



SAKTHI SUGARS LIMITED

ANNUAL REPORT 2018-19



BUSINESS WITH VALUES

इवकार्ययोगित्वात् क्रिया शक्तिः

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



SAKTHI SUGARS LIMITED

CIN:L15421TZ1961PLC000396

REGISTERED OFFICE

Sakthinagar - 638 315
Bhavani Taluk, Erode District,
Tamilnadu
Phone : 04256 246241
Fax : 0422 2220574, 4322488
E-mail : shares@sakthisugars.com
Website : www.sakthisugars.com

CORPORATE OFFICE

180, Race Course Road
Coimbatore - 641 018
Tamilnadu
Phone : 0422 4322222, 2221551
Fax : 0422 2220574, 4322488
Email : shares@sakthisugars.com
Website : www.sakthisugars.com

AUDITORS

M/s. P K Nagarajan & Co
Coimbatore

MAIN BANKERS

Axis Bank Limited
Bank of India
Indian Overseas Bank
Punjab National Bank

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 M MANICKAM
Chairman and Managing Director

Sri M BALASUBRAMANIAM

Sri M SRINIVAASAN

Sri C RANGAMANI

Sri S S MUTHUVELAPPAN

Sri P K CHANDRAN

Sri N K VIJAYAN

Sri K V RAMACHANDRAN

Sri S CHANDRASEKHAR

Sri S BALASUBHRAMANIAN

Smt PRIYA BHANSALI

Sri JIGAR DALAL
(Nominee of ARCIL)

Sri S BASKAR
Sr. Vice President &
Company Secretary

Sri C R SANKAR
Chief Financial Officer



CONTENTS

Notice to Members	4
Report of the Board of Directors	12
Report on Corporate Governance	39
Management Discussion and Analysis Report	53
Independent Auditors' Report	55
Balance Sheet	63
Statement of Profit and Loss	65
Cash Flow Statement	66
Statement of Changes in Equity	68
Notes to Financial Statements	69

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. 115 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 57th Annual General Meeting of the Company will be held at its Registered Office at Sakthinagar - 638315, Bhavani Taluk, Erode District, Tamil Nadu, on Friday, the 27th September 2019 at 2.45 p.m. to transact the following business:

1. 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 31st March 2019 and Notes thereon, and Reports of the Board and of the Auditors be and are hereby adopted.”
2. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that Dr.M. Manickam (holding DIN 00102233), who retires by rotation, be and is hereby appointed as a Director of the Company in the place vacated by him.”

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri C.Rangamani (holding DIN 00090786), aged 77 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
4. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, Sri S.S.Muthuvelappan (holding DIN 00273870), aged 77 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri P.K. Chandran (holding DIN 00273738), aged 71 years, who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
“RESOLVED FURTHER that pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, continuation of Sri P.K. Chandran as a Non-Executive Independent Director of the Company after his attainment of the age of 75 years till the conclusion of his term of office i.e upto 29th September 2024, be and is hereby approved.”
6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri N.K. Vijayan (holding DIN 00300871), who holds office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri K.V. Ramachandran (holding DIN 00322331), who holds of office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri S. Chandrasekhar (holding DIN 00011901), who holds of office



as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV thereto and the Rules made thereunder, Sri S. Balasubhrmanian (holding DIN 00458139), who holds of office as Independent Director upto 29th September 2019, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years from 30th September 2019 to 29th September 2024.”
10. 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 read with the Rules made thereunder, the Company hereby ratifies the remuneration of Rs.5.50 lakhs plus applicable tax thereon and reimbursement of out-of-pocket expenses to M/s. STR & Associates, Cost Accountants (Firm No.000029), Tiruchirapalli, who are appointed as Cost Auditors of the Company for the financial year ending 31st March 2020.”
11. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Section 181 of the Companies Act 2013, the Board of Directors of the Company be and is hereby authorised to donate and contribute a sum/sums in the aggregate upto Rs.20 lakhs per financial year during the financial years 2019-20 and 2020-21 from out of the funds of the Company to bona fide charitable and other funds and for deserving causes and institutions.”

By Order of the Board

S Baskar

Sr. Vice President &
Company Secretary

Coimbatore
13th August 2019

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND THE 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. The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company at Sakthinagar - 638 315, Bhavani Taluk, Erode District duly completed and signed, not less than 48 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.
2. Corporate members intending to attend the meeting by sending authorised representatives are requested to handover a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf, at the entrance of the Annual General Meeting venue along with the attendance slip.
3. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed.
4. Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meetings (SS-2), relevant information on the Directors seeking reappointment at the Annual General Meeting is provided in the annexure.
5. Route map for the venue of the Annual General Meeting and the land mark for easy identification forms part of the Notice.
6. Pursuant to Sections 124 and 125 of the Companies Act 2013 (formerly Section 205A and 205C of the Companies Act 1956), all unclaimed dividends up to the financial year ended 31st March 1997 and for the financial years ended 30th June 2006 & 2007 which remained unclaimed for a period of seven years had been transferred to the Investor Education and Protection Fund of the Central Government. Members who have not so far claimed their dividends for the said financial years are requested to forward their claims to IEPF Authority in the prescribed form by following the process mentioned in the IEPF Rules.
7. Notice and Annual Report are being sent to all the shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 23rd August 2019. Electronic copies are being sent to all the members whose E-mail ID is registered with the Company / Depository Participants, unless request for a hard copy of the same is received from any such member. For members who have not registered their E-mail ID, physical copies of AGM Notice and Annual Report are being sent through permitted mode.



8. The cut-off date (record date) for the purpose of determining the voting rights of the members is 20th September 2019. The voting rights of the members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
9. The persons who have become members of the Company after 23rd August 2019 and whose names appear in the Register of Members of the Company or in the register of beneficial owners maintained by the depositories as on the cut-off date may contact the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Limited through e-mail "coimbatore@linkintime.co.in" and provide their e-mail ID and folio/client ID for sending the AGM Notice and the Annual Report electronically. The members can also download the AGM Notice and the Annual Report from the Company's website www.sakthisugars.com. Password for e-voting can be generated by the shareholders themselves by following the instructions for e-voting given herein below.
10. Members holding shares in physical form are requested to notify the change, if any, in their address to the Company or the Registrars and Share Transfer Agents, Link Intime India Pvt. Limited. Members holding shares in electronic form are requested to advise the change in their address to their Depository Participants.
11. As required under Section 108 of the Companies Act 2013 and Regulation 44 of the SEBI Listing Regulations, members are provided with remote e-voting facility for exercising their voting rights. The members, who attend the Annual General Meeting and have not exercised their voting rights earlier, may vote at the venue of the Meeting using the ballot form being provided to them at the venue of the meeting.
12. Sri M.D.Selvaraj, Proprietor, M/s. MDS & Associates, Company Secretaries, Coimbatore, has been appointed as Scrutinizer for conducting the remote e-voting and voting through ballot form at the AGM in a fair and transparent manner.
13. The remote e-voting period begins on Tuesday, 24th September 2019 at 9.00 a.m. and ends on Thursday, 26th September 2019 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2019, may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

Following are the procedures for voting electronically:

- (i) Visit the e-voting system of Link Intime India Private Limited (LI IPL). Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- (ii) Click on "Login" tab, available under 'Shareholders' section.
- (iii) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (iv) Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No. + Folio Number registered with the Company
- (v) Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or 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) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Proxy Form / Attendance Slip indicated in the PAN field.
DOB/DOI	Enter the DOB (Date of Birth) / DOI as recorded with depository participant or in the Company record for the said demat account or folio in dd/mm/yyyy format.



Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> Please enter the DOB or DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the Depository participats or Company, please enter folio number in the Dividend Bank details field as mentioned in instruction (iv-c).
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If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If shareholders holding shares in demat form or physical form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case shareholder is having valid email address, password will be sent to the shareholder's registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Casting of vote electronically:

- (vi) After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No." of the company, you choose to vote.
- (vii) On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- (viii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- (ix) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- (x) Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xi) You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- (xii) Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund/ Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.
 - (xiii) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
 - (xiv) Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/ demat account.
 - (xv) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or call LIPL : Tel : 022 - 49186000.
14. In case of any query or issue or grievance connected with the facility of remote e-voting, members may contact Sri S Baskar, Sr. Vice President & Company Secretary, through e-mail id 'shares@sakthisugars.com' or through Phone No. 0422 - 4322222.



15. The Scrutinizer shall, immediately after the conclusion of the voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting 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, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting to the Chairman and Managing Director or the authorized Director / Executive.
16. The results of voting will be declared by the Chairman and Managing Director or the authorized Director/Executive at the Corporate Office of the Company at 180 Race Course Road, Coimbatore within 48 hours from the conclusion of the Annual General Meeting. The result along with Scrutinizer's Report will be posted on the Company's website www.sakthisugars.com and on the website of LIPL: <https://instavote.linkintime.co.in>. It will also be displayed in the Notice Board of the Company at its Registered Office and at the Corporate Office. It will also be forwarded to the stock exchanges.

Statement pursuant to Section 102 of the Companies Act 2013**Item No.3 to 9**

The members of the Company at the Annual General Meeting held on 30th September 2014 and on 30th September 2015 approved, inter alia, appointment of the following Directors, viz. Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian, as Independent Directors to hold office for a term of five consecutive years upto 29th September 2019. Accordingly, they will hold office as Independent Directors upto 29th September 2019.

Notices proposing the above Independent Directors for re-appointment have been received from certain members of the Company under Section 160 of the Companies Act, 2013.

Considering their vast experience, skills and the contributions made by them, and based on the evaluations made on their performance, the Nomination and Remuneration Committee and the Board of Directors are of the opinion that their continued association would benefit the Company and have recommended for re-appointment of Sri C.Rangamani, Sri S.S. Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian, who have given their consents for re-appointment as Independent Directors for the second term of five consecutive years from 30th September 2019. They have also declared that they are not disqualified for re-appointment under the Companies Act 2013 or SEBI (LODR) Regulations 2015 and that they fulfil the criteria of independence as stipulated in these statutes. The Independent Directors are not liable to retire by rotation.

Sri C.Rangamani and Sri S.S.Muthuvelappan are 77 years of age. Sri P.K.Chandran, who is 71 years, will attain the age of 75 years before completion of the proposed term of appointment. Since Sri C.Rangamani has vast experience in finance/accounts, insurance and in general management, and Sri S.S.Muthuvelappan and Sri P.K.Chandran, in agriculture and sugarcane farming and have developed good contacts and relationships over years with majority of farmers in the command areas of sugarcane cultivation, the Board of Directors and the Nomination and Remuneration Committee felt that their continuation would be beneficial to the Company.

The Board also formed opinion that the proposed appointees fulfil the conditions specified in the Companies Act 2013 and in the SEBI (LODR) Regulations 2015 for appointment as Independent Directors and that they are persons of integrity and possess relevant expertise and experience considering the nature of the Company. The profile of the proposed appointees is annexed to the Notice. A copy each of the draft letters for re-appointment of Sri C.Rangamani, Sri S.S. Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri K.V. Ramachandran, Sri S. Chandrasekhar and Sri S. Balasubhramanian as Independent Directors setting out the terms and conditions will be available for inspection by the members without any fee at the Registered Office of the Company during normal business hours on any working day until the date of the Annual General Meeting.

Re-appointment of Independent Directors for the second term of five years requires approval of the members by special resolution. Further in terms of Regulation 17(1A) of SEBI (LODR) Regulations 2015, a person who has attained the age of seventy-five years shall not be appointed or continue as a non-executive director unless his appointment or continuation is approved by special resolution. Necessary special resolutions with respect to re-appointment and continuation after the age of 75 years, as the case may be, are set out under items No.3 to 9 in the Notice of the meeting for members' approval. These special resolutions are recommended for members' approval by the Board of Directors of the Company for the reasons stated above.

Except Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K. Chandran, Sri N.K. Vijayan, Sri V.K.Ramachandran, Sri S.Chandrasekhar and Sri S.Balasubhramanian, being the appointees, none of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions.