

## SRI CHAMUNDESWARI SUGARS LIMITED

### REGISTERED OFFICE

No 88/5, Richmond Road  
Bangalore- 560 025  
CIN : L15435KA1970PLC001974

### PLANT LOCATION

UNIT-I  
(Sugar, Distillery and Power Generation)  
Bharathinagara (K.M. Doddi)  
Maddur Taluk, Mandya District  
Karnataka State

### UNIT-II

(Sugar Plant)  
Srinivasapura, Channarayapatna Taluk,  
Hassan District, Karnataka State

### STATUTORY AUDITORS

P.N. Raghavendra Rao & Co.  
Chartered Accountants  
Coimbatore

### INTERNAL AUDITORS

Brahmayya & Co  
Chartered Accountants  
Bangalore

### COST AUDITOR

Shri. M.R. Krishnamurthy  
Cost Accountant  
Bangalore

### BANKERS & FINANCIAL INSTITUTIONS

IDBI Bank Limited  
Allahabad Bank  
State Bank of Mysore  
Syndicate Bank  
State Bank of India  
State Bank of Travancore  
The Lakshmi Vilas Bank Limited  
IDFC Limited  
IFCI Limited  
The Karnataka State Co-operative Apex Bank Limited  
IFCI Factors Limited

### BOARD OF DIRECTORS

Dr. N. Mahalingam, B.Sc., FIE  
CHAIRMAN

Shri. M. Srinivaasan, B.E., MBA  
MANAGING DIRECTOR

Shri. K. Prakash, B.A  
EXECUTIVE DIRECTOR

### DIRECTORS

Dr. M. Manickam, M.Sc., MBA

Shri. M. Balasubramaniam, M.Com, MBA

Shri. K.N.V. Ramani, M.A., B.L

Shri. V.K. Swaminathan, B.Com

Shri. A. Arjunaraj, B.Sc., FCA

Dr. A. Selvakumar, M.E., Ph.D.

Dr. M.R. Desai, M.B.B.S

Shri. S. Srinivasan, B.Sc, B.L, CAIIB  
(Upto 27.09.2013)

Shri. Vinay. C. Sekar, B.Tech, PGDBM  
(Nominee - IFCI upto 31.10.2013)

### COMPANY SECRETARY

Shri. B. Vijayakumar (upto 12.10.2013)  
Shri. Vignesa Somathurai Pandian  
(w.e.f. 14.10.2013)

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### NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of the Company will be held at **Hotel Woodlands, No. 5, Raja Ram Mohan Roy Road, Bangalore-560 025 on Thursday, the 25th September 2014 at 3.15 p.m** to transact the following business:

#### ORDINARY BUSINESS:

1. To Consider and adopt the Directors' Report and the Audited Balance Sheet as at 31st March 2014, the Audited Statement of Profit and Loss for the year ended on that date and the Auditors' Report thereon.

2. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution**

RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the related Rules made thereunder, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Board, M/s P N Raghavendra Rao & Co. Chartered Accountants (Firm Registration No. 003328S) be and are hereby appointed as Statutory Auditors for a period of three years from the conclusion of this Annual General Meeting till the conclusion of 44<sup>th</sup> Annual General Meeting subject to ratification by the members at every Annual General Meeting in accordance with the provisions of Section 139(1) of the Companies Act, 2013 and the related rules made thereunder, as amended or clarified by the Central Government from time to time.

FURTHER RESOLVED THAT the Board of Directors be and are hereby authorized to fix their remuneration on the recommendation of Audit Committee each year.

#### SPECIAL BUSINESS:

3. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Shri K N V Ramani (holding DIN 00007931), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25th September 2014 to 24th September 2019.

4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any,

of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Dr M R Desai (holding DIN 01625500), Director of the Company, who retires by rotation at the ensuing Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25th September 2014 to 24th September 2019.

5. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Dr A Selvakumar (holding DIN 01099806), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25th September 2014 to 24th September 2019.

6. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the Companies Act, 2013, as amended from time to time, Shri A Arjunaraj (holding DIN 00015073), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from 25th September 2014 to 24th September 2019.

7. **To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

RESOLVED THAT in suppression of Ordinary Resolution passed under section 293(1)(d) of the Companies Act, 1956 at the 36th Annual General Meeting held on 25th September 2009 and pursuant to the provisions of Section 180(1) (c) and other applicable provisions, if any of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the consent of the company be and is hereby accorded to the Board ("Board" shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time any sum of money over and above the aggregate of Paid-up Capital and Free Reserves of the Company provided that the amount to be borrowed together with the amount already borrowed excluding temporary loans obtained / to be obtained from the Company's bankers in the ordinary

## Notice of the Annual General Meeting

course of business, shall not exceed ₹1000 Crores over and above the aggregate of Paid-Up Share Capital and Free Reserves of the Company.

**8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

RESOLVED THAT in suppression of the Ordinary Resolution pursuant to the provisions of Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, the consent of the company be and is hereby accorded to the Board ("Board" shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to mortgage and / or charge all the movable and immovable properties of the Company, wherever situate, both present and future in favour of any banks, financial institutions and others to secure rupee / foreign currency loans availed or to be availed by the Company not exceeding ₹1000 Crores together with Interest and other costs thereon with respect to the said borrowings.

**9. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, the Article 125 (a) of the Articles of Association of the Company be deleted and substituted with the following:

**"The Board of Directors, subject to the provisions of the Companies Act, 2013, and the approval of the members accorded at a General Meeting, may from time to time, appoint or reappoint, one or more Director or Directors to the office of the Managing Director or Managing Directors and / or Whole Time Director or Whole Time Directors for such period and on such remuneration, terms and conditions as are approved by the members and / or subject to the terms of any agreement entered into with such Managing or Whole Time Director or Directors and / or may revoke such appointments.**

**The Board of Directors, subject to the provisions of the Companies Act, 2013, may declare any one or more of Managing Director or Managing Directors or Whole Time Director or Whole Time Directors as Director or Directors not liable to retire by rotation for such period as the Board may consider necessary."**

**10. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 read with Companies (Audit and Auditors), Rules, 2014 and any other rules applicable and made thereunder, as amended from time to time, the

remuneration of ₹50,000 excluding service tax and reimbursement of out of pocket expenses to Shri M R Krishnamurthy (Membership No. 7568), Cost Accountant Bangalore for conducting Cost Audit for the financial year ending 31<sup>st</sup> March 2015 fixed and appointed by the Board of Directors at their meeting held on 29<sup>th</sup> May 2014 be and is hereby ratified.

By order of the Board  
For **Sri Chamundeswari Sugars Limited**

Vignesa Somathurai Pandian  
Asst. General Manager (A/c) &  
Company Secretary

Date : 14.08.2014

Place : Coimbatore

**Notes:**

1. Pursuant to Provisions of Section 105 of the Companies Act, 2013 with respect to Proxy:

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. Proxy need not be a member of the Company. A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The duly completed and signed instrument of Proxy, in order to be effective, should be deposited at the Registered Office, not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. The relative Explanatory Statement as required under Section 102 of the Companies Act, 2013 in respect of Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the company will be closed from 18th September, 2014 to 25th September, 2014 (Both days inclusive).
4. M/s.Canbank Computer Services Limited, Bangalore are the authorized Registrars and Share Transfer Agents. Members are requested to correspond with them directly for non-receipt of share certificates, share transfers, transmission, change of address, consolidation of certificate, splits of certificate, registration of Power of Attorney, non-receipt of dividend and on all other queries in the following address.

Canbank Computer Services Limited  
Unit: Sri Chamundeswari Sugars Limited  
No.218, J.P.Royale, 1st Floor  
2nd Main, Sampige Road (Near 14th Cross)  
Malleswaram, Bangalore - 560003.  
Ph.: 080-23469661/62/64/65  
Fax: 080-23469667/68  
E-mail: canbankrta@ccsl.co.in

5. Email ID

Company has provided an exclusive E-mail ID [complianceofficer@chamundisugars.com](mailto:complianceofficer@chamundisugars.com) for investors to send their requests / grievances / complaints in electronic mode.

6. The matured deposits and proceeds of fractional shares remain unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund.

7. A brief resume in respect of the proposed appointment of Directors is attached herewith in terms of Clause 49 of the Listing Agreement.

8. Members are requested to bring their copies of the Annual Report to the meeting.

9. Attendance slip has to be signed and delivered at the entrance of the meeting venue.

10. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register with Canbank Computer Services Limited Unit:Sri Chamundeswari Sugars Limited, No.218, J.P.Royale, 1st Floor 2nd Main, Sampige Road (Near 14th Cross) Malleswaram, Bangalore - 560003. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s) and to those Members who have requested for hard copies. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print and submit the duly filled in Attendance Slip at the registration counter to attend the AGM.

11. Members are provided with the facility of exercising their rights in electronic mode as required under Section 108 of the Companies Act, 2013. Members may use the attached Postal Ballot Form in lieu of e-voting. A member can opt for only one mode of voting i.e., either through e-voting or by postal ballot.

12. The procedures for e-voting are given hereunder:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):

- i. Open the e-mail and also open PDF file namely "e-voting. pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
  - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
  - iii. Click on Shareholder - Login.
  - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
  - vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
  - viii. Select "EVEN" of Sri Chamundeswari Sugars Limited.
  - ix. Now you are ready for e-voting as Cast Vote page opens.
  - x. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - xi. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - xii. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
  - xiii. Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [pnr.prasath@gmail.com](mailto:pnr.prasath@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) Shareholders and e-voting user manual Shareholders, available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- Initial password is provided in the enclosed ballot form: EVEN (E-Voting Event Number), user ID and password.



- Please follow all steps from Sl. No. ii to Sl. No. xiv above, to cast vote.
- C. Other Instructions:
- The e-voting period commences on 19th September, 2014 (9.00 a.m. IST) and ends on, 20th September 2014 (6.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 15th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
  - The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 15th August, 2014.
  - Shri. M Rajendraprasath (Membership No. : ACS22451) Practicing Company Secretary, has

been appointed as the Scrutinizer for conducting the electronic voting and postal ballot in lieu of e-voting process in a fair and transparent manner.

- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.chamundeswari.sugars.in](http://www.chamundeswari.sugars.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the Forty First AGM of the Company on 25th September, 2014 and communicated to the Bangalore Stock Exchange Limited and Madras Stock Exchange Limited, where the shares of the Company are listed.

## EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

### Item No.3:

Ordinary Resolution relating to Appointment of Shri K N V Ramani as an Independent Director for a term of five years from 25th September 2014 to 24th September 2019.

Shri K N V Ramani has been the Non-Executive Director of Company since 14th February 1997 and Chairman of Nomination and Remuneration Committee. He retires by rotation at the ensuing Annual General Meeting under the Companies Act, 1956.

Shri K N V Ramani, Director is a leading advocate specializing in Corporate Laws and having expertise in the field of Corporate Law, Taxation, Labour Laws and Corporate Governance. The Board considers that his experience and expertise will be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri K N V Ramani as an Independent Director for a term of five years, subject to the approval of shareholders of the company.

The Board opines that Shri K N V Ramani fulfills the conditions specified in the Act and the rules made thereunder and independent of the management.

Draft letter of appointment of Shri K N V Ramani as an Independent Director setting out the terms and conditions would be available at the Registered Office of the Company for inspection without any fee, for the members, during normal business hours on any working day.

A Notice in writing along with deposit of ₹1,00,000 has been received from a member proposing Shri K N V Ramani for the Office of Independent Director as required under section 160 of the Companies Act, 2013. Shri K N V Ramani, Director is not

having any beneficial interest in the company and has also submitted his Consent to act as a Director in Form DIR-2 and other declaration as required under the Companies Act, 2013 and the related rules thereon and clause 49 of the Listing Agreement.

None of the Directors or Key Managerial Personnel of the Company and their relative except Shri K N V Ramani, Director, to whom the resolution relates, is concerned or interested in the resolution.

### Item No.4:

Ordinary Resolution relating to Appointment of Dr M R Desai as an Independent Director for a term of five years from 25th September 2014 to 24th September 2019.

Dr M R Desai has been the Non-Executive Director of Company since 10th November 2010 and Member of Stakeholders' Grievance Committee. He retires by rotation at the ensuing Annual General Meeting under the Companies Act, 1956.

Dr M R Desai, Director is a doctor and has been the Chairman of Nandhi Sahakari Sakkare Karakhane Niyamit, Krishnagar and National Federation of Cooperative Sugar Factories, Delhi. He also represented India for World Association of Beet and Cane Growers (WABCG), International Sugar Organisation, World Sugar Research Organisation (WSRO) and Global Sugar Alliance. He has expertise in Technical Operations, Research, Management and Corporate Governance. The Board considers that his experience and expertise will be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr M R Desai as an Independent Director for a term of five years, subject to the approval of shareholders of the company.

The Board opines that Dr M R Desai fulfills the conditions specified in the Act and the rules made thereunder and independent of the management.

Draft letter of appointment of Dr M R Desai as an Independent Director setting out the terms and conditions would be available at the Registered Office of the Company for inspection without any fee, for the members, during normal business hours on any working day.

A Notice in writing along with deposit of ₹1,00,000 has been received from a member for proposing Dr M R Desai for the Office of Independent Director as required under section 160 of the Companies Act, 2013. Dr M R Desai, Director is not having any beneficial interest in the company and has also submitted his Consent to act as a Director in Form DIR-2 and other declaration as required by the Companies Act, 2013 and the related rules thereon and clause 49 of the Listing Agreement.

None of the Directors or Key Managerial Personnel of the Company and their relative except Dr M R Desai, Director, to whom the resolution relates, is concerned or interested in the resolution.

**Item No.5:**

Ordinary Resolution relating to Appointment of Dr A Selvakumar as an Independent Director for a term of five years from 25th September 2014 to 24th September 2019.

Dr A Selvakumar has been the Non-Executive Director of Company since 19th February 2001 and Member of Audit Committee. He has been considered as director liable to retire by rotation under the Companies Act, 1956.

Dr A Selvakumar, Director is a Doctorate in Engineering and has expertise in Technical Operations, Research, Management and Corporate Governance. The Board considers that his experience and expertise will be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr A Selvakumar as an Independent Director for a term of five years, subject to the approval of shareholders of the company.

The Board opines that Dr A Selvakumar fulfills the conditions specified in the Act and the rules made thereunder and independent of the management.

A draft letter of appointment of Dr A Selvakumar as an Independent Director setting out the terms and conditions would be available at the Registered Office of the Company for inspection without any fee, for the members, during normal business hours on any working day.

A Notice in writing along with deposit of ₹1,00,000 has been received from a member for proposing Dr A Selvakumar for the Office of Independent Director as required under section 160 of the Companies Act, 2013. Dr A Selvakumar, Director is not having any beneficial interest

in the company and has also submitted his Consent to act as a Director in Form DIR-2 and other declaration as required under the Companies Act, 2013 and the related rules thereon and clause 49 of the Listing Agreement.

None of the Directors or Key Managerial Personnel of the Company and their relative except Dr A Selvakumar, Director, to whom the resolution relates, is concerned or interested in the resolution

**Item No.6:**

Ordinary Resolution relating to Appointment of Shri A Arjunaraj as an Independent Director for a term of five years from 25th September 2014 to 24th September 2019.

Shri A Arjunaraj has been the Non-Executive Director of Company since 21st August 2006 and Chairman of Audit Committee. He has been considered as director liable to retire by rotation under the Companies Act, 1956.

Shri A Arjunaraj, Director is a Chartered Accountant practicing for more than two decades, having expertise in the field of Finance, Management and Corporate Governance. The Board considers that his experience and expertise will be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri A Arjunaraj as an Independent Director for a term of five years, subject to the approval of shareholders of the company.

The Board opines that Shri A Arjunaraj fulfills the conditions specified in the Act and the rules made thereunder and independent of the management.

Draft letter of appointment of Shri A Arjunaraj as an Independent Director setting out the terms and conditions would be available at the Registered Office of the Company for inspection without any fee, for the members, during normal business hours on any working day.

A Notice in writing along with deposit of ₹1,00,000 has been received from a member proposing Shri A Arjunaraj for the Office of Independent Director as required under section 160 of the Companies Act, 2013. Shri A Arjunaraj, Director is not having any beneficial interest in the company and has also submitted his Consent to act as a Director in Form DIR-2 and other declaration as required under the Companies Act, 2013 and the related rules thereon and clause 49 of the Listing Agreement.

None of the Directors or Key Managerial Personnel of the Company and their relative except Shri A Arjunaraj, Director, to whom the resolution relates, is concerned or interested in the resolution.

**Item No.7:**

Special Resolution relating to Borrow Loans upto ₹1000 Crores At the 36th Annual General Meeting held on 25th September 2009, the members have approved by way of Ordinary Resolution to Borrow Loans other than Temporary Loans from

Banks / Financial Institutions / Others upto ₹600 Crores over and above the aggregate of Paid-up Capital and Free Reserves of the Company as per Section 293(1)(d) of the Companies Act, 1956.

Section 180(1) (c) of the Companies Act, 2013 requires that the approval from Members to borrow Loans other than Temporary Loans should be obtained through passing Special Resolution at the General Meeting. Accordingly, the Special Resolution seeking approval to Borrow other than Temporary Loans upto ₹1000 Crores over and above the aggregate of paid-up share capital and free reserves of the company considering the expansion of Sugar Capacity from 1250 TCD to 3500 TCD and establishment of Co-generation Plant at Unit II, Srinivasapura is set out under Item No.7 for the approval of members

None of the Directors or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution

**Item No.8:**

Special Resolution relating to Mortgage / Charge on Movable and Immovable Properties of the Company.

At the 36th Annual General Meeting held on 25th September 2009, the members have approved by way of Ordinary Resolution for Mortgage / Creation of Charge on the Movable and Immovable Properties of the Company in favour of lenders as security for the loans availed from them upto ₹700 Crores as per Section 293 (1) (a) of the Companies Act, 1956.

Section 180(1) (a) of the Companies Act, 2013 requires that the approval from Members for Mortgage / Creation of charge on the Movable / Immovable Properties of the Company should be obtained through passing Special Resolution at the General Meeting. Accordingly, the necessary Special Resolution is to increase the limit from ₹700 Crores to ₹1000 Crores set out in the Item No.8 for the members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution

**Item No.9:**

Special Resolution relating to Alteration of Articles of Association.

Article 125(a) of the Articles of Association inter alia stipulates that the Managing Director and Whole Time Director shall not be liable to retire by rotation.

Section 152 of the Companies Act, 2013, which has come into effect from 1st April 2014 stipulates that atleast 2/3 of the Total Directors excluding Independent Directors shall be liable to retire by rotation.

In order to comply with the provisions of the Companies Act, 2013, it is necessary that the Article 125(a) of the Articles of Association be altered. Accordingly, the necessary special resolution is set out in the Item No 9 for the members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution.

**Item No.10:**

Ordinary Resolution relating to ratification of Remuneration to Cost Auditor

At the Board Meeting held on 29th May 2014, Shri M R Krishnamurthy (Membership No. : 7568) Cost Accountant has been appointed for conducting Cost Audit of Sugar, Distillery and Power Divisions for the financial year ending 31st March 2015 with remuneration of ₹50,000 excluding Service Tax and other reimbursement of out of pocket expenses as recommended by the Audit Committee.

Rule 14 of the Companies (Audit and Auditors) Rules, 2014 prescribes that the remuneration payable to Cost Auditors is to be ratified by the members at the General Meeting. Accordingly, the necessary resolution is set out in the Item No.10 for the members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relative is concerned or interested in the resolution.

By order of the Board  
For **Sri Chamundeswari Sugars Limited**

Vignesa Somathurai Pandian  
Asst. General Manager (A/c) &  
Company Secretary

Date : 14.08.2014  
Place : Coimbatore



## Re-Appointment of Directors (Annexure to Notice)

### APPOINTMENT OF DIRECTORS (ANNEXURE TO NOTICE)

A brief resume in respect of the proposed appointment of Directors is given below in terms of Clause 49 of the Listing Agreement.

Particulars	K.N.V.RAMANI	DR. M R DESAI	DR. A. SELVAKUMAR	A. ARJUNARAJ
DIN	00007931	01625500	01099806	00015073
Date of Birth & Age	5th October 1931(82 years)	28th July 1946 (68 years)	30th April 1955 (59 years)	5th November 1949 (64 years)
Date of Appointment on Board	14 <sup>th</sup> February 1997	10th November 2010	19 <sup>th</sup> February 2001	21st August 2006
Qualification	M.A.B.L.	M.B.B.S.	M.E., Ph.D.	B.Sc., FCA
Experience	Leading Advocate specialized in corporate laws with rich experience of more than five decades.	Qualified Doctor and having rich experience in the Sugar Industry	Immense Experience in Technology over two decades and Worked in Canada for 15 years on Projects	Practicing Chartered Accountant over two decades
No. of shares held in the company	1397	500	1424	666
Directorships in Other Companies	Sri Kannapiran Mills Ltd., Bannari Amman Spinning Mills Ltd., K.G.Denim Ltd., L.G.B.Forge Ltd., K.P.R. Mill Ltd, Shiva Texyarn Ltd, Sree Sankara College Association Srinidhi Investment Advisors Pvt Ltd.	The Ugar Sugar Works Ltd. Ugar Consultancy Ltd PSJ Engineering Pvt. Ltd.	Sri Sakthi Textiles Limited Sakthi Finance Limited Encore IT Services Solutions Pvt. Ltd. Akashiq Data Care India Pvt. Ltd.	NIL
Membership /Chairmanship of Committees in Company	Nomination & Remuneration Committee - Chairman	Nomination & Remuneration Committee - Member	Audit Committee- Member	Audit Committee- Chairman Nomination & Remuneration Committee- Member
Membership /Chairmanship of Committees in other Public Limited Companies	<b>AUDIT COMMITTEE</b> <b>Chairman</b> Sri Kannapiran Mills Ltd Shiva Texyarn Ltd <b>Member</b> Bannari Amman Spinning Mills Ltd K G Denim Ltd <b>REMUNERATION COMMITTEE</b> <b>Chairman</b> Sri Kannapiran Mills Ltd K G Denim Ltd L G B Forge Ltd <b>Member</b> Bannari Amman Spinning Mills Ltd	The Ugar Sugar Works Ltd Audit Committee – Member	<b>Sakthi Finance Limited</b> 1. Audit Committee – Chairman 2. Nomination & Remuneration Committee – Member 3. Shareholders'/Investors' Grievance Committee – Member	NIL
Relationship with other Directors	NONE	NONE	NONE	NONE

## Report of the Directors

### REPORT OF THE DIRECTORS

Dear Members

Your Directors present their 41st Annual Report together with Audited Financial Accounts of the Company for the year ended 31st March 2014.

#### FINANCIAL RESULT

₹ in Lakhs

Particulars	2013-14		2012-13	
<b>Profit Before Interest and Depreciation</b>		<b>3293.04</b>		<b>4442.09</b>
Less: Interest	3076.05		2361.78	
Depreciation and Ammortisation	1819.35	4895.40	1730.66	4092.44
<b>Profit / (Loss) Before Tax</b>		<b>(1602.36)</b>		<b>349.65</b>
Less : Income Tax Expenses	—		69.96	
Deferred Tax Liability/(Asset)	(519.89)		113.45	
Add : MAT Credit Entitlement	—	(519.89)	69.96	113.45
<b>Profit / (Loss) after Tax</b>		<b>(1082.47)</b>		<b>236.20</b>

#### REVIEW OF OPERATIONS

Division-wise Performance is as under:

Units	Cane Crushed	Sugar Produced	Recovery	Production of Alcohol	Co-generation (Power Generated)
	Lakh MTs	Lakh Qtls.	(%)	Lakh Ltrs.	Crore Units
<b>Bharathinagara</b>					
2013 - 2014	6.18	5.74	9.21	146.83	10.49
2012 - 2013	8.95	7.95	8.82	159.38	11.42
<b>Srinivasapura</b>					
2013 - 2014	2.12	2.06	9.61	—	—
2012 - 2013	2.14	2.04	9.52	—	—

During the year under review, the Company had incurred Loss due to reduction in average selling price per quintal of Sugar from ₹3011.28 (YE.31.03.2013) to ₹2763.39 for the year ended 31st March 2014 coupled with lower cane crush and higher interest cost.

#### Change in Sugar and Sugarcane Policy

The Sugarcane pricing policy based on Revenue Sharing Formula as recommended by Dr. C Rangarajan Committee has been delegated by the Government of India to the respective State Government for implementation. The Government of Karnataka has promulgated The Karnataka Sugar (Regulation of Purchase and Supply) Act 2013, which is further amended in July 2014. The provisions of this act have to be implemented at the earliest to solve problems relating to Cane Price Fixation.

The Government of India has announced "Scheme for Extending Financial Assistance to Sugar Undertaking, 2014", and under the scheme, the sugar producing mills can borrow Term Loan equivalent to Excise Duty paid during the preceding three years, for which the Government of India has extended an Interest subvention of 12%. The loan is repayable in 5 years with a moratorium of 2 years.

#### Current Year Outlook

The All India Sugar Production is expected to be higher than the Sugar year 2013-14. Therefore, the Sugar price would continue to be under pressure due to excess stock. The World Market is also depressed and therefore there may not be much scope for sustained export from the Country.

The Company is supplying power through open access and to State Grid under Short Term Tender process with some intervals. The neighbouring States like Andhra Pradesh, Kerala have also resorted to purchase power through tender process and pay a higher tariff. This will result in a higher average realization during the year.

The Distillery is also expected to realize better revenue consequent to the implementation of the Ethanol blending programme by the Government of India with the proposed increase in the percentage of blending from 5% to 10%.

#### Deposits

All Fixed Deposits and Cumulative deposits matured and claimed as on 31.03.2014 have been paid. At the end of the financial year, 17 deposits amounting to ₹8,95,521/-, which were due for repayment remain unclaimed.

#### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars required to be included in terms of Section 217(1)(e) of the Companies Act, 1956 with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in Annexure - I to this report.

#### Particulars of Employees:

The Company has no employees drawing remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956.

#### Directors:

Shri K N V Ramani and Dr M R Desai, Directors of the Company retire by rotation at the ensuing Annual General Meeting and are being appointed as Independent Directors for a term of five years from 25.09.2014 to 24.09.2019. Dr A Selvakumar and Shri A Arjunaraj, Directors are also being appointed as Independent Directors for a term of five years from 25.09.2014 to 24.09.2019.

#### Nomination & Remuneration Committee:

Nomination & Remuneration Committee is constituted in the place of Remuneration Committee at the Board Meeting held on 29th May 2014. The members of the Committee are 1) Shri K N V Ramani, Chairman of the Committee, 2) Shri A Arjunaraj 3) Dr A Selvakumar and 4) Dr. M R Desai. The Scope of the Committee is to formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees.

#### Stakeholders' Relationship Committee:

Stakeholders' Relationship Committee is constituted in the place of Shareholders' / Investors' Grievance Committee at the Board Meeting held on 29th May 2014. The members of the Committee are 1) Dr M R Desai, Chairman of the Committee, 2) Shri M Srinivasan and 3) Shri M Balasubramaniam. The scope of the Committee is to consider and resolve the grievances of the security holders of the company.