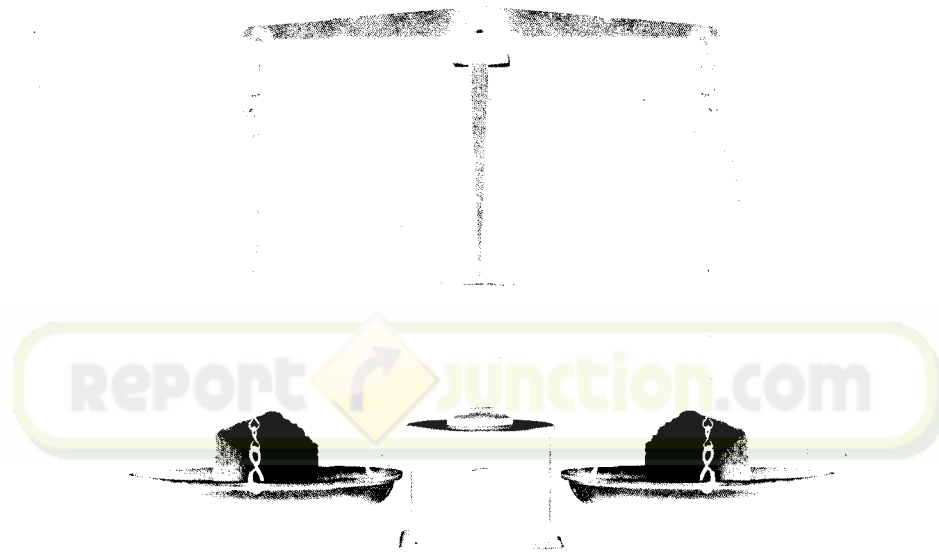




annual report 2005 - 06



Business with Values

SAKTHI SUGARS LIMITED

Sarvakaryogihvam Kriya Sakthi

The capacity to assume any form
in the Universe is
Kriya Sakthi (Power of action)

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C O N T E N T S



My dear shareholders

Vanakkam

I am pleased to present the financial results for the year 2005-06 as they evidence the turnaround of the Company. The turnover has gone up to Rs.872.99 crores from Rs.616.91 crores in the previous year and the consolidated turnover has crossed the level of Rs.1000 crores. The net profit is Rs.96.16 crores as compared to Rs.28.14 crores for the previous year.

Due to good monsoon, the availability of sugar cane and land covered under sugarcane cultivation were on the increase. There has been more than three fold increase in the quantity of crush at 27.47 lakh tonnes (previous year 8.48 lakh tones). Raw sugar processed stands reduced at 0.97 lakh tones. The distillery and co-generation divisions operated at optimum level. The increase in cane crush had resulted in increased availability of molasses for distillery and fuel for the co-generation plant resulting in good working results. I am also glad to report the proposed dividend at 15% to equity shareholders.

In the current year the price of sugar has slightly come down on account of ban on export and increase in the production of sugar. It is expected that the ban on export will be lifted soon. To mitigate the cyclical effect prevalent in the sugar industry, the company is expanding the co-generation facility to 120 MW per hour and implementing a 3500 TCD Greenfield plant at Modakkurichi. The expansion programme under implementation in respect of sugar and co-generation capacities are progressing as per schedule. I am confident that the performance of the company will be impressive in the years to come.

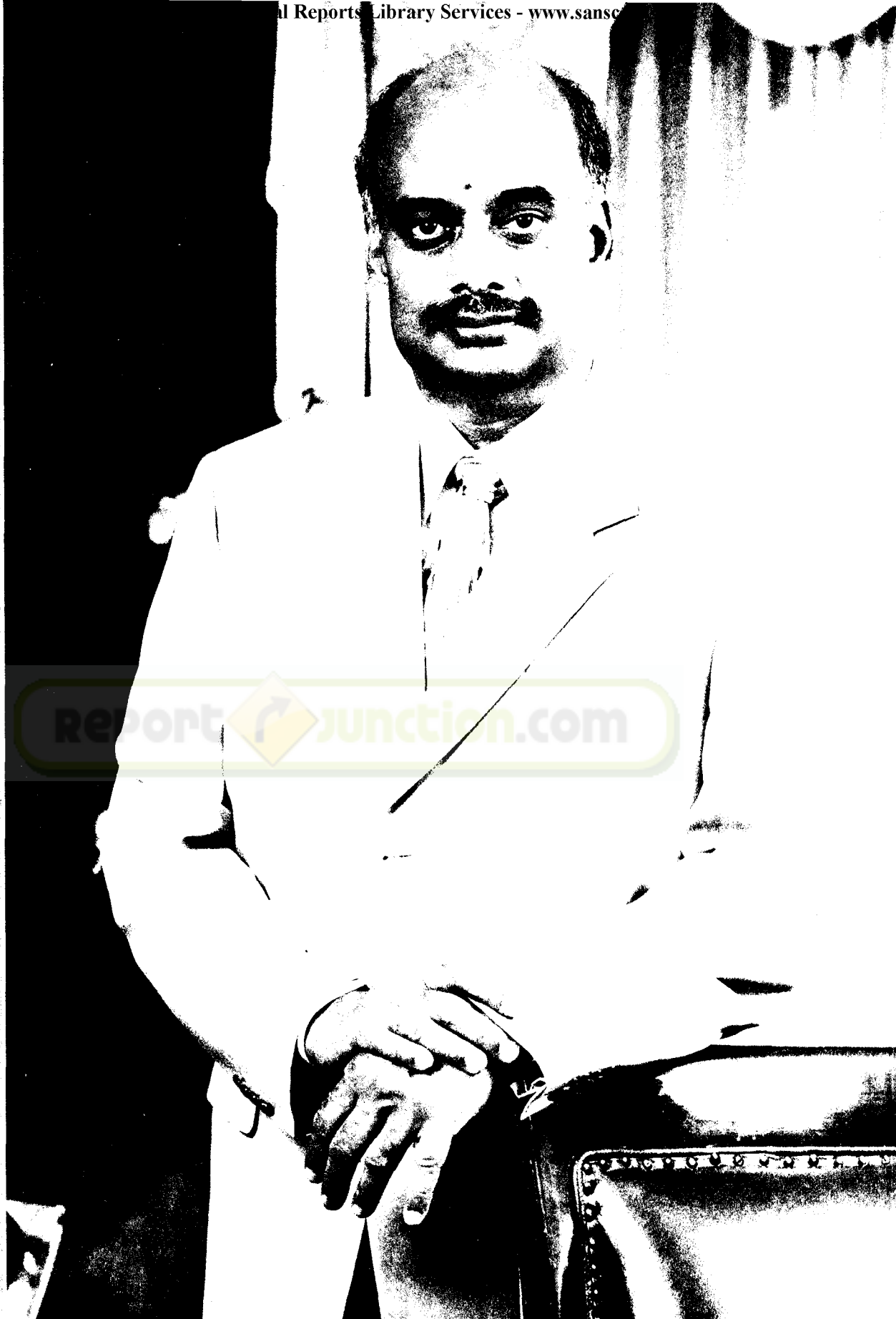
I express my sincere gratitude to the stake holders for their continued support. I thank my colleagues on the Board, cane growers, suppliers, bankers, financial institutions, Central and State Governments and all others for their continued support.

With regards,

N MAHALINGAM
Chairman



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Sri M MANICKAM
Vice Chairman & Managing Director

BOARD OF DIRECTORS

Dr N MAHALINGAM

Chairman

Sri M MANICKAM

Vice Chairman & Managing Director

Sri V K SWAMINATHAN

Executive Director

Sri M BALASUBRAMANIAM

Sri P K CHANDRAN

Sri G G GURUMURTHY

Sri S S MUTHUVELAPPAN

Sri M SRINIVASAN

Sri N K VIJAYAN

Sri K DAVIDSON (Nominee of IDBI)

Sri S DORESWAMY (Nominee of ICICI)

Sri M PANDI (Nominee of IIBI)

Sri B RAMAKRISHNAN (Nominee of TIDCO)

Sri C RANGAMANI (Nominee of GICI)

Vice President - Finance & Company Secretary

Sri S BASKAR

Auditors

M/s P N RAGHAVENDRA RAO & CO

Coimbatore

MAIN BANKERS

State Bank of India

Canara Bank

Punjab National Bank

Indian Overseas Bank

Oriental Bank of Commerce

Bank of India

Infrastructure Development Finance Company Ltd

Allahabad Bank

IDBI Bank Limited

Citibank N A

Centurian Bank of Punjab Limited

REGISTRAR & SHARE TRANSFER AGENTS

Registered Office :

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West), Mumbai - 400 078

Branch Office :

Intime Spectrum Registry Limited

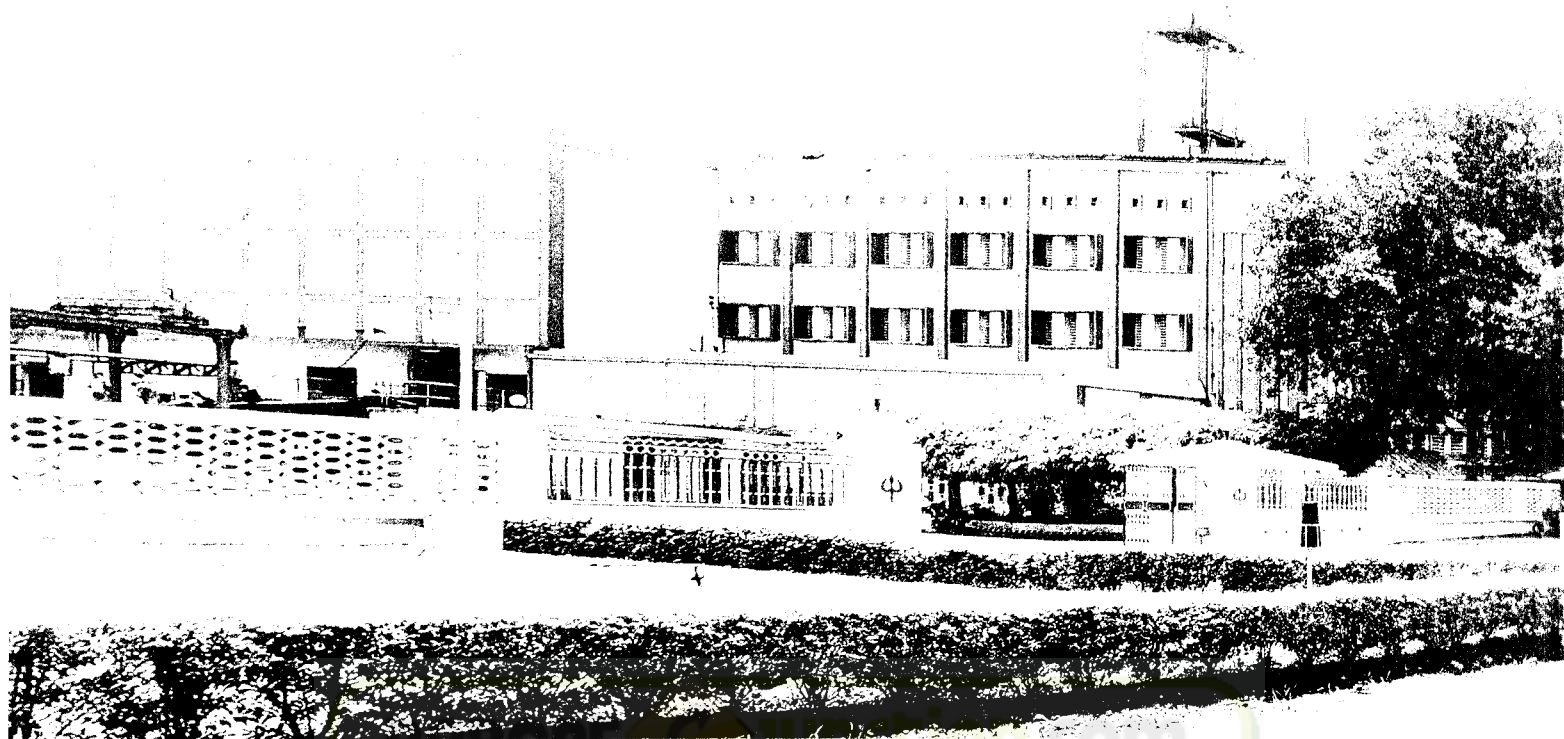
Surya, 35, May Flower Avenue

Behind Senthil Nagar

Sowripalayam Road, Coimbatore - 641 028

Phone & Fax : 91-0422-2314792

E-mail : coimbatore@intimespectrum.com



Located at Appakudal Village, in Erode District in the State of Tamil Nadu.

Commenced its operations in 1964 with an installed capacity of 1250 TCD, which has been expanded to 7500 TCD. Installed capacity expansion to 9000 TCD is under implementation.

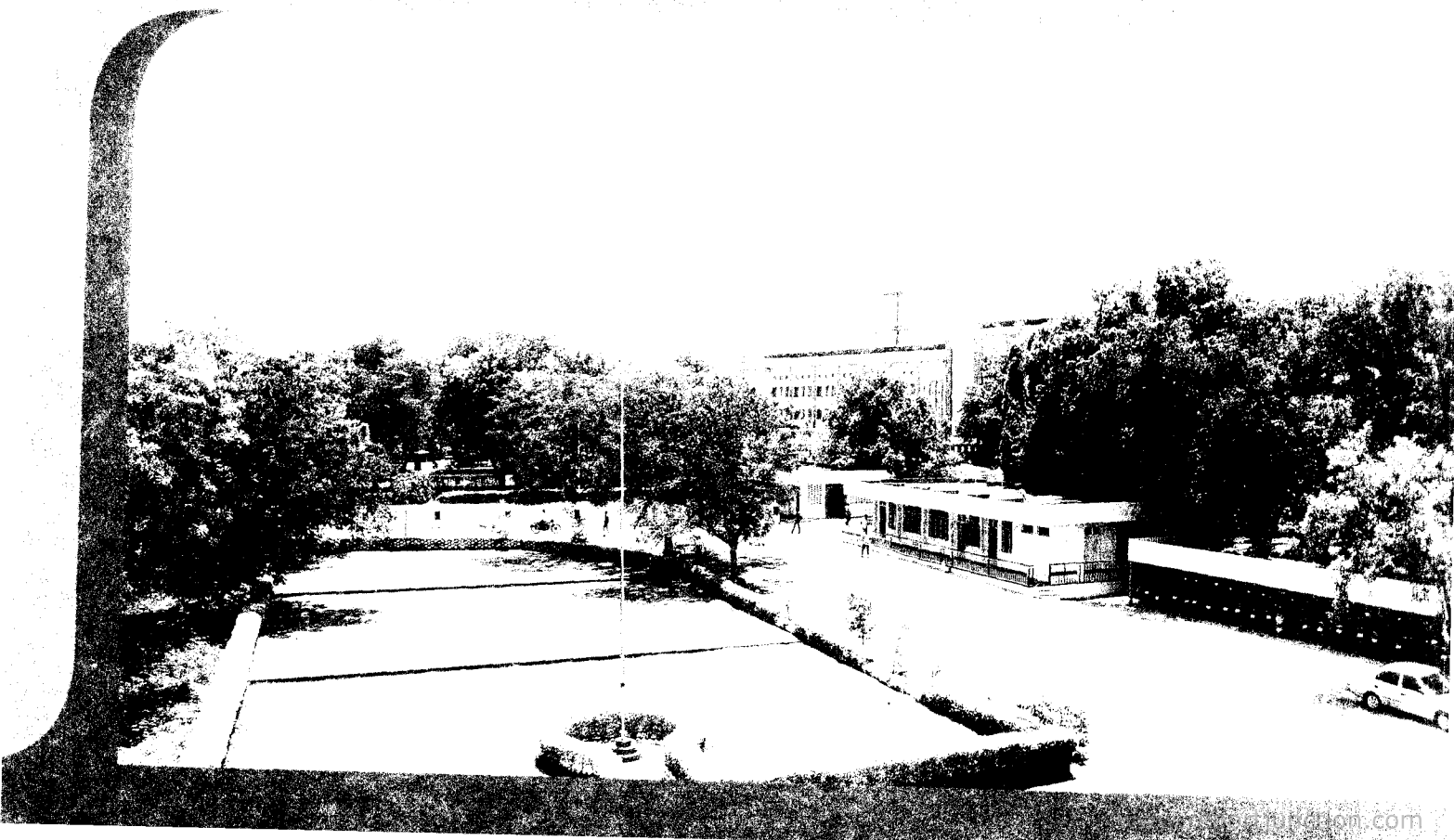
Has achieved the highest cane crushing ever made by a single mill in Tamil Nadu.

The command area attached to the mill has the advantage of receiving rainfall from both South West and North East monsoons and the lands are fully irrigated.

Climatic condition is suitable for planting and harvesting operations throughout the year.



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COGENERATION PLANT AT SAKTHINAGAR

Capacity : 32 MW per hour

