



## **31<sup>st</sup> Annual Report 2014 - 2015**



**BANNARI AMMAN SUGARS LIMITED**

### Motto

Strive to perform best at all times

### Objectives

Our endeavour is to

- Identify and improve the processes to have a continuous upgradation of the quality of the end products
- Serve in the best interest of cane growers and shareholders
- Maximise productivity by optimising all inputs
- Expand and diversify utilising by-products in a planned manner

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## Board of Directors

### Executive

Sri S V Balasubramaniam  
Chairman

Sri B Saravanan  
Managing Director

### Company Secretary

Sri C Palaniswamy

### Chief Financial Officer

Sri M Ramprabhu

### Internal Auditors

M/s B M & Associates  
Chartered Accountants

M/s Bakthavachalam & Co  
Chartered Accountants

### Cost Auditor

Sri M Nagarajan  
Cost Accountant

### Secretarial Auditors

M/s C Thirumurthy & Associates  
Company Secretaries

### Registered Office

1212 Trichy Road Coimbatore - 641 018  
Tel: 0422 - 2302277 Fax: 0422 - 2309999  
Email: shares@bannari.com  
Website: www.bannari.com  
CIN : L15421TZ1983PLC001358

### Non-Executive Independent Directors

Sri A K Perumalsamy  
Sri E P Muthukumar  
Sri T Gundan  
Dr M P Vijayakumar  
Dr Radha Ramani

### Auditors

M/s P N Raghavendra Rao & Co  
Chartered Accountants

### Bankers

Punjab National Bank  
Bank of Baroda  
Canara Bank  
The Federal Bank Limited  
The Karur Vysya Bank Limited  
Union Bank of India  
Indian Overseas Bank  
State Bank of Travancore  
State Bank of India  
State Bank of Hyderabad  
Bank of India  
The Lakshmi Vilas Bank Limited  
AXIS Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited

### Registrar and Share Transfer Agent

M/s Cameo Corporate Services Limited  
"Subramanian Building"  
1 Club House Road Chennai 600 002  
Tel : 044 - 28460395 Fax : 044 - 28460129  
Email : investor@cameoindia.com



## Notice to Shareholders

NOTICE is hereby given that the 31st Annual General Meeting of the Members of the Company will be held at JENNYS RESIDENCY 2/2 AVINASHI ROAD CIVIL AERODROME POST COIMBATORE 641 014 on WEDNESDAY the 23rd day of September 2015 at 3.45 PM to transact the business set out in the agenda below

You are requested to make it convenient to attend the meeting

### Agenda

#### Ordinary Business

- 1 To consider and adopt the audited financial statements of the company for the financial year ended 31st March 2015 the reports of the Board of Directors and Auditors thereon
- 2 To declare dividend on equity shares
- 3 To appoint a Director in the place of Sri S V Balasubramaniam (DIN:00002405) who retires by rotation and being eligible offers himself for re-appointment
- 4 To consider and if thought fit to pass with or without modification(s) 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 Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board the re-appointment of M/s P N Raghavendra Rao & Co Chartered Accountants (Registration No 003328S) as auditors of the Company for the financial year 2015-2016 be and is hereby ratified on such remuneration as may be determined by the Board of Directors on the recommendation of Audit Committee

#### Special Business

- 5 To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**  
RESOLVED that pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions if any of the Companies Act 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement Dr Radha Ramani (DIN : 07083381) who was appointed as an Additional Director of the company with effect from 11.2.2015 and holds office as such up to the date of this Annual General Meeting and in respect of whom the company has received notice in writing from a member under Section 160 of the Companies Act 2013 proposing her candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (Five) consecutive years up to 22nd September 2020
- 6 To consider and if thought fit to pass with or without modification(s) the following resolutions as **Special Resolutions**  
RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) approval of the company be and is hereby accorded to the re-appointment of Sri S V Balasubramaniam (DIN:00002405) as Chairman of the Company with substantial powers of management for a period of five years with effect from 2.6.2015 on such remuneration and terms as set out in the statement annexed to the notice convening the meeting with the liberty to the

Board of Directors (the term "Board" includes Nomination and Remuneration Committee of Directors) to alter or vary the remuneration and terms of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Sri S V Balasubramaniam subject to the same not exceeding the limit specified under Schedule V of the Companies Act 2013 or any statutory modification(s) or re-enactment thereof

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts as may be necessary proper or expedient to give effect to this resolution

- 7 To consider and if thought fit to pass with or without modification(s) the following resolutions as **Ordinary Resolutions**

RESOLVED that pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions if any of the Companies Act 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) approval of the company be and is hereby accorded to the re-appointment of Sri B Saravanan (DIN:00002927) as Managing Director of the Company for a period of five years with effect from 2.6.2015 on such remuneration and terms as set out in the statement annexed to the notice convening the meeting with the liberty to the Board of Directors (the term "Board" includes Nomination and Remuneration Committee of Directors) to alter or vary the remuneration and terms of the said re-appointment and/or remuneration as it may deem fit and as may be acceptable to Sri B Saravanan subject to the same not exceeding the limit specified under Schedule V of the Companies Act 2013 or any statutory modification(s) or re-enactment thereof

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to do all such acts as may be necessary proper or expedient to give effect to this resolution

- 8 To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**

RESOLVED that pursuant to Section 148 and other applicable provisions if any of the Companies Act 2013 and the Rules made thereunder and pursuant to the recommendations of the Audit Committee of the Board the remuneration of Rs 150000/- (Rupees one lakh fifty thousand only) (plus service tax and out of pocket expenses if any for the purpose of audit) payable to Sri M Nagarajan (Membership No. F-6384) Cost Accountant as approved by the Board of Directors for conducting the audit of Cost Accounting Records of the company for the financial year ending 31st March 2016 be and is hereby ratified and confirmed

- 9 To consider and if thought fit to pass with or without modification(s) the following resolutions as **Special Resolutions**

RESOLVED that pursuant to the provisions of Sections 5, 14 and other applicable provisions if any of the Companies Act 2013 read with Companies (Incorporation) Rules 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company

RESOLVED FURTHER that the Board of Directors of the Company and/or Sri C Palaniswamy Company Secretary be and are hereby severally authorised to do all acts and take all such steps as may be necessary proper or expedient to give effect to this resolution

Coimbatore  
27.7.2015

By Order of the Board  
**C PALANISWAMY**  
Company Secretary



NOTES

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF/HERSELF A Proxy need not be a member of the Company Proxies in order to be effective must be received by the company at its Registered Office not later than forty-eight 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 A person shall not act as proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the company However a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the company provided that such person shall not act as a proxy for any other person
- 2 Explanatory Statement pursuant to Section 102 of the Companies Act 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto
- 3 Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all working days except Sundays and Public Holidays up to the date of Annual General Meeting
- 4 The Register of Members and Share Transfer Books of the Company will remain closed from 19th September 2015 to 23rd September 2015 (both days inclusive)
- 5 Dividend if declared at the Annual General Meeting will be credited/dispached between 28.9.2015 and 7.10.2015 to those members whose names appear on the Register of Members as on 23.9.2015 In respect of shares held in electronic form the dividend will be payable on the basis of beneficial ownership furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as at the close of business hours on 18.9.2015
- 6 Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants The address/ bank mandate as furnished to the company by the respective Depositories viz NSDL and CDSL will be printed on the dividend warrants Members holding shares in physical form are requested to inform the changes in address/mandate/bank details directly to the Registrar & Share Transfer Agent
- 7 Members are requested to bring their copies of the Annual Report to the Meeting Members are requested to hand over the Attendance slip duly signed in accordance with their specimen signature(s) registered with the company for admission to the meeting hall Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification
- 8 Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting to the Company Secretary
- 9 Pursuant to the provisions of Sections 123, 124 of the Companies Act 2013 and Section 205C of the Companies Act 1956 the Company has transferred the unpaid or unclaimed dividends upto the financial year 2006-07 to the Investor Education and Protection Fund (IEPF) established by the Central Government Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules 2012 the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 15th September 2014 (date of last Annual General Meeting) in the website of the Company (<http://www.bannari.com/InvestorInformation.html>) and also on the website of the Ministry of Corporate Affairs



- 10 The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent.
- 11 Electronic copy of the Notice convening the 31st Annual General Meeting of the Company, the Annual Report, the Attendance slip and Proxy form are being sent to the members whose e-mail addresses are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the above documents are being sent to the members in the permitted mode. **Members who have not registered their e-mail addresses so far are requested to register the same to enable the company to send all communications including Annual Report, Notices, Circulars etc. in electronic mode.**

**Voting through electronic means**

- I Pursuant to the provisions of Section 108 of the Companies Act 2013 read with the Rules made thereunder and Clause 35B of the Listing Agreement, the Company is providing facility of remote e-voting to the members to exercise their right to vote electronically in respect of the business to be transacted at the 31st Annual General Meeting (AGM) of the company scheduled to be held on Wednesday the 23rd September 2015 at 3.45 P.M. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide e-voting facility.

**The instructions for voting through electronic means are as under**

- 1) The remote e-voting will be available from 20.9.2015 (9:00 am) to 22.9.2015 (5:00 pm). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date viz 16.9.2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL thereafter.
- 2) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- 3) Click on "Shareholders"
- 4) Now Enter your User ID
  - i) For CDSL: 16 digits beneficiary ID
  - ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company
- 5) Next enter the Image Verification as displayed and Click on Login
- 6) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company then your existing password is to be used. If you are a first time user, follow the steps given below.



7) Now fill up the following details in the appropriate boxes

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat and physical shareholders)
<p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field</p> <p>* In case the folio number is less than 8 digits enter the applicable number of 0's (Zero) before the number after the first two characters of the name in CAPITAL letters Eg If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</p>	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio

# Please enter the DOB or Dividend Bank Details in order to login If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date viz 16.9.2015 in the Dividend Bank details field

- 8) After entering these details appropriately click on "SUBMIT" tab
- 9) Members holding shares in physical form will then reach directly the Company selection screen However members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote provided that company opts for e-voting through CDSL platform It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential
- 10) For Members holding shares in physical form the details can be used only for e-voting on the resolutions contained in this Notice
- 11) Click on Electronic Voting Sequence Number (EVSN) relevant for "BANNARI AMMAN SUGARS LIMITED" on which you choose to vote
- 12) On the voting page you will see Resolution Description and against the same the option "YES/NO" for voting Select the option YES or NO as desired The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution
- 13) Click on the "Resolutions File Link" if you wish to view the entire Resolutions details
- 14) After selecting the resolution you have decided to vote on click on "SUBMIT" A confirmation box will be displayed If you wish to confirm your vote click on "OK" else to change your vote click on "CANCEL" and accordingly modify your vote
- 15) Once you "CONFIRM" your vote on the resolution you will not be allowed to modify your vote
- 16) You can also take print out of the voting done by you by clicking on "Click here to print" option on the voting page
- 17) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system

- 18) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals HUF NRI etc) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian if any should be uploaded in PDF format in the system for the scrutinizer to verify the same
- 19) In case of members receiving the physical copy please follow all steps from Sl No (1) to (18) above to cast vote
- 20) In case you have any queries or issues regarding e-voting you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## II In case of members desiring to exercise vote by Ballot

- a) In terms of Clause 35B of the Listing Agreement in order to enable the members who do not have access to remote e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this notice a ballot form is annexed. A member desiring to exercise vote by ballot shall complete the enclosed ballot form with assent (for) or dissent (against) and send it to Scrutinizers M/s C Thirumurthy & Associates Company Secretaries C/o Bannari Amman Sugars Limited 1212 Trichy Road Coimbatore 641 018 Tamilnadu so as to reach them on or before 22nd September 2015 (5.00 p m). Any Ballot Form received after the said date shall be treated as no reply received from the members
- b) The items of Business given in this notice are proposed to be transacted through electronic voting/ballot system/poll. Voting by show of hands will not be available to the members at the 31st Annual General Meeting in view of provisions of Section 107 read with Section 114 of the said Act
- III The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote may exercise their vote through ballot paper at the meeting
- IV The members who have casted their vote by remote e-voting/ballot paper may also attend the meeting but shall not be entitled to cast their vote again
- V M/s C Thirumurthy & Associates Company Secretaries have been appointed as Scrutinizers to scrutinize the e-voting and poll process in a fair and transparent manner
- VI The Results declared along with the Scrutinizer's Report shall be placed in the Company's website [www.bannari.com](http://www.bannari.com) and in the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) within two (2) days of passing of the resolutions at the Annual General Meeting of the Company to be held on 23.9.2015 and communicated to the Stock Exchanges where the company's shares are listed



**Annexure to Notice**

**Statement Pursuant to Section 102 of the Companies Act 2013**

**Item No 5**

Dr Radha Ramani (DIN: 07083381) aged 66 years was co-opted as an Additional Director on 11.2.2015. In terms of Section 161 of the Companies Act 2013 read with Article 74 of the Articles of Association of the Company she holds office up to the date of ensuing Annual General Meeting.

Dr Radha Ramani who is a Doctor in Profession and a co-founder of Sankara Eye Hospital has got rich experience in implementing and administering social philanthropic projects. She has no business relationship with the company and does not hold any shares in the company.

The company has received a notice from a member along with requisite deposit under Section 160 of the Companies Act 2013 proposing the candidature of Dr Radha Ramani for the office of Independent Director.

Pursuant to the provisions of Sections 149, 152 and Schedule IV of the Companies Act 2013 read with Companies (Appointment and Qualification of Directors) Rules 2014 it is proposed to appoint Dr Radha Ramani as an Independent Director of the Company for a term of five consecutive years up to 22nd September 2020.

Brief resume of Dr Radha Ramani as required under Clause 49 of the Listing Agreement is annexed to the notice.

The company has received the following Forms/Details from the above Independent Director:

- Consent in writing to act as Director in Form DIR-2 under Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014.
- Intimation in Form DIR-8 under Rule 8 of Companies (Appointment and Qualification of Directors) Rules 2014 to the effect that she is not disqualified under Section 164 of the Companies Act 2013 &
- A declaration to the effect that she meets the criteria of independence as provided in Section 149 of the Companies Act 2013.

In the opinion of the Board of Directors Dr Radha Ramani fulfils the conditions specified in the Companies Act 2013 and the Rules made thereunder and she is independent of management.

The Board considers that her association would be of immense benefit to the company and it is desirable to continue to avail her services as Independent Director.

None of the Directors Key Management Personnel or their relatives except Dr Radha Ramani is in any way concerned or interested in the proposed Ordinary Resolution.

**Item No 6**

The Board of Directors at its meeting held on 29.5.2015 has re-appointed Sri S V Balasubramaniam as Chairman of the Company with substantial powers of management for a period of five years with effect from 2.6.2015 on the recommendation of Nomination and Remuneration Committee.

Sri S V Balasubramaniam aged 75 years has more than 50 years experience in sugar industry. He was the President of South Indian Sugar Mills Association (SISMA) Tamilnadu and Karnataka and was the President of the Indian Sugar Mills Association (ISMA). Sri S V Balasubramaniam has been actively involved in the affairs of the company right from incorporation of the company and served as the Managing Director from 9.10.1985 till 1.6.2010 and thereafter as the Chairman of the company with substantial powers of management. The company has achieved substantial growth under his leadership. Considering his

experience and involvement in the affairs of the company the Nomination and Remuneration Committee recommended the re-appointment of Sri S V Balasubramaniam as the Chairman for a further period of five years with effect from 2.6.2015 Brief resume of Sri S V Balasubramaniam as required under Clause 49 of the Listing Agreement is attached to the notice

The remuneration and terms of re-appointment of Sri S V Balasubramaniam are as under

**Salary**

Rs 300000/- (Rupees Three Lakhs only) per month

**Perquisites**

As may be decided by the Board of Directors of a value not exceeding annual salary

**Commission**

3% (three percent) commission on the net profits of the company subject to the maximum ceiling specified in Section I of Part II of Schedule V to the Companies Act 2013

In the case of absence or inadequacy of profits for any financial year Sri S V Balasubramaniam shall be paid remuneration in accordance with Section II of Part II of Schedule V to the Companies Act 2013

The company's contribution to Provident Fund Superannuation or Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act Gratuity payable and encashment of leave at the end of the tenure as per the rules of the company shall not be included for the purpose of computation of the overall ceiling of remuneration

Sri S V Balasubramaniam is also the Managing Director of M/s Madras Sugars Limited and he is not drawing any remuneration in that company

Pursuant to the provisions of the Sections 196, 197, 203 and Schedule V and other applicable provisions if any of the Companies Act 2013 and Rules made thereunder the re-appointment of Sri S V Balasubramaniam as Chairman shall be subject to the approval of members by special resolution Hence necessary special resolutions are placed before the members for their approval

None of the Directors Key Managerial Personnel or their relatives except Sri S V Balasubramaniam and Sri B Saravanan is in any way concerned or interested in the proposed special resolutions

**Item No 7**

The Board of Directors at its meeting held on 29.5.2015 has re-appointed Sri B Saravanan as the Managing Director for a period of five years with effect from 2.6.2015 on the recommendation of Nomination and Remuneration Committee

Sri B Saravanan aged 42 years has more than 15 years experience in sugar industry Considering his experience and involvement in the affairs of the company the Nomination and Remuneration Committee recommended the re-appointment of Sri B Saravanan as Managing Director for a further period of five years with effect from 2.6.2015 Brief resume of Sri B Saravanan as required under Clause 49 of the Listing Agreement is attached to the notice

The remuneration and terms of re-appointment of Sri B Saravanan are as under

**Salary**

Rs 200000/- (Rupees Two Lakhs only) per month

**Perquisites**

As may be decided by the Board of Directors of a value not exceeding annual salary



### **Commission**

2% (two percent) commission on the net profits of the company subject to the maximum ceiling specified in Section I of Part II of Schedule V to the Companies Act 2013

The company's contribution to Provident Fund Superannuation or Annuity Fund to the extent these singly or put together are not taxable under the Income Tax Act Gratuity payable and encashment of leave at the end of the tenure as per the rules of the company shall not be included for the purpose of computation of the overall ceiling of remuneration

Sri B Saravanan is also the Managing Director of M/s Shiva Distilleries Limited His remuneration is subject to the limits specified in Section V of Part II of Schedule V to the Companies Act 2013

Pursuant to the provisions of the Sections 196, 197, 203 and Schedule V and other applicable provisions if any of the Companies Act 2013 and Rules made thereunder the re-appointment of Sri B Saravanan as Managing Director shall be subject to the approval of members Hence necessary ordinary resolutions are placed before the members for their approval

None of the Directors Key Managerial Personnel or their relatives except Sri S V Balasubramaniam and Sri B Saravanan is in any way concerned or interested in the proposed ordinary resolutions

### **Item No 8**

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Sri M Nagarajan Cost Accountant as Cost Auditor to conduct audit of cost records of the company for the financial year ending March 31 2016 and fixed his remuneration at Rs 1 50000/- (Rupees one lakh fifty thousand only) plus reimbursement of actual out of pocket expenses

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 the remuneration payable to the cost auditor has to be ratified by the members of the company

Accordingly consent of the members is sought for passing an ordinary resolution as set out at Item No 8 of the notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31 2016

None of the Directors Key Managerial Personnel or their relatives is in any way concerned or interested in the proposed ordinary resolution

### **Item No 9**

The present Articles of Association of the Company are based on the provisions of the Companies Act 1956 and Rules made thereunder and several regulations of the existing articles contain references to specific sections of the Companies Act 1956 In the existing Articles of Association of the Company some regulations are no longer in conformity with the present Companies Act 2013 and Rules made thereunder and required alterations or deletions Hence it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles

The new set of Articles of Association to be substituted in the place of existing Articles of Association is based on the provisions of the Companies Act 2013 and Table F of Schedule I to the said Act

The proposed new set of Articles of Association is being uploaded in the Company's website for the perusal of shareholders

None of the Directors Key Managerial Personnel or their relatives is in any way concerned or interested in the proposed special resolutions

Coimbatore  
27.7.2015

By Order of the Board  
**C PALANISWAMY**  
Company Secretary

**Pursuant to Clause 49 of the Listing Agreement the profile of the Directors who retire by rotation and seeking re-appointment and new appointment are given below**

**Dr Radha Ramani**

Dr Radha Ramani (DIN 07083381) aged 66 years is a Doctor in profession and she has more than 43 years experience in implementing and administering social philanthropic projects

She is a Member of Corporate Social Responsibility Committee of Bannari Amman Sugars Limited

She does not hold any equity shares in the company and she is not related to any of the Directors

**Sri S V Balasubramaniam**

Sri S V Balasubramaniam (DIN 00002405) aged 75 years has been the Managing Director of the company from 9.10.1985 From 2.6.2010 he is the Chairman of the company with substantial powers of management He has more than 50 years experience in sugar industry He was the President of South Indian Sugar Mills Association (SISMA) Tamil Nadu and Karnataka and was President of Indian Sugar Mills Association (ISMA)

He is the Managing Director of Madras Sugars Limited and Chairman of the following companies viz Annamallai Enterprise Ltd Bannari Amman Enterprises Ltd Bannari Amman Exports Ltd Bannariamman Finance Ltd Kerala Alcoholic Products Ltd Shiva Cargo Movers Ltd Shiva Hi-Tech Infrastructure Ltd Shiva Distilleries Ltd Annamallai Estates (P) Ltd Bannari Enterprises (P) Ltd Kandiamman Enterprise (P) Ltd Kumaraguru Enterprise (P) Ltd Mehru Enterprises (P) Ltd Mylvagana Enterprises (P) Ltd Soundaram Enterprise (P) Ltd SVB Enterprise (P) Ltd SVB Holdings (P) Ltd Velmuruga Enterprises (P) Ltd

He is a member of Corporate Social Responsibility Committee Risk Management Committee and Stakeholders' Committee of Bannari Amman Sugars Limited He is a member of Audit Committee and Nomination and Remuneration Committee of Shiva Distilleries Ltd

He holds 1056232 equity shares in the company and he is related to Sri B Saravanan Managing Director of the company as father

**Sri B Saravanan**

Sri B Saravanan (DIN 00002927) aged 42 years has been the Joint Managing Director of the company from 5.7.2000 From 2.6.2010 he is the Managing Director of the company and he is in-charge of the entire operations of the company He has more than 15 years experience in sugar industry

He is the Managing Director of Shiva Distilleries Limited and Director of the following companies viz Annamallai Enterprise Ltd Bannari Amman Enterprises Ltd Bannari Amman Exports Ltd Bannariamman Finance Ltd Kerala Alcoholic Products Ltd Madras Sugars Ltd Shiva Cargo Movers Ltd Shiva Hi-Tech Infrastructure Ltd Annamallai Estates (P) Ltd Bannari Enterprises (P) Ltd Kandiamman Enterprise (P) Ltd Kumaraguru Enterprise (P) Ltd Soundaram Enterprise (P) Ltd SVB Enterprise (P) Ltd SVB Holdings (P) Ltd Velmuruga Enterprises (P) Ltd

He is a member of the Risk Management Committee of Bannari Amman Sugars Limited He is a member of Audit Committee and Nomination and Remuneration Committee of Madras Sugars Ltd

He holds 175758 equity shares in the company and he is related to Sri S V Balasubramaniam Chairman of the company as son

## Report of the Board of Directors

Dear Members

Your Directors have pleasure in presenting the 31st Annual Report of the company together with audited financial statements for the year ended 31st March 2015

(Rs in Lakhs)

Financial Results	Financial Year	
	2014-15	2013-14
Profit for the year before depreciation	<b>5159.42</b>	8410.18
Less: Depreciation	<b>5125.55</b>	5195.53
Profit Before Tax	<b>33.87</b>	3214.65
Less: Provisions: Income Tax - Current	<b>8.38</b>	674.43
MAT Credit Entitlement	<b>(8.38)</b>	(674.43)
Deferred Tax	<b>(69.16)</b>	345.90
Profit After Tax	<b>103.03</b>	2868.75
Add : Surplus brought forward from previous year	<b>2117.66</b>	2916.80
Amount available for appropriation	<b>2220.69</b>	5785.55
<b>Appropriations</b>		
Provision for diminution in value of investment (Long Term)	<b>(29.78)</b>	(5.09)
Provision for Proposed Dividend on equity shares	<b>285.99</b>	1429.96
Provision for Tax on Dividend	<b>58.22</b>	243.02
Transfer to General Reserve	<b>---</b>	2000.00
Surplus carried over to Balance Sheet	<b>1906.26</b>	2117.66
<b>TOTAL</b>	<b>2220.69</b>	5785.55

### Dividend

Your Directors are glad to recommend dividend @ Rs 2.50/- per equity share of Rs.10/- each (25 % on equity capital)

## Review of Operations

### Sugar Division

The comparative operational performances for the last two years are as under

Particulars	Sugar Unit I Alathukombai, Tamilnadu		Sugar Unit II Alaganchi, Karnataka		Sugar Unit III Kunthur, Karnataka		Sugar Unit IV Kolundampattu, Tamilnadu	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
No of days crushed	117	135	214	262	194	--	105	156
Sugarcane crushed (Lakh tonnes)	2.20	3.75	11.88	16.06	5.97	--	4.12	6.02
Recovery (%)	9.37	9.80	10.16	10.12	10.12	--	9.04	9.21
Sugar bagged (Lakh quintals)	1.99	3.69	12.09	16.24	5.96	--	3.64	5.62

Drought prevailing in the cane area has affected the cane availability and recovery. The expansion of crushing capacity from 2500 TCD to 3600 TCD in the sugar factory at Kunthur Village Karnataka has been completed and the factory commenced its operation with the expanded capacity from 27.8.2014.

### Co-generation of Power

The Co-generation plants have generated 304.18 million units of power and exported 205.46 million units of power to grids compared to the generation of 326.44 million units and export of 224.56 million units in the previous year. The 20 MW co-generation plant in the sugar factory at Kunthur Village Karnataka was synchronized with the grid on 27.8.2014.

### Distillery Division

During the year the distilleries have produced 29.26 million B Ltrs of Alcohol as against 27.30 million B Ltrs in the previous year.

### Granite Division

The Granite Processing Unit has produced 170381 square metres of Granite Slabs and 28420 square metres of Tiles compared to production of 183974 square metres of Granite Slabs and 25160 square metres of Tiles in the previous year.

### Wind Mill

Wind Mills have generated 11.67 million units of power and exported 10.07 million units of power to grid compared to the generation of 12.10 million units and export of 10.48 million units in the previous year.

### Prospects for the current year 2015 - 2016

It is estimated to crush 30 lakh tonnes of sugarcane in aggregate. Performance of co-generation plant will be based on bagasse availability in the sugar mills. It is estimated to produce 30 million B Ltrs of alcohol in the Distillery Units. Improved working results are expected in Granite Division. With the continued surplus in both domestic and international sugar markets sugar prices are expected to remain under pressure.



## **Directors and Key Managerial Personnel**

In accordance with the provisions of Companies Act 2013 Sri S V Balasubramaniam is liable to retire by rotation and is eligible for re-appointment

The Board of Directors at its meeting held on 29.5.2015 has re-appointed Sri S V Balasubramaniam as the Chairman of the company with substantial powers of management and Sri B Saravanan as the Managing Director for a period five years with effect from 2.6.2015 on the recommendation of Nomination and Remuneration Committee

Dr Radha Ramani has been appointed as an Additional Director (Independent) on 11.2.2015 She holds office up to the date of ensuing Annual General Meeting The company has received notice from a member along with requisite deposit under Section 160 of the Companies Act 2013 proposing Dr Radha Ramani for the office of Independent Director

All the Independent Directors have given declarations that they meet the criteria of independence as specified under Section 149 (6) of the Companies Act 2013 and Clause 49 of the Listing Agreement

The Company has devised a policy on Directors' appointment and remuneration and for performance evaluation of Independent Directors Board Committees and other Individual Directors which include performance evaluation of Non-Executive and Executive Directors

The details of programmes for familiarization of Independent Directors with the company their roles rights responsibilities in the company nature of the industry in which the company operates business models and related matters are placed in the website of the company at the link <http://www.bannari.com/InvestorInformation.html>

At the Board Meeting held on 11.2.2015 Sri S V Balasubramaniam Chairman Sri B Saravanan Managing Director Sri C Palaniswamy Company Secretary and Sri M Ramprabhu Chief Financial Officer were designated as "Key Managerial Personnel" of the Company pursuant to Section 203 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

The Directors have confirmed that they are not disqualified from being appointed as Directors of the company

## **Particulars of Loans Guarantees or Investments**

During the year the company has not made any loan or guarantee or investment or provided any security under Section 186 of the Companies Act 2013

## **Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo**

The particulars relating to conservation of energy technology absorption foreign exchange earnings and outgo as required to be disclosed under the Companies Act 2013 are provided in Annexure I to this Report

## **Particulars of Employees**

The information required as per Section 197 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is furnished in Annexure II to this Report

## **Meetings of the Board**

Five Meetings of the Board of Directors were held during the year The details are furnished in the Report on Corporate Governance attached herewith

### **Committees and Policies**

In terms of the provisions of the Companies Act 2013 and the Listing Agreement the company has constituted Board Committees and framed required policies. The details are furnished in the Corporate Governance Report attached herewith.

### **Corporate Governance and Management Discussion and Analysis Report**

A separate section on Corporate Governance Management Discussion and Analysis Report and the certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement form part of this Report and annexed as Annexure III.

### **Corporate Social Responsibility (CSR)**

Pursuant to Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 the company has formulated a policy on Corporate Social Responsibility and the policy was uploaded in the company's website at <http://www.bannari.com/InvestorInformation.html>

The report on CSR activities is attached as Annexure IV to this report.

### **Risk Management / Risk Management Policy**

The company has formulated a Risk Management Policy including risk assessment and minimization procedures. The Risk Management Committee has been assigned with the functions of monitoring and reviewing the risk management plans of the company. In the opinion of the Board no element of risk that may threaten the existence of the company has been identified.

### **Vigil Mechanism / Whistle Blower Policy**

The company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted in the company's website at the link <http://www.bannari.com/InvestorInformation.html>

### **Related Party Transactions**

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act 2013 and the Listing Agreement. All the related party transactions are placed before the Audit Committee and approved by the Audit Committee. Since there are no transactions which are not on arm's length basis and material in nature the requirement of disclosure of such related party transactions in Form AOC-2 does not arise. The Related Party Transactions Policy as approved by the Board is uploaded in the company's website at <http://www.bannari.com/InvestorInformation.html>

### **Board Evaluation**

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement Independent Directors at their meeting without participation of non-independent directors and management considered and evaluated the performance of Board performance of the Chairman and the Managing Director.

The Board has carried out an annual evaluation of its own performance and of the individual directors as well as the Committees of Directors.



### **Material changes and commitments**

During the period from the end of financial year and till the date of this report there is no material changes and commitments affecting the financial position of the company There is no change in the nature of business of the company

### **Directors' Responsibility Statement**

As stipulated in Section 134(3) (c) read with Section 134 (5) of the Companies Act 2013 your Directors confirm that

- a) in the preparation of the annual accounts all the applicable accounting standards had been followed along with proper explanation relating to material departures
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities
- d) they had prepared the annual accounts on a going concern basis
- e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **Extract of Annual Return**

An extract of Annual Return in Form No MGT-9 is annexed as Annexure V

### **Auditors / Auditors' Report**

At the last Annual General Meeting M/s P N Raghavendra Rao & Co was appointed as Statutory Auditors of the company for a period of 3 years and they shall hold office until the conclusion of 33rd Annual General Meeting of the company Their appointment is subject to ratification by members at every Annual General Meeting Accordingly necessary resolution ratifying their appointment is placed for the approval of members The Auditors' Report does not contain any qualification reservation or adverse remark

### **Secretarial Auditors and Secretarial Audit Report**

M/s C Thirumurthy & Associates Company Secretaries Coimbatore were appointed as Secretarial Auditors to conduct secretarial audit for the financial year 2014-2015 The Report of Secretarial Auditors is annexed to this report as Annexure VI The Report does not contain any qualification reservation or adverse remark

### **Internal Control Systems and their Adequacy**

Details of internal control system and their adequacy are provided in the Management Discussion Analysis Report attached herewith

**Cost Audit**

Sri M Nagarajan Cost Accountant Coimbatore was appointed as Cost Auditor to conduct audit of cost accounting records for the financial year 2014-15

**Industrial Relations**

The relationship with employees continued to remain cordial throughout the year under review

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review

- i. Details relating to deposits covered under Chapter V of the Act
- ii. Issue of equity shares with differential rights as to dividend voting or otherwise
- iii. Issue of shares (including sweat equity shares) to employees of the company under any scheme

Your Directors state that no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and company's operations in future

Your Directors further state that during the year under review no case was filed pursuant to Sexual Harassment of Women at Workplace (Prevention Prohibition and Redressal) Act 2013

**Acknowledgement**

Your Directors acknowledge with gratitude the timely assistance and help extended by the Government of India Governments of Tamilnadu and Karnataka Banks Karnataka Power Transmission Corporation Limited and Tamilnadu Electricity Board Your Directors thank the cane growers who have supplied sugarcane to the factories and wish to place on record their appreciation of the contributions made by all the employees

Coimbatore  
27.7.2015

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman



**Conservation of Energy Technology Absorption Foreign Exchange earnings and outgo  
(Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules 2014)**

**A) Conservation of energy**

- i) the steps taken or impact on conservation of energy
  - Flash Vapour Recovery System (FVRS) has been installed to reduce steam consumption
  - PHE for Super Heater Water Wash (SHWW) system installed with 3 ata steam instead of 8 ata steam
  - 4th body vapour utilized to refinery pan instead of 3rd body vapour
  - SRT flash vapour connected to refinery melt and molasses for avoiding 2nd body vapour utilization
- ii) the steps taken by the company for utilising alternate sources of energy
  - By utilizing the methane gas exit from the effluent treatment plant-digester as fuel to the bio-gas operated generator  
During the year under review the distillery unit in Tamilnadu has consumed 1595866 units of wind power from one of the wind mills of the company
- iii) the capital investment on energy conservation equipments
  - Rs 9.07 lakhs

**B) Technology absorption**

- i) the efforts made towards technology absorption
  - Nil
- ii) the benefits derived like product improvement cost reduction product development or import substitution
  - Nil
- iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
  - Nil

Details	2011-12	2012-13	2013-14
a) the details of technology imported	--	--	--
b) the year of import	--	--	--
c) whether the technology been fully absorbed	--	--	--
d) if not fully absorbed areas where absorption has not taken place and the reasons thereof	--	--	--

- iv) the expenditure incurred on Research and Development
  - Rs 15.03 lakhs

**C) Foreign exchange earnings and outgo**

- The Foreign Exchange earned in terms of actual inflows during the year Rs 19485.83 lakhs
- The Foreign Exchange outgo during the year in terms of actual outflows Rs 4234.97 lakhs

Coimbatore  
27.7.2015

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman

**Particulars of Employees**
**A) Information as per Section 197(12) read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Name of the Director	Designation	Ratio
Sri S V Balasubramaniam	Chairman - Executive	21.87
Sri B Saravanan	Managing Director	15.18
Sri A K Perumalsamy	Director	*
Sri E P Muthukumar	Director	*
Sri T Gundan	Director	*
Dr M P Vijayakumar	Director	*
Dr Radha Ramani	Director	*

\* The Non-Executive Directors were paid only sitting fee for attending the meetings of the Board and Committees thereof

2. The percentage increase in remuneration of each Director Chief Financial Officer Chief Executive Officer Company Secretary or Manager if any in the financial year

Name	Designation	% increase/ (decrease) in remuneration
Sri S V Balasubramaniam	Chairman - Executive	(64.38)
Sri B Saravanan	Managing Director	(63.02)
Sri A K Perumalsamy	Director	*
Sri E P Muthukumar	Director	*
Sri T Gundan	Director	*
Dr M P Vijayakumar	Director	*
Dr Radha Ramani	Director	*
Sri C Palaniswamy	Company Secretary	9
Sri M Ramprabhu	Chief Financial Officer	16

\* The Non-Executive Directors were paid only sitting fee for attending the meetings of the Board and Committees thereof and hence not comparable

3. Percentage increase in the median remuneration of employees in the financial year : 16.50

4. Number of permanent employees on the rolls of company : 1555

5. Explanation on the relationship between average increase in remuneration and company performance :

The remuneration policy is designed to attract motivate and retain talented employees in a competitive market. The performance of the company was impacted by the adverse market conditions in the industry. Normal increase was given to the employees in the management cadre and for others based on wages settlement.



6. Comparison of remuneration of Key Managerial Personnel against the performance of the company :

The revenue from operations has been increased from Rs 653.64 crores to Rs 946.17 crores Due to inadequate profit commission was not paid to the Chairman and the Managing Director The remuneration to other Key Managerial Personnel has no direct correlation to the performance of the company but determined in the normal course of business and in line with the industry

7. i) Variations in the market capitalisation of the company price earning ratio as at the closing date of the current financial year and previous financial year :

	31.3.2014	31.3.2015	% Change
Market Capitalization of the Company (Rs in lakhs)	93805.54	92089.58	(0.01)
Closing Price at the BSE Ltd (in Rs)	820	805	(0.01)
Price Earning Ratio as at the closing date	32.69	894.44	--

ii) Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer :

Not comparable as there was no public offer

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average percentile increase in salaries of employees other than managerial personnel was 16.50% whereas the remuneration to managerial personnel has decreased by 63.70% Due to inadequate profit the Chairman and the Managing Director were not paid commission

9 Comparison of the each remuneration to the Key Managerial Personnel against the performance of the company

Name	Designation	Remuneration (Rs in lakhs)	Performance of the company
Sri S V Balasubramaniam	Chairman - Executive	56.94	The revenue from operations has been increased from Rs 653.64 crores to Rs 946.17 crores Due to inadequate profit commission was not paid to the Chairman and the Managing Director The remuneration to other Key Managerial Personnel has no direct correlation to the performance of the company but determined in the normal course of business and in line with the industry
Sri B Saravanan	Managing Director	39.55	
Sri C Palaniswamy	Company Secretary	24.23	
Sri M Ramprabhu	Chief Financial Officer	10.59	

10. The key parameters for any variable component of remuneration availed by the directors :

The Non-executive Directors are paid only sitting fees for attending the meetings of the Board and Committee thereof The remuneration of Executive Directors are not consisting of variable component except commission based on the provisions of the Companies Act 2013



11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director during the year :

Not Applicable

12. Affirmation that the remuneration is as per the remuneration policy of the company :

The company affirms that remuneration is as per the Remuneration Policy of the company

**B) Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014**

1) Employed through out the year ended March 31 2015 with remuneration aggregating to not less than Rs 6000000 per annum :

None

2) Employed for part of the year ended March 31 2015 with remuneration aggregating to not less than Rs 500000 per month :

None

3) The employee if employed throughout the financial year or part thereof was in receipt of remuneration in that year which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children not less than two percent of the equity shares of the company :

None

Coimbatore  
27.7.2015

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman



**Company's Philosophy on Code of Governance**

The Company is committed to achieve high standards of corporate governance

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency accountability and equity in all facets of its operations and in all the interactions with its stakeholders including shareholders employees cane growers lenders and Governments

**Board of Directors**

The Board of Directors comprises of Executive-Chairman Managing Director and Non-Executive Independent Directors At present 5 Directors are Independent Directors None of the Independent Directors are promoters or related to promoters All Independent Directors at the first meeting of the Board in the financial year gives declaration that he/she meets criteria of independence as required under Section 149 (7) of the Companies Act 2013 The company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been uploaded in the website of the company at the link <http://www.bannari.com/InvestorInformation.html>

Attendance of Directors at the Board Meetings last Annual General Meeting (AGM) and number of other Directorship and Chairmanships/Memberships of Committees of each Director in various companies

Category and Name of the Director	Number of Directorships held in other Public Companies	Number of Board Committee Memberships held in other Companies		Number of Board Meetings held	Number of Board Meetings Attended	Last AGM Attended
		Chairman	Member			
<b>Executive</b>						
Sri S V Balasubramaniam	9	-	2	5	5	YES
Sri B Saravanan	9	-	2	5	5	YES
<b>Non-Executive</b>						
Sri S V Alagappan*	3	-	-	5	-	N A
Sri S V Arumugam*	7	-	2	5	-	N A
<b>Non-Executive-Independent</b>						
Sri A K Perumalsamy	1	-	2	5	5	YES
Sri E P Muthukumar	-	-	-	5	5	YES
Sri T Gundan	2	2	-	5	4	YES
Dr M P Vijayakumar	-	-	-	5	4	NO
Dr Radha Ramani**	-	-	-	5	1	N A

N A - Not Applicable

\* Resigned from the Board on 16.7.2014

\*\* Appointed as additional Director with effect from 11.2.2015

Five Board Meetings were held during the year and the details are

Date of Board Meeting	Board Strength	No of Directors present
30.05.2014	8	6
30.07.2014	6	6
15.09.2014	6	5
12.11.2014	6	5
11.02.2015	7	7

The Board was given all material information in advance viz budgets review of budgets cane crush estimates actual cane crushed actual recovery sugar stock details details of power generation and power exported to grid production sales and stock details of granite and distillery products compliance reports etc for facilitating meaningful and focused discussions at the meetings

#### **Performance Evaluation and Meeting of Independent Directors**

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The performance of the Board and its committees are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire the directors do a self evaluation of their performance. Accordingly Board reviewed the performance of each of the directors and expressed their satisfaction.

Pursuant to the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges a meeting of Independent Directors was held on 25.3.2015 to review the performance of the Board the Chairman and the Managing Director and to assess the quality quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director and quality quantity and timeliness of flow of information between the management and the Board.

#### **Familiarisation Programme for Directors**

At the time of appointing a Director a formal letter of appointment is given to him which inter alia explains the role function duties and responsibilities as a Director of the Company. The Director is also explained in detail the compliance required under the Companies Act 2013 Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman of the company has one to one discussion with the Directors to familiarize them with the company's operations. Further the company has put in place a system to familiarize the Independent Directors about the company its products business modules etc.

#### **Code of Conduct**

The company has adopted the code of conduct for all Board Members and Senior Management as required under Clause 49 of the Listing Agreement. The code is posted in the company's website at the link <http://www.bannari.com/InvestorInformation.html>. All Board Members and Senior Management Personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

#### **Whistle Blower Policy**

The company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. This mechanism



provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee. The whistle blower policy is posted in the company’s website at the link <http://www.bannari.com/InvestorInformation.html>

**Related Party Transactions**

All transactions entered into with Related Parties for the year under review were on arm’s length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act 2013 are not attracted. Further there are no material related party transactions during the year under review with the Promoters, Directors or Key Managerial Personnel. All Related Party Transactions are placed before the Audit Committee as also to the Board of Directors. Omnibus approvals were obtained for the transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are reviewed by Audit Committee on quarterly basis.

The policy on related party transactions as approved by the Board of Directors has been uploaded in the website of the company at the link <http://www.bannari.com/InvestorInformation.html>. None of the Independent Director has any pecuniary relationship or transactions vis-à-vis the company.

**Insider Trading**

Pursuant to sub-regulation (1) of Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015 the Board of Directors has formulated a code of practices and procedures for fair disclosure of unpublished Price Sensitive information in order to adhere to each of the principle set out in Schedule A to the said Regulations.

**Committees of the Board**

**Audit Committee**

The Audit Committee consists of Dr M P Vijayakumar, Sri T Gundan and Sri E P Muthukumar. Sri T Gundan was elected as Chairman of Audit Committee for a period from 21.8.2014 to 10.11.2014 at the Audit Committee Meeting held on 20.8.2014 due to preoccupation of Dr M P Vijayakumar. During the financial year ended March 31, 2015 the Committee met 6 times at 1212 Trichy Road Coimbatore 641 018 on 30.5.2014, 30.7.2014, 20.8.2014, 12.11.2014, 30.1.2015 and 11.2.2015. Particulars of meetings attended by the members of the Audit Committee are given below.

Name of the Director	Category	No of Meetings	
		Held	Attended
Dr M P Vijayakumar	Non - Executive - Independent	6	6
Sri T Gundan	Non - Executive - Independent	6	5
Sri E P Muthukumar	Non - Executive - Independent	6	6

Dr M P Vijayakumar is the Chairman of the Committee.

Sri S V Arumugam member of the Committee resigned from the Board on 16.7.2014 and he has not attended the Meeting held on 30.5.2014.

The term of references to the Audit Committee inter alia include the followings

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct sufficient and credible
- b) Recommendation for appointment remuneration and terms of appointment of auditors of the company
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- d) Reviewing with the management the annual financial statements and auditor's report thereon before submission to the board for approval with particular reference to
  - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act 2013
  - ii) Changes if any in accounting policies and practices and reasons for the same
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management
  - iv) Significant adjustments made in the financial statements arising out of audit findings
  - v) Compliance with listing and other legal requirements relating to financial statements
  - vi) Disclosure of any related party transactions
  - vii) Qualifications in the draft audit report
- e) Reviewing with the management the quarterly financial statements before submission to the board for approval
- f) Reviewing with the management the statement of uses / application of funds raised through an issue (public issue rights issue preferential issue etc) the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter
- g) Review and monitor the auditor's independence and performance and effectiveness of audit process
- h) Approval or any subsequent modification of transactions of the company with related parties
- i) Scrutiny of inter-corporate loans and investments
- j) Valuation of undertakings or assets of the company wherever it is necessary
- k) Evaluation of internal financial controls and risk management systems
- l) Reviewing with the management performance of statutory and internal auditors adequacy of the internal control systems
- m) Reviewing the adequacy of internal audit function if any including the structure of the internal audit department staffing and seniority of the official heading the department reporting structure coverage and frequency of internal audit
- n) Discussion with internal auditors of any significant findings and follow up there on
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board



- p) Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- q) To look into the reasons for substantial defaults in the payment to the depositors debenture holders shareholders (in case of non-payment of declared dividends) and creditors
- r) To review the functioning of the Whistle Blower mechanism
- s) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications experience and background etc of the candidate
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee consists of Dr M P Vijayakumar Sri T Gundan and Sri E P Muthukumar Dr M P Vijayakumar is the Chairman of the Nomination and Remuneration Committee During the financial year ended March 31 2015 the Committee met 2 times at 1212 Trichy Road Coimbatore 641018 on 12.11.2014 and 30.1.2015 Particulars of meetings attended by the members of the Nomination and Remuneration Committee are given below

Name of the Member	Category	No of Meetings	
		Held	Attended
Dr M P Vijayakumar	Non - Executive - Independent	2	2
Sri T Gundan	Non - Executive - Independent	2	1
Sri E P Muthukumar	Non - Executive - Independent	2	2

The term of references to the Nomination and Remuneration Committee inter alia include the followings

- a) Formulation of the criteria for determining qualifications positive attributes and Independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors Key Managerial Personnel and other employees
- b) Formulation of criteria for evaluation of Independent Directors and the Board
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal

**Remuneration Policy**

The remuneration policy is directed towards rewarding performance based on the review of achievements It is aimed at attracting and retaining talents The remuneration structure shall be determined after taking into consideration of age qualification experience in the respective field past performance of the individual concerned regulatory frame work competition in the industry financial position of the company

The appointment and remuneration of Executive Directors viz the Chairman and the Managing Director is governed by the recommendation of Nomination and Remuneration Committee approval of the Board of Directors and shareholders of the company The remuneration consists of salary perquisites allowances and commission which are subject to the limitations specified under the Companies Act 2013 and Schedule V to the said Act

The Non-Executive Directors are paid sitting fees of Rs 5000/- (Rupees Five thousand only) for each meeting of the Board or Committee thereof. The company shall also reimburse the out of pocket expenses incurred by the Directors for attending the meetings.

The remuneration paid to the Chairman Managing Director and other Key Managerial Personnel are disclosed at page Nos 48 & 49. The company does not have any Employees Stock Option Scheme.

The nomination and remuneration policy of the company is annexed to this report.

### Shareholders' / Stakeholders' Committee

The Shareholders' Committee was formed to specifically look into the shareholders'/investors' complaints if any on transfer of shares non receipt of Balance Sheet non receipt of declared dividend etc. and Sri S V Arumugam Dr M P Vijayakumar and Sri B Saravanan were the members of the said committee till 30.5.2014. The Shareholders' Committee met on 30.5.2014. Dr M P Vijayakumar and Sri B Saravanan were present at the meeting held on 30.5.2014 and Sri S V Arumugam had not attended the said meeting.

In line with the provisions of the Companies Act 2013 and Listing Agreement the Board of Directors at its meeting held on 30.5.2014 re-named "Shareholders' Committee" as "Stakeholders' Committee" and reconstituted the committee with the following Directors viz. Sri T Gundan Sri S V Balasubramaniam Dr M P Vijayakumar and Sri A K Perumalsamy. Sri T Gundan is the Chairman of the Stakeholders' Committee. After renaming / reconstitution the Stakeholders' Committee met three times at 1212 Trichy Road Coimbatore 641018 on 30.7.2014, 11.11.2014 and 11.2.2015. Particulars of meetings attended by the members of the Stakeholders' Committee are given below:

Name of the Member	Category	No of Meetings	
		Held	Attended
Sri T Gundan	Non - Executive - Independent	3	3
Sri S V Balasubramaniam	Executive	3	3
Dr M P Vijayakumar	Non - Executive - Independent	3	3
Sri A K Perumalsamy	Non - Executive - Independent	3	3

The term of references to the Stakeholders' Committee inter alia include the followings

- Oversee and review all matters connected with the grievances of investors/shareholders and other stakeholders of the company &
- Oversee the performance of the company's registrars and share transfer agents

Sri C Palaniswamy Company Secretary is the compliance officer.

The Company received 7 complaints from the shareholders during the financial year 2014-2015. All the complaints have been resolved to the satisfaction of shareholders. No complaint was pending as on 31.3.2015.

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of Dr M P Vijayakumar, Sri S V Balasubramaniam, Sri T Gundan and Dr Radha Ramani. Dr M P Vijayakumar is the Chairman of the Corporate Social Responsibility Committee. During the financial year ended March 31, 2015 the Committee met 2 times at 1212 Trichy Road Coimbatore 641018 on 12.11.2014 and 30.1.2015. Particulars of meetings attended by the members of the Corporate Social Responsibility Committee are given below.



Name of the Member	Category	No of Meetings	
		Held	Attended
Dr M P Vijayakumar	Non - Executive - Independent	2	2
Sri S V Balasubramaniam	Executive	2	2
Sri T Gundan	Non - Executive - Independent	2	1
Dr Radha Ramani*	Non - Executive - Independent	N A	N A

N A - Not Applicable

\* Dr Radha Ramani Director was inducted on the committee on 11.2.2015

The term of references to the Corporate Social Responsibility Committee inter alia include the followings

- To formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the company in compliance with the provisions of the Companies Act 2013 and Rules made thereunder
- To recommend the amount of expenditure to be incurred on CSR activities
- To monitor the implementation of the framework of the CSR Policy
- To approve the Annual Report on CSR activities

**Risk Management Committee**

The Risk Management Committee consists of Dr M P Vijayakumar Sri S V Balasubramaniam Sri B Saravanan and Sri T Gundan Dr M P Vijayakumar is the Chairman of the Risk Management Committee During the financial year ended March 31 2015 the Committee met one time at 1212 Trichy Road Coimbatore 641018 on 30.1.2015 All the members of the Committee were present at the meeting held on 30.1.2015

The term of references to the Risk Management Committee inter alia include the followings

- Oversight of the risk management performed by the executive management
- To ensure that the risk management plan and policies implemented by the company is effective in identifying analyzing and mitigating all material risks involved in the business of the company
- To assist the Board in formulation of Risk Management Plan and strategies

**General Body Meeting**

Location and time where last three Annual General Meetings were held

AGM	Date	Venue	Time	Special Resolution Passed
28 <sup>th</sup>	6.9.2012	Jenneys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM	No Special Resolution was passed
29 <sup>th</sup>	5.9.2013	-do-	4.30 PM	No Special Resolution was passed
30 <sup>th</sup>	15.9.2014	-do-	4.30 PM	Passed Special Resolutions under Section 180(1)(c) and Section 180(1)(a) of the Companies Act 2013

The company had pursuant to Clause 35B of the Listing Agreement provided the facility of postal ballot in addition to e-voting/voting at meeting M/s C Thirumurthy & Associates Company Secretaries were appointed as the Scrutinizers to conduct e-voting and voting through postal ballot in a fair and transparent manner

The Scrutinizers conducted the voting process and submitted their report to the Chairman of the company Based on the voting results the resolutions were passed at the meeting The details of voting were submitted to the stock exchanges and uploaded in the company's website <http://www.bannari.com/InvestorInformation.html>

At the ensuing Annual General Meeting it is proposed to pass special resolutions in respect of the matters connected with the re-appointment of Sri S V Balasubramaniam as the Chairman of the company with substantial powers of the management and adoption of new set of Articles of Association of the company

#### Details of Shareholding of Non-Executive Directors as on 31.3.2015

Name of the Director	No of Shares held
Sri E P Muthukumar	1000
Sri A K Perumalsamy	900
Sri T Gundan	NIL
Dr M P Vijayakumar	NIL
Dr Radha Ramani	NIL

#### Disclosures

- None of the transactions with related parties during the year 2014-2015 were in conflict with the interest of the company
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years
- In the preparation of the financial statements the company has followed the Accounting Standards referred to in Section 133 of the Companies Act 2013 The significant accounting policies which are consistently applied are set out in the notes to the financial statements
- The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement with Stock Exchanges Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by Board from time-to-time

#### Means of Communication

The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in an English and Tamil newspaper The financial results are also accessible from the Company's website at the link <http://www.bannari.com/InvestorInformation.html>



**Shareholders' Information**

**Annual General Meeting**

Day and Date	: Wednesday the 23rd September 2015
Time	: 3.45 P M
Venue	: Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014
Financial Year	: 2014 - 2015
Date of Book Closure for the purpose of Dividend and AGM	: 19.9.2015 to 23.9.2015 (both days inclusive)
Dividend	: Rs 2.50 per equity share (proposed)
Dividend Payment Date	: On or before 7.10.2015

**Financial Calendar**

Announcement of Quarterly Results for the financial year 2015-2016	: Within 45 days from the end of each quarter
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**Share Price Movement**

The high and low quotations of the company's shares on the BSE Limited together with Sensex from April 2014 to March 2015 were given below

Month	BSE		SENSEX	
	High (Rs. Ps)	Low (Rs. Ps)	High	Low
APRIL 2014	961.00	815.10	22939.31	22197.51
MAY	1121.00	891.30	25375.63	22277.04
JUNE	1210.00	950.00	25725.12	24270.20
JULY	1144.00	888.00	26300.17	24892.00
AUGUST	1131.00	937.00	26674.38	25232.82
SEPTEMBER	1475.00	1120.00	27354.99	26220.49
OCTOBER	1358.90	1162.00	27894.32	25910.77
NOVEMBER	1439.95	1245.50	28822.37	27739.56
DECEMBER	1277.00	1090.25	28809.64	26469.42
JANUARY 2015	1249.90	1050.05	29844.16	26776.12
FEBRUARY	1230.00	1121.00	29560.32	28044.49
MARCH	1230.50	795.00	30024.74	27248.45

Based on the closing quotation of Rs 805.00 as at 31.3.2015 at the Bombay Stock Exchange the market capitalisation of the company was Rs 920.90 Crores

### Share Details

The company's Equity Shares are listed on the following Stock Exchanges

BSE Limited	Stock Code 500041
Phiroze Jeejeebhoy Towers Dalal Street Mumbai 400 001	

National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex Bandra (E) Mumbai 400 051	BANARISUG
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The Company has paid the annual listing fees for the year 2015-2016 to the above Stock Exchanges

### Outstanding GDRs/ADRs/Warrants or any convertible instruments

The company does not have any GDRs/ADRs/Warrants or any convertible instruments

### Dematerialisation of Shares

The shares of the company are in compulsory demat segment. Members have option to hold their shares in demat form either through National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL). About 96.49% shares of the company have been dematerialized. ISIN allotted to our company is INE459A01010.

### Share Transfer Agent

M/s Cameo Corporate Services Limited  
"Subramanian Building" 1 Club House Road Chennai 600 002  
Telephone : 044-28460395 Fax : 044-28460129  
E-mail : investor@cameoindia.com

Share Transfer documents Non-receipt of share certificates sent for transfer Nomination forms and Change of address may be directly sent to the above address

### Share Transfer System

The Share transfers in physical form are normally registered and returned within a period of 15 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee which usually meets twice in a month.

### Unclaimed Suspense Account

In compliance with Clause 5A of the Listing Agreement the Company has opened the Unclaimed Suspense Account and transferred the shares remained unclaimed even after three reminders as required by Listing Agreement were sent to the shareholders. The details as required under Clause 5A (II) (h) of the Listing Agreement are as follows

Aggregate number of shareholders at the beginning of the year	-	26
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	-	3816
Number of shareholders claimed	-	--
Aggregate number of shareholders at the end of the year	-	26
Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	-	3816



**Distribution of Shareholding as on 31.3.2015**

S No	Shareholding	No of shareholders	% of shareholders	No of shares	% of shareholding
1	1 - 100	4957	71.82	206753	1.80
2	101 - 500	1454	21.07	331448	2.90
3	501 - 1000	244	3.54	194445	1.70
4	1001 - 2000	102	1.48	149036	1.30
5	2001 - 3000	34	0.49	83581	0.73
6	3001 - 4000	18	0.26	63516	0.56
7	4001 - 5000	14	0.20	64874	0.57
8	5001 - 10000	18	0.26	123759	1.08
9	10001 and above	61	0.88	1022288	89.36
	<b>Total</b>	<b>6902</b>	<b>100.00</b>	<b>11439700</b>	<b>100.00</b>

**Shareholding Pattern as on 31.3.2015**

Category	No of Shares	%
1 Promoters	6260276	54.72
2 UTI & Mutual Funds	100	--
3 Banks Financial Institutions & Insurance Companies	264	-
4 Foreign Institutional Investors	22122	0.20
5 Private Corporate Bodies	1227278	10.73
6 Indian Public	3697761	32.32
7 NRI/OCB's	217148	1.90
8 Clearing Members	10935	0.10
9 Escrow Account	3816	0.03
<b>TOTAL</b>	<b>11439700</b>	<b>100.00</b>

**Plant Locations**

**Sugar Unit I Co-Generation Bio-Diesel & Granite Processing**  
Alathukombai Village Erode District Tamilnadu

**Sugar Unit II & Co-Generation**  
Alaganchi Village Mysore District Karnataka

**Sugar Unit III & Co-Generation**  
Kunthur Village  
Chamarajanagar District Karnataka

**Sugar Unit IV & Co-Generation**  
Kolundampattu Village  
Thiruvannamalai District Tamilnadu

**Distillery**  
I Sinnapuliyur Village Erode District Tamilnadu  
II Alaganchi Village Mysore District Karnataka

**Bio-Compost**  
I Modur Village Erode District Tamilnadu  
II Alaganchi Village Mysore District Karnataka

**Wind Mills**  
Radhapuram Irukkandurai and Karunkulam  
Villages Thirunelveli District Tamilnadu

**Address for Correspondence**

Non-receipt of dividend Transmission Consolidation Split and other queries may directly be sent to the following address

The Company Secretary  
Bannari Amman Sugars Limited  
1212 Trichy Road Coimbatore 641 018 Tamilnadu  
Email: shares@bannari.com

## Management Discussion and Analysis Report

### Industry Structure and Developments

Globally more than 123 countries are producing sugar and 70% of the production is consumed domestically and the rest is being traded. Major sugar producing countries viz. Brazil, Thailand and India produced record quantity of sugar in the marketing year 2014-15. Global sugar production during last five sugar year has exceeded the total demand. This has belied the business cycle. The forecast of Economic Analysts that deficit of sugar in the second half of 2015 has not come true.

The Indian Sugar Industry is the second largest agro-based industry in the country after textiles. After Brazil, India is the second largest producer of sugar in the world. EU, China and Thailand are the other major producers of sugar.

Cane acreage in India has increased consistently during last five years and sugar production in sugar season 2014-15 is expected to remain higher at 283 lakh tonnes compared to sugar season 2013-14.

The Indian sugar industry is presently passing through a crisis situation with sustained high production, burgeoning stocks, weak sugar prices and unrealistic sugarcane prices crippling the industry's finances. The industry is struggling to pay even FRP fixed by the Central Government.

### Sugarcane Price

The Fair and Remunerative Price (FRP) is fixed by the Central Government every year at the beginning of the sugar season which is the minimum price the sugar mills have to pay to the farmers. In addition to the above, some State Governments also announced State Advised Price (SAP). Pricing of sugarcane by the Central/State unrelated to the market prices of the end product - sugar and by-products - has resulted in mounting losses. Arrears of more than Rs 20000 crores to farmers remain unpaid in India.

The prices of sugarcane announced by the Central/State Governments are very high compared to other major sugar producing countries in the world. Brazil, the largest sugar producing nation and other major sugar producing countries have linked the sugarcane prices in line with market prices of sugar.

### Sugar Price

The sugar price is market driven and governed by domestic and global demand-supply. With the surplus sugar production for the sixth year in row, the international sugar prices are weak which restricts the scope for exports. Domestic sugar prices have also depreciated during the year to seven year low.

Declining trend of sugar prices far below the cost of production and consistent increase in FRP/SAP resulted in erosion of net worth of sugar mills in India and delay in payment to the farmers. The overall operations of the sugar mills are expected to remain under stress in the coming sugar season also.

The Government of Tamilnadu has levied VAT @ 5% on sugar making it uncompetitive with neighbouring States Karnataka and Maharashtra who sell large quantity of sugar in Tamilnadu.

### Co-generation

Sugar industry has been traditionally generating power by using bagasse as a fuel. With the advancement in the technology for generation and utilization of steam at high temperature and pressure, sugar industry can produce electricity and steam for their own requirements. It can also produce significant surplus electricity for sale to the grid. Sugar mills in India have co-generation plants with an installed exportable capacity of over 3500 megawatts. As a non-conventional source of power, a stable national regulation and pricing of cogeneration power should be in place. Remunerative price should be paid than what is being paid for per unit of power sold to state grid.



## Ethanol

In India 5% mandatory blending of ethanol with petrol was announced in the year 2007. Currently 12.5 million tonnes of molasses produced in India will yield 3100 million litres of alcohol. Out of 3100 million litres of alcohol even if we allot 1000 million litres for IMFL 500 million litres for use in the industry the balance 1600 million litres is available for blending with petrol. We need 1150 million litres for blending 5%. Thus the balance 1600 million litres is more than sufficient to meet the requirement of 2014 - 15. To meet 10% blending we may have to produce some more ethanol directly from B-Heavy molasses or even directly from cane juice. If the restrictions in movement of ethanol inter state as well as various taxes imposed by the State Governments are regularized the ethanol programme can be implemented successfully.

The new fixed price mechanism replaced the system of price discovery through tenders called in by OMCs. The old system was considered time-consuming and prone to uncertainty. As per the new arrangements mills would be paid Rs 48.50 for every litre of ethanol delivered at an OMC depot within a distance of 100 kilometres. The delivered rate is Rs 49 per litre if the distance is between 101 and 300 kilometres while being Rs 49.50 per litre for beyond 300 kilometres. The net realisation after taxes and transport will be around Rs 40 to Rs 41 per litre.

## Granite

India is one among the leading countries in mining and export of granite and is rich in granite reserves. Geologically the southern and eastern belts of the Nation are abundant in granite deposits. Different shades of granites are available in abundance in Tamilnadu Andhra Pradesh Karnataka Maharashtra Assam Bihar Rajasthan Odisha Meghalaya and Madhya Pradesh. Indian Granite Stone has become the most sought-after and extensively used stone material in building construction and massive structural works throughout the world and it is well known in the International market not only for its elegance and aesthetic quality but also for its durability. The industry is emerging now as a thrust-export-area. During the last five years exports have grown steadily by about 10% a year and this growth rate may increase even more in the near future.

## Bio Compost

Composting is a biological conversion of heterogeneous organic substrate under controlled conditions into a humus rich product. Our Bio compost unit has the facility to produce bio-compost from sugar industry waste (Press-mud) and distillery waste (Spent wash). The press-mud is inoculated with aerobic micro flora followed by spent wash spraying and finally converted into organic rich product called Bio-compost. Bio-super is enriched with bio-nutrients which has growth promoting agents. Both bio-compost and bio-super are organic manures and they also serve as soil improvers. It is a "Waste to Wealth" programme under Zero Discharge Environmental Management System.

Indian Sugar Industry can produce 4.5 Million Tonnes of Bio compost if properly regulated against India's actual requirement of 7 Million Tonnes. Bio compost also provide cleaner environment by helping achieve Zero liquid discharges.

## Micro Nutrient Mixture

Farmers generally apply Nitrogen Phosphorous Potassium (NPP) fertilizers for their crops. Apart from NPP fertilizers the crops need different kinds of micro nutrients for the healthy growth and better yield. The requirement of micro nutrients differs from crop to crop. In order to make up the micro nutrient deficiency we produce the micro nutrients and supply them to farmers based on the requirement of the crop.

**Operational performance of the company**

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
<b>Sugar</b>		
Installed Capacity (TCD)	<b>20100</b>	19000
Sugarcane Crushed (Lakh Tonnes)	<b>24.17</b>	25.83
Recovery %	<b>9.89</b>	9.86
Sugar bagged (Lakh Quintals)	<b>23.68</b>	25.55
<b>Power Division</b>		
Installed Capacity		
Co-gen power (MW)	<b>104.80</b>	84.80
Wind Mills (MW)	<b>8.75</b>	8.75
Units Generated (Million Units)	<b>315.85</b>	338.54
<b>Distillery</b>		
Installed Capacity (KLPD)	<b>127.50</b>	127.50
Alcohol Produced (Million B Ltrs)	<b>29.26</b>	27.30
<b>Granite Products</b>		
Polished slabs produced (sq mtrs)	<b>170381</b>	183947
Polished tiles produced (sq mtrs)	<b>28420</b>	25160

**Financial performance of the company**

(Rs. in Lakhs)

Particulars	Year ended 31.3.2015	Year ended 31.3.2014
<b>Revenue</b>		
Sugar	<b>61155.13</b>	34534.62
Power	<b>9355.03</b>	9459.11
Distillery	<b>12716.79</b>	11590.83
Granite Products	<b>9759.22</b>	9523.27
<b>Profit Before Interest and Tax (PBIT)</b>		
Sugar	<b>(5381.01)</b>	(2433.90)
Power	<b>9004.72</b>	6776.01
Distillery	<b>2670.41</b>	1809.33
Granite Products	<b>2680.35</b>	3143.77
<b>Profit After Tax (PAT)</b>	<b>103.03</b>	2868.85



## Policies relating to sugar industry

- The FRP (Fair & Remunerative Price) for 2014 - 15 season was fixed at Rs 220 per quintal linked to a basic recovery of 9.5% subject to a premium of Rs 2.32 per quintal for every 0.1% increase in recovery above that level. The FRP was fixed at Rs 230 per quintal for the 2015-16 season subject to a premium of Rs 2.42 per quintal for every 0.1% increase in recovery.
- The Central Government announced a subsidy of Rs 4000 per metric tonne on production and exports of raw sugar for 1.4 million tonnes upto 30th September 2015.
- The Central Government hiked the import duty on sugar from 25% to 40% in stages.
- Central Govt replaced the policy for procurement of ethanol for blending programme from tender based to fixed price.
- The 12.50% Central Excise duty on ethanol for blending purposes is removed, effective from the sugar season 2015-16.
- Government of Tamilnadu exempted purchase tax on sugar cane and imposed VAT on sugar @ 5% from 1st November 2014.

## Internal Control and their adequacy

The company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures functions satisfactorily at all times and all policies are duly complied with as required. These are considered adequate and reasonable for safeguarding the assets against loss or misappropriation through unauthorised or unintended use.

The Audit Committee of Directors regularly reviews the effectiveness of internal control system in order to ensure due and proper implementation and due compliance with applicable laws accounting standards and regulatory guidelines.

## Strengths

- The Indian sugar industry is the second largest producer of sugar in the world after Brazil.
- Industry is a source of livelihood for 50 million farmers and their families.
- Provides direct employment to over 5 lakh skilled and semi skilled workers.
- Provides raw material for a number of downstream industries.
- Makes substantial contribution to the Central and State Governments in the form of taxes and levies.

## Weakness

- The government still controls raw material pricing apart from other regulatory measures.
- Soil deterioration following an overuse of fertilisers.
- Industry cyclicality.
- Sugar price volatility.

## Opportunities

- High value by-products.
- Potential to increase the productivity of sugarcane by up grading technology.
- Mandatory blending of ethanol with the Petroleum products.

### Threats

- Fixing cane price by Central and State Governments without any relation to realisation of sugar price
- Excess production of sugar accumulation of stock uneconomical sugar prices

### Outlook

- India will continue to be a major sugar producer in the world and is expected to be a sugar surplus country for the sixth consecutive Sugar Season
- India's relatively strong economic growth stable political situation rising incomes young population and changing consumer consumption patterns are envisaged to be the key drivers encouraging higher sugar consumption However Indian sugar prices are expected to remain weak due to surplus sugar stock in both domestic and global markets
- The government's intervention is necessary in order to revive the industry which has been reeling under the twin impacts of high sugarcane prices and low sales realisation on sugar leading to recurring losses being incurred by sugar mills and mounting cane arrears

### The Way forward

- The Government should take adequate measures to link the Fair and Remunerative Price of sugarcane with the actual realisation of sugar and other by products emerged from sugar production
- Adequate policy has to be framed and implemented for mandatory blending of 10% Ethanol with the Petroleum products
- Further a policy is to be framed for manufacturing Ethanol directly from Sugarcane juice besides conventional method of producing Ethanol from molasses The higher percentage of blending of Ethanol would decrease the emission of greenhouse gases and foreign currency outflow A stable Ethanol blending programme would ensure sustainable benefits for the sugarcane farmers across the nation It would also stabilize sugar prices
- The sugar season 2014-15 is expected to have 102 Lakhs MTs of Sugar as Closing Stock of which the excess stock of 42 Lakhs MTs have to be exported with the adequate incentive support by the Government by extending the export subsidy beyond September 2015 to stabilize the domestic sugar price as well as to clear the cane arrears in time
- The Government should make a policy to buy the clean power generated out of co-generation units using the bagasse as green fuel at a higher and remunerative price
- VAT @ 5% on sugar sales has to be removed by Government of Tamilnadu for easing sugar sales

### Human Resources/Industrial Relations

- The Company employs 1555 permanent employees and the company maintains excellent relationship with its employees During the year under review no case was filed under Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act 2013
- The company has created an excellent relationship with the farmers as well as other stakeholders including bankers

Coimbatore  
27.7.2015

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman



### **Nomination and Remuneration Policy**

The Board of Directors of Bannari Amman Sugars Limited ("the Company") constituted the "Nomination and Remuneration Committee" at its Meeting held on May 30 2014

### **Compliance**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act 2013 and Clause 49 (IV) of the Listing Agreement

### **Role of the Committee**

The role of the committee will be the following

- a) Formulation of criteria for determining qualifications positive attributes and Independence of a director and recommend to the Board a policy relating to the remuneration of Directors Key Managerial Personnel and other employees
- b) Formulation of criteria for evaluation of Independent Directors and the Board
- c) Devising a policy on Board diversity
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal

### **Objective**

The objective of the policy is to ensure that

- a) the level and composition of remuneration is reasonable and sufficient to attract retain and motivate directors
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- c) remuneration to Directors Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals

### **Appointment and Removal of Director Key Managerial Personnel and Senior Management**

- a) The Committee shall identify and ascertain the integrity qualification expertise and experience of the person for appointment as Director Key Managerial Personnel or at Senior Management level and recommend his / her appointment as per Company's Policy
- b) A person should possess adequate qualification expertise and experience for the position he / she is considered for appointment The Committee has authority to decide whether qualification expertise and experience possessed by a person are sufficient / satisfactory for the position
- c) The company may appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution

### **Term / Tenure**

- a) Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman Managing Director or Executive Director for a term not exceeding five years at a time No re-appointment shall be made earlier than one year before the expiry of term

- b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director

Provided that an Independent Director shall not during the said period of three years be appointed in or be associated with the Company in any other capacity either directly or indirectly

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act

### **Evaluation**

The Committee shall carry out evaluation of performance of Director Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary

### **Removal**

The Committee may recommend with reasons recorded in writing removal of a Director Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act 2013 rules and regulations and the policy of the Company

### **Retirement**

The Director Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company The Board will have the discretion to retain the Director Key Managerial Personnel Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age for the benefit of the company

### **Policy for remuneration to Directors / Key Managerial Personnel / Senior Management Personnel**

#### 1) Remuneration to Executive Chairman / Managing Director / Whole-time Directors

The Remuneration/ Commission etc to be paid to Managing Director / Whole-time Directors etc shall be governed as per provisions of the Companies Act 2013 and rules made thereunder or any other enactment for the time being in force and the approvals obtained from the members of the company

The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors as it may consider appropriate with regard to remuneration to Executive Chairman/Managing Director / Wholetime Directors

#### 2) Remuneration to Non-Executive / Independent Directors

The Non-Executive / Independent Directors may receive sitting fees as per the provisions of Companies Act 2013 The amount of sitting fees as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors shall be subject to ceiling/ limits as provided under Companies Act 2013 and rules made thereunder or any other enactment for the time being in force

#### 3) Remuneration to Key Managerial Personnel and Senior Management

The remuneration to Key Managerial Personnel and Senior Management shall be in accordance with the Company's Policy

### **Implementation**

The Committee may issue guidelines procedures formats reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate



1. A brief outline of the company’s CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The Company’s philosophy on Corporate Social Responsibility (CSR) is that “as the organization grows the society and community around it should also grow” The company is consistently making contributions for the welfare of the people living in and around the neighbouring villages of its sugar factories The areas mainly focused on health sanitation irrigation education environment water conservation livelihood etc

Web link to the CSR Policy : <http://www.bannari.com/InvestorInformation.html>

2. The Composition of the CSR Committee

Dr M P Vijayakumar	- Independent Director & Chairman
Sri S V Balasubramaniam	- Executive Non-Independent Director
Sri T Gundan	- Independent Director
Dr Radha Ramani	- Independent Director

3. Average net profit of the company for last three financial years : Rs 115.57 Crores

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : Rs 2.31 Crores

5. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year	: Rs 2.31 Crores
b) Amount unspent if any	: Rs 2.31 Crores
c) Manner in which the amount spent during the financial year	: Not Applicable

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board report

Consequent to adverse financial position and negative impact in the sugar sector during the financial year 2014-15 the company could not spend any amount for CSR activities

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company

The CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the company

Coimbatore  
27.7.2015

**B SARAVANAN**  
Managing Director

**M P VIJAYAKUMAR**  
Chairman - CSR Committee

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended 31st March 2015**

[Pursuant to Section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rules 2014]

**I Registration and other details**

i	CIN	L15421TZ1983PLC001358
ii	Registration Date	01.12.1983
iii	Name of the Company	Bannari Amman Sugars Limited
iv	Category / Sub-Category of the Company	Public Company Limited by Shares
v	Address of the Registered Office and contact details	1212 Trichy Road Coimbatore 641018 Ph - 0422 2302277 Fax - 0422 2309999 E-mail : shares@bannari.com Website : www.bannari.com
vi	Whether Listed Company	Yes
vii	Name Address and Contact details of Registrar and Transfer Agent	Cameo Corporate Services Ltd Subramanian Building 1 Club House Road Chennai - 600002 Ph - 044 28460395 FAX - 044 28460129

**II Principal Business Activities of the Company**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	White Crystal Sugar	10721	65.77
2	Alcohol	1101	13.68
3	Granite	08102	10.49
4	Power	35106	10.06

**III Particulars of Holding Subsidiary and Associate Companies**

Sl No	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
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Not Applicable



**IV Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Shareholding**

S No	Category of shareholders	No. of shares held at the beginning of the year (As on 1-4-2014)				No. of shares held at the end of the year (As on 31-3-2015)				% of change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A.</b>	<b>Promoters</b>									
1)	<b>Indian</b>									
	a) Individual/HUF	1837535	-	1837535	16.06	1837535	-	1837535	16.06	-
	b) Central Govt.	-	-	-	-	-	-	-	-	-
	c) State Govt. (s)	-	-	-	-	-	-	-	-	-
	d) Bodies Corp.	4422741	-	4422741	38.66	4422741	-	4422741	38.66	-
	e) Banks / FI	-	-	-	-	-	-	-	-	-
	f) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	<b>6260276</b>	<b>-</b>	<b>6260276</b>	<b>54.72</b>	<b>6260276</b>	<b>-</b>	<b>6260276</b>	<b>54.72</b>	<b>-</b>
2)	<b>Foreign</b>									
	a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
	b) Other - Individuals	-	-	-	-	-	-	-	-	-
	c) Bodies Corp.	-	-	-	-	-	-	-	-	-
	d) Banks / FI	-	-	-	-	-	-	-	-	-
	e) Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6260276</b>	<b>-</b>	<b>6260276</b>	<b>54.72</b>	<b>6260276</b>	<b>-</b>	<b>6260276</b>	<b>54.72</b>	<b>-</b>
<b>B.</b>	<b>Public Shareholding</b>									
1.	<b>Institutions</b>									
	a) Mutual Funds	-	100	100	-	-	100	100	-	-
	b) Banks /FI	114	150	264	-	114	150	264	-	-
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt (s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	22392	-	22392	0.20	22122	-	22122	0.20	(0.01)
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Others (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	<b>22506</b>	<b>250</b>	<b>22756</b>	<b>0.20</b>	<b>22236</b>	<b>250</b>	<b>22486</b>	<b>0.20</b>	<b>-</b>
2.	<b>Non-Institutions</b>									
	a) Bodies Corporates									
	i) Indian	1277301	2060	1279361	11.18	1225218	2060	1227278	10.73	(0.46)
	ii) Overseas	-	45000	45000	0.39	-	45000	45000	0.39	-
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	762885	253333	1016218	8.88	706333	243767	950100	8.31	(0.58)
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2416133	50000	2466133	21.56	2541058	50000	2591058	22.65	1.09
	c) <b>Others (specify)</b>									
	Clearing Members	601	-	601	-	10935	-	10935	0.10	0.10
	Escrow Account	-	-	-	-	3816	-	3816	0.03	0.03
	Hindu Undivided Families	162012	-	162012	1.42	148111	-	148111	1.29	(0.12)
	Non Resident Indians	113679	65172	178851	1.57	109276	62872	172148	1.50	(0.06)
	Independent Directors and their Relatives	8442	50	8492	0.07	8442	50	8492	0.07	-
	<b>Sub-total (B)(2)</b>	<b>4741053</b>	<b>415615</b>	<b>5156668</b>	<b>45.08</b>	<b>4753189</b>	<b>403749</b>	<b>5156938</b>	<b>45.08</b>	<b>-</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>4763559</b>	<b>415865</b>	<b>5179424</b>	<b>45.28</b>	<b>4775425</b>	<b>403999</b>	<b>5179424</b>	<b>45.28</b>	<b>-</b>
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>									
		-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	<b>11023835</b>	<b>415865</b>	<b>11439700</b>	<b>100.00</b>	<b>11035701</b>	<b>403999</b>	<b>11439700</b>	<b>100.00</b>	<b>-</b>



## ii) Shareholding of Promoters

S No	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Shiva Distilleries Ltd	3948013	34.51	-	0	0.00	-	-34.51
2	Balasubramaniam S V	1056232	9.23	-	1056232	9.23	-	No change
3	Soundaram B	479349	4.19	-	479349	4.19	-	"
4	Annamallai Enterprise Ltd	255732	2.24	-	255732	2.24	-	"
5	Saravanan B	175758	1.54	-	175758	1.54	-	"
6	Murali B	126196	1.10	-	126196	1.10	-	"
7	Shiva Cargo Movers Ltd	106500	0.93	-	106500	0.93	-	"
8	Bannariamman Finance Ltd	87193	0.76	-	87193	0.76	-	"
9	SVB Enterprise Private Ltd	10700	0.09	-	10700	0.09	-	"
10	Bannari Amman Enterprises Ltd	9703	0.08	-	9703	0.08	-	"
11	Kerala Alcoholic Products Ltd	4900	0.04	-	4900	0.04	-	"
12	SVB Holdings Private Ltd	0	0.00	-	3948013	34.51	-	34.51
	Total	6260276	54.72		6260276	54.72		

## iii) Change in Promoters' Shareholding (please specify if there is no change)

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shiva Distilleries Limited				
	At the beginning of the year	3948013	34.51		
	Transferred pursuant to the Scheme approved by the High Court on 27.10.2014	-3948013	-34.51	0	0.00
	At the end of the Year			0	0.00
2	Balasubramaniam S V				
	At the beginning of the year	1056232	9.23		
	At the end of the Year			1056232	9.23
3	Soundaram B				
	At the beginning of the year	479349	4.19		
	At the end of the Year			479349	4.19
4	Annamallai Enterprise Limited				
	At the beginning of the year	255732	2.24		
	At the end of the Year			255732	2.24



**iii) Change in Promoters' Shareholding (please specify, if there is no change) contd....**

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	Saravanan B				
	At the beginning of the year	175758	1.54		
	At the end of the Year			175758	1.54
6	Murali B				
	At the beginning of the year	126196	1.10		
	At the end of the Year			126196	1.10
7	Shiva Cargo Movers Limited				
	At the beginning of the year	106500	0.93		
	At the end of the Year			106500	0.93
8	Bannariamman Finance Limited				
	At the beginning of the year	87193	0.76		
	At the end of the Year			87193	0.76
9	SVB Enterprise Private Limited				
	At the beginning of the year	10700	0.09		
	At the end of the Year			10700	0.09
10	Bannari Amman Enterprises Limited				
	At the beginning of the year	9703	0.08		
	At the end of the Year			9703	0.08
11	Kerala Alcholic Products Limited				
	At the beginning of the year	4900	0.04		
	At the end of the Year			4900	0.04
12	SVB Holdings Private Limited				
	At the beginning of the year	0	0.00		
	Acquired pursuant to the Scheme approved by the High Court on 27.10.2014	3948013	34.51	3948013	34.51
	At the end of the Year			3948013	34.51



**iv) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs)**

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Anuj Anantrai Sheth				
	Jt1 Parul Anuj Sheth				
	At the beginning of the year	453855	3.97		
	Purchase 14.11.2014	25000	0.22	478855	4.19
	At the end of the Year			478855	4.19
2	Gagandeep Credit Capital Pvt Limited				
	At the beginning of the year	359858	3.15		
	Purchase 5.9.2014	2886	0.02	362744	3.17
	At the end of the Year			362744	3.17
3	Nemish S Shah				
	Jt1 Rekha N Shah				
	At the beginning of the year	325000	2.84		
	At the end of the Year			325000	2.84
4	Sudarshan Securities Private Limited				
	At the beginning of the year	196415	1.71		
	At the end of the Year			196415	1.71
5	Prescient Securities Private Limited				
	At the beginning of the year	189257	1.65		
	Sale 4.4.2014	-500	0.00	188757	1.65
	Purchase 11.4.2014	999	0.01	189756	1.66
	Purchase 22.8.2014	3421	0.03	193177	1.69
	Purchase 29.8.2014	4887	0.04	198064	1.73
	Purchase 5.9.2014	270	0.00	198334	1.73
	At the end of the Year			198334	1.73
6	Ask Securities Advisory Services Private Limited				
	At the beginning of the year	184000	1.60		
	At the end of the Year			184000	1.60
7	Nilesh Kishor Shah				
	Jt1 Kishor Nandlal Shah				
	At the beginning of the year	146425	1.28		



**iv) Shareholding Pattern of top ten Shareholders (other than Directors Promoters and Holders of GDRs and ADRs) contd...**

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase 25.4.2014	42944	0.38	189369	1.66
	Purchase 2.5.2014	7	0.00	189376	1.66
	Sale 9.5.2014	-151	0.00	189225	1.65
	Purchase 16.5.2014	500	0.00	189725	1.66
	Sale 23.5.2014	-1	0.00	189724	1.66
	Purchase 6.6.2014	17575	0.15	207299	1.81
	At the end of the Year			207299	1.81
8	Mayank Jashwantlal Shah				
	Jt1 Shruti Mayank Shah				
	At the beginning of the year	137000	1.20		
	Purchase 11.4.2014	98000	0.86	235000	2.05
	Purchase 14.8.2014	255	0.00	235255	2.06
	Purchase 13.3.2015	40	0.00	235295	2.06
	Purchase 27.3.2015	1898	0.02	237193	2.07
	At the end of the Year			237193	2.07
9	Anvil Share & Stock Broking Pvt. Limited				
	At the beginning of the year	120000	1.05		
	Purchase 21.11.2014	1000	0.01	121000	1.06
	At the end of the Year			121000	1.06
10	Arun Nahar				
	At the beginning of the year	110314	0.96		
	Purchase 9.1.2015	600	0.01	110914	0.97
	At the end of the Year			110914	0.97

**v) Shareholding of Directors and Key Managerial Personnel**

S No	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Balasubramaniam S V (Chairman)				
	At the beginning of the year	1056232	9.23		
	At the end of the Year			1056232	9.23
2	Saravanan B (Managing Director)				
	At the beginning of the year	175758	1.54		
	At the end of the Year			175758	1.54
3	Perumalsamy A K (Director)				
	At the beginning of the year	1500	0.01		
	Sale	600	0	900	0.01
	At the end of the Year			900	0.01
4	Muthukumar E P (Director)				
	At the beginning of the year	1000	0.01		
	At the end of the Year			1000	0.01
5	Palaniswamy C (Company Secretary)				
	At the beginning of the year	10	0.00		
	At the end of the Year			10	0.00

No other Director/Key Managerial Personnel were holding shares at the beginning or at the end of the year



**V. Indebtedness**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75825.84	29403.54	-	105229.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	94.36	-	-	94.36
Total (i+ii+iii)	75920.20	29403.54	-	105323.74
Change in Indebtedness during the financial year				
Addition	20353.65	33149.97	-	53503.62
Reduction	8225.20	28500.00	-	36725.20
Net Change Indebtedness	12128.45	4649.97	-	16778.42
At the end of the financial year				
i) Principal Amount	88026.12	34053.51	-	122079.63
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.53	-	-	22.53
Total (i + ii + iii)	88048.65	34053.51	-	122102.16

**VI. Remuneration of Directors and Key Managerial Personnel**

**A. Remuneration to Managing Director Whole-time Directors and/or Manager**

(Rs in Lakhs)

S No	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Sri S V Balasubramaniam (Chairman)	Sri B Saravanan (Managing Director)	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act 1961	54.00	36.00	90.00
	b) Value of perquisites u/s 17(2) Income-tax Act 1961	2.94	3.55	6.49
	c) Profits in lieu of salary under Section 17(3) Income-tax Act 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others specify			
5	Others please specify			
	Total (A)	56.94	39.55	96.49
	Ceiling as per the Act			
	i) in case the company has profit	5% of the net profit	5% of the net profit	10% of the net profit
	ii) in case the company has no profit or profit is inadequate	Minimum remunerations as prescribed in Part II of Section II of Schedule V to the Companies Act 2013		



**B. Remuneration to other directors**

(Rs in Lakhs)

Sl No	Particulars of Remuneration	Name of Director					Total
		Sri T Gundan	Dr M P Vijayakumar	Sri A K Perumalsamy	Sri E P Muthukumar	Dr Radha Ramani	
1	Independent Directors Fee for attending Board / Committee meetings	0.30	0.30	0.25	0.35	0.05	1.25
	Commission						
	Others please specify						
	Total (1)	0.30	0.30	0.25	0.35	0.05	1.25
2	Other Non-Executive Directors						
	Fee for attending Board / Committee meetings						
	Commission						
	Others please specify						
	Total (2)						
	Total (B)=(1+2)	0.30	0.30	0.25	0.35	0.05	1.25
	Total Managerial Remuneration	0.30	0.30	0.25	0.35	0.05	1.25
Overall Ceiling as per the Act	_____ 1% of the net profit _____						

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs in Lakhs)

S No	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1	Gross salary			
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act 1961	23.29	10.14	33.43
	b) Value of perquisites u/s 17(2) Income-tax Act 1961	0.94	0.45	1.39
	c) Profits in lieu of salary under Section 17(3) Income-tax Act 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission - as % of profit - others specify			
5	Other please specify			
	Total	24.23	10.59	34.82



**VII. Penalties / Punishment / Compounding of Offences (Under the Companies Act):**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Coimbatore  
27.7.2015

By Order of the Board  
**S V BALASUBRAMANIAM**  
Chairman

**Secretarial Audit Report  
for the financial year ended on 31st March 2015**

[Pursuant to Section 204(1) of the Companies Act 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules 2014]

To

The Members  
Bannari Amman Sugars Limited  
1212 Trichy Road  
Coimbatore - 641018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by M/s Bannari Amman Sugars Limited (hereinafter called the 'Company') Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon

Based on our verification of the Company's books papers minute books forms and returns filed and other records maintained by the Company and also the information provided by the Company its officers agents and authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion the Company has during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter

We have examined the books papers minute books forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of :

- i) The Companies Act 2013 (the Act) and the rules made thereunder and the Companies Act 1956 (to the extent applicable)
- ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made thereunder
- iii) The Depositories Act 1996 and the Regulations and Bye-laws framed thereunder
- iv) Foreign Exchange Management Act 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings - Not Applicable
- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act')
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 1992
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with client
- vi) and other laws applicable to the Company viz
  1. Essential Commodities Act 1955
  2. Sugarcane (Control) Order 1966
  3. Sugar Cess Act 1982
  4. Sugar Development Fund Act 1982
  5. Sugar (Packing And Marking) Order 1970



6. Food Safety and Standards Act 2006
7. Insecticides Act 1968
8. Factories Act 1948
9. The Boiler Act 1923
10. The Electricity Act 2003
11. Environment Protection Act 1986
12. The Water (Prevention and Control of Pollution) Act 1974
13. The Air (Prevention and Control of Pollution) Act 1981
14. The Employees' Provident Funds and Miscellaneous Provisions Act 1952
15. Employee State Insurance Act 1948
16. The Payment of Wages Act 1956
17. The Minimum Wages Act 1948
18. The Industrial Employment (Standing Order) Act 1946
19. The Employees' Compensation Act 1923
20. Equal Remuneration Act 1976
21. The Payment of Bonus Act 1965
22. The Payment of Gratuity Act 1972
23. The Legal Metrology Act 2011
24. Land Revenue and all other local laws applicable to its plants and offices

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals we report that the audit systems are in place to monitor and ensure compliance of Laws relating to Income tax Central Excise Act VAT Act Central Sales Tax and Service Tax

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE and National Stock Exchange of India Limited

Secretarial Standards issued by the Institute of Company Secretaries of India are applicable only with effect from 01.07.2015

During the period under review the Company has complied with all the applicable Acts Rules Regulations Guidelines Standards etc including the laws mentioned above

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors Non-Executive Directors Independent Directors and a Woman Director The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice are given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws rules regulations and guidelines

We further report that during the audit period there were no instances of

- a) Public/Rights/Preferential Issue of shares/Debentures/Sweat Equity
- b) Redemption/Buy Back of Securities
- c) Merger/amalgamation/reconstruction etc
- d) Foreign Technical Collaboration

Place: Coimbatore

Date : 6th July 2015

For M/s C Thirumurthy & Associates

**C Thirumurthy** B Com B L FCS

Practising Company Secretary

FCS 3454 CP 5179

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report



To

The Members  
Bannari Amman Sugars Limited  
1212 Trichy Road  
Coimbatore - 641018

Our report of even date is to be read along with this letter

- 1 Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2 We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- 3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4 We have obtained wherever required the Management representation about the compliance of laws rules and regulations and happening of events etc.
- 5 The compliance of the provisions of Corporate and other applicable laws rules regulations standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Coimbatore  
Date : 6th July 2015

For M/s C Thirumurthy & Associates  
**C Thirumurthy** B Com B L FCS  
Practising Company Secretary  
FCS 3454 CP 5179

**Declaration on Code of Conduct**

To

The Members of  
Bannari Amman Sugars Limited

In compliance with the requirements of Clause 49 of the Listing Agreement with the stock exchanges I declare that the Board of Directors and Members of Senior Management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2015

Coimbatore  
27.7.2015

**S V BALASUBRAMANIAM**  
Chairman

**Auditors' Certificate on Corporate Governance**

To

The Members of  
Bannari Amman Sugars Limited

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Sugars Limited (the "Company") for the year ended on 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations and the representations given to us by the Directors and the management we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Coimbatore  
27.7.2015

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner

M No 200/18111  
ICAI Firm Regn. No: 003328S



**Independent Auditors' Report to the Members of Bannari Amman Sugars Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Bannari Amman Sugars Limited ("the Company") which comprise the Balance Sheet as at March 31 2015 the Statement of Profit and Loss the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014 This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities selection and application of appropriate accounting policies making judgments and estimates that are reasonable and prudent and design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit

We have taken into account the provisions of the Act the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error In making those risk assessments the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's directors as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31 2015 and its profit and its cash flows for the year ended on that date

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) order 2015 ('the order') issued by the central Government of India in terms of sub-section 11 of section 143 of the Companies Act 2013 we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the order to the extent applicable

As required by Section 143(3) of the Act we report that :

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books
- c) The Balance Sheet the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d) In our opinion the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014
- e) On the basis of the written representations received from the directors as on March 31 2015 taken on record by the Board of Directors none of the directors is disqualified as on March 31 2015 from being appointed as a director in terms of Section 164 (2) of the Act
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 28 to the financial statements
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company

Coimbatore  
29.5.2015

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner

M No 200/18111  
ICAI Firm Regn. No: 003328S



**Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the company on the financial statements for the year ended 31 March 2015 we report that:

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets
- ii) a) Inventories have been physically verified during the year by the management at reasonable intervals
- b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- c) In our opinion and on the basis of our examination of the records the company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records
- iii) According to the information and explanations given to us and on the basis of our examination of the books of account the Company has not granted any loans secured or unsecured to the companies firms or other parties listed in the register maintained under Section 189 of the Companies Act 2013 ('the Act'). Consequently the provisions of Clauses iii (a) iii (b) and of the Order are not applicable to the company
- iv) In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory fixed assets and sale of goods and services. During the course of our audit we have not observed any major weakness in the internal control system
- v) The Company has not accepted any deposits from the public
- vi) As per information & explanation given by the management maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under Section 148(1) of the Companies Act 2013 by the company
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the company the undisputed statutory dues including provident fund Employee's State Insurance income tax sales tax wealth tax service tax duty of customs duty of excise value added taxes cess and any other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of the above dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable
- b) According to the information and explanations given to us the disputed statutory dues (in case of income tax sales tax wealth tax service tax duty of customs duty of excise value added taxes and cess) aggregating to Rs 1579.62 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under :



Name of the Statute	Nature of Dues	Amount (Rs in Lakhs)	Period to which the Amount Relates to	Forum where dispute is pending
Income Tax Act 1961	Income Tax	1579.62	Assessment Year 2012 - 13	Commissioner of Income Tax (Appeals) Coimbatore

- c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 (1 of 1956) and rules thereunder has been transferred to such fund within time
- viii) The Company does not have any accumulated losses at the end of the financial year The Company has not incurred cash losses in the financial year and in the immediately preceding financial year
- ix) The Company did not have any outstanding dues to financial institutions banks or debenture holders during the year
- x) In our opinion and according to the information and the explanations given to us the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi) According to the information and explanations given to us the term loans are applied for the purpose for which the loans were obtained
- xii) According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of our audit

Coimbatore  
29.5.2015

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner

M No 200/18111  
ICAI Firm Regn. No: 003328S



**Balance Sheet as at 31.3.2015**

PARTICULARS	Note No	As at 31.3.2015		As at 31.3.2014	
		Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>I. EQUITY AND LIABILITIES</b>					
1) <b>SHAREHOLDERS' FUNDS</b>					
a) Share Capital	2	1143.97		1143.97	
b) Reserves and Surplus	3	94044.97		94256.37	
			<b>95188.94</b>		95400.34
2) <b>NON-CURRENT LIABILITIES</b>					
a) Long term borrowings	4	27216.95		24255.06	
b) Deferred tax liabilities (Net)	5	9422.17		9491.32	
d) Long term provisions	6	310.08		263.72	
			<b>36949.20</b>		34010.10
3) <b>CURRENT LIABILITIES</b>					
a) Short term borrowings	7	90842.61		78115.70	
b) Trade payables	8	6204.94		7403.17	
c) Other current liabilities	9	6557.01		7530.30	
d) Short term provisions	10	4711.82		5597.90	
			<b>108316.38</b>		98647.07
<b>TOTAL</b>			<b>240454.52</b>		<b>228057.51</b>
<b>II. ASSETS</b>					
1) <b>NON-CURRENT ASSETS</b>					
a) Fixed Assets					
i) Tangible assets	11	91688.36		63172.26	
ii) Capital work in progress		2159.77		26784.91	
b) Non - current investments	12	35.00		49.44	
c) Long - term loans and advances	13	9472.73		9721.69	
			<b>103355.86</b>		99728.30
2) <b>CURRENT ASSETS</b>					
a) Inventories	14	121084.20		117756.79	
b) Trade Receivables	15	4020.03		4139.36	
c) Cash and cash equivalents	16	1080.20		353.37	
d) Short - term loans and advances	17	5446.60		4698.35	
e) Other current assets	18	5467.63		1381.34	
			<b>137098.66</b>		128329.21
<b>TOTAL</b>			<b>240454.52</b>		<b>228057.51</b>

Significant Accounting policies 1  
The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner  
M No 200/18111  
ICAI Firm Regn. No: 003328S  
Coimbatore  
29.5.2015

**S V BALASUBRAMANIAM**  
Chairman

**B SARAVANAN**  
Managing Director

**C PALANISWAMY**  
Company Secretary

**M RAMPRABHU**  
Chief Financial Officer



**Statement of Profit and Loss for the year ended 31.3.2015**

PARTICULARS	Note No	Year ended 31.3.2015		Year ended 31.3.2014	
		Details	Total	Details	Total
		(Rs in lakhs)		(Rs in lakhs)	
I <b>REVENUE FROM OPERATIONS (GROSS)</b>	19	94636.88		66085.49	
Less : Excise duty		1650.71		977.66	
Revenue from operations (Net)		92986.17		65107.83	
II Other Income	20	1630.79		256.60	
III Total Revenue (I + II)			<b>94616.96</b>		65364.43
IV <b>EXPENSES</b>					
Cost of materials consumed	21	58336.90		66375.68	
Purchase of traded goods	22	3130.66		4100.31	
Changes in inventories of finished goods and work-in-progress	23	(3123.06)		(42601.74)	
Employee benefit expenses	24	6591.78		5847.88	
Finance Costs	25	9284.48		6191.64	
Depreciation and amortisation expenses		5125.55		5195.53	
Other Expenses	26	15236.78		17040.48	
TOTAL EXPENSES			<b>94583.09</b>		62149.78
V PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)			<b>33.87</b>		3214.65
VI Exceptional items			--		--
VII PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)			<b>33.87</b>		3214.65
VIII Extraordinary Items			--		--
IX <b>PROFIT BEFORE TAX (VII - VIII)</b>			<b>33.87</b>		3214.65
X Tax Expenses					
a) Current tax		8.38		674.43	
b) MAT credit entitlement		(8.38)		(674.43)	
c) Deferred tax		(69.16)		345.90	
			<b>(69.16)</b>		345.90
XI <b>PROFIT FOR THE PERIOD (IX - X)</b>			<b>103. 03</b>		2868.75
XII <b>Earnings per Share [Basic and diluted] (Rs.)</b>			<b>0.90</b>		25.08

Significant Accounting policies 1  
 The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
 For **P N RAGHAVENDRA RAO & CO**  
 Chartered Accountants

**P R VITTEL**  
 Partner  
 M No 200/18111  
 ICAI Firm Regn. No: 003328S  
 Coimbatore  
 29.5.2015

**S V BALASUBRAMANIAM**  
 Chairman

**C PALANISWAMY**  
 Company Secretary

**B SARAVANAN**  
 Managing Director

**M RAMPRABHU**  
 Chief Financial Officer



**Notes forming part of the financial statements for the year ended 31.3.2015**

**NOTE 1 : Significant accounting policies**

1.1 The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on going concern basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

1.2 **Fixed Assets :** The Fixed Assets are carried at Cost less accumulated depreciation and impairment losses if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations but excludes duties and taxes that are recoverable from taxing authorities. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets which are not ready for their intended use and other capital work in progress are carried at cost comprising direct cost, related incidental expenses and attributable interest.

1.3 **Long Term Investments:** Investments are accounted at cost. The diminution in the market value of long term investments is recognized when diminution is considered permanent.

1.4 **Depreciation :** Straight line method has been adopted for providing depreciation on fixed assets over the useful life of the assets prescribed under Schedule II to the Companies Act 2013 other than for Co-Generation Division and Wind Mill Division. For the assets of Co-Generation division and Wind Mill Division depreciation has been provided under written down value method. For additions and deletions depreciation is provided from/to the date of addition/deletion on pro-rata basis. Depreciation on asset additions costing Rs 5000/- or less is provided at the rate of 100% in the year of capitalisation.

**1.5 Valuation of Inventory :**

i) Finished Goods

- Sugar
- Granite Blocks
- Polished Granite slabs and tiles
- Molasses
- Bagasse
- Industrial Alcohol
- Fusel Oil
- Bio-compost

At weighted average cost or Net Realisable value whichever is lower

Sawn Granite slabs and process stock

- At cost or net realisable value whichever is lower

Raw material, consumables, stores & spares and others

At weighted average cost or Net Realisable value whichever is lower

ii) The cost for the finished goods and process stock is inclusive of cost of purchase, cost of conversion, Excise duty, cess if any and other costs incurred in bringing the inventories to their present location and condition.



- 1.6 **Revenue Recognition:** All Income and Expenses are accounted on accrual basis in line with Accounting Standard 9 (AS-9) The turnover is accounted without considering inter-division transfers for own consumption
- 1.7 **Foreign Currency transactions :** Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction Foreign currency monetary items as at the balance sheet date are reported using the closing rate or at the rate that is likely to be realised from/required to be disbursed The gain or loss due to increase or decrease in value of reporting currency due to fluctuations in rates of exchange are recognized in the statement of profit and loss
- 1.8 **Provision Contingent liabilities & Contingent assets :** Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources Contingent liabilities are not recognised but are shown by way of notes Contingent assets are neither recognised nor disclosed in the financial statements
- 1.9 **Impairment of assets:** Impairment of assets are assessed as at the close of each financial year and appropriate provision if any are recognised and given effect to the Accounts
- 1.10 **Taxation:** Current tax is determined at the current rates of Income Tax on taxable income and tax credits are computed in accordance with the provisions of the Income Tax Act 1961 Minimum Alternate Tax (MAT) paid in accordance with the tax laws which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset if there is convincing evidence that the company will pay normal income tax Accordingly MAT is recognised as an asset in the balance sheet when it is probable that future economic benefit associated with it will flow to the Company
- 1.11 **Deferred Tax:** Deferred tax is recognized on timing difference between the accounting income and the taxable income for the year and quantified using the tax rates and laws that have been substantially enacted as at the balance sheet date The deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that these would be realized in future
- 1.12 **Government grants:** Government grants are recognized based on the reasonable assurance that the Company will comply with the condition attached to the grants and the grants will be received Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same
- 1.13 **Segment reporting:** The segment reporting is in line with the accounting policies of the Company Inter segment transactions have been accounted for based on the price which has been arrived at considering cost and market price Revenue and expenses that are directly identifiable with or allocable to segments are considered for determining the segment results Segment assets and liabilities include those directly identifiable with the respective segments Business segments are identified on the basis of the nature of products the risk/return profile of individual business the organizational structure and the internal reporting system of the Company
- 1.14 **Leases:** The Company's significant leasing arrangements are operating leases and cancelable in nature. The lease rentals paid/received under such agreements are accounted in the statement of profit and loss
- 1.15 **Employee benefits :** Provident Fund Employees State Insurance are defined contribution schemes and contributions are charged to statement of profit and loss of the year in which the contributions to the respective funds are due The Company has opted for LIC group gratuity scheme which is a defined benefit scheme For calculating gratuity liability the premium ascertained by LIC has been taken into account Long term accumulated absences are provided based on the actuarial valuation
- 1.16 **Excise duty :** The Excise Duty on sale of finished goods is deducted from turnover to arrive at net sales as shown in the statement of profit and loss The Excise Duty appearing in the statement of profit and loss as an expenditure represents excise duty provision for difference between opening and closing stock of finished goods
- 1.17 **Cash Flow Statement :** Cash flows are reported using the indirect method whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any difference are accruals of past or future cash receipts or payments The cash flows from operating investing and financing activities of the company are segregated based on the available information
- 1.18 **Borrowing Cost :** Borrowing cost which are directly attributable to the construction of qualifying assets are capitalised as a part of the cost of the asset



PARTICULARS	As at 31.3.2015	As at 31.3.2014
	Total (Rs in lakhs)	Total (Rs in lakhs)
<b>2 SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
29000000 Equity shares of Rs. 10/- each (29000000 of Equity Shares of Rs. 10/- each)	<b>2900.00</b>	2900.00
2100000 Redeemable Preference shares of Rs. 100/- each (2100000 Redeemable Preference shares of Rs. 100/- each)	<b>2100.00</b>	2100.00
	<b>5000.00</b>	5000.00
<b>ISSUED SUBSCRIBED AND FULLY PAID UP</b>		
11439700 Equity Shares of Rs. 10/- each (11439700 Equity Shares of Rs. 10/- each)	<b>1143.97</b>	1143.97

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

PARTICULARS	As at 31.3.2015		As at 31.3.2014	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
<b>Equity shares</b>				
At the beginning of the period	<b>11439700</b>	<b>1143.97</b>	11439700	1143.97
At the end of the period	<b>11439700</b>	<b>1143.97</b>	11439700	1143.97

**b. Details of shareholders holding more than 5% shares in the company**

Name of the Shareholder	As at 31.3.2015		As at 31.3.2014	
	No. of shares	% of holding	No. of shares	% of holding
i. Sri S V Balasubramaniam	<b>1056232</b>	<b>9.23</b>	1056232	9.23
ii. M/s Shiva Distilleries Ltd	<b>Nil</b>	<b>Nil</b>	3948013	34.51
iii. M/s SVB Holdings Private Limited	<b>3948013</b>	<b>34.51</b>	Nil	Nil

**c. Terms / rights attached to equity shares**

The company has issued only one class of equity shares having face value of Rs10/- each. One equity share carries one vote. The members are entitled to vote in accordance with their shareholding. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.



PARTICULARS	As at 31.3.2015		As at 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>3 RESERVES AND SURPLUS</b>				
Capital Reserve		<b>656.25</b>		656.25
Capital Redemption Reserve		<b>1846.00</b>		1846.00
Securities Premium account		<b>8503.35</b>		8503.35
General Reserve				
Opening Balance	81133.11		79133.11	
Add : Transfer from statement of profit and loss	--		2000.00	
Closing balance		<b>81133.11</b>		81133.11
<b>Surplus in the statement of profit and loss</b>				
Opening balance	2117.66		2916.80	
Add: Profit after tax for the year	103.03		2868.75	
	2220.69		5785.55	
Less : Appropriations:				
Provision for Diminution in Value of Investment (long term)	(29.78)		(5.09)	
Provision for Proposed Dividend on Equity Shares	285.99		1429.96	
Provision for Tax on Dividend	58.22		243.02	
Transferred to General Reserve	--		2000.00	
	314.43		3667.89	
Closing balance		<b>1906.26</b>		2117.66
<b>TOTAL</b>		<b>94044.97</b>		<b>94256.37</b>
<b>4 LONG TERM BORROWINGS</b>				
Secured :				
Term Loan from banks		<b>17200.00</b>		15500.00
Term Loan from Sugar Development Fund		<b>2395.28</b>		2943.48
Loan under SEFASU-2014 notified by the Central Govt		<b>7621.67</b>		5811.58
<b>TOTAL</b>		<b>27216.95</b>		<b>24255.06</b>

4.1 Rupee term loan of Rs 9000 lakhs (Rs 6800 lakhs) from HDFC Bank Ltd is secured by pari passu first charge on the land & building and movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III

The loan carries interest at the rate of Bank's Base rate plus 1% and repayable in 20 equal quarterly instalments starting from January 2016

The loan amount repayable within twelve months is Rs 450 lakhs (Nil) grouped under Other Current Liabilities



## BANNARI AMMAN SUGARS LIMITED

- 4.2 Rupee term loan of Rs 8550 Lakhs (Rs 7100 Lakhs) from State Bank of India is secured by pari passu first charge on the land & building and movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III

The loan carries Interest at the rate of Bank's Base rate plus 1% and repayable in 20 equal quarterly instalment starting from March 2015

The loan amount repayable within twelve months is Rs 1800 lakhs (Rs 400 Lakhs) grouped under Other Current Liabilities

- 4.3 Rupee term loan of Rs 2000 Lakhs (Rs 2000 Lakhs) from The Federal Bank Ltd is secured by pari passu first charge on the land & building and movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III

The loan carries Interest at the rate of Bank's Base rate plus 0.60% and repayable in 20 equal quarterly instalments starting from January 2016

The loan amount repayable within twelve months is Rs 100 lakhs (Nil) grouped under Other Current Liabilities

- 4.4 Loan from Sugar Development Fund (Government of India) availed for setting up of co-generation plant in Sugar Unit-IV amounting to Rs 2403.48 Lakhs (Rs 2403.48 lakhs) is secured by way of first charge on the movable and immovable properties of Sugar Unit IV and first pari passu charge on the movable and immovable properties of co-generation plant in Sugar Unit IV

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal commenced after the expiry of three years and in ten equal half yearly installments. The interest on the loan shall be paid half-yearly from the date of disbursement. The loan was disbursed during the financial year 2013

The loan amount repayable within twelve months is Rs 480.70 lakhs (Nil) grouped under Other Current Liabilities

- 4.5 Loan from Sugar Development Fund (Government of India) availed for implementation of the schemes aimed at development of sugar cane in the factory area of Sugar Unit-II amounting to Rs 540 Lakhs (Rs 540 lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit-II

Repayment of principal commenced after the expiry of three years and in four equal annual installments. The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. The loan was disbursed in two instalments of Rs 270 lakhs each. The interest on the first instalment of Rs 270 lakhs disbursed during the financial year 2013 is payable annually and the interest on the second instalment of Rs 270 lakhs disbursed during the financial year 2014 is payable half yearly from the date of disbursement

The loan amount repayable within twelve months is Rs 67.50 lakhs (Nil) grouped under Other Current Liabilities

- 4.6 Loan of Rs 7840 Lakhs (Rs 5811.58 Lakhs) under SEFASU notified by Government of India availed from Punjab National Bank, HDFC Bank Ltd and Indian Overseas Bank is secured by residual third charge on all fixed assets forming part of block assets and land and buildings of Sugar Units I, II, III and IV

The loan availed from Punjab National Bank and HDFC Bank Ltd carries interest at the rate of 12% per annum and loan availed from Indian Overseas Bank carries interest at the rate of Bank's base rate plus 0.50%. The loan is eligible interest subvention upto 12% and is repayable in 36 equal monthly instalments after the expiry of 2 years from the date of disbursement

The loan amount repayable within twelve months is Rs 218.33 lakhs (Nil) grouped under Other Current Liabilities



PARTICULARS	As at 31.3.2015		As at 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>5 DEFERRED TAX LIABILITIES</b>				
Deferred tax liabilities arising on account of depreciation	14096.73		9491.32	
Less : Deferred tax assets arising on account of carry forward loss	4674.56		-	
Deferred tax liabilities (Net)		<b>9422.17</b>		9491.32
<b>6 LONG TERM PROVISIONS</b>				
Provision for employee benefits - compensated absences		<b>310.08</b>		263.72
<b>7 SHORT TERM BORROWINGS</b>				
Loan from banks repayable on demand				
SECURED :				
Cash Credit Loan	57192.64		49115.70	
Packing Credit Loan	500.00		500.00	
		<b>57692.64</b>		49615.70
UNSECURED :				
Short Term Loan from banks	33149.97			28500.00
<b>TOTAL</b>		<b>90842.61</b>		78115.70

- 7.1 Cash Credit and other Working Capital Limits /Demand Loan sanctioned by Punjab National Bank consortium consists of Punjab National Bank Bank of Baroda Canara Bank The Federal Bank Ltd The Karur Vysya Bank Ltd Union Bank of India Indian Overseas Bank State Bank of Travancore State Bank of India State Bank of Hyderabad Bank of India Axis bank Ltd ICICI Bank Ltd and HDFC Bank Ltd to the company's Sugar Units are secured by way of hypothecation of current assets and other movable block assets of the sugar units and third mortgage on the immovable properties of the Sugar units  
The credit limit availed as at 31.3.2015 is Rs 56945.04 Lakhs (Rs 48967.42 Lakhs)  
The availed limits are repayable on demand and carries interest rates between Bank's base rate plus 0.25% and 1% per annum
- 7.2 Packing Credit Limit and other working capital limits sanctioned by Punjab National Bank and State Bank of India to Granite Division are secured by way of hypothecation of current assets and second mortgage on other movable and immovable properties of Granite Division  
The credit limit availed as at 31.3.2015 is Rs 500 Lakhs (Rs 500 Lakhs)  
The credit limits availed are repayable on demand and carries interest at the rate of banks base rate plus 0.25% per annum
- 7.3 Cash Credit Limits sanctioned by Canara Bank and The Lakshmi Vilas Bank Ltd to Distillery Unit at Tamilnadu are secured by way of Hypothecation of current assets and second charge on other movable and immovable properties of the Distillery Unit in Tamilnadu  
The credit limit availed as at 31.3.2015 is Rs 247.60 Lakhs (Rs 148.28 Lakhs)  
The cash credit limits are repayable on demand and carries interest ranges between Bank's base rate plus 0.30% and 1.25% per annum  
The Unsecured Short Term loan of Rs 5000 lakhs from HDFC Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at the rate of 10% per annum  
The Unsecured Short Term loan of Rs 10000 lakhs from HDFC Bank Ltd is repayable within ninety days from the date of availment and carries interest at the rate of 10% per annum  
The Unsecured Short Term Export Credit facility of Rs 2000 lakhs from HDFC Bank Ltd is repayable within ninety days from the date of availment and carries interest at the rate of 10% per annum



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The Unsecured Short Term Vendor Financing/Purchase Invoice Discounting facility of Rs 2500 lakhs from Axis Bank Ltd is repayable within one hundred and twenty days from the date of availment and carries interest at the rate of 10.25% per annum

7.4 The Unsecured Short Term Factoring Facility for domestic receivables of Rs 2500 lakhs from Axis Bank Ltd is repayable within ninety days from the date of availment and carries interest at the rate of 10.50% per annum

The Unsecured Short Term Loan of Rs 4649.97 lakhs from Canara Bank is repayable in four monthly equal instalments commencing from fifth month from the date of availment and carries interest at the rate of 10.25% per annum

The Unsecured Working Capital Demand Loan of Rs 6500 lakhs from Rabo Bank International is repayable within ninety days from the date of availment and carries interest at the rate of 10% per annum

PARTICULARS	As at 31.3.2015	As at 31.3.2014
	Total (Rs in lakhs)	Total (Rs in lakhs)
<b>8 TRADE PAYABLES</b>		
Purchases and Services	<b>5216.60</b>	6278.63
Expenses	<b>988.34</b>	1124.54
<b>TOTAL</b>	<b>6204.94</b>	7403.17

The vendors of the Company are yet to submit their status under Micro Small and Medium Enterprises hence the relevant information is not available with the company Accordingly no disclosures relating to Micro Small and Medium Enterprises have been made in the Accounts

PARTICULARS	As at 31.3.2015	As at 31.3.2014
	Total (Rs in lakhs)	Total (Rs in lakhs)
<b>9 OTHER CURRENT LIABILITIES</b>		
Current maturities of long term borrowings	<b>4020.07</b>	2858.62
Payable on purchase of fixed assets	<b>1314.64</b>	2246.31
Interest accrued but not due on borrowings	<b>22.53</b>	94.36
Unpaid Dividend	<b>63.27</b>	71.02
Statutory remittances	<b>209.01</b>	1704.13
Trade or security deposits received	<b>119.92</b>	98.39
Advance from customers	<b>785.25</b>	439.04
Others	<b>22.32</b>	18.43
<b>TOTAL</b>	<b>6557.01</b>	7530.30
<b>10 SHORT TERM PROVISIONS</b>		
For excise duty on closing stock	<b>4197.84</b>	3603.15
For employee benefits - bonus/exgratia	<b>169.77</b>	321.77
For proposed dividend	<b>285.99</b>	1429.96
For tax on proposed dividend	<b>58.22</b>	243.02
<b>TOTAL</b>	<b>4711.82</b>	5597.90

## NON - CURRENT ASSETS

### 1.1 FIXED ASSETS (Tangible Assets)

(Rs in Lakhs)

DETAILS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31.3.2014	Additions	Deduction / Adjustments	As at 31.3.2015	Upto 31.3.2014	For the Year	Withdrawn	Upto 31.3.2015	As at 31.3.2014	As at 31.3.2015
Land - Free hold	3446.10	137.34	0.17	<b>3583.27</b>	--	--	--	--	3446.10	<b>3583.27</b>
Land - Lease hold	1.19	--	0.02	<b>1.17</b>	--	--	--	--	1.19	<b>1.17</b>
Buildings	30344.26	7874.09	11.99	<b>38206.36</b>	6423.50	982.18	3.14	<b>7402.54</b>	23920.76	<b>30803.82</b>
Plant and Machinery	81606.63	25548.07	2.18	<b>107152.52</b>	46890.58	3877.92	1.65	<b>50766.85</b>	34716.05	<b>56385.67</b>
Furniture and Fixtures	565.47	29.13	0.76	<b>593.84</b>	306.96	54.70	0.10	<b>361.56</b>	258.51	<b>232.28</b>
Office Equipments	640.55	58.15	1.56	<b>697.14</b>	440.17	77.09	1.28	<b>515.98</b>	200.38	<b>181.16</b>
Live Stock	13.74	--	1.76	<b>11.98</b>	--	--	--	--	13.74	<b>11.98</b>
Motor Vehicles	1293.59	65.91	102.43	<b>1257.07</b>	678.06	133.66	43.66	<b>768.06</b>	615.53	<b>489.01</b>
<b>TOTAL</b>	117911.53	33712.69	120.87	<b>151503.35</b>	54739.27	5125.55	49.83	<b>59814.99</b>	63172.26	<b>91688.36</b>
Capital Works-in-Progress	26784.91	2159.77	26784.91	<b>2159.77</b>	--	--	--	--	26784.91	<b>2159.77</b>
Total for the year	144696.44	35872.46	26905.78	<b>153663.12</b>	54739.27	5125.55	49.83	<b>59814.99</b>	89957.17	<b>93848.13</b>
Total for the previous year	120901.16	29997.48	6202.20	<b>144696.44</b>	50790.00	5195.53	1246.26	<b>54739.27</b>	70111.16	<b>89957.17</b>



PARTICULARS	As at 31.3.2015	As at 31.3.2014
	Total (Rs in lakhs)	Total (Rs in lakhs)
<b>12 NON - CURRENT INVESTMENTS</b>		
<b>I NON-TRADE QUOTED-AT COST-FULLY PAID UP</b>		
INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
i) 84375 Equity Shares (P.Y: 84375) of Sakthi Finance Ltd of Rs10 each	30.09	30.09
ii) 50000 Equity Shares (P.Y: 10000 of Rs 10 each) of Bank of Baroda of Rs 2 each	8.50	8.50
iii) 73400 Equity Shares (P.Y: 73400) of Indraprastha Medical Corporation Ltd of Rs10 each	7.34	7.34
iv) 14300 Equity Shares (P.Y: 14300) of Indian Overseas Bank of Rs10 each	3.43	3.43
v) 38000 Equity Shares (P.Y: 38000) of DCM Shriram Industries Ltd of Rs10 each	--	44.22
<b>TOTAL</b>	<b>49.36</b>	<b>93.58</b>
<b>II NON-TRADE UN QUOTED - AT COST</b>		
i) IN GOVERNMENT SECURITIES :		
Kisan Vikas Patra (*)	0.40	0.40
ii) IN EQUITY INSTRUMENTS OF OTHER ENTITIES :		
Bannari Amman Sugars Employees' Co-operative Stores Ltd	1.20	1.20
<b>TOTAL</b>	<b>1.60</b>	<b>1.60</b>
<b>TOTAL (QUOTED &amp; UNQUOTED)</b>	<b>50.96</b>	<b>95.18</b>
Less : Provision for diminution in value of investment in respect of item No. I (i)	15.96	45.74
<b>TOTAL</b>	<b>35.00</b>	<b>49.44</b>
Aggregate cost of Quoted Investments	49.36	93.58
Aggregate market value of Quoted Investments	142.65	136.51
Aggregate provision for diminution in value of investment	15.96	45.74
Aggregate cost of unquoted Investments	1.60	1.60

(\*) Kisan Vikas Patra of Rs. 40000/- have been pledged with State Government Authorities



PARTICULARS	As at 31.3.2015		As at 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>13 LONG TERM LOANS AND ADVANCES</b> (Unsecured - considered good)				
Capital Advances		1791.54		2138.34
Security Deposits		224.97		167.16
Advance payment of Income Tax		1674.94		1643.29
MAT Credit Entitlement		5632.84		5624.46
Balance with Government Authorities		148.44		148.44
<b>TOTAL</b>		<b>9472.73</b>		<b>9721.69</b>
<b>CURRENT ASSETS</b>				
<b>14 INVENTORIES</b> (Valued at lower of cost and net realizable value)				
Raw material :				
Molasses at Distillery Units	1098.72		803.44	
Granite Rough Blocks	196.10		167.97	
Press-mud	18.05		6.72	
Bio-products	2.28		4.77	
		<b>1315.15</b>		982.90
Work in Progress :				
Sugar	945.69		408.35	
Molasses	169.25		87.41	
Press mud	67.25		48.18	
		<b>1182.19</b>		543.94
Finished Goods :				
Sugar	110411.51		109425.32	
Molasses at Sugar Units	1892.31		1587.47	
Bagasse	53.69		29.51	
Granite Products	1214.02		816.31	
Industrial Alcohol	1525.09		752.20	
Bio-Compost	1.10		2.10	
		<b>115097.72</b>		112612.91
Stores and spare parts		<b>3311.24</b>		3460.94
Loose tools		<b>15.36</b>		11.74
Others		<b>162.54</b>		144.36
<b>TOTAL</b>		<b>121084.20</b>		<b>117756.79</b>
<b>15 TRADE RECEIVABLES</b> (Unsecured - considered good)				
a. Exceeding six months from the date of due for payment		119.93		52.72
b. Others		3900.10		4086.64
<b>TOTAL</b>		<b>4020.03</b>		<b>4139.36</b>



PARTICULARS	As at 31.3.2015		As at 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>16 CASH AND CASH EQUIVALENTS</b>				
Cash on hand		<b>42.33</b>		19.87
Balances with Scheduled Banks :				
in Current Accounts	974.60		262.48	
in Unpaid Dividend Accounts	63.27		71.02	
		<b>1037.87</b>		333.50
<b>TOTAL</b>		<b>1080.20</b>		353.37
<b>17 SHORT TERM LOANS AND ADVANCES</b>				
(Unsecured - considered good)				
Security deposits		32.60		30.93
Advance to staffs for expenses		178.48		186.19
Prepaid expenses		541.62		512.35
Balance with Government Authorities		1806.47		2036.51
Others - Advances recoverable in cash or kind		2638.79		1899.92
Advance Income Tax		248.64		32.45
<b>TOTAL</b>		<b>5446.60</b>		4698.35
<b>18 OTHER CURRENT ASSETS</b>				
(Unsecured - considered good)				
Interest accrued on loans advances and deposits		1272.73		35.02
Government subsidies receivable		3350.68		1276.37
Interest subsidies receivable		844.07		69.45
Income receivable		0.15		0.50
<b>TOTAL</b>		<b>5467.63</b>		1381.34

PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>19 REVENUE FROM OPERATIONS</b>				
SALE OF PRODUCTS				
MANUFACTURED GOODS				
Sugar	54432.85		33579.86	
Molasses	476.10		825.18	
Baggase	592.60		284.30	
Granite Products	9785.11		9428.14	
Industrial Alcohol	12291.40		11273.19	
Bio-Compost	455.76		338.90	
Power	9355.03		9459.10	



PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
Pressmud	6.25		1.62	
Bio-products	1.53		41.77	
		<b>87396.63</b>		65232.06
<b>TRADED GOODS</b>				
Sugar	6195.53		723.14	
Granite Products	--		83.69	
		<b>6195.53</b>		806.83
<b>SALE OF SERVICES</b>				
Cane harvestor hire charges		<b>28.78</b>		18.05
<b>OTHER OPERATING REVENUE</b>				
Duty draw back and other export incentives	899.09		9.43	
Sale of Scrap	58.17		19.12	
Insurance claim received	58.68		--	
		<b>1015.94</b>		28.55
Revenue from operations (Gross)		<b>94636.88</b>		66085.49
Less : Excise duty		<b>1650.71</b>		977.66
<b>Revenue from operations (Net)</b>		<b>92986.17</b>		65107.83
<b>20 OTHER INCOME</b>				
Interest Income				
From loans and advances	1350.82		125.58	
From deposits	12.11		8.02	
		<b>1362.93</b>		133.60
Dividend income from long term investments		<b>3.84</b>		6.22
Other non-operating income :				
Rent receipts from operating leases	52.09		47.86	
Profit on sale of fixed assets	188.53		--	
Miscellaneous income	23.40		68.92	
		<b>264.02</b>		116.78
<b>TOTAL</b>		<b>1630.79</b>		256.60



PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
<b>EXPENSES</b>				
<b>21 COST OF MATERIALS CONSUMED</b>				
Opening Stock of Raw Materials :				
Molasses at Distillery Units	803.44		803.25	
Granite Rough Blocks	167.97		11.30	
Press-mud	6.72		3.36	
Bio-products	4.77		49.46	
		<b>982.90</b>		<b>867.37</b>
Add: Purchase of Raw Materials :				
Sugarcane	52379.83		59584.50	
Purchase Tax on sugar cane	385.65		854.07	
Sugarcane cess	70.84		93.71	
Freight and transport on sugar cane	2019.91		3053.30	
Molasses at Distillery Units	2116.68		541.30	
Granite Rough Blocks	445.46		855.33	
Press-Mud	84.38		25.37	
		<b>57502.75</b>		<b>65007.58</b>
		<b>58485.65</b>		<b>65874.95</b>
Less: Closing Stock of Raw Materials :				
Molasses at Distillery Units	1098.72		803.44	
Granite Rough Blocks	196.10		167.97	
Press-mud	18.05		6.72	
Bio-products	2.28		4.77	
		<b>1315.15</b>		<b>982.90</b>
Raw Material Consumed		<b>57170.50</b>		<b>64892.05</b>
Packing Material Consumed		<b>1166.40</b>		<b>1483.63</b>
<b>TOTAL</b>		<b>58336.90</b>		<b>66375.68</b>
<b>Details of Raw Materials Consumed</b>				
Sugarcane (includes cost tax and freight)		54856.23		63585.58
Packing Material for Sugar		1166.40		1483.63
Molasses at Distillery Units		1821.40		541.11
Granite Rough Blocks		417.33		698.66
Press-Mud		72.05		22.01
Bio-products		2.49		44.69
<b>TOTAL</b>		<b>58336.90</b>		<b>66375.68</b>



PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
<b>22 PURCHASE OF TRADED GOODS</b>				
Sugar		<b>3130.66</b>		4073.91
Granite Products		--		26.40
<b>TOTAL</b>		<b>3130.66</b>		<b>4100.31</b>
<b>23 (INCREASE) / DECREASE IN INVENTORIES</b>				
I FINISHED GOODS:				
a) Opening Stock :				
Sugar	109425.32		67507.76	
Molasses at Sugar Units	1587.47		938.85	
Baggase	29.51		190.70	
Granite Products	816.31		603.15	
Industrial Alcohol	752.20		721.66	
Bio-Compost	2.10		0.73	
	<b>112612.91</b>		<b>69962.85</b>	
b) Closing Stock :				
Sugar	110411.51		109425.32	
Molasses at Sugar Units	1892.31		1587.47	
Baggase	53.69		29.51	
Granite Products	1214.02		816.31	
Industrial Alcohol	1525.09		752.20	
Bio-Compost	1.10		2.10	
	<b>115097.72</b>		<b>112612.91</b>	
(a) - (b)		<b>(2484.81)</b>		<b>(42650.06)</b>
II WORK IN PROGRESS :				
a) Opening Stock :				
Sugar	408.35		516.33	
Molasses	87.41		39.02	
Press-mud	48.18		36.91	
	<b>543.94</b>		<b>592.26</b>	
b) Closing Stock :				
Sugar	945.69		408.35	
Molasses	169.25		87.41	
Press-mud	67.25		48.18	
	<b>1182.19</b>		<b>543.94</b>	
(a) - (b)		<b>(638.25)</b>		<b>48.32</b>
<b>TOTAL</b>		<b>(3123.06)</b>		<b>(42601.74)</b>



PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details	Total	Details	Total
	(Rs in lakhs)		(Rs in lakhs)	
<b>24 EMPLOYEE BENEFIT EXPENSES</b>				
Salaries wages and allowances		5457.62		4817.24
Contribution to Provident and other funds		532.19		502.71
Staff Welfare expenses		601.97		527.93
<b>TOTAL</b>		<b>6591.78</b>		<b>5847.88</b>
<b>25 FINANCE COSTS</b>				
Interest Expenses		9177.54		6139.19
Other Borrowing Costs		119.07		105.07
Net loss / (gain) on Foreign currency transactions and translation		(12.13)		(52.62)
<b>TOTAL</b>		<b>9284.48</b>		<b>6191.64</b>
<b>26 OTHER EXPENSES</b>				
Consumption of stores and spare parts		2595.67		2095.45
Loose tools		8.33		6.17
Increase / (decrease) of excise duty on inventory		594.64		837.83
Power and fuel		3319.44		5164.48
Water charges		125.05		121.23
Rent		71.62		72.21
Lease / hire charges for equipments		18.00		--
Granite processing charges		284.80		277.11
Cane development expenses		384.75		517.82
Repairs and maintenance :-				
Buildings	420.56		571.31	
Plant and Machinery	2717.59		2357.42	
Vehicles	413.97		444.98	
Others	113.53		112.05	
		<b>3665.65</b>		<b>3485.76</b>
Effluent disposal expenses		449.15		399.50
Insurance charges		221.88		204.95
Rates and taxes		612.85		646.53
Telephone & Fax charges		52.32		58.90



PARTICULARS	Year ended 31.3.2015		Year ended 31.3.2014	
	Details (Rs in lakhs)	Total	Details (Rs in lakhs)	Total
Travelling expenses		<b>208.16</b>		201.47
Printing and Stationery		<b>49.50</b>		57.79
Directors' sitting fees		<b>1.35</b>		1.35
Advertisement		<b>5.39</b>		5.29
Other Administrative expenses		<b>178.36</b>		176.68
Freight and forwarding		<b>800.23</b>		885.94
Selling and distribution expenses		<b>1462.64</b>		1167.03
Sales commission		<b>19.05</b>		32.73
Donations		<b>11.18</b>		65.08
Legal and professional charges		<b>52.40</b>		68.33
Agricultural expenses (net of income directly attributable Rs 58.14 lakhs (P Y : Rs 69.97 lakhs))		<b>5.41</b>		3.73
Dairy Farm Expenses		<b>5.81</b>		22.05
Loss on Sale of Fixed Assets		--		438.92
Loss on Sale of Investments		<b>2.51</b>		--
Auditor's Remuneration (net of service tax input credit where applicable)				
For statutory audit	11.24		11.24	
For taxation matters	14.85		8.76	
For Company law matters	0.84		0.67	
For other services	3.46		2.95	
Reimbursement of expenses	0.25	<b>30.64</b>	0.25	23.87
Bad debts written off		--		2.28
<b>TOTAL</b>		<b>15236.78</b>		17040.48



**27 EMPLOYEE BENEFIT PLANS**

**Defined contribution plans**

Contribution made by the company to defined contribution plan which are recognised and charged to statement of profit and loss during the year are as under

PARTICULARS	For the Year Ended	
	31.3.2015	31.3.2014
	(Rs in Lakhs)	
Provident Fund	<b>371.43</b>	314.30
Family Pension Fund	<b>16.21</b>	9.07
Employees State Insurance	<b>1.92</b>	2.11
Employees Group Insurance Fund	<b>17.26</b>	7.26
<b>TOTAL</b>	<b>406.82</b>	332.74

**28 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

**Contingent liabilities**

- 28.1 The company has preferred a Writ Appeal before the Division Bench of the Hon'ble High Court Madras challenging the Order dated 28.02.2006 in Writ Petition No 4030/2002 in connection with increase in rate of water charges and the method of computation of water charges. The approximate amount under dispute is Rs 387.76 Lakhs (Rs 377.55 Lakhs)
- 28.2 Sugar Unit-I at Sathyamangalam was permitted to sell 100% of the sugar production as Free Sugar for a period of 8 years from 1985-86 Sugar Season. Chief Director (Sugar) Directorate of Sugar Department of Food New Delhi has restricted the entitlement of Free sale Sugar Incentive to 275000 quintals production per season by a subsequent notification. A Writ Petition has been filed in the Madras High Court Challenging the restriction imposed and interim Injunction has been obtained. By virtue of injunction order the entire production was sold as Free Sugar. The approximate unprovided quantum under dispute is Rs 683.35 Lakhs
- 28.3 Sugar Unit-I at Sathyamangalam was allowed to sell 100% of the Sugar production as free sugar for a period of 8 years from 1985-86 sugar season and pay excise duty on incentive sugar as applicable to levy sugar and to retain the difference in excise duty between levy and free sale sugar. In respect of incentive sugar sold by Unit-I from 20.09.1991 to 31.01.1994 the Central Excise Department has issued show cause notices to the Company to show cause why the difference of Rs 33/- per quintal being the difference between duty on levy sugar and free sugar should not be demanded from the Company. The Company has filed Writ Petitions in Madras High Court and the Hon'ble High Court disposed the case with direction to submit all explanations before the adjudicating authority. Now the matter is pending before the adjudicating authority. The excise duty in dispute is Rs 149.99 lakhs
- 28.4 The Entry Tax of Rs 188.29 lakhs on Inter-state purchase of rough blocks is disputed
- 28.5 The Company has received a demand for payment of excise duty for Rs 148.44 lakhs on the machineries purchased for co-generation plant which have been cleared by the manufacturers based on the certificates alleged to have been forged by an Official in the Ministry of Finance. The Company has remitted the amount under protest. The company opted for obtaining a valid certificate for which steps have been taken through a writ petition filed in Hon'ble High Court of Madras
- 28.6 The Company has been asked to pay Electricity Tax of 10 Paise per unit with effect from 16th June 2003 for the electricity consumed from own captive power generators at its sugar factories in Tamilnadu under Tamilnadu Tax on Consumption or Sale of Electricity Act 2003 which has been disputed by filing a Writ petition before the Hon'ble High Court of Madras. The approximate quantum under dispute is Rs 1546.23 Lakhs (Rs 1412.06)

28.7 The company has preferred an appeal before the Commissioner of Income Tax (Appeals) challenging the order of Assistant Commissioner of Income Tax in connection with disallowance of deduction for the Assessment year 2012 -13. The quantum under dispute is Rs 1579.62 Lakhs.

28.8 As at the year end the Company has an obligation under EPCG Scheme to export sugar of a value of USD 10317105.

28.9 Estimated amount of contracts remaining to be executed on capital account-Tangible Assets not provided for is Rs 155.10 Lakhs (Rs 3195.75 lakhs).

**29 DISCLOSURE REPORT UNDER AS15 [REVISED 2005] :**

(Rs in Lakhs)

PARTICULARS	COMPENSATED ABSENCES		GROUP GRATUITY	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014

**PRINCIPAL ACTUARIAL ASSUMPTIONS [Assumption]**

Discount rate (%)	7.82	9.15	7.82	9.15
Salary escalation rate (%)	8.00	8.00	8.00	8.00
Expected return on plan assets (%)	-	-	8.00	8.00
Attrition rate (%)	7.00	7.00	7.00	7.00

**A NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET AT THE BEGINNING OF THE YEAR**

Present Value of Defined Benefit Obligation	243.16	214.13	1393.43	1185.59
Fair Value of Plan Assets	-	-	1517.12	1272.58
Funded Status [Surplus/(Deficit)]	(243.16)	(214.13)	123.69	86.99
Unrecognised Past Service Costs	-	-	-	-
<b>Net Asset / (Liability) Recognised in Balance Sheet</b>	<b>(243.16)</b>	<b>(214.13)</b>	<b>123.69</b>	<b>86.99</b>

**B DISCLOSURE OF EMPLOYER EXPENSE**

Current Service Cost (including risk Premium for fully insured benefits)	147.82	100.11	144.67	97.26
Interest Cost	19.01	19.60	105.49	-
Expected Return on Assets	-	-	(121.37)	-
Curtailement Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Past Service Cost	-	-	-	-
Actuarial (gains) and losses	(264.87)	(90.68)	85.46	53.64
<b>Total Employer Expense Recognised in the Statement of Profit &amp; Loss</b>	<b>(98.04)</b>	<b>29.03</b>	<b>214.25</b>	<b>150.90</b>



PARTICULARS	COMPENSATED ABSENCES		GROUP GRATUITY	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
<b>C NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>				
Present Value of Defined Benefit Obligation	145.12	214.13	1651.15	1393.43
Fair Value of Plan Assets	-	-	1649.48	1517.12
Funded Status [Surplus / (Deficit) ]	(145.12)	(214.13)	(1.67)	123.69
Unrecognised Past Service Costs	-	-	-	-
<b>Net Asset / (Liability) recognised in Balance Sheet</b>	<b>(145.12)</b>	<b>(214.13)</b>	<b>(1.67)</b>	<b>123.69</b>
<b>D CHANGE IN OBLIGATIONS AND ASSETS</b>				
<b>Change in obligations</b>				
Present Value of Defined Benefit Obligation at the Beginning of the period	243.16	214.13	1393.43	1185.59
Employer Service Cost	147.82	100.11	144.67	97.26
Interest Cost	19.01	19.60	105.49	-
Curtailment Cost / (Credit)	-	-	-	-
Settlement Cost / (Credit)	-	-	-	-
Plan Amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (Gains) / Losses	(264.87)	(90.68)	96.38	110.58
Benefit Payments	-	-	(88.82)	-
<b>Present Value of Defined Benefit Obligation at the end of the period</b>	<b>145.12</b>	<b>(243.16)</b>	<b>1651.15</b>	<b>1393.43</b>
<b>Change in Assets</b>				
Fair value of Plan Assets at the Beginning of the Period	-	-	1517.12	1272.58
Expected Return on Plan Assets (Para 108/109)	-	-	121.37	-
Actuarial Gain / (Loss)	-	-	10.92	56.94
Assets Distributed on Settlements	-	-	-	-
Actual Company contributions Less Risk Premium	-	-	88.89	187.60
Benefit Payments	-	-	(88.82)	-
<b>Fair Value of Plan Assets at the End of the Period</b>	<b>-</b>	<b>-</b>	<b>1649.48</b>	<b>1517.12</b>
<b>E RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>				
Net Asset/(Liability) recognised in balance sheet at the beginning of the year	(243.16)	(214.13)	123.69	86.99
Employer Expenses	98.04	(29.03)	(214.25)	(150.90)
Employer Contributions	-	-	88.89	187.60
Acquisitions / Business Combinations	-	-	-	-
<b>Net Asset/(Liability) Recognised in Balance Sheet at the end of the year</b>	<b>(145.12)</b>	<b>(243.16)</b>	<b>(1.67)</b>	<b>123.69</b>



**30 Segment Information for the year ended 31<sup>st</sup> March 2015**

The Company has identified business segments as its primary segment and geographic segments as its secondary segment Business segments are primarily Sugar Power Distillery and Granite products Revenues and expenses directly attributable to segments are reported under each reportable segment Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment/manpower efforts Income or Expenses which are not attributable or allocable to segments have been disclosed as unallocable Income / Expenses Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment Geographical revenues are allocated based on the location of the customer

(Rs in Lakhs)

PARTICULARS	Sugar		Power		Distillery		Granite Products		TOTAL	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<b>PRIMARY</b>										
External Revenue	71501.43	46478.20	18103.42	18745.17	12721.47	11599.55	11937.41	11438.97	<b>114263.73</b>	88261.89
Operating Income	1043.09	46.60	--	--	1.63	--	--	--	<b>1044.72</b>	46.60
	72544.52	46524.80	18103.42	18745.17	12723.10	11599.55	11937.41	11438.97	<b>115308.45</b>	88308.49
Intersegment Revenue	11389.39	11990.18	8748.39	9286.06	6.31	8.72	2178.19	1915.70	<b>22322.28</b>	23200.66
	61155.13	34534.62	9355.03	9459.11	12716.79	11590.83	9759.22	9523.27	<b>92986.17</b>	65107.83
<b>RESULT</b>										
Segment Result	(5381.01)	(2433.90)	9004.72	6776.01	2670.41	1809.33	2680.35	3143.77	<b>8974.47</b>	9295.21
Add: Un allocable Income									<b>343.88</b>	111.08
Operating Profit									<b>9318.35</b>	9406.29
Less: Finance Costs									<b>9284.48</b>	6191.64
Tax expenses									<b>(69.16)</b>	345.90
<b>Profit after tax</b>									<b>103.03</b>	2868.75
<b>OTHER INFORMATION</b>										
Segment Assets	186559.00	166016.70	22773.13	9677.75	9961.58	9094.16	11003.61	8787.81	<b>230297.32</b>	193576.42
Segment Liabilities	10677.36	9719.09	956.97	2848.13	196.10	215.16	820.49	1031.98	<b>12650.92</b>	13814.36
Capital expenditure	17564.64	2402.63	13121.58	129.91	407.54	519.86	2618.93	160.17	<b>33712.69</b>	3212.57
Depreciation	2457.48	2432.69	1438.59	1838.28	439.08	499.21	790.40	425.35	<b>5125.55</b>	5195.53
Non - Cash expenses other than Depreciation	--	--	--	--	--	--	--	--	<b>--</b>	--
<b>SECONDARY</b>										
Revenue by Geographical Market										
India	47753.81	28836.53	9355.03	9459.11	12716.79	11590.83	3673.39	3408.92	<b>73499.02</b>	53295.39
Outside India	13401.32	5698.09	--	--	--	--	6085.83	6114.35	<b>19487.15</b>	11812.44

31 Related Party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below

1 KEY MANAGEMENT PERSONNEL :

Sri S V Balasubramaniam Chairman  
Sri B Saravanan Managing Director



## BANNARI AMMAN SUGARS LIMITED

### 2 RELATIVES OF KEY MANAGEMENT PERSONNEL :

Sri S V Balasubramaniam

Relatives

Sri B Saravanan (Son)

Sri B Saravanan

Relatives

Sri S V Balasubramaniam (Father)

### 3 ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCE :

Annamallai Enterprise Limited

Annamallai Retreading Company (P) Limited

Bannari Amman Exports Limited

Madras Sugars Limited

Sakthi Murugan Transports Limited

Shiva Cargo Movers Limited

Shiva Distilleries Limited

### RELATED PARTY TRANSACTIONS

PARTICULARS	Key Management Personnel	Relatives of Key Management Personnel	Enterprises as described in (3) above
(Amount in Rupees)			
Purchase of Goods			472710801 (416970531)
Sale of Goods			703816501 (520254941)
Rendering of Service (Managerial Remuneration)	9649045 (26667672)	↓ NIL	
Availing Services		↑	140169227 (49245372)
Rent Paid	Nil (120000)		1311240 (720000)
Balance Outstanding as on 31st March 2015 is Nil (Nil)			



PARTICULARS	For the Year Ended	
	31.3.2015	31.3.2014
(Rs in Lakhs)		
<b>32 Details of government grants</b>		
Government grants received by the Company during the year towards		
Duty drawback and other export incentives (recognised under other operating revenues)	<b>899.09</b>	9.43
Other incentives (reimbursement central sales tax ) (recognised under other income)	<b>4.35</b>	1.67
<b>TOTAL</b>	<b>903.44</b>	11.10

33 Earnings per share	2014 - 15	2013 - 14
	a) Weighted average number of equity shares of Rs 10/-each	
i) Number of shares at the beginning of the year	<b>11439700</b>	11439700
ii) Number of shares at the end of the year	<b>11439700</b>	11439700
Weighted average number of equity shares outstanding during the year	<b>11439700</b>	11439700
b) Net Profit after tax available for equity shareholders (Rs in lakhs)	<b>103.03</b>	2868.75
c) Basic and diluted earnings per share (Rs)	<b>0.90</b>	25.08

34 Disclosure pursuant to Accounting Standard 28 (AS 28) on Impairment of assets During the year the company had reviewed the carrying value of assets for finding out impairment if any The review has revealed that there is no impairment as per Accounting Standard 28

**35 Details of research and development expenditure recognised as an expense**

PARTICULARS	For the Year Ended	
	31.3.2015	31.3.2014
(Rs in Lakhs)		
Materials	15.03	26.02

36 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure

37 The annual increase in the rate of power charges for supplies made from 20 MW Cogeneration plant at Alathukombai Village Sathyamangalam Taluk Erode District Tamilnadu to Tamilnadu Electricity Board as prescribed in the Power Purchase Agreement entered has not been provided in the books considering the uncertainty in the realisation of the same



## BANNARI AMMAN SUGARS LIMITED

38 As at 31st March 2015 the company has Derivative Contracts in the nature of Forward Contract for USD 3298880 towards hedging the export receivables and there are no Derivative Contracts for speculation

39 Foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under :-

PARTICULARS	As at 31.3.2015		As at 31.3.2014		
	US DOLLAR	EURO	US DOLLAR	SINGAPORE DOLLAR	EURO
Receivables	157034	674863	928978	–	417119
Payables	32995	733213	271214	–	565056
Advance for Purchase	–	42128	–	4380	62606
Advance for Sale	–	4907	9023	–	–

40 The dividend is paid to Non Resident shareholders in Indian Rupee by crediting to their Rupee Bank account

PARTICULARS	Consumption (Amount Rs in Lakhs)	% to total consumption
<b>41 Value of Raw Materials</b>		
<b>41.1 Imported Value of</b>		
Spares and Components	<b>238.85</b> (186.43)	<b>11.95%</b> (8.40%)
<b>41.2 Indigenous Value of</b>		
a Sugarcane	<b>54856.23</b> (63585.58)	<b>100%</b> (100%)
b Granite Rough Blocks	<b>2595.52</b> (2553.30)	<b>100%</b> (100%)
c Molasses	<b>6902.34</b> (5536.25)	<b>100%</b> (100%)
d Pressmud	<b>73.92</b> (23.59)	<b>100%</b> (100%)
e Spares and Components	<b>1759.44</b> (2032.91)	<b>88.05%</b> (91.60%)



PARTICULARS	Year ended	Year ended
	31.3.2015	31.3.2014
	(Amount Rs in Lakhs)	
<b>42 Value of Imports on C.I.F. basis:</b>		
a Granite Slabs	<b>Nil</b>	26.46
b Components and spare parts	<b>1917.43</b>	1563.55
c Capital goods	<b>2309.02</b>	1721.23
<b>43 Expenditure in foreign currency :</b>		
a Travelling	<b>4.81</b>	16.16
b Sales commission	<b>2.71</b>	11.85
c Subscription	<b>1.00</b>	0.87
<b>44 Earnings in Foreign Exchange :</b>		
F O B Value of Exports	<b>19485.83</b>	11808.49

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner  
M No 200/18111  
ICAI Firm Regn. No: 003328S  
Coimbatore  
29.5.2015

**S V BALASUBRAMANIAM**  
Chairman

**C PALANISWAMY**  
Company Secretary

**B SARAVANAN**  
Managing Director

**M RAMPRABHU**  
Chief Financial Officer



**Cash Flow Statement for the year ended 31.3.2015**

	Year ended 31.3.2015 (Rs in Lakhs)		Year ended 31.3.2014 (Rs in Lakhs)	
<b>A OPERATING ACTIVITIES</b>				
Net profit before tax and extraordinary items		<b>33.87</b>		3214.65
Adjustments for :				
Add :				
Depreciation	5125.55		5195.53	
Finance Costs	9284.48		6191.64	
Loss on sale of Fixed Assets	6.33		451.93	
		<b>14416.36</b>		11839.10
Less : Investment Income :				
Interest	1362.94		133.60	
Dividend	3.84		6.22	
Profit on sale of Fixed Assets	194.85		13.01	
		<b>1561.63</b>		152.83
Operating Profit before working capital changes		<b>12888.60</b>		14900.92
Add : Adjustments for :				
Inventories	(3327.42)		(41774.83)	
Trade Receivables	119.33		5925.48	
Short term loans and advances	(748.25)		(1030.93)	
Other Current Assets	(4086.29)		(45.83)	
Current Liabilities	(2818.45)		(3389.10)	
		<b>(10861.08)</b>		(40315.21)
Cash generated from operations		<b>2027.52</b>		(25414.29)
Less : Income tax		<b>31.65</b>		97.39
Cash flow before extraordinary items		<b>1995.87</b>		(25511.68)
Net cash from operating activities		<b>1995.87</b>		(25511.68)



**Cash Flow Statement for the year ended 31.3.2015 Contd.....**

	Year ended 31.3.2015 (Rs in Lakhs)	Year ended 31.3.2014 (Rs in Lakhs)
<b>B INVESTING ACTIVITIES</b>		
Interest Received	<b>1362.94</b>	133.60
Dividend Received	<b>3.84</b>	6.22
Purchase of Fixed Assets	<b>(9087.55)</b>	(26746.35)
Sale of Fixed Assets	<b>259.57</b>	1265.89
Sale of Investments	<b>44.23</b>	--
Net cash used in investing activities	<b>(7416.97)</b>	(25340.64)
<b>C FINANCING ACTIVITIES</b>		
Increase in borrowings	<b>17177.22</b>	58813.47
Finance Costs paid	<b>(9356.31)</b>	(6277.58)
Dividend paid (Gross)	<b>(1672.98)</b>	(1672.98)
Net cash from financing activities	<b>6147.93</b>	50862.91
Net increase in cash and cash equivalents (A+B+C)	<b>726.83</b>	10.59
Opening cash balance	353.37	342.78
Closing cash balance	1080.20	353.37
	<b>726.83</b>	10.59

For **P N RAGHAVENDRA RAO & CO**  
Chartered Accountants

**P R VITTEL**  
Partner  
M No 200/18111  
ICAI Firm Regn. No: 003328S  
Coimbatore  
29.5.2015

**S V BALASUBRAMANIAM**  
Chairman

**C PALANISWAMY**  
Company Secretary

**B SARAVANAN**  
Managing Director

**M RAMPRABHU**  
Chief Financial Officer

**Financial Performance - Year Wise**

(Rs in Lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
1985-1986	373.26	85.15	1421.08	247.65	192.32	55.33	15
1986-1987	374.81	150.60	1585.78	258.56	117.68	140.88	15
1987-1989 (18 months)	374.95	558.79	3157.49	743.55	200.87	542.68	25
1989-1990	375.00	821.84	2941.28	479.29	127.04	352.25	18
1990-1991	375.00	1097.53	3035.74	470.31	169.05	301.26	20
1991-1992	375.00	1381.32	4354.55	572.49	244.04	328.45	21
1992-1993	375.00	1526.96	6154.24	623.38	415.35	208.03	21
1993-1994	753.97	3004.49	5502.34	486.04	382.17	103.87	21
1994-1995	953.97	4937.00	12219.55	853.98	403.98	450.00	22
1995-1996	953.97	6107.79	15686.98	1895.45	533.78	1361.67	24
1996-1997	953.97	7201.67	16133.02	1884.43	560.90	1323.53	25
1997-1998	953.97	8704.64	14229.49	2292.81	568.50	1724.31	25
1998-1999	953.97	9737.98	20572.87	2009.33	598.43	1410.60	25
1999-2000	953.97	11071.16	23242.80	2425.92	675.51	1750.41	25
2000-2001	953.97	12728.83	30792.42	3655.88	1710.46	1945.42	27
2001-2002	953.97	12296.57	36158.79	4727.63	1652.41	3075.22	33
2002-2003	953.97	13265.96	34823.17	4429.97	2160.88	2269.09	30
2003-2004	953.97	16192.33	45778.58	7298.47	2705.14	4593.33	36
2004-2005	953.97	20070.14	38318.31	8826.31	3200.10	5626.21	45
2005-2006	953.97	27158.61	49408.86	13878.66	4307.00	9571.66	70
2006-2007	953.97	40572.76	69116.18	14570.19	3734.83	10835.36	70
2007-2008	1143.97	43825.26	60608.73	7397.92	3481.86	3916.06	70
2008-2009	1143.97	54270.49	67404.42	16597.74	3408.23	13189.51	100
2009-2010	1143.97	67301.16	85346.50	23807.83	3834.06	19973.77	100
2010-2011	1143.97	71273.33	111880.26	12692.25	7083.08	5609.17	100
2011-2012	1143.97	80355.33	126046.54	17920.15	6676.92	11243.23	100
2012-2013	1143.97	93055.51	148321.54	23430.89	5995.44	17435.45	125
2013-2014	1143.97	94256.37	107709.57	8410.18	5195.53	3214.65	125
<b>2014-2015</b>	<b>1143.97</b>	<b>94044.97</b>	<b>96109.23</b>	<b>5159.42</b>	<b>5125.55</b>	<b>33.87</b>	<b>25</b>

\* Turnover = Net Sales + Closing Stock – Opening Stock

\* Excludes inter-segment transfers



# BANNARI AMMAN SUGARS LIMITED

Registered Office : 1212 Trichy Road Coimbatore 641 018 Tamilnadu

CIN : L15421TZ1983PLC001358

## ATTENDANCE SLIP

DP ID Number		Name and Address of the registered Shareholder
Client ID/Regd. Folio No.		
No. of Shares held		

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company

I hereby record my presence at the 31st Annual General Meeting of the company held on Wednesday the 23rd September 2015 at 3.45 PM at Jennys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

.....  
Member's / Proxy's Signature

Note : Please complete this and hand it over at the entrance of the hall

Form No. MGT - 11

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014]

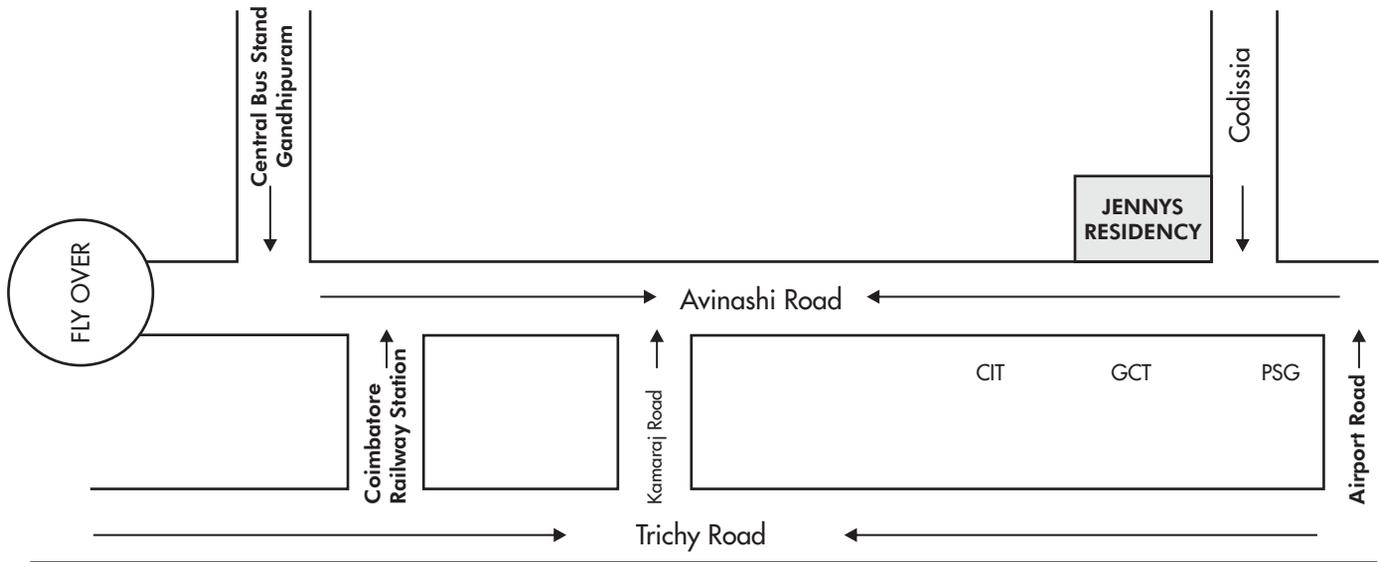
CIN : L15421TZ1983PLC001358  
Name of the Company : BANNARI AMMAN SUGARS LIMITED  
Registered Office : 1212 Trichy Road Coimbatore 641018 Tamilnadu  
Name of the Member(s) :  
Registered Address :  
E-mail ID :  
Folio No / Client ID :  
DP ID :

I/We being the member(s) of \_\_\_\_\_ shares of Bannari Amman Sugars Limited hereby appoint

Sl No	Name	Address & E-mail ID	Signature	
I				or failing him
II				or failing him
III				



ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING



As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the company to be held on Wednesday the 23rd day of September 2015 at 3.45 p m at Jennys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Nos	Resolutions	For	Against
1	Adoption of the audited Financial Statements of the company for the financial year ended March 31 2015 the reports of the Board of Directors and Auditors thereon		
2	Declaration of dividend on equity shares		
3	Appointment of a Director in the place of Sri S V Balasubramaniam (DIN:00002405) who retires by rotation and being eligible offers himself for re-appointment		
4	Ratification of appointment of Auditors for the financial year 2015-2016		
5	Appointment of Dr Radha Ramani (DIN : 07083381) as an Independent Director of the company		
6	Appointment of Sri S V Balasubramaniam (DIN:00002405) as Chairman with substantial powers of management for a period of five year with effect from 2.6.2015		
7	Appointment of Sri B Saravanan (DIN:00002927) as Managing Director of the Company for a period of five years with effect from 2.6.2015		
8	Ratification of remuneration payable to Cost Auditor of the Company		
9	Adoption of new set of Articles of Association of the Company		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2015

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting



# BANNARI AMMAN SUGARS LIMITED

Registered Office : 1212 Trichy Road Coimbatore 641 018 Tamilnadu

E- mail : shares@bannari.com Website : www.bannari.com

CIN : L15421TZ1983PLC001358

## BALLOT FORM (in lieu of remote e-voting)

Name of the Sole/First named Member :

Names of the Joint Member(s) if any :

Registered Folio No/DP ID No/ Client ID No :

No of shares held :

I / We hereby exercise my / our vote(s) in respect of the following resolutions through Ballot Form in lieu of remote e-voting as set out in the Notice dated July 27 2015 of the Company by conveying sending my/our assent (for) or dissent (against) the said resolutions by placing the tick mark(✓) in the appropriate box below:

Resolution Nos	Description	Type of Resolution (Ordinary/Special)	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>ORDINARY BUSINESS</b>				
1	Adoption of the audited Financial Statements of the company for the financial year ended March 31 2015 the reports of the Board of Directors and Auditors thereon	Ordinary		
2	Declaration of dividend on equity shares	Ordinary		
3	Appointment of a Director in the place of Sri S V Balasubramaniam (DIN:00002405) who retires by rotation and being eligible offers himself for re-appointment	Ordinary		
4	Ratification of appointment of Auditors for the financial year 2015-2016	Ordinary		
<b>SPECIAL BUSINESS</b>				
5	Appointment of Dr Radha Ramani (DIN : 07083381) as an Independent Director of the company	Ordinary		
6	Appointment of Sri S V Balasubramaniam (DIN:00002405) as Chairman with substantial powers of management for a period of five years with effect from 2.6.2015	Special		
7	Appointment of Sri B Saravanan (DIN:00002927) as Managing Director of the Company for a period of five years with effect from 2.6.2015	Ordinary		
8	Ratification of remuneration payable to Cost Auditor of the Company	Ordinary		
9	Adoption of new set of Articles of Association of the Company	Special		

Place :

Date :

Signature of the Member(s)

- Notes :
- If you opt to cast your vote by remote e-voting there is no need to fill up and send this form
  - Last date for receipt of Ballot Form : 22nd September 2015 (5.00 pm)
  - Please read the instructions printed overleaf carefully before exercising your vote

## INSTRUCTIONS

- a) Members have option to vote either through remote e-voting or Ballot Form. If a member has opted for Physical Ballot then he/she should not vote by remote e-voting and vice versa. However in case shareholders cast their vote through both physical ballot and remote e-voting then vote cast through e-voting shall prevail and vote cast through Physical Ballot shall be considered as invalid.
- b) Voting in the ballot cannot be exercised by a proxy. However corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization as stated below.
- c) The Scrutinizer's decision on the validity of a Ballot / remote e-voting shall be final and binding.
- d) A member desirous of exercising his/her vote by Ballot may complete this Ballot Form and send it to the Scrutinizer M/s C Thirumurthy & Associates Practicing Company Secretaries C/o Bannari Amman Sugars Limited 1212 Trichy Road Coimbatore 641 018.
- e) This Form must be completed and signed by the Member as per specimen signature registered with the company or depository participant as the case may be. In case of joint holding this Form must be completed and signed (as per the specimen signature registered with the company) by the first named member and in his/her absence by the next named member.
- f) In respect of shares held by corporate and institutional members (companies trusts societies etc) the completed Ballot Form should be accompanied by a certified copy of the relevant Board resolution / appropriate authorization with the specimen signature(s) of the authorized signatory(ies) duly attested.
- g) Voting rights shall be reckoned in proportion to the paid-up equity share registered in the name of the member as on 16th September 2015.
- h) The consent must be accorded by recording the assent in the column "FOR" or dissent in the column "AGAINST" by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- i) Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- j) Duly completed Ballot Form should reach the Scrutinizer not later than 22nd September 2015 (5.00 p.m). All Ballot Forms received after this date will be strictly treated as if no reply has been received from the member.
- k) A member may request the company for a duplicate Ballot Form if so required and the same duly completed should reach the scrutinizer not later than the date specified under instruction No (j) above.
- l) Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except giving their assent or dissent and putting their signature. If any other paper is sent the same will be destroyed by the Scrutinizer.
- m) Incomplete unsigned or incorrectly ticked Ballot Form will be rejected.
- n) The results would be displayed in the Company's Website [www.bannari.com](http://www.bannari.com) besides communicating to the Stock Exchanges where the company's shares are listed.





If undelivered please return to

## BANNARI AMMAN SUGARS LIMITED

Regd. Off. : 1212 Trichy Road Coimbatore - 641 018 India

Phone : 0422 - 2302277 Fax : 0422 - 2309999

E-mail : [shares@bannari.com](mailto:shares@bannari.com) Website : <http://www.bannari.com>

CIN : L15421TZ1983PLC001358