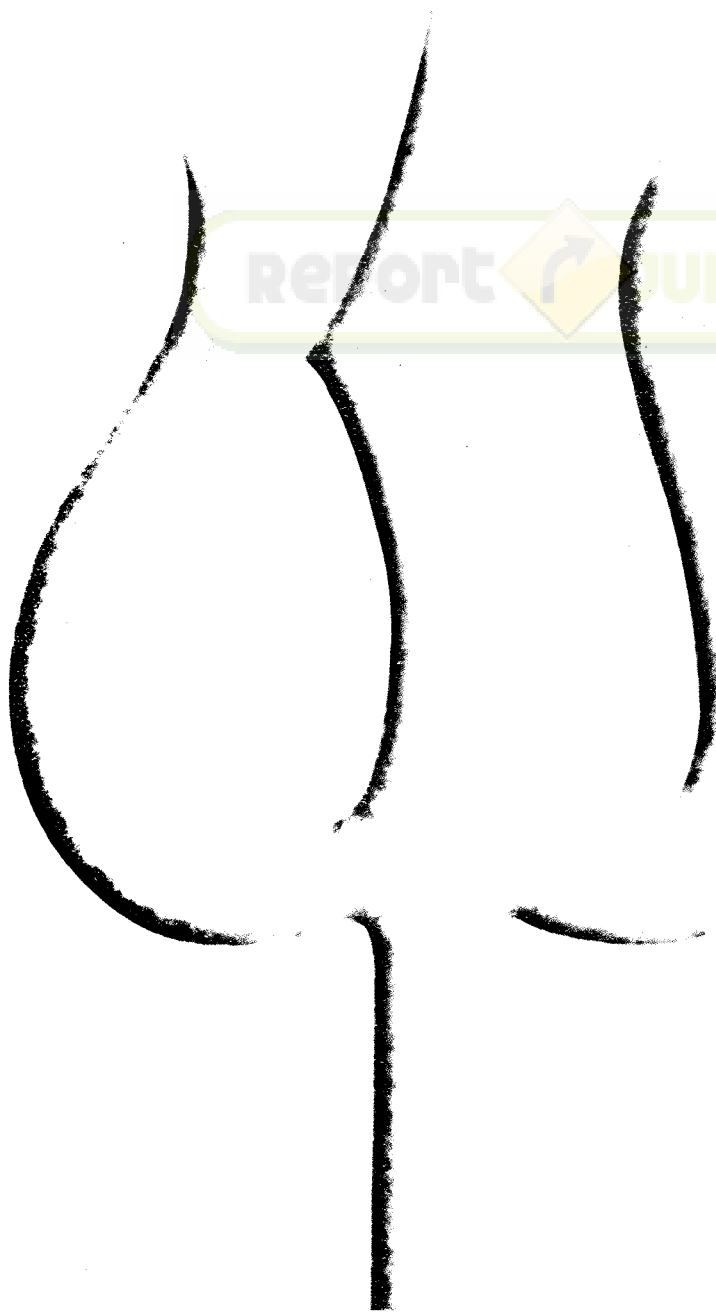


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**SAKTHI SUGARS LIMITED**

ANNUAL REPORT 2010-11

इश्वरवशकार्ययोगी वाल क्रीया इशक्ति

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



**REGISTERED OFFICE**

Sakthinagar - 638 315  
Bhavani Taluk, Erode District  
Tamilnadu

**CORPORATE OFFICE**

180, Race Course Road  
Coimbatore - 641 018  
Tamilnadu

**AUDITORS**

M/s P N Raghavendra Rao & Co  
Coimbatore

**MAIN BANKERS**

Allahabad Bank  
Axis Bank Ltd  
Bank of India  
Canara Bank  
Citibank NA  
HDFC Bank Limited  
IDBI Bank Limited  
Indian Overseas Bank  
Oriental Bank of Commerce  
Punjab National Bank  
State Bank of India

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Limited  
(Formerly Intime Spectrum Registry 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

Dr N MAHALINGAM

Chairman

Dr M MANICKAM

Vice Chairman & Managing Director

Sri M BALASUBRAMANIAM

Joint Managing Director - Finance

Sri M SRINIVAASAN

Joint Managing Director - Technical

Sri V K SWAMINATHAN

Executive Director

Sri P K CHANDRAN

Sri S S MUTHUVELAPPAN

Sri N K VIJAYAN

Sri S DORESWAMY

Sri C RANGAMANI

Sri B ELANGO VAN (Nominee of TIDCO)

Sri V M MANOGARAN (Nominee of IDBI)

Directors

Sri S BASKAR

Senior Vice President - Finance &  
Company Secretary





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### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the 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.109 of this Annual Report to Link Intime India P. Ltd., Registrar & Share Transfer Agents, "Surya", 35, May Flower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore - 641 028.



## NOTICE TO MEMBERS

Notice is hereby given that the 49<sup>th</sup> Annual General Meeting of the Company will be held at its Registered Office at Sakthinagar - 638 315, Bhavani Taluk, Erode District, Tamilnadu, on Thursday, 25<sup>th</sup> August 2011 at 3.00 p.m. to transact the following business:

1. To consider and adopt the audited Profit & Loss Account for the year ended 31<sup>st</sup> March 2011 and audited Balance Sheet as at that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri S Doreswamy, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Sri V K Swaminathan, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sri P K Chandran, who retires by rotation and is eligible for reappointment.
5. To appoint M/s. P.N. Raghavendra Rao & Co., Chartered Accountants, as Auditors of the Company for holding office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

## SPECIAL BUSINESS

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

"RESOLVED that pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, the reappointment of Sri V K Swaminathan as Executive Director for a period of five years from 1.11.2010 be and is hereby approved and that Sri V K Swaminathan be paid remuneration as detailed below:

### I SALARY

Rs.60,000 per month

### II PERQUISITES

Not exceeding Rs.40,000 per month

In addition to the above Sri V K Swaminathan, Executive Director, shall also be entitled for the following perquisites which shall not be included in the computation of the ceiling on perquisites referred above:

- a) Contribution to Provident Fund and Superannuation Fund or annuity fund to the extent not taxable under the Income Tax Act, 1961.
- b) Gratuity at the rate of half a month salary for each completed year of service, and
- c) Encashment of leave at the end of tenure as per the rules of the Company

The above salary and perquisites be paid as minimum remuneration even in the event of loss or inadequacy of profits in any year."

**NOTICE TO MEMBERS**

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

"RESOLVED that pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to donate and contribute a sum/sums not exceeding in the aggregate of Rs.75 lakhs (Rupees seventy five lakhs) only from out of the funds of the Company for deserving causes and institutions during the financial year ending 31<sup>st</sup> March 2012."

Coimbatore  
30<sup>th</sup> May 2011

By Order of the Board  
S.BASKAR  
Sr.Vice President - Finance &  
Company Secretary

**NOTE:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, should be lodged with the Company forty eight hours before the meeting at the Registered Office of the Company at Sakthinagar - 638 315, Bhavani Taluk, Erode District or at the Corporate Office at 180, Race Course Road, Coimbatore - 641 018.
3. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business under item Nos. 6 and 7 is annexed.
4. Pursuant to Clause 49 of the Listing Agreement, relevant information on the Directors seeking reappointment at the Annual General Meeting is provided in the annexure.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 18.08.2011 to 25.08.2011 (both days inclusive).
6. The Company had transferred all unclaimed dividend declared upto financial year ended 31.3.1994 to the General Revenue Account of the Central Government as required by The Companies Unpaid Dividend (Transfer to the General Revenue Account of the Central Government) Rules, 1978. Those shareholders who have so far not claimed or collected their dividend upto the aforesaid financial year may claim their dividend from the Registrar of Companies, Stock Exchange Building, Trichy Road, Singanallur, Coimbatore - 641 005.
7. Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, equity dividends for the years ended 31.3.1995 to 31.3.1997 and Preference Dividends for the years ended 31.3.1995 to 30.6.1999 that remained unclaimed for a period of seven years from the date of transfer to the respective Unpaid Dividend Accounts have been transferred to Investors Education and Protection Fund established under Section 205C of the Companies Act, 1956 and hence no claim shall lie against the Company or the Central Government for such unclaimed dividends.
8. The unclaimed dividend on Equity Shares for the years ended 30.6.2006 and 30.6.2007 will be transferred to The Investor Education and Protection Fund Account during February 2014 and 2015 respectively. Shareholders who have not encashed their dividend warrants are requested to claim the dividend from the Company at an early date.

**NOTICE TO MEMBERS****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 6**

Sri V K Swaminathan is a Director on the Board of the Company since 2002. He has rich experience in business management. He was appointed as Executive Director of the Company in November 2005 for a period of 5 years. Considering his valuable contribution as Executive Director of the Company, the Board of Directors at its meeting held on 10<sup>th</sup> November 2010 reappointed him as Executive Director for a further period of 5 years from 1<sup>st</sup> November 2010, in accordance with the provisions contained in Schedule XIII of the Companies Act, subject to the approval of the members of the Company.

Necessary resolution is set out in the Notice for the members for approval.

Sri V K Swaminathan may be deemed to be concerned or interested in the resolution as it relates to his reappointment and remuneration.

None of the Directors other than Sri V K Swaminathan is concerned or interested in the said resolution.

**Item No. 7**

To meet certain charitable and social obligations, it is proposed to authorise the Board of Directors to make donations upto Rs.75 lakhs (Rupees seventy five lakhs only) for the year ending 31<sup>st</sup> March 2012 subject to the approval of the Members.

Necessary resolution is set out in the Notice for the members for approval.

None of the Directors is concerned or interested in the said resolution.

By Order of the Board

Coimbatore  
30<sup>th</sup> May 2011

S.BASKAR  
Sr.Vice President - Finance &  
Company Secretary





## RE-APPONITMENT OF DIRECTORS

A brief resume of Directors proposed to be re-appointed is given in terms of Clause 49 of the Listing Agreement

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1. Name : Sri S Doreswamy  
Date of Birth & Age : 30.9.1937 – 74 Years  
Date of Appointment : 26.4.2007  
Qualification : B.Sc., B.L.  
Experience : Rich experience in Banking Sector  
Other Directorship : CEAT Limited  
Pantaloon Retail (India) Ltd  
Hexaware Technologies Ltd  
Caliber Point Business Solutions Ltd  
DSP Merrill Lynch Trustee Company Ltd  
Rama Newsprint & Paper Ltd  
No. of Equity Shares held : 500 Shares  
Member of Committees : Audit Committee  
Relationship with other Directors : Nil
  2. Name : Sri V K Swaminathan  
Date of Birth & Age : 7.1.1953 – 58 Years  
Date of Appointment : 31.1.2002  
Qualification : B.Com  
Experience : Rich experience in business management and in exports  
Other Directorship : Biomed Hitech Industries Ltd  
Sri Chamundeswari Sugars Ltd  
Sangkai Exports Pvt Ltd  
No. of Equity Shares held : 1900 Shares  
Member of Committees : Nil  
Relationship with other Directors : Nil
  3. Name : Sri P K Chandran  
Date of Birth & Age : 6.9.1948 – 63 years  
Date of Appointment : 14.11.1977  
Experience : Has rich experience in Sugarcane cultivation  
Other Directorship : Nil  
No. of Equity Shares held : 6424 Shares  
Member of Committees : Remuneration Committee  
Relationship with other Directors : Nil
-



## REPORT OF THE DIRECTORS

To the Members

Your Directors present their Annual Report together with the audited financial accounts of the Company for the year ended 31<sup>st</sup> March 2011 consisting a period of 15 months.

### FINANCIAL RESULTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2011

(Rs.in lakhs)

Profit before interest and depreciation		9249.54
Less: Interest Charges	18165.43	
Depreciation on Fixed Assets	3878.48	
		<u>22043.91</u>
Profit before Tax		(12794.37)
Less: Income Tax Expenses:		
Deferred Tax		(2808.48)
Profit after Tax		<u>(9985.89)</u>
Add: Surplus from Previous year	5721.79	
Debenture Redemption Reserve withdrawn	494.29	
Transfer from General Reserve	3769.81	
		<u>9985.89</u>
Surplus/Deficit carried over		<u>-</u>

## REVIEW OF OPERATIONS

### SUGAR DIVISION

The quantum of sugar cane crushed and raw sugar processed at various units of the Company during the year 2010-11 is as under:

Name of the Units	Cane crushed (in tonnes)	Raw sugar processed (in tonnes)
Sakthinagar Unit	1549498	77126
Sivaganga Unit	491845	22088
Modakurichi Unit	--	181712
Dhenkanal Unit	314960	55612

Due to shortage of cane, Modakurichi Unit did not take up the crushing operation during the year under review. Sugar cane crushed in Sakthinagar Unit includes sugar cane drawn from areas of Modakurichi Unit.