) Fixed Assets are shown at cost/re-valued figures, less accumulated depreciation. Fixed assets added during the year are valued at cost net of CENVAT but includes all direct expenses like freight, erection charges, pre operative expenses and borrowing costs.

   b) Expenditure including borrowing cost incurred on projects under implementation is shown under "Work-in-Progress" pending allocation to the assets.

4. Intangible Assets:

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

5. Borrowing Costs:

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

6. Depreciation:

   Depreciation on tangible assets is provided on the straight line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013 effective from 1st April 2014.

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

7. Investment:-

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

8. a) Revenue Recognition:

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

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

   ii. Dividend income is accounted for in the year it is declared.

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

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

   v. Inter segmental transfer price is not recognised.

   b) Expenditure Recognition:

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

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

9. Foreign currency transactions:

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

10. Retirement Benefits:

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

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

    Provision for liability in respect of Leave encashment benefits are made based on actuarial valuation made by an independent actuary as at 31.03.2017.

11. Segment Reporting:

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

12. Deferred Tax:

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

13. Earning per share:

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

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

14. Impairment of Assets:

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

15. Provisions, Contingent Liabilities and Contingent Assets:

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

16. Leases:-

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

COMPANY'S PERFORMANCE AT A GLANCE

YEAR	SUGARCANE CRUSHED (TONNES)	SUGARCANE PRODUCED (TONNES)	RECOVERY (%)	TURNOVER (Rs.in Lakhs)	PROFIT BEFORE DEPRN (Rs. In Lakhs)	DEPRECIATION (Rs. In Lakhs)	PROFIT AFTER DEPRN (Rs. In Lakhs)	EQUITY DIVIDEND (%)	GROSS BLOCK (Rs. In Lakhs)
1966	332794	28741	8.64	328.24	18.47	11.63	6.84	6	180.66
1967	202641	16750	8.27	346.44	3.08	12.78	-9.70	–	181.33
1968	195997	17614	8.99	346.60	74.97	14.90	60.07	12	173.51
1969	332822	27955	8.40	520.65	31.09	13.74	17.35	12	179.75
1970	460457	38704	8.41	536.07	10.30	15.23	-4.93	6	312.82
1971	434862	40159	9.23	692.62	55.05	20.04	35.01	12	345.52
1972	526103	50063	9.52	1112.43	135.34	29.89	104.45	15	466.18
1973	687892	59691	8.72	1358.41	67.83	34.66	33.17	15	567.55
1974	813430	67776	8.33	1779.28	72.04	46.99	25.05	12	958.57
1975	1002544	84494	8.43	2324.35	128.52	65.61	62.91	–	1014.43
1976	311774	28025	8.98	1395.33	19.20	64.00	-44.80	–	1026.49
1977	298725	22692	7.60	653.64	-98.96	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	93945.46	7992.77	6348.66 ∗	1644.11	–	147766.68

▲ 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

∗ Includes the Impairment on Assets of Rs.1700 Lakhs

FORM AOC-1

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

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

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

S.No.	Name of Associate	Sakthi Auto Component Limited
1.	Latest audited Balance Sheet Date	31st March 2017
2.	Shares of Associate held by the Company on the year end	
	No. of Shares	6,38,60,000
	Amount of Investment in Associate	Rs.15,157.86 lakhs
	Extent of holding %	25.93%
3.	Description of how there is significant influence	The Company holds more than 20% of the total share capital of the Associate Company.
4.	Reason why the Associate is not consolidated	Not applicable
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.10959.55 lakhs
6.	Profit / Loss for the year	
	i. Considered in Consolidation	Rs.851.41 lakhs
	ii. Not Considered in Consolidation	Rs.2432.07 lakhs

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

INDEPENDENT AUDITORS' REPORT

To The Members of Sakthi Sugars Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Sakthi Sugars Limited ("hereinafter referred to as the Company") and its associate company (the Company and its associate company together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment,including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

6. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

7. In respect of the Company, in our opinion, the Company has not provided for the interest and guarantee commission claim of Rs.7676.27 lakhs (Rs.6579.01 lakhs) made by a Company (erstwhile holding company). Hence in our opinion, the profit of the Company is over stated to that extent. This matter was also qualified in our report on the financial statements for the year ended March 31, 2016.

8. In respect of the Company, as per the agreement entered, no interest has been provided on the advance given to the Associate Company. Non-provision of interest at least to the extent of Interest on Government Securities is in contravention of sub-section (7) of Section 186 of the Act. Consequential impact of the same on the profit for the year/accumulated loss is not ascertainable. This matter was also qualified in our report on the financial statements for the year ended March 31, 2016.

Qualified Opinion

9. In our opinion, and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

10. The consolidated financial statements also include the Group's share of net profit of Rs.851.41 lakhs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of the associate, whose financial statements/ financial information have been audited by us.

11. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.

    (f) On the basis of the written representations received from the directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Group's companies, its associate company incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

    (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure - A"; and

    (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The consolidated financial statements disclose the impact of pending litigations, as at March 31, 2017, on the consolidated financial position of the Company – Refer Note No.29(A) and (B) to the consolidated financial statements.

        (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate company incorporated in India.

(iv) The company and its associate company incorporated in India has provided requisite disclosure in the consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016, on the basis of information available with the company. Based on the audit procedures, and relying on management's representation, we report that the disclosures are in accordance with the books of accounts maintained by the company and its associate company incorporated in India and as produced to us by the Management– Refer Note No. 30.

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

P.R. VITTEL
Partner
Membership Number: 018111

Coimbatore
May 27, 2017

Annexure - A to the Independent Auditors' Report

Referred to in paragraph 15(h) of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the consolidated financial statements for the year ended March 31, 2017

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

1. In conjunction with our audit of the consolidated financial statements of Sakthi Sugars Limited ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of the Company and its associate company, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

   (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

   (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company and its associate company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

P.R. VITTEL
Partner
Membership Number: 018111

Coimbatore
May 27, 2017

CONSOLIDATED BALANCE SHEET AS AT 31.03.2017

(Rs. in lakhs)

	Note No.	As at 31.03.2017	As at 31.03.2016
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	1	**11,884.90**	9,621.33
(b) Reserves and Surplus	2	**32,812.59**	27,085.56
		44,697.49	36,706.89
(2) NON-CURRENT LIABILITIES			
(a) Long term borrowings	3	**59,339.07**	73,224.16
(b) Other long term liabilities	4	**34.73**	47.90
(c) Long term provisions	5	**3,039.53**	2,536.22
		62,413.33	75,808.28
(3) CURRENT LIABILITIES			
(a) Short term borrowings	6	**523.86**	7,261.29
(b) Trade payables		**24,808.21**	28,722.66
(c) Other current liabilities	7	**47,356.59**	55,616.98
(d) Short term provisions	8	**1,534.75**	1,474.18
		74,223.41	93,075.11
TOTAL (1 to 3)		**181,334.23**	205,590.28
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible assets	9	**89,427.42**	92,109.52
(ii) Intangible assets	10	**5,795.34**	8,400.46
(iii) Capital work-in-progress		**11,875.92**	14,987.81
		107,098.68	115,497.79
(b) Goodwill on Consolidation		**16,132.21**	15,280.80
(c) Non-current investments	11	**1,243.39**	1,241.55
(d) Deferred tax assets (net)		**14,937.26**	14,941.00
(e) Long term loans and advances	12	**12,257.70**	13,301.30
(f) Other non-current assets	13	**7,320.31**	6,154.29
		158,989.55	166,416.73
(2) CURRENT ASSETS			
(a) Inventories	14	**10,894.00**	10,416.99
(b) Trade receivables	15	**2,171.82**	10,800.95
(c) Cash and cash equivalents	16	**1,845.39**	2,058.27
(d) Short term loans and advances	17	**4,633.53**	13,096.94
(e) Other current assets	18	**2,799.94**	2,800.40
		22,344.68	39,173.55
TOTAL (1 and 2)		**181,334.23**	205,590.28

The Notes form part of these financial statements.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

(Rs. in lakhs)

		Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
I.	**Revenue from Operations**	19	**92,685.96**	82,100.59
II.	**Other Income**	20	**1,227.85**	3,667.52
III.	**Total Revenue (I + II)**		**93,913.81**	85,768.11
IV.	**Expenses:**			
	Cost of material consumed	21	**61,912.13**	52,406.38
	Purchase of stock in trade	22	**429.05**	664.36
	Changes in inventories of finished goods, work-in-progress and stock in trade	23	**(583.46)**	282.20
	Employee benefit expenses	24	**6,845.09**	5,902.41
	Finance costs	25	**13,367.11**	7,849.43
	Depreciation and amortization expenses	26	**8,953.79**	7,437.00
	Other expenses	27	**11,519.93**	18,750.53
	Total expenses		**102,443.64**	93,292.31
V.	**Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)**		**(8,529.83)**	(7,524.20)
VI.	Exceptional Items		**(10,173.94)**	–
VII.	Profit/(Loss) before extraordinary items and tax (V-VI)		**1,644.11**	(7,524.20)
VIII.	Extraordinary Items		**–**	–
IX.	Profit/(Loss) before tax (VII-VIII)		**1,644.11**	(7,524.20)
X.	Tax Expense:			
	1. Current tax		**596.43**	228.45
	2. Deferred tax		**3.74**	(2,245.54)
			600.17	(2,017.09)
XI.	Profit/(Loss) for the year from continuing operations (IX-X)		**1,043.94**	(5,507.11)
XII.	Share of Profits of Associate		**851.41**	757.76
XIII.	Profit/(Loss) after tax (after adjutment of Share of Profit from Associate Company)		**1,895.35**	(4,749.35)
XIV.	Earnings per equity share of Rs.10/- each:			
	1. Basic		**1.95**	(4.94)
	2. Diluted		**1.95**	(4.94)

The Notes form part of these financial statements.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Rs. in lakhs)

Particulars	2016-17		2015-16	
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax as per statement of Profit and Loss		**1,644.11**		(7,524.20)
Adjustment for:				
Depreciation and Amortisation Expense	**8,953.79**		7,437.00	
Finance Costs	**13,367.11**		7,849.43	
Remission of Interest	**(9,280.47)**		–	
Remission of Liability	**(893.47)**		–	
Miscellaneous Expenses & Other exp. written off	**0.27**		5.10	
Provision for diminution in value of Investments	**(1.84)**		(90.45)	
Loss on Sale of Assets	**1.50**		1.17	
Dividend Income	**(14.53)**		(16.71)	
Interest Income	**(949.29)**		(1,116.29)	
Profit on Sale of Assets	**(55.84)**		(69.32)	
		11,127.23		13,999.93
Operating Profit before Working Capital Changes		**12,771.34**		6,475.73
Adjustment for:				
Inventories	**(477.01)**		(466.20)	
Trade and Other Receivables	**7,460.07**		1,131.72	
Other Current Assets	**3.50**		(49.09)	
Loans and Advances	**1,123.62**		2,809.95	
Trade and Other Payables	**(3,632.05)**		2,610.27	
		4,478.13		6,036.65
Cash generated from Operations		**17,249.47**		12,512.38
Income Tax Paid		**(2.02)**		(14.66)
Net Cash from/(used in) Operating Activities		**17,247.45**		12,497.72
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	**(729.79)**		(432.03)	
Sale of Fixed Assets	**213.05**		73.18	
Investment Income	**963.82**		1,133.00	
Loans and Advances - Related Parties	**7,788.71**		279.99	
Net Cash from Investing Activities		**8,235.79**		1,054.14
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Issue of Equity Shares	**2,263.57**		–	
Premium on Issue of Equity Shares	**3,848.08**		–	
Finance Costs Paid	**(7,187.59)**		(5,477.86)	
Proceeds from Long Term Borrowings	**2,312.30**		3,600.00	
Loans converted into Equity Shares	**(6,111.65)**		–	
Repayment of Long Term Borrowings	**(14,419.09)**		(4,607.08)	
Short Term Borrowings (net)	**(3,627.04)**		(8,947.48)	
Loans from Related Parties (net)	**(2,774.70)**		(1,436.25)	
Net Cash from/(used in) Financing Activities		**(25,696.12)**		(16,868.67)
Net Increase in Cash and Cash Equivalents		**(212.88)**		(3,316.81)
Opening Balance of Cash and Cash Equivalents		**2,058.27**		5,375.08
Closing Balance of Cash and Cash Equivalents		**1,845.39**		2,058.27

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 1		
SHARE CAPITAL		
Authorised		
12,00,00,000 Equity Shares of Rs.10 each (11,00,00,000)	**12,000.00**	11,000.00
50,00,000 Preference Shares of Rs.100 each (50,00,000)	**5,000.00**	5,000.00
	17,000.00	16,000.00
Issued		
11,89,65,705 Equity Shares of Rs.10 each (9,63,29,948)	**11,896.57**	9,632.99
	11,896.57	9,632.99
Subscribed and Paid up		
11,88,49,036 Equity Shares of Rs.10 each fully paid up (9,62,13,279)	**11,884.90**	9,621.33
TOTAL	**11,884.90**	9,621.33
Reconciliation of Number of Shares	**No. of Shares**	No. of Shares
Equity Shares at the beginning of the year	**9,62,13,279**	9,62,13,279
Add: Shares issued/alloted on preferential basis	**2,26,35,757**	–
Equity Shares at the end of the year	**11,88,49,036**	9,62,13,279

Rights, Preferences and Restrictions of each class of Shares

The Company has only one class of Equity shares having face value of Rs.10 each. Each shareholder is eligible for one vote per share. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential amounts.

Shares held by the holding Company		
ABT Limited	**–**	6,74,63,540
ABT Investments (India) Private Limited	**6,74,63,540**	–
List of Shareholders holding more than 5%		
ABT Limited	**–**	6,74,63,540
ABT Investments (India) Private Limited	**6,74,63,540**	–
Asset Reconstruction Company India Limited (ARCIL)	**2,26,35,757**	–
Terms of security convertible into Equity Shares		
Foreign Currency Convertible Bonds (FCCB)	**Series A**	Series A
a. No. of bonds outstanding	**10**	10
b. Date of maturity	**30.5.2009**	30.5.2009
c. Value of bonds for conversion (Rs. in lakhs)	**448.90**	448.90
d. Conversion price (Rs. per share)	**208.00**	208.00
e. Earliest date of conversion	**10.07.2006**	10.07.2006
f. Date of expiry of conversion right	**30.5.2019**	30.5.2019

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 2		
RESERVES AND SURPLUS		
Capital reserve		
Balance as per last Balance Sheet	**625.24**	625.24
Capital redemption reserve		
Balance as per last Balance Sheet	**2,512.27**	2,512.27
Securities premium account		
Balance as per last Balance Sheet	**23,152.11**	20,208.87
Add: Premium on Allotment of Shares during the year	**3,848.08**	–
Add: Premium on FCCB - Earlier year reversed	–	3,159.65
	27,000.19	23,368.52
Less: Premium on FCCB	–	216.41
	27,000.19	23,152.11
Revaluation reserve		
Balance as per last Balance Sheet	**35,719.14**	37,538.64
Less: Depreciation on revalued assets - Transfer to Surplus	**1,717.88**	1,719.28
Less: Withdrawn on sale of assets	**16.40**	100.22
	33,984.86	35,719.14
Subsidy from Government		
Balance as per last Balance Sheet	**44.23**	44.23
Surplus		
Balance as per last Balance Sheet	**(34,967.43)**	(31,937.36)
Net Profit/(Loss) after tax	**1,895.35**	(4,749.35)
	(33,072.08)	(36,686.71)
Add : Transfer from Revaluation Reserve - Depreciation on Revalued Assets	**1,717.88**	1,719.28
	(31,354.20)	(34,967.43)
TOTAL	**32,812.59**	27,085.56
NOTE No. 3		
LONG TERM BORROWINGS		
(a) Term Loans		
Secured Loans		
From Banks	**18,545.69**	19,917.47
From Other Parties	**32,879.88**	43,645.09
	51,425.57	63,562.56
Unsecured Loans		
From Banks	**595.14**	–
From Other Parties	**4,390.47**	4,790.79
	4,985.61	4,790.79
Total of Term Loans	**56,411.18**	68,353.35
(b) Loans and advances from related parties (unsecured)	**2,902.06**	4,866.54
(c) Long term maturities of finance lease obligations (secured)	**25.83**	4.27
TOTAL	**59,339.07**	73,224.16

NOTE No. 3 (Contd.)

NATURE OF SECURITY AND OTHER TERMS OF LONG TERM BORROWINGS

A) SECURED LOANS FROM BANKS

	Nature of Security	Terms of Repayment
1	Term loans amounting to Rs. 808.45 lakhs (Rs.2222.81 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.	The loans are restructured and are repayable in 32 quarterly installments commencing from April 2011. Rate of Interest 10.50% p.a (10.50% p.a)
2	Term loans amounting to Rs.8579.76 lakhs (Rs.3029.26 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.	The loans are restructured and are repayable in 24 quarterly installments commencing from June 2016. Rate of Interest 11.50% p.a (10.50% p.a)
3.	Term loans amounting to Rs.4592.49 lakhs (Rs.6403.60 lakhs) are secured by subservient charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.	Term Loan of Rs.2610 lakhs (Rs.3000 lakhs) is repayable in 24 quarterly installments commencing from June 2016. Rate of Interest 11.50% p.a (10.95% p.a) Term Loan of Rs.1982.49 lakhs (Rs.3403.60 lakhs) is repayable in 8 quarterly installments commencing from August 2017. Rate of Interest 10.75 % p.a (11.00% p.a)
4	Term Loans amounting to Rs.2708.47 lakhs (Rs.5336.80 lakhs) are secured by a) Pari passu first charge on fixed assets pertaining to Co-generation Plant at Sakthinagar. b) Subservient pari passu charge on the fixed assets of the Company after the existing Loans, except the assets charged on exclusive basis.	The Loans are repayable in 36 monthly instalments commencing from April 2016 Rate of Interest Nil (Nil)
5	Term Loan amounting to Rs.1856.52 lakhs (Rs.2925 lakhs) is secured by a) Extension of first charge on the Company's property situated at 180 Race Course Road , Coimbatore. b) Subservient charge on the fixed assets of the Company except, the assets charged on exclusive basis.	The Loan is repayable in 16 quarterly instalments from September 2016 Rate of Interest 11.40% p.a (12% p.a)

6 The loans under 1 and 2 above is further secured by pledge of shares held by Promoters in the Company.

7 Guarantees given by Directors/Others:

a) Term Loans amounting to Rs.18545.69 lakhs (Rs.19917.47 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.

b) Term Loan amounting to Rs.2610 lakhs (Rs.3000 lakhs) is additionally secured by corporate guarantee and collateral security given by a promoter group company.

c) Term Loan amounting to Rs.1856.52 lakhs (Rs.2925 lakhs) is additionally secured by collateral security given by promoter.

NOTE No. 3 (Contd.)

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

	Amount (Rs.in lakhs)	Period	Since paid (Rs.in lakhs)
Principal	5131.94 (4653.60)	Varying period from October' 2012 to February 2017	– (–)
Interest	4176.23 (3086.41)		57.48 (–)

B) SECURED LOANS FROM OTHER PARTIES

	Nature of Security	Terms of Repayment
1	Term Loans amounting to Rs.6693 lakhs (Rs.7666 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Paripassu second charge on the current assets of the Company, except the assets charged on exclusive basis.	Term loan of Rs.2880 lakhs (Rs.3648 lakhs) is restructured and is repayable in 22 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (10.00% p.a) Term loan of Rs.3813 lakhs (Rs.4018 lakhs) is restructured and is repayable in 28 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (10.00% p.a)
2	Term Loans amounting to Rs.25956.69 lakhs (Rs.35015.62 lakhs) are secured by a) Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis. b) Paripassu second charge on the current assets of the , Company except the assets charged on exclusive basis. c) Term Loan amounting to Rs.1500 lakhs (Rs.1500 lakhs) included above is further secured by exclusive first charge on the Coke Bottling Plant at Sivaganga Unit	Term loans amounting to Rs.25956.69 lakhs (Rs.35015.62 lakhs) are restructured and are repayable in 24 quarterly installments commencing from June 2016 Rate of Interest 12.00% p.a (12.00% p.a)
3	Term Loan amounting to Rs.Nil (Rs.722.91 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Sivaganga.	Repayable in 10 half yearly instalments from May 2013. Rate of Interest Nil (4.00% p.a)
4	Term Loan amounting to Rs.80.19 lakhs (Rs.240.56 lakhs) is secured by exclusive second charge on the assets of Sugar and Cogen units of the Company at Modakuruchi.	Repayable in 10 half yearly instalments from February 2014. Rate of Interest 4.00% p.a (4.00% p.a)
5	Loan amounting to Rs.150 lakhs (Nil) is secured by pledge of shares held by the company	Bullet Payment in May 2018

6 The loans under 1 & 2 above are further secured by pledge of shares held by Promotors in the company.

7 Guarantees given by Directors:

Term Loans amounting to Rs.32649.69 lakhs (Rs.42681.62 Lakhs) are guaranteed by Dr. M. Manickam, Sri. M. Balasubramaniam and Sri. M.Srinivaasan

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

	Amount (Rs.in lakhs)	Period	Since paid (Rs.in lakhs)
Principal	388.50 (–)	From May 2016 to February 2017	– (–)
Interest	2204.31 (10650.30)	From February 2016 to February 2017	100.00 (862.00)

NOTE No. 3 (Contd.)

C) UNSECURED LOAN FROM BANKS Term Loan amounting to Rs.595.14 lakhs (Nil)	Repayable in 24 quarterly instalments commencing from June 2016 Rate of Interest 11.50% p.a (Nil)
D) UNSECURED LOANS FROM OTHER PARTIES Loan amounting to Rs.2571.51 lakhs (Rs.1215 lakhs)	Rs.45 lakhs (Rs.135 lakhs) is repayable in 1 (3) half yearly instalment and the balance amount of Rs.2526.51 lakhs (Rs.1080 lakhs) to be adjusted by supply of bagasse. Rate of interest 10.50% p.a. (9% p.a)
E) FINANCE LEASE OBLIGATIONS Hire Purchase Loans amounting to Rs. 25.83 lakhs (Rs.4.27 lakhs) are secured by hypothecation of vehicles so financed	Repayable in 36 monthly instalments.

	As at 31.03.2017	As at 31.03.2016
NOTE No. 4		
OTHER LONG TERM LIABILITIES		
Other Payables	**34.73**	47.90
NOTE No. 5		
LONG TERM PROVISIONS		
Provision for employee benefits	**3,039.53**	2,536.22
NOTE No. 6		
SHORT TERM BORROWINGS		
(a) Loan repayable on demand		
Secured Loan		
From Bank	**297.00**	5,775.97
Unsecured Loans		
From Bank	**–**	625.10
From Other Parties	**226.86**	50.00
	226.86	675.10
	523.86	6,451.07
(b) Loans and advances from related parties (unsecured)	**–**	810.22
TOTAL	**523.86**	7,261.29

NATURE OF SECURITY FOR SHORT TERM BORROWINGS

A) SECURED LOANS FROM BANKS

1 Working capital loans amounting to Rs.Nil (Rs.1675.08 lakhs) is secured by

a) Pari passu first charge by way of hypothecation of the current assets of the Company, except TANGEDCO receivables.

b) Pari passu second charge on the entire movable and immovable properties of the Company, except Sugar and Co-generation Units in Sivaganga and Modakuruchi and other exclusively charged assets.

2 Working capital loan (Bills Discounting facility) amounting to Rs.Nil (Rs.3617.92 lakhs) is secured by

a) Exclusive charge on receivables from TANGEDCO against supply of power from cogeneration plants at Sakthinagar, Sivaganga and Modakurichi.

b) Pari passu first charge on the Company's Corporate office building at Coimbatore.

3 Working capital loan amounting to Rs.Nil (Rs.185.97 lakhs) is secured by

a) Pari passu first charge on the current assets of sugar division (except Modakuruchi), distillery and soya units.

b) Pari passu second charge on the immovable & movable assets of the Company's Sakthinagar Distillery unit, Dhenkanal sugar and Distillery units and Soya units.

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

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

6 Guarantees given by Directors:

a) Working capital loans amounting to Rs.Nil (Rs.5293 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri. M.Srinivaasan.

b) Working capital loan amounting to Rs.Nil (Rs.185.97 lakhs) is guaranteed by Dr. M.Manickam.

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 7		
OTHER CURRENT LIABILITIES		
Current maturities of long term debts	**24,370.64**	27,407.28
Current maturities of finance lease obligations	**28.98**	2.45
Interest accrued but not due on borrowings	**2,410.65**	116.74
Interest accrued and due on borrowings	**11,707.00**	19,064.48
Unclaimed matured deposits	**0.21**	0.21
Unclaimed matured debentures	**0.01**	0.23
Other Payables:		
Statutory remittance	**879.85**	1,308.44
Advance from customers	**3,687.84**	3,646.31
Other liabilities	**2,622.39**	2,389.40
Security deposits	**1,095.19**	1,095.19
Liabilities for capital expenditure	**553.83**	586.25
	8,839.10	9,025.59
TOTAL	**47,356.59**	55,616.98
NOTE No. 8		
SHORT TERM PROVISIONS		
Provision for employee benefits	**186.05**	138.13
Premium/interest payable on FCCB	**702.15**	620.55
Other provisions	**646.55**	715.50
TOTAL	**1,534.75**	1,474.18

NOTE No. 9

TANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION/IMPAIRMENT				NET BLOCK	
	As on 01.04.2016	Additions	Deletions/ Written back	As on 31.03.2017	Upto 31.03.2016	For the Year	With-drawn	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
A. Land	13605.38	-	-	**13605.38**	-	-	-	**-**	**13605.38**	13605.38
B. Buildings	20445.62	131.88	-	**20577.50**	4003.23	620.53	-	**4623.76**	**15953.74**	16442.39
C. Plant and Equipment	95535.63	1647.51	34.46	**97148.68**	33826.33	3929.32	16.25	**37739.40**	**59409.28**	61709.30
D. Furniture and Fixtures	384.20	0.86	-	**385.06**	337.47	15.84	-	**353.31**	**31.75**	46.73
E. Vehicles	1032.28	93.24	101.59	**1023.93**	891.04	30.34	87.14	**834.24**	**189.69**	141.24
F. Office Equipment	1303.28	125.87	2.54	**1426.61**	1162.40	52.63	2.40	**1212.63**	**213.98**	140.88
G. Others (Dev.of property eco friendly trees)	23.60	-	-	**23.60**	-	-	-	**-**	**23.60**	23.60
Total	132329.99	1999.36	138.59	**134190.76**	40220.47	4648.66	105.79	**44763.34**	**89427.42**	92109.52
H.Work in progress	14987.81	205.42	1617.31	**13575.92**	-	1700.00	-	**1700.00**	**11875.92**	14987.81
TOTAL FOR THE YEAR	147317.80	2204.78	1755.90	**147766.68**	40220.47	6348.66	105.79	**46463.34**	**101303.34**	107097.33
TOTAL FOR THE PREVIOUS YEAR	147110.70	505.07	297.97	**147317.80**	35719.04	4621.12	119.69	**40220.47**	**107097.33**	111391.66

Note: 1. Land, Buildings, Plant & Machinery and Electrical Installations have been revalued as on 31.12.2008. The difference between revalued figures and original cost is Rs.42675.33 Lakhs.
2. Impairment loss of Rs.1700 lakhs on fixed assets has been provided during the year.

NOTE No. 10

INTANGIBLE ASSETS

(Rs. in lakhs)

PARTICULARS	GROSS BLOCK				AMORTISATION			NET BLOCK	
	As on 01.04.2016	Additions	Deduction	As on 31.03.2017	Upto 31.03.2016	For the Year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
Goodwill	33655.44	-	-	**33655.44**	25254.98	2605.13	27860.11	**5795.34**	**8400.46**
TOTAL FOR THE YEAR	33655.44	-	-	**33655.44**	25254.98	2605.13	27860.11	**5795.34**	**8400.46**
TOTAL FOR THE PREVIOUS YEAR	33655.44	-	-	**33655.44**	22439.10	2815.88	25254.98	**8400.46**	**11216.34**

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 11		
NON-CURRENT INVESTMENTS - At Cost		
(a) Investments in Equity Instruments		
I. Quoted		
Sri Chamundeswari Sugars Limited 6,81,146 Shares of Rs.10 each	**117.88**	117.88
Sakthi Finance Limited 10,40,000 Shares of Rs.10 each	**282.00**	282.00
ICICI Bank Limited 2205 Shares of Rs.2 each	**0.24**	0.24
NIIT Limited 2,527 Shares of Rs. 2 each	**0.06**	0.06
NIIT Technologies Limited 759 Shares of Rs. 10 each	**0.09**	0.09
Kovai Medical Centre and Hospital Limited 2,00,000 Shares of Rs.10 each	**20.00**	20.00
K G Denim Limited 16,129 Shares of Rs.10 each	**2.74**	2.74
IFCI Limited 100 Shares of Rs.10 each	**0.04**	0.04
The Industrial Development Bank of India Limited 1,360 Shares of Rs.10 each	**1.10**	1.10
The South Indian Bank Limited 1,65,000 Shares of Re.1 each	**4.22**	4.22
Total of Quoted Investments	**428.37**	428.37
II. Unquoted		
i. Associate		
Sakthi Auto Component Limited 6,38,60,000 Shares of Rs.10 each	**15,157.86**	15,157.86
Add: Goodwill on Consolidation	**-16,132.21**	-15,280.80
Add: Share of Accumulated Profit/(Loss)	**122.94**	-634.82
Add: Share of Current Profits	**851.41**	757.76
	–	–
ii. Others		
The ABT Co-operative Stores Limited 1,000 Shares of Rs. 10 each	**0.10**	0.10
Sakthi Sugars Co-operative Stores Limited 760 Shares of Rs.10 each	**0.08**	0.08
Angul Central Co-op Bank Limited 100 Shares of Rs.100 each	**0.10**	0.10
The Shamarao Vithal Co-op Bank Limited 25 Shares of Rs.25 each	**0.01**	0.01
	0.29	0.29
Total of Unquoted Investments	**0.29**	0.29
Total of Equity instrument	**428.66**	428.66

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
(b) Investments in Preference shares		
8,95,900 5% Redeemable Non-Convertible Cumulative Preference Shares in Sri Chamundeswari Sugars Limited	**895.90**	895.90
Total of Preference Shares	**895.90**	895.90
(c) Investments in Government/Trust Securities		
Investment in Govt. Securities	**1.04**	1.04
	1,325.60	1,325.60
Less: Provision for diminution in value of Investments	**82.21**	84.05
TOTAL	**1,243.39**	1,241.55
Aggregate amount of quoted Investments	**428.37**	428.37
Market value of quoted Investments	**3,053.35**	1,802.58
Aggregate amount of unquoted Investments	**897.23**	897.23
Provision for diminution in value of Investments	**82.21**	84.05
NOTE No. 12		
LONG TERM LOANS AND ADVANCES - Unsecured, considered good		
a) Capital advances	**3,063.15**	2,663.63
b) Security Deposits	**176.88**	152.70
c) Loans and advances to related parties	**7,640.91**	8,439.49
d) Other Loans and Advances:		
Loans and advance due by officers	**115.92**	117.03
Advance Income-tax	**–**	235.08
MAT Credit Entitlement	**1,249.30**	1,620.66
Advance for Purchases & Others	**11.54**	72.71
	1,376.76	2,045.48
TOTAL	**12,257.70**	13,301.30
NOTE No. 13		
OTHER NON-CURRENT ASSETS		
Long term Trade receivables - Unsecured considered good	**4,074.88**	2,905.82
Sundry Deposits	**3,245.43**	3,248.47
TOTAL	**7,320.31**	6,154.29

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 14		
INVENTORIES		
(a) Raw Materials:		
Molasses - Distillery Unit	**112.05**	460.87
Soyabeans	**795.69**	128.02
Soya Flour	**50.42**	4.35
	958.16	593.24
(b) Work in Progress:		
Sugar	**341.26**	565.64
Molasses	**88.74**	146.41
	430.00	712.05
(c) Finished goods:		
Sugar	**4,489.56**	2,901.92
Molasses - Sugar Unit	**190.34**	285.06
Industrial Alcohol	**913.80**	915.80
Ethanol	**–**	0.07
Soya Products	**1,116.51**	1,660.98
Bio-Earth	**39.20**	7.55
Fusel Oil	**0.86**	1.74
Bagasse	**4.25**	55.51
	6,754.52	5,828.63
(d) Stock in Trade:		
Chemicals, Fertilisers & Others	**197.13**	257.51
	197.13	257.51
(e) Stores and spares:		
Stores and spares	**2,553.53**	3,021.27
	2,553.53	3,021.27
(f) Other Stock:		
Standing crop	**0.66**	4.29
TOTAL	**10,894.00**	10,416.99

For mode of valuation please refer Sl. No. 3 in Significant Accounting Policies.

NOTE No. 15		
TRADE RECEIVABLES - Unsecured, considered good		
Trade Receivables outstanding for a period exceeding six months	**780.32**	1,585.09
Other Trade Receivables	**1,391.50**	9,215.86
TOTAL	**2,171.82**	10,800.95

(Rs. in lakhs)

	As at 31.03.2017	As at 31.03.2016
NOTE No. 16		
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents		
Balance with banks	**1,416.65**	1,575.10
Cash on hand	**21.25**	45.73
Earmarked Balance with Banks		
Unpaid interest warrants	**0.46**	1.00
Margin money with banks/security against borrowings	**407.03**	436.44
TOTAL	**1,845.39**	2,058.27
Margin money with banks includes deposits with maturity period of more than 12 months of Rs.32.02 lakhs (Rs.65.97 lakhs)		
NOTE No. 17		
SHORT TERM LOANS AND ADVANCES - Unsecured, considered good		
Loans and Advances to related parties	**17.18**	7,007.31
Other Loans and Advances:		
Security Deposits	**3.12**	5.12
Loans and advance due by officers	**53.54**	58.35
Prepaid expenses	**275.51**	384.27
Deposits with Government authorities	**1,199.66**	1,509.55
Advance Income-tax	**82.59**	70.56
Advance for purchases & others	**3,001.93**	4,061.78
	4,616.35	6,089.63
TOTAL	**4,633.53**	13,096.94
NOTE No. 18		
OTHER CURRENT ASSETS		
Outstanding income and interest receivable	**2,799.94**	2,800.40

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 19		
REVENUE FROM OPERATIONS		
(a) Sale of Products		
Manufactured Goods		
Sugar	**61,227.66**	36,319.84
Industrial alcohol	**12,959.40**	13,884.37
Power	**5,652.15**	19,256.32
Ethanol	–	346.67
Soya products	**12,953.85**	12,014.60
Bio earth	**347.42**	260.95
Carbon-di-oxide	**12.56**	10.54
Fusel oil	**3.38**	8.12

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 19 (Contd.)		
Magazines	**16.78**	12.67
Bagasse	**2.27**	11.37
Ash	**27.40**	23.30
Seeds	**7.51**	7.15
	93,210.38	82,155.90
Traded Goods		
Fertilisers & chemicals	**504.48**	611.20
Total (a)	**93,714.86**	82,767.10
(b) Other Operating revenues		
Sale of used materials	**163.39**	178.70
Duty drawback/other export incentive	**67.21**	88.32
Total (b)	**230.60**	267.02
Total (a+b)	**93,945.46**	83,034.12
Less : Excise Duty	**1,259.50**	933.53
TOTAL	**92,685.96**	82,100.59
NOTE No. 20		
OTHER INCOME		
(a) Interest income	**949.29**	1,116.29
(b) Dividend income from non-current investment	**14.53**	16.71
(c) Reduction in provision for diminution in value of investments	**1.84**	90.45
(d) Remission of Liability	**–**	2,170.45
(e) Other non-operating income		
Rent receipts	**91.37**	83.63
Profit on sale of fixed assets	**55.84**	69.32
Miscellaneous income	**84.42**	73.40
Sundry balance written back	**30.56**	47.27
	262.19	273.62
TOTAL	**1,227.85**	3,667.52
NOTE No. 21		
COST OF MATERIAL CONSUMED		
(a) Opening Stock		
Molasses	**460.87**	29.12
Newsprint paper	**–**	1.09
Soyabean seeds & others	**128.02**	13.84
Soya products	**4.35**	156.76
Total (a)	**593.24**	200.81
(b) Purchases		
Sugarcane	**51,172.59**	42,003.32
Molasses	**824.29**	1,339.72
Newsprint paper	**3.68**	12.81
Soyabean seeds & others	**10,276.49**	9,442.96
Total (b)	**62,277.05**	52,798.81

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 21 (Contd.)		
(c) Closing Stock		
Molasses	**112.05**	460.87
Soyabean seeds & others	**795.69**	128.02
Soya products	**50.42**	4.35
Total (c)	**958.16**	593.24
TOTAL (a+b-c)	**61,912.13**	52,406.38
NOTE No. 22		
PURCHASES OF STOCK IN TRADE		
Fertiliser & Chemicals	**429.05**	664.36
NOTE No. 23		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
(a) Opening Stock		
Finished Goods		
Sugar	**2,901.92**	3,865.55
Molasses	**285.06**	27.51
Industrial alcohol	**915.80**	878.99
Ethanol	**0.07**	–
Soya products	**1,660.98**	1,709.81
Bagasse	**55.51**	48.23
Bio earth	**7.55**	10.40
Fusel oil	**1.74**	6.31
	5,828.63	6,546.80
Work in Progress and Stock in trade		
Sugar in process	**565.64**	299.22
Molasses in process	**146.41**	48.41
Fertiliser & chemicals	**257.51**	185.96
	969.56	533.59
Total (a)	**6,798.19**	7,080.39
(b) Closing Stock		
Finished Goods		
Sugar	**4,489.56**	2,901.92
Molasses	**190.34**	285.06
Industrial alcohol	**913.80**	915.80
Ethanol	**–**	0.07
Soya products	**1,116.51**	1,660.98
Bagasse	**4.25**	55.51
Bio earth	**39.20**	7.55
Fusel oil	**0.86**	1.74
	6,754.52	5,828.63

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 23 (Contd.)		
Work in Progress and Stock in trade		
Sugar in process	**341.26**	565.64
Molasses in process	**88.74**	146.41
Fertilisers & chemicals	**197.13**	257.51
	627.13	969.56
Total (b)	**7,381.65**	6,798.19
TOTAL (a-b)	**(583.46)**	282.20
NOTE No. 24		
EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	**5,849.84**	4,989.49
Contribution to provident and other funds	**437.82**	409.25
Staff welfare expenses	**557.43**	503.67
TOTAL	**6,845.09**	5,902.41
NOTE No. 25		
FINANCE COSTS		
Interest Expense		
On borrowings	**11,890.69**	6,528.19
On trade payable	**423.11**	258.86
Other borrowing costs	**–**	57.25
(Gain)/Loss on foreign currency transaction (Net)	**1,053.31**	1,005.13
TOTAL	**13,367.11**	7,849.43
NOTE No. 26		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation/Impairment on Fixed Assets	**6,348.66**	4,621.12
Amortization expenses	**2,605.13**	2,815.88
TOTAL	**8,953.79**	7,437.00
NOTE No. 27		
OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spares	**2,365.45**	1,967.91
Printing and publication charges	**50.22**	38.66
Power and fuel	**1,084.66**	984.98
Consumption of Coal	**2,432.24**	10,543.06
Water charges	**103.33**	74.18
Rent	**65.84**	64.02
Repairs to buildings	**256.98**	163.65
Repairs to machinery	**2,484.42**	1,997.33
Repairs to others	**299.71**	268.50
Insurance	**112.08**	108.46
Rates and taxes, excluding taxes on income	**480.38**	444.38

(Rs. in lakhs)

	Year Ended 31.03.2017	Year Ended 31.03.2016
NOTE No. 27 (Contd.)		
Effluent disposal expenses	**183.95**	393.63
State administrative service fees	**114.51**	135.64
Selling and Distribution Expenses:		
Selling and distribution expenses	**55.10**	37.77
Freight & transport on finished goods	**257.56**	222.95
Commission and brokerage	**41.43**	27.76
Other Administrative Expenses:		
Travelling expenses	**260.25**	241.11
Printing, postage, telephone & telex	**177.48**	178.61
Freight and transport	**32.84**	25.95
Donations	**14.46**	11.38
Legal and professional charges	**84.52**	204.73
Excise Duty on stock adjustments	**18.02**	(30.21)
Administrative and other expenses	**294.22**	242.61
Bank charges	**140.98**	233.82
R & D expenses	**24.03**	26.79
Data processing charges	**18.91**	25.38
Payment to Auditor		
For Statutory Audit	**21.00**	21.00
Other services	**26.26**	20.29
Service tax	**7.10**	5.90
Reimbursement of expenses	**0.56**	0.79
Managerial remuneration	**–**	7.50
Directors sitting Fees	**8.27**	7.63
Loss on sale of fixed assets	**1.50**	1.17
Loss on sale of used materials	**–**	4.56
Deferred revenue expenditure written off	**0.27**	5.10
Irrecoverable advances written off	**1.40**	43.54
TOTAL	**11,519.93**	18,750.53

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

Name of Entity	Year Ended	Net Assets		Share in Profit or (Loss)	
		As a % of Consolidated Net Asset	Amount (Rs.in Lakhs)	As a % of Consolidated Profit or Loss	Amount (Rs.in Lakhs)
Sakthi Auto Component Limited	31.03.2017	-0.85	-381.20	44.92	851.41
	31.03.2016	-2.60	-955.57	-15.96	757.76

29) Contingent Liabilities, Contingent Liabilities on Account of Guarantees and Commitments :

(A) Contingent Liabilities:- (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
Claims against the Company not acknowledged as debts:-		
(i) Income tax matters	**4465.44**	6221.24
(ii) Purchase tax/sales tax matters	**2420.94**	2420.94
(iii) Cane Price *	**11325.46**	6655.74
(iv) Differential Price of Levy Sugar	**1767.86**	1677.62
(v) Others	**7162.81**	9170.30

* The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in High Court is pending disposal. The differential price on this account is Rs.11325.46 lakhs for the seasons from 2013-14 to 2016-17 (upto 31st March 2017).

(B) Contingent Liabilities on Account of Guarantees (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
a) Corporate guarantee given to erstwhile Foreign Subsidiary		
(i) Guarantee amount	**27699.04**	30038.20
(ii) Outstanding amount	**33090.41**	34567.51
b) Guarantees issued by bankers	**255.00**	398.66
c) Corporate guarantee given for loans to Associate		
(i) Guarantee amount	**16744.95**	26507.50
(ii) Outstanding amount	**13014.12**	19910.94

(C) Commitments : (Rs. in lakhs)

Particulars	31.03.2017	31.03.2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	**89.08**	356.43

30) Disclosure on Specified Bank Notes (SBNs):

Disclosure as per MCA Notification No. GSR 308(E) dated March 31, 2017 on Specified Bank Notes (SBNs): (Rupees)

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	4980500	1907423	6887923
(+) Permitted receipts from 09.11.2016 to 30.12.2016	–	27096987	27096987
(-) permitted payments from 09.11.2016 to 30.12.2016	29500	24737845	24767345
(-) Amount Deposited in Banks from 09.11.2016 to 30.12.2016	4951000	768873	5719873
Closing cash in hand as on 30.12.2016	–	3497692	3497692

31) Previous year's figures have been regrouped / restated wherever necessary to correspond with the current year's classification/ disclosure.

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

P R VITTEL
Partner
Membership Number : 018111

Coimbatore
27th May 2017

M MANICKAM
Executive Chairman

M BALASUBRAMANIAM
Managing Director

S BASKAR
Chief Financial Officer &
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES (Consolidated)

1. Basis of Preparation:

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

2. Principles of Consolidation:

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

   a) Investment in Associate Company has been accounted under the Equity method as per Accounting Standard (AS) 23 – "Accounting for Investments in Associate in Consolidated Financial Statements".

   b) The Company accounts for its share of post-acquisition changes in net assets of Associate, after eliminating unrealised profits and losses resulting from transaction between the Company and its Associate to the extent of its share, through its consolidated Statement of Profit and Loss, to the extent such change is attributable to the Associate's Statement of Profit and Loss and through its reserves for the balance based on available information.

   c) The difference between the cost of investment in the Associate and the share of Net Assets at the time of acquisition of shares in the Associates is identified in the Financial Statement as Goodwill/Capital Reserve as the case may be.

3. Valuation of Inventories:

   Company:-

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

   Associate:-

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

   Subsidiary of Associate:

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

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

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

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

4. Fixed Assets:

   a) Fixed Assets are shown at cost/re-valued figures, less accumulated depreciation. Fixed assets added during the year are valued at cost net of duty taken on credit but includes all direct expenses like freight, erection charges, pre operative expenses and borrowing costs.

   b) Expenditure including borrowing cost incurred on projects under implementation is shown under "Work-in-Progress" pending allocation to the assets.

5. Intangible Assets:

   Company:-

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

   Associate:-

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

   Subsidiary of Associate:

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

6. Borrowing Costs:

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

7. Depreciation:

Company and Associate:-

Depreciation on tangible assets is provided on the straight line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013 effective from 1st April 2014.

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

Subsidiary of Associate:

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

8. Investments:

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

9. a) Revenue Recognition:

Company and Associate:-

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

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

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

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

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

v) Inter segmental transfer price is not recognised.

b) Expenditure Recognition:

Company and Associate:-

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

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

10. Foreign currency transactions:

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

11. Retirement Benefits:

Company and Associate:-

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

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

Provision for liability in respect of Leave encashment benefits are made based on actuarial valuation made by an independent actuary as at 31.03.2017.

12. Deferred tax:

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

13. Earning per share:

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

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

14. Impairment of Assets:

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

15. Provisions, Contingent Liabilities and Contingent Assets:

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

16. Leases:

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

E-MAIL Address Registration Form

(In terms of Circular Nos. 17/2011 and 18/211 dated 21.04.2011 and 29.04.2011 respectively issued by Ministry of Corporate Afffairs, 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

Rukmani Offset Press, Cbe. ✆ 0422-2672789

SAKTHI SUGARS LIMITED
CIN : L15421TZ1961PLC000396
Regd Office: Sakthinagar PO - 638315, Erode District, Tamilnadu

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017

(Rs. In Lakhs)

I.	Sl.No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	93,913.81	93,913.81
	2	Total Expenditure	1,02,443.64	1,10,119.91
	3	Net Profit/(Loss) (after exceptional items)	1,644.11	(6,032.16)
	4	Earnings Per Share (in Rs.)	0.92	(3.75)
	5	Total Assets	1,80,359.88	1,82,731.85
	6	Total Liabilities	1,80,359.88	1,82,731.85
	7	Net Worth	9,068.81	3,764.51
	8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II Audit Qualification (each audit qualification separately):

Audit Qualification - I

a. ***Details of Audit Qualification***

Interest and guarantee commission claim of Rs.7676.27 lakhs by a company (erstwhile Holding company) have not been provided and the Profit of the company is overstated to that extent.

b. ***Type of Audit Qualification:*** *Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion*

Adverse Opinion

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

Repetitive from the financial year ended 31st March 2014.

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

The unprovided interest and guarantee commission to a Promoter group company (erstwhile Holding company) will be accounted subject to the approval of the lenders.

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

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

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

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

Not applicable

Audit Qualification - II

a. ***Details of Audit Qualification***

As per the agreement entered, no Interest has been provided on the advance given to the Associate Company. Non-provision of interest at least to the extent of interest on Government Securities is in violation of Section 186(7) of the Companies Act 2013. Consequential impact of the same on the profit for the year/accumulated loss is not ascertainable.

b. ***Type of Audit Qualification:*** *Qualified Opinion/Disclaimer of Opinion/ Adverse Opinion*

Adverse Opinion

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

Repetitive from the financial year ended 31st March 2016

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

Not applicable

	e.	***For Audit Qualifications(s) where the impact is not quantified by the auditor:*** ***(i) Management's estimation on the impact of audit qualification:*** The impact is unascertainable ***(ii) If management is unable to estimate the impact, reasons for the same*** No interest is provided as per the original agreement entered into with the Associate Company ***(iii) Auditors' Comments on (i) or (ii) above:*** As per the requirement of Section 186(7) of the Companies Act, 2013, the Report is qualified.
III	Signatories	
	CEO/Managing Director	**For SAKTHI SUGARS LIMITED** **Managing Director**
	CFO	For SAKTHI SUGARS LTD Chief Financial Officer & Company Secretary
	Audit Committee Chairman	(C.Rangamani) - Chairman of the Audit Committee
	Statutory Auditors	For P.N. Raghavendra Rao & Co, Chartered Accountants P.R. Vittei Partner Membership No : 200/18111

Place : Coimbatore
Date : 27.5.2017