



## 32<sup>nd</sup> Annual Report 2015 - 2016



**BANNARI AMMAN SUGARS LIMITED**



### Motto

Strive to perform best at all times

### Objectives

Our endeavour is to

- Identify and improve the processes to have a continuous upgradation of the quality of the end products
- Serve in the best interest of cane growers and shareholders
- Maximise productivity by optimising all inputs
- Expand and diversify utilising by-products in a planned manner

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## **Board of Directors**

### **Executive**

Sri S V Balasubramaniam  
Chairman

Sri B Saravanan  
Managing Director

### **Company Secretary**

Sri C Palaniswamy

### **Chief Financial Officer**

Sri M Ramprabhu

### **Internal Auditors**

M/s B M & Associates  
Chartered Accountants

### **Cost Auditor**

Sri M Nagarajan  
Cost Accountant

### **Secretarial Auditors**

M/s C Thirumurthy & Associates  
Company Secretaries

### **Registered Office**

1212 Trichy Road Coimbatore - 641 018  
Tel: 0422 - 2302277 Fax: 0422 - 2309999  
Email: shares@bannari.com  
Website: www.bannari.com  
CIN : L15421TZ1983PLC001358

### **Non-Executive Independent Directors**

Sri A K Perumalsamy  
Sri E P Muthukumar  
Sri T Gundan  
Dr M P Vijayakumar  
Dr Radha Ramani

### **Auditors**

M/s P N Raghavendra Rao & Co  
Chartered Accountants

### **Bankers**

Punjab National Bank  
Bank of Baroda  
Canara Bank  
The Federal Bank Limited  
The Karur Vysya Bank Limited  
Union Bank of India  
Indian Overseas Bank  
State Bank of Travancore  
State Bank of India  
State Bank of Hyderabad  
Bank of India  
The Lakshmi Vilas Bank Limited  
AXIS Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
Central Bank of India  
Allahabad Bank

### **Registrar and Share Transfer Agent**

M/s Cameo Corporate Services Limited  
"Subramanian Building"  
1 Club House Road Chennai 600 002  
Tel : 044 - 28460395 Fax : 044 - 28460129  
Email : investor@cameoindia.com



## **Notice to Shareholders**

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of the Company will be held at JENNYS RESIDENCY 2/2 AVINASHI ROAD CIVIL AERODROME POST COIMBATORE 641 014 on Thursday the 29<sup>th</sup> day of December 2016 at 11.15 A.M to transact the business set out in the agenda below

You are requested to make it convenient to attend the meeting

### **Agenda**

#### **Ordinary Business**

##### **1 Adoption of Audited Financial Statments Reports of the Board of Directors and Auditors thereon**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution

RESOLVED that the audited financial statements of the company for the financial year ended March 31 2016 and the reports of the Board of Directors and Auditors thereon as circulated to the members and presented to the meeting be and are hereby adopted.

##### **2 Declaration of Dividend**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution

RESOLVED that a dividend at the rate of Rs 7.50 per share on 1,14,39,700 equity shares of Rs10/- each be and is hereby declared for the financial year ended March 31, 2016 and that the same be paid to the members whose names appeared in the Register of Members of the company as on December 29, 2016 and in the Register of beneficial owners maintained by the depositories as on December 22, 2016.

##### **3 Appointment of Director who retires by rotation**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution

RESOLVED that Sri B Saravanan (DIN:00002927) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company.

##### **4 Ratification of Appointment of Auditors**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution

RESOLVED that pursuant to the provisions of Section 139(1) and other applicable provisions if any of the Companies Act 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board the re-appointment of M/s P N Raghavendra Rao & Co Chartered Accountants (Registration No 003328S) as the auditors of the Company for the financial year 2016-2017 be and is hereby ratified by the members of the company at such remuneration as may be determined by the Board of Directors on the recommendation of Audit Committee.





## **Special Business**

### **5 Ratification of Remuneration payable to Cost Auditor**

To consider and if thought fit to pass the following resolution as an Ordinary Resolution

RESOLVED that pursuant to Section 148 and other applicable provisions if any of the Companies Act 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board the remuneration of Rs 2,00,000/- (Rupees Two Lakhs only) (plus service tax and out of pocket expenses if any for purpose of audit) payable to Sri M Nagarajan (Membership No F-6384) Cost Accountant as approved by the Board of Directors for conducting the audit of Cost Accounting Records of the company for the financial year ending 31<sup>st</sup> March 2017 be and is hereby ratified and confirmed.

Place: Coimbatore

Date : 23.11.2016

By Order of the Board  
**C PALANISWAMY**  
Company Secretary

## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF A Proxy need not be a member of the Company Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the Commencement of the meeting Proxies submitted on behalf of companies societies etc. must be supported by an appropriate resolution/authority as applicable A person shall not act as Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company However a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person
2. Explanatory Statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto
3. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Sundays and Public Holidays up to the date of the Annual General Meeting
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> December 2016 to 29<sup>th</sup> December 2016 (both days inclusive)
5. Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting will be credited/dispatched between 2.1.2017 and 14.1.2017 to those members whose names appear on the Register of Members as on 29.12.2016 In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as at the close of business hours on 22.12.2016
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants The address/ bank mandate as furnished to the Company by the respective Depositories Viz. NSDL and CDSL will be printed on the dividend warrants Members holding shares in physical form are requested to inform the changes in address/mandate/bank details directly to the Registrar and Share Transfer Agents



7. Members are requested to bring their copies of the Annual Report to the Meeting. Members are requested to hand over the Attendance slip duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
8. Corporate Members are requested to send to the Company Secretary a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
9. Pursuant to the provisions of Section 123, 124 of the Companies Act 2013 and Section 205C of the Companies Act 1956 the Company has transferred the unpaid or unclaimed dividends up to the financial years 2008-2009 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 23<sup>rd</sup> September 2015 (date of last Annual General Meeting) on the website of the Company ([www.bannari.com](http://www.bannari.com)) as also on the website of the Ministry of Corporate Affairs.
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent.
11. Electronic copy of the Notice convening the 32<sup>nd</sup> Annual General Meeting of the Company, Annual Report, Attendance slip and Proxy form are being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the above documents are being sent to the members in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register the same to enable the company to send all communications including Annual Report, Notices, Circular etc. in electronic mode.

### **Voting through electronic means**

- I Pursuant to the provisions of Section 108 of the Companies Act 2013 read with the Rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company is providing facility of remote e-voting to the members to exercise their right to vote electronically in respect of the businesses to be transacted at the 32<sup>nd</sup> Annual General Meeting (AGM) of the company scheduled to be held on Thursday the 29<sup>th</sup> December 2016 at 11.15 A.M. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide e-voting facility.

### **The instructions for voting through electronic means are as under**

- 1) The remote e-voting will be available from 26.12.2016 (9:00 am) to 28.12.2016 (5:00 pm). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date of 22.12.2016 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL thereafter.
- 2) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 3) Click on "Shareholders" tab



- 4) Now Enter your User ID
  - i) For CDSL : 16 digits beneficiary ID
  - ii) For NSDL : 8 Character DP ID followed by 8 Digits Client ID
  - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company
- 5) Next enter the image Verification as displayed and Click on Login
- 6) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company then your existing password is to be used. If you are a first time user follow the steps given below
- 7) Fill up the following details in the appropriate boxes

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
<p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field</p> <p>* In case the folio number is less than 8 digits enter the applicable number of 0's (Zero) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</p>	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

- # Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date viz. 22.12.2016 in the Dividend Bank details field
- 8) After entering these details appropriately click on "SUBMIT" tab
  - 9) Members holding shares in physical form will then reach directly the Company selection screen. However members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
  - 10) For Members holding shares in physical form the details mentioned herein can be used only for remote e-voting on the resolutions contained in this Notice
  - 11) Click on Electronic Voting Sequence Number (EVSN) relevant for "BANNARI AMMAN SUGARS LIMITED" on which you choose to vote



- 12) On the voting page you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 13) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- 14) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK"; else to change your vote, click on "CANCEL" and accordingly modify your vote.
- 15) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- 16) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- 17) If the Demat account holder has forgotten the same password, then enter the User ID and the image verification code and click on "Forgot Password" & enter the details as prompted by the system.
- 18) Note for Non-Individual Shareholders and Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts, they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 19) In case of members receiving the physical copy, please follow all steps from Sl No (1) to (18) above to cast vote.
- 20) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 21) M/s C Thirumurthy & Associates Company Secretaries have been appointed as the Scrutinizer to scrutinize the remote e-voting / poll process in a fair and transparent manner.
- 22) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the remote e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report forthwith to the Chairman of the Company.
- 23) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bannari.com](http://www.bannari.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within a day (i.e. 24 hours) of passing of the resolutions at the Annual General Meeting of the Company to be held on 29<sup>th</sup> December 2016 and communicated to the Stock Exchanges viz. Bombay Stock Exchange Limited and National Stock Exchange of India Limited.





**Annexure to Notice**

**Statement Pursuant to Section 102 of the Companies Act 2013**

**Item No 5**

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Sri M Nagarajan Cost Accountant as Cost Auditor to conduct audit of cost records of the company for the financial year ending March 31 2017 and fixed his remuneration at Rs 2,00,000/- (Rupees Two Lakhs only) plus reimbursement of actual out of pocket expenses

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 the remuneration payable to the cost auditor has to be ratified by the shareholders of the company

Accordingly consent of the members is sought for passing an ordinary resolution as set out at Item No 5 of the notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31 2017

None of the Directors Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed ordinary resolution

Place: Coimbatore

Date : 23.11.2016

By Order of the Board  
**C PALANISWAMY**  
Company Secretary

**In terms of Regulation 36 (3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with secretarial standard on General Meeting a brief profile of the director who proposed to be re-appointed is given below**

**Sri B Saravanan**

Sri B Saravanan (DIN 00002927) aged 43 years is the Managing Director of the company He is in-charge of the entire operations of the company He has more than 16 years experience in sugar industry

He is also the Managing Director of Shiva Distilleries Private Ltd and Director of the following companies viz Annamallai Enterprise Private Ltd Bannari Amman Enterprises Private Ltd Bannari Amman Exports Private Ltd Bannariamman Finance Private Ltd Kerala Alcoholic Products Private Ltd Shiva Cargo Movers Private Ltd Shiva Hi-Tech Infrastructure Private Ltd Annamallai Estates Private Ltd Bannari Enterprises Private Ltd Kandiamman Enterprise Private Ltd Kumaraguru Enterprise Private Ltd Soundaram Enterprise Private Ltd SVB Enterprise Private Ltd SVB Holdings Private Ltd and Velmuruga Enterprises Private Ltd

He is a member of the Risk Management Committee of Bannari Amman Sugars Limited

He holds 175758 equity shares in the company and he is related to Sri S V Balasubramaniam Chairman of the company



## Report of the Board of Directors

Dear Members

Your Directors have pleasure in presenting the 32<sup>nd</sup> Annual Report of the company together with audited financial statements for the year ended 31<sup>st</sup> March 2016

### Amalgamation of M/s Madras Sugars Limited with the Company

The Hon'ble High Court of Judicature at Madras has approved the Scheme of Amalgamation of Madras Sugars Limited with your company on 15<sup>th</sup> November 2016. The Appointed date for the Scheme of Amalgamation was fixed as 1.1.2016

In view of the Amalgamation the Annual General Meeting of the Company could not be held before 30.9.2016. Extension of time has been obtained from the Registrar of the Companies Coimbatore

(Rs in Lakhs)

Financial Results	Financial Year	
	2015-16	2014-15
Profit for the year before depreciation	<b>9139.79</b>	5159.42
Less: Depreciation	<b>6154.07</b>	5125.55
Profit Before Tax	<b>2985.72</b>	33.87
Less: Provisions: Income Tax - Current	<b>634.99</b>	8.38
MAT Credit Entitlement	<b>(634.99)</b>	(8.38)
Deferred Tax	<b>(193.68)</b>	(69.16)
Profit After Tax	<b>3179.40</b>	103.03
Add : Surplus brought forward from previous year	<b>1906.26</b>	2117.66
Amount available for appropriation	<b>5085.66</b>	2220.69
<b>Appropriations</b>		
Provision for diminution in value of investment (Long term)	<b>(1.94)</b>	(29.78)
Provision for Proposed Dividend on equity shares	<b>857.98</b>	285.99
Provision for Tax on Dividend	<b>174.66</b>	58.22
Transfer to General Reserve	<b>2000.00</b>	---
Surplus carried over to Balance Sheet	<b>2054.96</b>	1906.26
<b>TOTAL</b>	<b>5085.66</b>	2220.69