

2012-13

B U S I N E S S W I T H V A L U E S



SAKTHI SUGARS LIMITED

ANNUAL REPORT 2012-13

इश्वरविकारयोगोत्पत्तौ क्रिया शक्तिः

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 Limited
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
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 N MAHALINGAM
Chairman

Dr M MANICKAM
Executive Vice 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 S DORESWAMY

Sri C RANGAMANI

Sri B ELANGO VAN (Nominee of TIDCO)

Sri V M MANOGARAN (Nominee of IDBI Bank)

** Effective from 28th June 2013*

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 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.121 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 51st Annual General Meeting of the Company will be held at its Registered Office at Sakthinagar-638 315, Bhavani Taluk, Erode District, Tamilnadu, on Monday, 30th September 2013 at 3.15 p.m. to transact the following business:

1. To consider and adopt the audited Balance Sheet as at 31st March 2013, Statement of Profit and Loss for the year ended on that date and the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in the place of Sri M Srinivaasan, who retires by rotation and is eligible for reappointment.
3. To appoint a Director in the place of Sri N K Vijayan, who retires by rotation and is eligible for reappointment.
4. To appoint a Director in the place of Sri S Doreswamy, 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 subject to the approval of the Central Government, Banks and Financial Institutions, as may be required, and 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 appointment of Sri M.Balasubramaniam as Managing Director for a period of five years from 28.6.2013 be and is hereby approved and that Sri M.Balasubramaniam be paid remuneration as detailed below:

I. SALARY

Rs.1,00,000 per month

II. PERQUISITES

In addition to the above salary, Sri M.Balasubramaniam, Managing Director, shall also be entitled for the following perquisites which shall not be included in the computation of the ceiling on remuneration :

- 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 the 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.

III. COMMISSION

1% Commission on the net profits of the Company, subject to the maximum ceiling specified in Section 309(3) of the Companies Act, 1956.



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

"RESOLVED that Article 125 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, 1956, 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 Executive Chairman/Vice Chairman, Managing Director or Managing Directors and/or Wholetime Director or Directors for such period and on such remuneration, terms and conditions as are approved by the members and/or subject to the terms of agreement, if any, entered into with such Executive Chairman/Vice Chairman or Managing Director(s) or wholetime Director(s), and/or may revoke such appointments.

The Board of Directors, subject to the provisions of the Companies Act, appoint or declare any one or more of the Chairman/Vice Chairman, Executive Chairman/Vice Chairman, Managing Director or Managing Directors or Wholetime Director or Directors as Director or Directors not liable to retire by rotation for such period as the Board may consider necessary.

The Wholetime Director or Directors shall, subject to the supervision and control of the Board, exercise such powers and authorities and perform such duties as are entrusted to them by the Managing Director/s from time to time.

8. 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 is hereby authorized to donate and contribute a sum/sums not exceeding in the aggregate 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 31st March 2014.

By Order of the Board

S.BASKAR

Sr.Vice President - Finance &
Company Secretary

Coimbatore
28th June 2013

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 atleast forty eight hours before the commencement of 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 items No.6 to 8 is annexed.
4. Pursuant to Clause 49 of the Listing Agreement, relevant information on the Directors seeking appointment/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 23.9.2013 to 30.9.2013 (both days inclusive).



6. The Company had transferred all unclaimed dividends declared upto the 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 years 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6

Sri M.Balasubramaniam is the Joint Managing Director-Finance of the Company with effect from 23.1.2009. He has rich experience in finance and sugar industries. His appointment as Managing Director will be beneficial to the Company. Sri M.Balasubramaniam is the Managing Director of Sakthi Finance Limited. The Board of Directors at its meeting held on 28.6.2013 has appointed Sri M.Balasubramaniam as Managing Director of the Company subject to the approval of the Members of the Company, Central Government and of the Banks and Financial Institution, as may be required.

Necessary resolution is set out in the Notice for approval of the Members of the Company.

The terms of appointment mentioned in the resolution may be treated as abstract under Section 302 of the Companies Act, 1956.

Sri M.Balasubramaniam is deemed to be interested in the resolution as it relates to his appointment. Dr.N.Mahalingam, Dr.M.Manickam, and Sri M.Srinivaasan, Directors, are interested in the resolution as relatives of Sri M.Balasubramaniam.

Item No.7

The Article 125 of the Articles of Association, inter alia, stipulates that Managing Director and Wholetime Director need not retire by rotation. It is proposed that the Board of Directors can determine the non-retirement of Chairman/Vice Chairman, Executive Chairman/Vice Chairman and Managing/Wholetime Directors, subject to the provisions of the Companies Act, 1956.

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

No Director of the Company is concerned or interested in the proposed resolution.

Item No. 8

To meet certain charitable and social obligations, it is proposed to authorize the Board of Directors to make donations upto Rs.75 lakhs (Rupees seventy five lakhs only) for the year ending 31st March 2014. Necessary resolution is set out in the notice for members approval.

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

By Order of the Board

S.BASKAR

Sr.Vice President - Finance &
Company Secretary

Coimbatore
28th June 2013



APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Details of Directors proposed to be appointed / re-appointed is given in terms of Clause 49 of the Listing Agreement:

1	Name	:	Sri M Balasubramaniam
	Date of Birth and Age	:	06.5.1958 - 55 Years
	Date of Appointment as		
	Director	:	21.8.1989
	Joint Managing Director - Finance	:	23.1.2009
	Managing Director	:	28.6.2013
	Qualification	:	M.Com., M.B.A (USA)
	Experience	:	Rich experience in finance and sugar industries
	Other Directorships	:	Sakthi Finance Limited ABT Industries Limited ABT Limited Sri Chamundeswari Sugars Limited ABT Finance Limited Sakthi Management Services (Coimbatore) Limited The Gounder & Company Auto Limited Sakthi Auto Component Limited ABT Foods Retailing (India) Limited Sakthifinance Financial Services Limited Sakthifinance Commercial Vehicle and Infrastructure Limited ABT Foundation Limited ABT Foods Limited
	No.of Equity Shares held	:	337325 Shares
	Member of Committees	:	1. Sri Chamundeswari Sugars Limited Audit Committee Shareholders/Investors Grievance Committee 2. Sakthi Sugars Limited Audit Committee Shareholders/Investors Grievance Committee 3. Sakthi Finance Limited Shareholders/Investors Grievance Committee 4. ABT Industries Limited Audit Committee 5. Sakthi Auto Component Limited Audit Committee
	Relationship with other Directors	:	Dr.N Mahalingam - Father, Dr.M Manickam and Sri M Srinivaasan - Brothers



APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

2	Name	:	Sri M Srinivaasan
	Date of Birth and Age	:	02.9.1966 - 47 Years
	Date of Appointment as Director	:	23.8.1995
	Joint Managing Director - Technical	:	23.1.2009
	Qualification	:	B.E., M.B.A (USA)
	Experience	:	Rich experience in management of sugar companies
	Other Directorships	:	Sri Chamundeswari Sugars Limited ABT Limited ABT Industries Limited Sakthi Finance Limited ABT Energy Pvt Limited Sakthi Management Services (Coimbatore) Limited Sakthi Properties Coimbatore Limited The Gounder & Company Auto Limited ABT Foods Retailing (India) Limited Sakthi Auto Component Limited Nachimuthu Industrial Association Sakthi Realty and Infrastructure Limited ABT Foods Limited Indian Sugar Exim Corporation Limited
	No.of Equity Shares held	:	201000 Shares
	Member of Committees	:	1. Sri Chamundeswari Sugars Limited Shareholders/Investors Grievance Committee 2. Sakthi Finance Limited Audit Committee
	Relationship with other Directors	:	Dr. N Mahalingam - Father, Dr. M Manickam and Sri M Balasubramaniam - Brothers
