



Sakthi Sugars Limited

180, Race Course Road. Post Box No. 3775. Coimbatore - 641 018. Phone : + 91 422-2221551, 4322222
Fax : +91 422-4322488, 2220574 E-mail : info@sakthisugars.com CIN : L1542ITZ1961PLC000396

SL/SE/1807/2022

28.7.2023

Dear Sirs,

Sub: Annual Report and Notice of 61st Annual General Meeting

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015, we enclose copy of Annual Report together with Notice convening the 61st Annual General Meeting of the Company on Wednesday, the 23rd August 2023 at 11.30 A.M. through Video Conferencing/Other Audio Visual Means in terms of the Circulars of the Ministry of Corporate Affairs and of SEBI in this regard.

The said Annual Report together with Notice has been sent today by e-mail to the shareholders who have registered their email ID with the Company/Depository Participants. The Annual Report is also available on the Company's website: www.sakthisugars.com.

Kindly take the above on record.

Thanking you,

Yours faithfully
For SAKTHI SUGARS LIMITED

President &
Company Secretary

Encl: As above.

To:

BSE Ltd
P.J.Towers
Dalal Street
Mumbai - 400 001

THE NATIONAL STOCK EXCHANGE OF
INDIA LIMITED
Exchange Plaza, 5th Floor,
Plot No.C/1, G-Block, Bandra Kurla
Complex, Bandra (East),
MUMBAI - 400 051



SAKTHI SUGARS LIMITED



ANNUAL REPORT 2022 - 2023

BUSINESS WITH VALUES

इरवकरयोगेवल कुरीया इरक्ती

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



SAKTHI SUGARS LIMITED

CIN:L15421TZ1961PLC000396

REGISTERED OFFICE

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

CORPORATE OFFICE

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

AUDITORS

M/s. P N Raghavendra Rao & Co
Coimbatore

MAIN BANKERS

Bank of India
Kotak Mahindra Bank Ltd
ICICI Bank Ltd

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Pvt. Limited
"Surya", 35, May Flower Avenue
Behind Senthil Nagar
Sowripalayam Road, Coimbatore - 641 028
Phone & Fax : 91-422-2314792
E-mail : coimbatore@linkintime.co.in

DIRECTORS

Dr M MANICKAM
Chairman and Managing Director

Sri M BALASUBRAMANIAM
Managing Director

Sri M SRINIVAASAN
Joint Managing Director

Sri C RANGAMANI

Sri S S MUTHUVELAPPAN

Sri P K CHANDRAN

Sri N K VIJAYAN

Sri K V RAMACHANDRAN

Sri S CHANDRASEKHAR

Sri S BALASUBRAMANIAN

Smt PRIYA BHANSALI

Sri V K SWAMINATHAN

KEY MANAGERIAL PERSONNEL

Dr S VELUSWAMY
President (Finance & Operations)
Chief Financial Officer

Sri S BASKAR
President &
Company Secretary



CONTENTS

Notice to Members	4
Report of the Board of Directors	15
Report on Corporate Governance	31
Management Discussion and Analysis Report	45
Independent Auditors' Report	47
Balance Sheet	58
Statement of Profit and Loss	60
Cash Flow Statement	62
Statement of Changes in Equity	64
Notes to Financial Statements	65

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to log in to the website of the Company’s Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd. www.linkintime.co.in, go to Investor Services Section and select “Email / Bank detail Registration”, fill in the details and upload the required documents and submit.



NOTICE TO MEMBERS

Notice is hereby given that 61st Annual General Meeting of the Company will be held on Wednesday, the 23rd August 2023 at 11.30 a.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM) to transact the following business:

1. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that the Audited Financial Statements of the Company for the financial year ended 31st March 2023 and Reports of the Board of Directors and of the Auditors thereon be and are hereby adopted.”
2. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that Sri M.Srinivaasan (DIN 00102387), who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to the provisions of Section 196, 197 and 203 read with Schedule V, and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 17(1C) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of the members of the Company be and is hereby accorded for the re-appointment of Dr.M.Manickam (DIN 00102233) as Managing Director of the Company with substantial powers of management, for a further period of five years from 12th June 2023 to 11th June 2028 without remuneration and to continue to hold such position even after attaining the age of 70 years.”
“RESOLVED FURTHER that the directorship of Dr.M.Manickam is liable to determination by retirement by rotation as per Section 152 of the Act.”
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to Section 149, 152, 160 and other applicable provisions, if any, of the Companies Act 2013 (‘Act’) and the Rules made thereunder, Sri V.K.Swaminathan (DIN 00210869), who was appointed by the Board as Additional Director to hold office upto the date of the 61st Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for appointment as Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:
“RESOLVED that pursuant to Section 185 and other applicable provisions, if any, of the Companies Act 2013 (‘Act’) and the Rules made thereunder, as amended from time to time, provision of security by way of mortgage on the immovable properties at 180 Race Course Road, Coimbatore, and at St. Mary’s Road, Chennai, and provision of corporate guarantee by the Company in favour of Kotak Mahindra Bank Limited to secure the loans aggregating to Rs.90.00 crores (Rupees ninety crores only), availed/to be availed by ABT Limited, a related party in which some of the Directors of the Company are interested, be and is hereby approved and ratified.”
6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to Regulation 23(4) and such other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 (‘Act’), read with the corresponding rules, if any, as amended from time to time, approval of the Members of the Company be and is hereby accorded for entering into and/or carrying out transactions and/or continuing with the existing transactions/contracts/arrangements with ABT Limited, a related party in which certain Directors of the Company are interested, for purchase and sale of goods, rendering and receipt of services, payment of interest and other transactions, the details of which are mentioned in the explanatory statement to this Notice, during the financial year ending 31st March 2024 for an aggregate value upto Rs.260 crores in respect of the aforesaid transactions that may take place during the course of its business on arm’s length basis, together with the value of the transactions already made/proposed to be made with ABT Limited during the financial year 2023-24.”
“RESOLVED FURTHER that the Board of Directors of the Company, including any Committee of the Board, be and is hereby authorized to decide on the nature of transactions and to make/execute all such arrangements, agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/arrangements/transactions and to delegate such authority to any Director or officer of the Company and to do all such acts deeds, matters and things as they may deem fit in their absolute discretion to give effect to this resolution and for the matters connected therewith or incidental thereto.”
7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act 2013 read with the Rules made thereunder, the Company hereby ratifies the remuneration of Rs.5.00 lakhs plus applicable tax thereon and



reimbursement of out-of-pocket expenses payable for the financial year ending 31st March 2024 to M/s. STR & Associates, Cost Accountants (Firm No.000029), Tiruchirapalli, who are appointed by the Board of Directors as Cost Auditors of the Company for the said financial year.”

8. To consider and, if though fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 181 of the Companies Act, 2013, permission be and is hereby accorded to the Board of Directors of the Company to donate/contribute a sum/sums in the aggregate upto Rs.20 lakhs or such sum/sums as permissible under the said Section, whichever is higher, during the financial year 2024-25 from out of the funds of the Company to bona fide charitable and other funds and for deserving causes and institutions.”

By Order of the Board

S Baskar

President & Company Secretary

Coimbatore
10th June 2023

Notes:

1. As per the relevant circulars of the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) regarding holding of Annual General Meetings through VC/OAVM and in compliance with the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, this 61st Annual General Meeting (“AGM”) of the Company is being conducted through Video Conference / Other Audio Visual Means (VC/OAVM). The AGM does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since the AGM is being held through VC/OAVM pursuant to MCA/SEBI Circulars and physical attendance of Members has been dispensed with, there is no requirement for appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Companies Act 2013 (the Act) will not be available for the AGM. However, institutional/corporate members may appoint their representatives in pursuance of Section 112 and Section 113 of the Act, for the purpose of participation in the AGM through VC/OAVM and to exercise e-voting.
3. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
4. Link Intime India Private Limited will be providing their facility (‘InstaMeet’) for participation in the AGM through VC/OAVM and e-voting during the AGM, and for voting through remote e-voting (‘InstaVote’).
5. Members may join the AGM through VC/OAVM by following the procedure mentioned in Note No.27 herein below. The login provision for joining the meeting shall be kept open for the Members 30 minutes before the scheduled time for commencement of the AGM (i.e. from 11.00 a.m.) till 15 minutes after the commencement time of the AGM (i.e. upto 11.45 a.m.). Thereafter the login provision shall be deactivated.
6. Members may note that the VC/OAVM facility provided by Link Intime India Private Limited, allows participation of not less than 1000 Members on first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come first-served basis.
7. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Statement pursuant to Section 102 of the Act relating to the special business to be transacted at the AGM is attached. The Board of Directors of the Company at its meeting held on 10.06.2023 considered the special business under Item Nos. 3 to 8 as unavoidable and are to be transacted at this AGM of the Company.
9. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations and Secretarial Standard on General Meetings (SS-2), relevant information on the Directors seeking appointment / reappointment at the Annual General Meeting is provided in Annexure.
10. Pursuant to Sections 124 and 125 of the Act (formerly Section 205A and 205C of the Companies Act 1956), all unclaimed dividends up to the financial year ended 31st March 1997 and for the financial years ended 30th June 2006 & 2007 which remained unclaimed for a period of seven years had been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not so far claimed their dividends for the said financial years are requested to forward their claims to IEPF Authority in the prescribed form by following the process mentioned in the IEPF Rules.
11. The Registers that are required to be made available at the Annual General Meeting for Members inspection is available on the website of the Company (www.sakthisugars.com) and also at the Registered Office of the Company during the office hours on all working days till the date of the AGM.
12. Notice and Annual Report are being sent electronically to all the shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 21st July 2023.



13. The Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories in accordance with the aforesaid MCA and SEBI circulars. Members may note that physical copy of the Notice and Annual Report will not be sent, except to those members who request for the same. The Notice of the AGM and the Annual Report will be available on the website of the Company at www.sakthisugars.com, on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) and also on the website of Link Intime India Private Limited (<https://instavote.linkintime.co.in>).
14. In case shareholder(s) has/have not registered his/her/their email address with the Company/RTA/Depositories, they are requested to register their email ID by following the steps given below:
 - a. In case of shareholders holding shares in physical form:

Kindly login to the website of the Company's Registrar and Share Transfer Agent, Link Intime India Private Ltd., www.linkintime.co.in, go to investor service section and select 'Email/Bank detail Registration', fill in the details and upload the required documents and submit.
 - b. In case of shareholders holding shares in demat form:

Kindly contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
15. Members can attend and participate in the AGM through VC/OAVM only.
16. The cut-off date (record date) for the purpose of determining the voting rights of the members is Wednesday, 16th August 2023. The voting rights of the members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
17. The persons who have become members of the Company after 21st July 2023 and whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on 16th August 2023 (cut-off date) may contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited through e-mail at "coimbatore@linkintime.co.in" and provide their e-mail ID and folio/client ID for sending the AGM Notice and the Annual Report electronically. The members can also download the AGM Notice and the Annual Report from the Company's website www.sakthisugars.com. Password for e-voting can be generated by the shareholders themselves by following the instructions for e-voting given in Note No.26 herein below.
18. Members holding shares in physical form are requested to notify the change, if any, in their address together with a proof to the Company or the Registrars and Share Transfer Agents, Link Intime India Private Limited. Members holding shares in electronic form are requested to advise the change in their address to their Depository Participants.
19. As required under Section 108 of the Companies Act, 2013 and Regulation 44 of the SEBI Listing Regulations, members are provided with remote e-voting facility and e-voting facility during the AGM for exercising their voting rights.
20. Sri M.D.Selvaraj, Managing Partner, M/s. MDS & Associates LLP, Company Secretaries, Coimbatore, has been appointed as Scrutinizer for conducting the remote e-voting and e-voting during the AGM in a fair and transparent manner.
21. The remote e-voting period begins on Sunday, 20th August 2023 at 9.00 a.m. and ends on Tuesday, 22nd August 2023 at 5.00 p.m. During this period, shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date (record date) of 16th August 2023, may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
22. Institutional/Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent by email from their registered email ID to the Scrutinizer's email address at 'mds@mdsassociates.in' with copies marked to the Company at 'shares@sakthisugars.com' and to its RTA at 'enotices@linkintime.co.in'.
23. During the AGM, the Chairman shall inform about opening of e-voting facility on the platform of Link Intime India Private Limited to enable those Members who have not cast their vote and would like to cast their vote at the AGM. The Members who have already cast their vote by remote e-voting cannot vote again at the AGM.
24. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to attend and vote, unless the other joint holder is authorised in writing to do so.
25. **Instructions for shareholders to speak during the AGM through InstaMeet:**
 - i. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the email id 'shares@sakthisugars.com'.
 - ii. Shareholders will get confirmation on first cum first basis.
 - iii. Shareholders will receive "speaker serial number" once they mark attendance for the meeting.
 - iv. Other shareholders may ask questions to the panellist, via active chat-board during the meeting.



- v. Please remember the speaker serial number and when called upon to speak, start the conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management announced the name and serial number of the speaker.

26. Instructions for remote e-voting electronically by shareholder (InstaVote):

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by listed companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IdeAS’ section. A new screen will open. You will have to enter your user ID and password. • After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting. • If the user is not registered for IdeAS e-services, option to register is available at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. • Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your user ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.
Individual shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> • Existing users who have opted for Easi / Easiest, they can login through their user ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration. • Alternatively, the user can directly access e-voting page by providing demat account number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile and email as recorded in the demat account. After successful authentication, user will be provided links for the respective e-voting service provider (ESP) where the e-voting is in progress.
Individual shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. • Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.



<p>Individual shareholders (holding securities in physical mode) & evoting service provider is Link Intime.</p>	<ol style="list-style-type: none">1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in<ul style="list-style-type: none">• Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -<ol style="list-style-type: none">A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.)C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.• Shareholders/ members holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above.• Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).• Click “confirm” (Your password is now generated).2. Click on ‘Login’ under ‘SHAREHOLDER’ tab.3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘Submit’.4. After successful login, you will be able to see the notification for e-voting. Select ‘View’ icon.5. E-voting page will appear.6. Refer the Resolution description and cast your vote by selecting your desired option ‘Favour/ Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).7. After selecting the desired option i.e. Favour / Against, click on ‘Submit’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.
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Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on the e-voting system of Link Intime India Private Limited (LIPL) at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service provider is Link Intime, have forgotten the password:

- o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
- In case shareholders/ members are having valid email address, password will be sent to his/her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000.
Individual shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 1800 22 55 33.

Helpdesk for individual shareholders holding securities in physical mode/institutional shareholders and evoting service provider is Link Intime.

In case shareholders/members holding securities in physical mode/institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact InstaVote Support Desk, Link Intime India Private Limited on Tel: 022-4918 6000.

27. Process and manner for attending the Annual General Meeting through InstaMeet:

Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

- Select the "Company" and 'Event Date' and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP) / Company shall use the sequence number provided to you, if applicable).
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

28. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents number of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/Members are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders/Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.



Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case Shareholders/Members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

29. In case of any query or issue or grievance connected with the facility of remote e-voting, members may contact Sri S Baskar, President & Company Secretary, through e-mail id 'shares@sakthisugars.com' or through Phone No. 0422 - 4322222.
30. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting to the Chairman and Managing Director or the authorized Director/ Executive.
31. The results of voting will be declared by the Chairman and Managing Director or the authorized Director/Executive at the Corporate Office of the Company at 180 Race Course Road, Coimbatore-641 018 within 48 hours from the conclusion of the AGM. The result along with Scrutinizer's Report will be posted on the Company's website www.sakthisugars.com and on the website of Link Intime India Private Limited: <https://instavote.linkintime.co.in>. It will also be displayed in the Notice Board of the Company at its Registered Office and at the Corporate Office. It will also be forwarded to the stock exchanges.

Statement pursuant to Section 102 of the Companies Act 2013

Item No.3

The members of the Company at the Annual General Meeting held on 28th September 2018 had approved appointment of Dr.M.Manickam as Managing Director of the Company for a period of five years upto 11th June 2023.

Considering the rich experience Dr.M.Manickam has in the sugar industry and the contributions made by him during his tenure of office as Managing Director and as Executive Vice Chairman/Executive Chairman, the Board of Directors of the Company at its meeting held on 10th June 2023, based on the recommendation made by the Nomination and Remuneration Committee (NRC) at its meeting held on the same date, approved re-appointment of Dr.M.Manickam as Managing Director, for a further period of 5 years with effect from 12th June 2023 without remuneration.

Dr.M.Manickam is a post graduate in Science and holds Master of Business Administration degree from Michigan University, USA. Considering his contributions for the development of agriculture and agro-based industry, he was awarded doctorate degree by Tamil Nadu Agricultural University. He is on the Board of the Company since 1980 and as Managing Director / Whole-time Director from 1990. He is Past President of ISMA and SISMA.

Dr.M.Manickam will attain the age of 70 years during the term of his re-appointment and hence pursuant to the provisions of Section 196(3)(a) of the Act read with Schedule V, Part I to the Act, continuation of his term as the Managing Director after attaining the age of 70 years requires approval of members by way of a Special Resolution.

The directorship of Dr.M.Manickam is liable to determination by retirement by rotation as per Section 152 of the Companies Act, 2013.

Dr.M.Manickam is also the Managing Director of Sakthi Auto Component Limited.

Details of Dr.M.Manickam are attached pursuant to the provisions of the SEBI Listing Regulations, and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

The details that are required to be given in the Explanatory Statement pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 and SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November 2021 are as under:

a) Name of the Related Party	Dr.M.Manickam
b) Name of the Director or KMP who is related, if any.	Sri M.Balasubramaniam, and Sri M.Srinivaasan
c) Nature of relationship	Dr.M.Manickam is the Chairman and Managing Director, Sri M.Balasubramaniam is the Managing Director and Sri M.Srinivaasan is the Joint Managing Director of the Company. They are related to each other as brothers.
d) Nature, material terms, monetary value and particulars of the contract or arrangement	Reappointment of Dr.M.Manickam as Managing Director without remuneration.
e) Tenure of the proposed transaction (particular tenure shall be specified)	The reappointment is for a term of five years.



f) Justification as to why the proposed transaction is in the interest of the Company	Dr.M.Manickam is the Chairman and Managing Director of the Company. Considering the rich experience he has in the sugar industry for about 35 years and the contributions made by him during his tenure of office as Managing Director and as Executive Vice Chairman/ Executive Chairman, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, has approved his re-appointment for a further period of five years. His vast experience will benefit the company in improving the operations and in overall improvement.
g) The percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.	Not applicable as the reappointment is without remuneration.
h) A copy of the valuation or other external party report, if any, such report has been relied upon	Not applicable.

Necessary special resolution is set out under item No.3 in the Notice of the meeting for members approval. The Board has recommended the special resolution for approval by the members.

Dr.M.Manickam may be deemed to be concerned or interested in the special resolution as it relates to his re-appointment.

Sri.M.Balasubramaniam and Sri M.Srinivaasan, Directors, may be deemed to be concerned or interested in the resolution as relatives of Dr.M.Manickam.

None of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 10th June 2023 appointed Sri V.K.Swaminathan as Additional Director of the Company to hold office upto the date of this Annual General Meeting.

Sri V.K.Swaminathan has given his consent for the appointment, if made, and a declaration that he is not disqualified for appointment under Section 164 of the said Act. He was on the Board of the Company from 2002 till 2018 and had been Executive Director of the Company for over 12 years. He has expertise in sugarcane cultivation and in general business management. Pursuant to Section 160 of the Act, a notice has been received from a member proposing his appointment as a Director of the Company at the ensuing Annual General Meeting.

Details of Sri V.K. Swaminathan are attached pursuant to the provisions of the SEBI Listing Regulations, and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Necessary ordinary resolution is set out under Item No.4 of the AGM Notice for Members approval for appointing Sri V.K. Swaminathan as a Director of the Company.

In view of the above, the Board of Directors has recommended the ordinary resolution as set out in the AGM Notice for the Members approval.

Except Sri V.K.Swaminathan, being the appointee, no Director or Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the resolution.

Item No. 5

At the request of ABT Limited, a company in which certain Directors of the Company are interested, the Board of Directors has approved provision of security by way of mortgage on the immovable properties of the Company at 180 Race Course Road, Coimbatore and at St. Mary's Road, Chennai and provision of corporate guarantee in favour of Kotak Mahindra Bank Limited to secure the loan facilities amounting to Rs.90 crores to be availed by ABT Limited. The Audit Committee has also approved the transaction as required under Regulation 23(2) of the Listing Regulations.

Section 185 of the Act stipulates that provision of guarantee and security requires approval of the members of the Company by special resolution.

The provisions of Section 188 of the Companies Act, 2013 does not cover transactions that are finance transactions in nature.

The value of the proposed transaction together with the value of the transactions already taken place with ABT Limited do not exceed the threshold limit of 10% of the turnover of the Company for the previous financial year ended 31.3.2023 and as such it is not a material related party transaction.

Necessary special resolution is set out under Item No.5 of the AGM Notice for Members approval.

Details to be placed before Members in line with the SEBI Circular are given below:

a) Name of the Related Party	ABT Limited
b) Name of the Director or KMP who is related, if any.	Dr. M. Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director, and Sri M. Srinivaasan, Joint Managing Director of the Company. Dr.M. Manickam, Sri M. Balasubramaniam and Sri. M. Srinivaasan hold 116395 shares (77.60%), 9465 shares (6.31%) and 1780 shares (1.19%) respectively in ABT Limited.



c) Nature of relationship	The aforesaid Directors of the Company are Directors and shareholders of ABT Limited.
d) Nature, material terms, monetary value and particulars of the contract or arrangement	Provision of security and corporate guarantee for securing the term loans availed/to be availed by ABT Limited. Amount to be secured is Rs.90 crores.
e) Tenure of the proposed transaction (particular tenure shall be specified)	The tenure is about five years.
f) Justification as to why the proposed transaction is in the interest of the Company	The transaction is a reciprocal to the guarantees being given by ABT Limited for securing the loans availed/ to be availed by the Company. The value of the corporate guarantee to be given by ABT Limited is on the higher side as compared to the corporate guarantee to be given by the Company to them and as such the interest of the Company is justified and protected.
g) The percentage of the Company's annual turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.	The value of the transaction would be 8.54% of the annual turnover of the Company for the financial year ended 31st March 2023.
h) A copy of the valuation or other external party report, if any, such report has been relied upon	Not applicable.

In view of the above, the Board of Directors has recommended the special resolution as set out in the AGM Notice for the Members approval.

Except Dr.M.Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, no other Director or Key Managerial Personnel of the Company is concerned or interested, financially or otherwise, in the resolution.

Item No.6

ABT Limited is a company in which certain Directors of the Company are interested. The Company is having following transactions with ABT Limited during the course of its business and on arms length basis as approved by the Audit Committee of the Company:

- a. Purchase and sale of goods such as cars, spare parts etc.
- b. Rendering and receipt of services like servicing of vehicles, co-location facility
- c. Lease of office space
- d. Payment of interest for the loans availed
- e. Transfer or exchange of any resources, services or obligations to meet business requirements.

In terms of Regulation 23 of the SEBI (LODR) Regulations, 2015, if the aggregate value of all the transactions with a Related Party exceeds 10% of the turnover of the Company for the previous financial year, all the transactions with that Related Party will become Material Related Party Transactions and will require prior approval of the members of the Company.

The value of the above transactions, in respect of which omnibus approval has been given by the Audit Committee, together with the transactions already made/proposed to be made with ABT Limited during the financial year ending 31st March 2024 may exceed the aforesaid threshold limit of 10% of the turnover of the Company for the previous financial year ended 31st March 2023. In view of this, it is proposed to obtain approval of the members of the Company under Regulation 23(4) of the said SEBI Regulations for entering into transactions/contracts upto an aggregate amount of Rs.260 crores in respect of the aforesaid transactions that may take place during the course of its business on arms length basis, together with the value of the transactions already made/proposed to be made with ABT Limited during the financial year 2023-24.

Details to be placed before Members in line with the SEBI Circular are given below:

a)	The name of the related party	ABT Limited
b)	Name of the Director or KMP who is related, if any.	Dr.M.Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director and Sri M.Srinivaasan, Joint Managing Director. Dr.M.Manickam, Sri M. Balasubramaniam and Sri. M. Srinivaasan hold 116395 shares (77.60%), 9465 shares (6.31%) and 1780 shares (1.19%) respectively in ABT Limited.
c)	Nature of relationship	The aforesaid Directors of the Company are Directors and shareholders of ABT Limited.



d)	Nature, material terms, monetary value and particulars of contract or arrangement	a. Purchase and sale of goods such as cars, spare parts etc., b. Rendering and receipt of services like servicing of vehicles, co-location facility c. Lease of office space d. Payment of interest for the loans availed e. Transfer or exchange of any resources, services or obligations to meet business requirements. The value of the above transactions will be about Rs.45 crores. The aggregate value of the above transactions and other transactions that have taken place or proposed to take place with ABT Limited during the financial year 2023-24 is about Rs.260 crores.
e)	Tenure of the proposed transaction (particular tenure shall be specified)	During the financial year 2023-24.
f)	Justification as to why the proposed transaction is in the interest of the Company	The transactions are at arms length and the Company is assured of the availability of goods and services and other facilities at the required time and with good quality. The Company is liable to pay interest on the amounts borrowed from ABT Limited. The Company has also taken/given office space on lease on which rent is payable/receivable.
g)	The percentage of the Company's annual turnover, for the immediately preceding financial year i.e. represented by the value of the proposed transaction.	The value of the proposed omnibus transactions will be 4.27% and the aggregate value of all transactions during the financial year 2023-24 will be about 24.67% of the annual turnover of the Company for the financial year ended 31.3.2023.
h)	A copy of the valuation or other external party report, if any, such report has been relied upon.	Not Applicable.

In view of the above, the Board of Directors has recommended the Ordinary Resolution as set out under Item No. 6 in the AGM Notice for the members approval.

Except Dr.M.Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, no other Director or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No.7

Pursuant to Section 148 of the Companies Act 2013, the Board of Directors of the Company has appointed M/s. STR & Associates, Cost Accountants, Tiruchirappalli, as Cost Auditors for audit of the cost records relating to Sugar, Distillery, Power and Soya Divisions of the Company for the financial year ending 31st March 2024 and fixed a remuneration of Rs.5.00 lakhs. Rule 14 of the Companies (Audit and Auditors) Rules 2014 specifies that the remuneration payable to the Cost Auditors is to be ratified by the members at the General Meeting. Accordingly, necessary resolution is set out in item No.7 of the Notice for the Members approval.

The Board of Directors has recommended the ordinary resolution for approval of the members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No.8

To meet certain charitable and social obligations, it is proposed to authorise the Board of Directors to make donations up to Rs.20 lakhs or such amount as permissible under Section 181 of the Companies Act, 2013, whichever is higher, during the financial year 2024-25. Necessary resolution is set out in item No.8 of the Notice for members approval.

The Board of Directors has recommended the ordinary resolution for approval of the members.

None of the Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

Coimbatore
10th June 2023

By Order of the Board
S Baskar
President & Company Secretary



Details of Director
Brief resume of the Directors proposed to be appointed / re-appointed are given in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2:

Name of Director	Dr.M.Manickam (DIN – 00102233)	Sri M.Srinivaasan (DIN – 00102387)	Sri V.K.Swaminathan (DIN – 00210869)
Date of birth and age	24.03.1956 / 67 years	02-09-1966 / 56 years	07-01-1953 / 70 years
Qualification	M.Sc.,MBA(USA)	B.E.,MBA(USA)	B.Com.
Nature of expertise in functional areas and experience	Has expertise in the areas of entrepreneurial skill and business management, especially sugar industry, with about 42 years of experience in sugar & auto industries. Past president of ISMA and SISMA.	Has expertise in the areas of entrepreneurial skill and business management, especially sugar industry, with about 33 years of experience in sugar industry. Past president of ISMA and SISMA.	Has expertise in sugarcane cultivation and in general business management with about 48 years of experience in these functional areas.
Terms and conditions of appointment / re-appointment	Reappointment as Managing Director for a period of five years from 12th June 2023 without remuneration.	Reappointment on Retirement by rotation	Appointment as Director liable to retire by rotation.
Last remuneration drawn, if any	Nil	Nil	N.A.
Date of first appointment as Director	16.09.1980	23.08.1995	10.06.2023
Shareholding in the Company (No. of shares)	19,14,200	2,01,000	2,400
Relationship with other Directors / KMP	Brother of Sri M. Balasubramaniam, Managing Director & Sri M.Srinivaasan, Joint Managing Director	Brother of Dr. M. Manickam, Chairman & Managing Director and Sri M. Balasubramaniam, Managing Director	None
No. of Board Meetings attended during the year ended 31.3.2023	6	6	N.A.
Names of the companies in which directorship is held:			
i) Listed entities	Sakthi Finance Limited. Kovai Medical Center & Hospital Limited	Sakthi Finance Limited	Nil
ii) Others	ABT Ltd., ABT Foods Retailing (India) Ltd, Sakthi Auto Component Ltd., The Gounder & Co. Auto Ltd., Sakthi Properties (Cbe) Ltd., Anamallais Bus Transport Pvt. Ltd. Sri Chamundeswari Sugars Ltd., ABT Business Solutions P. Ltd. Nachimuthu Industrial Association.	Sri Chamundeswari Sugars Ltd., ABT Ltd., Sakthi Auto Component Ltd., Sakthi Properties (Coimbatore) Ltd., The Gounder and Co. Auto Ltd., Indian Sugar Exim Corpn. Ltd., SCSL Agro P. Ltd., Nachimuthu Industrial Association, Chamundeswari Enterprises P. Ltd., and Navamalai Holdings P. Ltd.	Nil
Chairmanship / Membership of Committees:			
i) Listed entities	Sakthi Finance Limited - SR Committee – Chairman	Sakthi Finance Limited - Audit Committee - Member	Nil
ii) Others	Sakthi Auto Component Limited. - NR Committee - Member - CSR Committee - Chairman ABT Limited. - NR Committee - Member	Sri Chamundeswari Sugars Limited Audit Committee - Member SR Committee - Member	Nil
Names of listed entities from which the person has resigned in the past three years	Nil	Nil	Nil

SR Committee - Stakeholders Relationship Committee, CSR Committee - Corporate Social Responsibility Committee,

NR Committee - Nomination & Remuneration Committee.

Coimbatore
10th June 2023

By Order of the Board
S Baskar
President & Company Secretary



BOARD'S REPORT

To the Members

The Board of Directors of the Company presents its Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2023.

FINANCIAL HIGHLIGHTS		(Rs in lakhs)	
Particulars	2022-23	2021-22*	
Revenue			
Sugar Division	84266.50	34154.89	
Distillery Division	14272.02	7350.72	
Cogeneration Division	6837.02	1661.79	
Total Revenue	105375.54	43167.40	
Other Income	1472.08	1589.28	
Total Income	106847.62	44756.68	
Profit/(Loss) before Finance Cost and Depreciation & Amortisation Expense and Exceptional Items	10498.60	3069.71	
Finance Cost	10801.07	23316.76	
Provision for Depreciation & Amortisation	3713.65	4580.98	
Net Profit before Exceptional Item and Tax	(4016.12)	(24828.03)	
Exceptional Items Gain / (Loss)	41061.91	6891.23	
Net Profit before Tax from continuing operations	37045.79	(17936.80)	
Provision for Tax	(224.40)	42.63	
Net Profit after Tax	37270.19	(17979.43)	
Profit from Discontinued Operation	4511.62	2962.93	
Profit/(Loss) for the year	41781.81	(15016.50)	
Comprehensive Income	(51.96)	(15.98)	
Total comprehensive Income	41729.85	(15032.48)	

*Figures are reclassified to make them comparable with current year's figures

REVIEW OF OPERATION

The overall operational performance of the Company for the financial year under review was better than that of the previous financial year with higher quantum of sugarcane crushing. The recovery percentage was also slightly higher. There has been improvement in the operations of other Divisions like distillery and power. In the selling prices of sugar, industrial alcohol and power also, there were improvement during the financial year. The operations of Dhenkanal Unit upto the date of sale and of Soya Unit have been treated as discontinued operations. There is no change in the nature of business during the financial year and until the date of this report.

SUGAR DIVISION

The quantum of sugarcane crushed at various units of the Company during the financial year 2022-23 is as under:

Name of the Unit	Cane crushed (in MT)
Sakthinagar	13,23,251
Sivaganga	3,45,314
Modakurichi	4,47,844

During the year under review, 1.99 lakh MT of sugar was produced by the Company as compared to 0.83 lakh MT in the previous year. The quantum of sugar sales and the sale value have also gone up as compared to the previous year.

DISTILLERY DIVISION

During the year under review, 246.97 lakh litres (previous year 114.00 lakh litres) of industrial alcohol was produced at Sakthinagar Distillery Unit. Both volume and value of sales of this Division have improved during the year as compared to the previous financial year.

**CO-GENERATION DIVISION**

The total power generated in the co-generation plants during the financial year was 2287.48 lakh units (previous year 881.11 lakh units) out of which 1353.60 lakh units (previous year 422.26 lakh units) of power was exported. The Company is selling the power through Indian Energy Exchange (IEX) as well as directly to third parties.

DISCONTINUED OPERATIONS

The members of the Company at the Extraordinary General Meeting held on 27th May 2022 approved sale of the Sugar and Distillery Units at Dhenkanal, Orissa State and the Soya Unit at Pollachi, Tamilnadu. While the Sugar and Distillery Units at Dhenkanal have been sold as a going concern on slump sale basis for a consideration of Rs.134.10 crores on 11th November 2022, sale of Soya Unit is yet to be completed.

Upto the date of sale, Dhenkanal Unit crushed 13,410 MT of sugarcane (2,72,344 MT for the previous year) and produced 1,901 MT of sugar (25,077 MT for the previous year) and 9.80 lakh litres (56.13 lakh litres for the previous year) of industrial alcohol.

22,060 tonnes (previous year 29,241 tonnes) of soya beans was crushed in the Soya Unit at Pollachi, Tamilnadu during the year under review. While there was slight reduction in the quantum of soya products sold and in the sales value, there has been marginal increase in the average realisation.

In terms of Ind AS-105, the operations of Dhenkanal Units and of the Soya Unit were treated as discontinued operations and accounted accordingly.

IMPACT OF COVID-19 ON OPERATION

There was no material impact on account of Covid-19 pandemic on the operations of the Company during the financial year 2022-23.

CURRENT FINANCIAL YEAR 2023-24

There has been improvement in the level of operations of the Company during the financial year under review as compared with the previous year. It is expected that the trend would continue with good monsoon and the Company looks forward a higher volume of cane crush during the financial year 2023-24 with improved sugar recovery percentage. Corresponding improvement is expected in distillery and power divisions also.

DEPOSITS

The Company has not accepted any deposit during the financial year under review. At the end of the financial year, there was no unclaimed deposit.

CORPORATE INFORMATION

As mentioned in the last Board's Report, the Company has repaid its liabilities to Bank of India and to Edelweiss Asset Reconstruction Company Limited. Asset Reconstruction Company (India) Limited, which acquired certain loan liabilities of the Company from various Banks, has reassigned the same to Phoenix ARC Private Limited (Phoenix ARC). At the request of the Company, Phoenix ARC has restructured the loans at Rs.151.15 crores (including interest till repayment) after waiving accrued interest amounting to about Rs.480.73 crores. The balance outstanding as on the date of this Report is Rs.63.26 crores.

DIRECTORS

Sri M. Srinivaasan (DIN 00102387) retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Dr. M. Manickam (DIN 00102233) has been re-appointed by the Board as Managing Director for a period of five years from 12th June 2023 without remuneration. The said re-appointment is subject to the approval of the members of the Company at the ensuing Annual General Meeting.

Sri V.K.Swaminathan (DIN 00210869) has been appointed as Additional Director with effect from 10th June 2023 to hold office upto the date of next Annual General Meeting of the Company. A notice has been received from a shareholder of the Company proposing him for appointment as a Director in the ensuing Annual General Meeting.

DIRECTORS RESPONSIBILITY STATEMENT

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;



- (b) the Directors 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 as at the end of the financial year and of the profit of the Company for that financial year;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF BOARD OF DIRECTORS

The Board met six times during the financial year ended 31st March 2023. The details of the Board Meetings and the attendance of the Directors are given in the Corporate Governance Report.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee comprises of the following Directors as its members:

1. Sri C.Rangamani, Chairman
2. Sri N.K.Vijayan
3. Sri K.V.Ramachandran
4. Smt. Priya Bhansali

Details regarding meetings of the Audit Committee and the attendance of the members are given in the Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a formal annual evaluation of the performance of the Board, its committees and of individual Directors has been made. The manner in which the evaluation was carried out and the process adopted are given in the Corporate Governance Report.

DETAILS OF REMUNERATION TO DIRECTORS

Details of ratio of remuneration to each Director to the median employee's remuneration and other disclosures required under Section 197(12) of the Companies Act, 2013 and Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure-A.

RISK MANAGEMENT POLICY

The Company has constituted a Risk Management Committee and the details of the Committee are set out in the Corporate Governance Report. Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has laid down risk management policy to identify, evaluate and mitigate risks. It seeks to ensure transparency and to minimise adverse impact on the business operations of the Company.

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company, the selling price of which is subject to market fluctuations.

INTERNAL CONTROL

The Company has internal control system commensurate with the size of the Company. Adequate procedures are set out for detecting and preventing frauds and for protecting the Company's assets. The head of Internal Audit Team reports to the Chairman of the Audit Committee for the purpose of maintaining independence and Internal Audit Reports are placed before the Audit Committee together with statement of significant audit observation and the suggested corrective action followed by a report on action taken thereon. Further the Company has adequate internal financial control with respect to the financial statements.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a whistle blower policy and a vigil mechanism for Directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism provides adequate safeguards against victimisation and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The details of the whistle blower policy are posted on the website of the Company. No complaint has been received under this mechanism during the year under review.

**CORPORATE GOVERNANCE**

A Report on Corporate Governance along with Auditors Certificate with respect to its compliance forms part of this Report.

A detailed Management Discussion and Analysis Report also forms part of this Report

OTHER DISCLOSURES UNDER THE COMPANIES ACT 2013**i. Annual Return**

A copy of the Annual Return for the financial year 2021-22 is placed on the website of the Company www.sakthisugars.com.

ii. Changes in Share Capital

There is no change in the share capital during the financial year under review.

iii. Policy on Directors Appointment and Remuneration

The Company's policy for selection and appointment of directors, senior management personnel and fixation of their remuneration, including criteria for determining qualifications, positive attributes, independence of a director, are available in the Company's website www.sakthisugars.com and the salient features of the Policy are given in Annexure-B.

iv. Related Party Transactions

All the related party transactions were on arm's length basis. Prior approval of the Audit Committee and/or Board, as the case may be, has been obtained for the transactions with related parties. A statement of all related party transactions is placed before the Audit Committee on quarterly basis.

There is no contract or arrangement with related parties attracting the provisions of Section 188(1) of the Companies Act, 2013 during the financial year under review.

The Related Party Transactions Policy as approved by the Board is available on the Company's website www.sakthisugars.com. The details of the transactions with Related Parties are provided in the accompanying financial statements.

v. Statement of declarations given by Independent Directors

The Independent Directors have given their declarations to the Board to the effect that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the relevant rules. They have also given a declaration confirming compliance with Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules 2014 regarding inclusion of their names in the databank maintained by Indian Institute of Corporate Affairs. All the Independent Directors are exempt from the requirement of the written test under Rule 6(4) of the said Rules.

vi. Significant material orders passed by court or authorities

There are no significant orders passed by Court or regulatory authorities which would impact the status of the Company and its future operations.

vii. Particulars of loans, guarantees or investments

The Company has given corporate guarantee and security by way of equitable mortgage of the immovable property of the Company at 180 Race Course Road, Coimbatore in favour of Kotak Mahindra Bank Limited to secure the term loan of Rs.50 crores availed by ABT Limited, a related party in which some of the directors are interested, during the financial year 2022-23 under Section 186 of the Companies Act, 2013. The loan availed by ABT Limited was given to the Company by way of inter corporate deposit towards working capital. The Company has not given any loan or made any investments during the financial year.

viii. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and out go as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in Annexure-C.

ix. There are no material changes affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.**x. The Company has complied with the Secretarial Standards as may be applicable to the Company.****STATUTORY AUDITORS**

At the last Annual General Meeting of the Company, the members have appointed M/s.P.N.Raghavendra Rao & Co., Chartered Accountants, as Statutory Auditors for a term of office of five consecutive years from the conclusion of the 60th Annual General Meeting held on 24th August, 2022 till the conclusion of the 65th Annual General Meeting of the Company. The said Audit Firm has confirmed that they are not disqualified for continuing as Statutory Auditors of the Company for the financial year 2023-24.

**SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act 2013 and Regulation 24A of SEBI (LODR) Regulations 2015, the Board of Directors of the Company has appointed M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai as Secretarial Auditors to undertake the secretarial audit of the Company for the year ended 31st March 2023. Secretarial Audit Report of M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai for the year ended 31st March 2023 is annexed as Annexure-D. As the Company does not have any subsidiary, the question of appointment of Secretarial Auditor for material subsidiary does not arise.

COST AUDIT

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. M/s. STR & Associates, Cost & Management Accountants, Tiruchirapalli, are the Cost Auditors appointed for auditing the cost accounting records relating to Sugar, Distillery, Power and Soya Divisions of the Company for the year ended 31st March 2023.

The said Firm has been appointed for the financial year ending 31st March 2024 and necessary resolution for ratification of their remuneration is included in the Notice for the ensuing Annual General Meeting.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a CSR Committee and has adopted a CSR Policy and the same is available in the Company's website www.sakthisugars.com. The composition of the CSR Committee is given in the Corporate Governance Report. As the Company has incurred loss for the three immediately preceding financial years, the requirement of incurring expenditure towards fulfilment of its corporate social responsibility does not arise during the financial year under review.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act. An Internal Complaints Committee (ICC) has been set up at every work place of business to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaint has been received during the financial year 2022-23.

AUDITORS' REPORT

With reference to the Statutory Auditors remark, your Directors wish to state that the Company is confident of obtaining favourable award and considers the full amount as recoverable. The Statement of impact on Audit Qualification is attached as Annexure-E.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the valuable assistance and co-operation extended by the shareholders, cane growers, banks, financial institutions and Government authorities. They also wish to appreciate the dedicated services rendered by officers, staff and workers of the Company.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M Manickam
Chairman and Managing Director

**ANNEXURE - A TO THE BOARD'S REPORT****PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Companies Act, 2013 and the Rules made thereunder in respect of remuneration to Directors/Key Managerial Personnel/employees of the Company is as follows:

- (a) The ratio of the remuneration of each director to the median employee's remuneration of the Company for the financial year ended 31st March 2023:

	Name of Persons	Ratio to median remuneration
I	Non-Executive Directors:	
	Sri C.Rangamani	0.46
	Sri S.S.Muthuvelappan	0.34
	Sri P.K.Chandran	0.37
	Sri N.K.Vijayan	0.37
	Sri K.V.Ramachandran	0.46
	Sri S.Chandrasekhar	0.26
	Sri S.Balasubramanian	0.23
	Smt.Priya Bhansali	0.37
II	Executive Directors:	
	Dr. M.Manickam, Chairman & Managing Director	-
	Sri M.Balasubramaniam, Managing Director	-
	Sri M.Srinivaasan, Joint Managing Director	-

- (b) The percentage of increase in remuneration of each Director, Chief Financial Officer, and Company Secretary in the financial year:

	Name of Persons	% increase in remuneration
I	Non-Executive Directors:	
	Sri C.Rangamani	-
	Sri S.S.Muthuvelappan	50.00
	Sri P.K.Chandran	44.44
	Sri N.K.Vijayan	-
	Sri K.V.Ramachandran	-
	Sri S.Chandrasekhar	-
	Sri S.Balasubramanian	-
	Smt.Priya Bhansali	-
II	Executive Directors:	
	Dr. M.Manickam, Chairman & Managing Director	-
	Sri M.Balasubramaniam, Managing Director	-
	Sri M.Srinivaasan, Joint Managing Director	-
III	Key Managerial Personnel:	
	Dr.S.Veluswamy, President - Finance & Operations (Chief Financial Officer)	N.A.
	Sri S.Baskar, President & Company Secretary	8.56



- i. The remuneration to Non-Executive Directors consists of sitting fees paid for the meetings of Board and Committees thereof attended by each Director. The sitting fees paid per meeting attended by the Directors is the same as that of the last year.
 - ii. The appointments of Dr.M.Manickam as Chairman and Managing Director with effect from 12th June 2018 and Sri M.Balasubramaniam as Managing Director, and Sri M.Srinivaasan as Joint Managing Director with effect from 27th August 2021 are without remuneration.
- (c) The percentage increase in the median remuneration of employees in the financial year is 11.15.
- (d) The number of permanent employees on the rolls of the Company as on 31.3.2023 is 967.
- (e) The increase in the average percentile of salaries of employees other than managerial personnel in the year 2022-23 is 4.75%. The managerial personnel have not been paid remuneration.
- (f) Affirmation that the remuneration is as per the remuneration policy of the Company:
It is affirmed that the remuneration paid during the financial year ended 31.3.2023 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.
- (g) The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per second proviso to Section 136(1) of the Act and second proviso to Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M Manickam
Chairman and Managing Director



ANNEXURE - B TO THE BOARD'S REPORT

SALIENT FEATURES OF POLICY ON APPOINTMENT AND REMUNERATION

In order to identify, attract, retain and motivate competent persons, a clear relationship of remuneration to performance and a balance between rewarding short and long term performance of the Company, the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee (NR Committee), has adopted a policy on appointment and remuneration as enumerated in Section 178 of the Companies Act 2013. This policy provides a framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

I. Criteria for selection/appointment of and Remuneration to Non-Executive Directors:

i. Criteria of selection

- a. The candidate for Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in any of the fields of engineering, manufacturing, finance, accounts, taxation, agricultural operations, sales & marketing, and general management.
- b. In the case of Independent Directors, the candidate, in addition to the requirements under (a) above, should satisfy the criteria of independence as stipulated in the Companies Act and the Listing Regulations.
- c. The NR Committee while recommending a candidate for appointment as a Director, shall consider and get itself satisfied about -
 - The candidate not being disqualified for appointment under Section 164 of the Companies Act, 2013.
 - Attributes/criteria regarding qualification, expertise and experience in relevant field.
 - Personal, professional or business standing.
 - Requirement with respect to Board's diversity.
- d. In the case of re-appointment, the performance evaluation of the Director and his level of participation will be considered.

ii. Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees for each meeting of the Board or Committees of Board attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. They are also entitled for reimbursement of expenses in connection with participation in the Board/Committee Meetings/General Meetings.

The Independent Directors of the Company are not entitled for Stock Option Scheme of the Company, if any.

II. Criteria for selection/appointment of and remuneration to Executive Directors:

i. Criteria of selection/appointment

The NR Committee shall identify persons of integrity having relevant experience, expertise and leadership quality for appointment for the position of Executive Directors, viz. Executive Chairman, Managing Director, Joint Managing Director and Executive Director. The NR Committee shall also ensure that the identified persons fulfil the conditions like age limit under the Companies Act and other applicable laws, if any.

ii. Remuneration

The Executive Directors will be paid such remuneration and perquisites as may be mutually agreed upon at the time of appointment or re-appointment between the Company and the Executive Directors, taking into consideration the profitability of the Company and the overall limits prescribed under the Companies Act 2013.

The remuneration of Executive Chairman, Managing Director and the Joint Managing Director of the Company consists of fixed remuneration and variable portion by way of commission calculated in accordance with the Companies Act 2013. The remuneration of Executive Director consists of only fixed remuneration.

The above remuneration will be subject to such approvals and conditions as laid down in applicable statute.

**III. Criteria for selection/appointment of and remuneration to Senior Management Personnel:**

Based on the criticality of the role and responsibility of the Key Managerial Personnel, the NR Committee decides on the required qualifications, experience and attributes for the position and on the remuneration based on the industry bench mark and the current compensation trend in the market. The remuneration consists of fixed components like salaries, perquisites and a variable component comprising of annual bonus, if declared. Based on the selection criteria laid as above and remuneration, the NR Committee identifies persons and recommends to the Board for consideration and appointment.

In respect of other Senior Management Personnel, the NR Committee will recommend to the Board, all remuneration, in whatever form, payable to them for its approval.

Senior management means officers/personnel of the Company who are members of its core management team, excluding Board of Directors, comprising members of management one level below the Chief Executive Officer/Managing Director, including Company Secretary and Chief Financial Officer, and the functional heads.

In respect of other employees, the Chairman and Managing Director is authorised by the NR Committee to fix the remuneration based on the criticality and responsibility of the employees.

Annual increments are given on time scale basis and further increase to deserving employees based on performance review.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M Manickam
Chairman and Managing Director



ANNEXURE - C TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013

A. CONSERVATION OF ENERGY

(i) *Steps taken or impact on conservation of energy:*

No major steps have been taken during the year.

(ii) *Steps taken for utilising alternate sources of energy:*

Power generated by the Company in its co-generation plants is used.

(iii) *Capital investment on energy conservation equipments:*

Nil

B. TECHNOLOGY ABSORPTION

(i) *Efforts made towards technology absorption:*

There is no new technology for absorption.

(ii) *Benefits derived*

Not applicable.

(iii) *In case of imported technology*

a. *details of technology imported*

b. *the year of import*

c. *whether the technology has been fully absorbed*

d. *if not absorbed, areas where absorption has not taken place and reasons thereof*

No technology was imported.

(iv) *Expenditure on Research and Development* - Rs.20.47 lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned Rs. 2127.22 lakhs

Foreign exchange used Rs. 1382.31 lakhs

Coimbatore
10th June 2023

On behalf of the Board of Directors

M Manickam
Chairman and Managing Director

**ANNEXURE-D TO THE BOARD'S REPORT****Form No. MR-3****Secretarial Audit Report for the financial year ended 31st March 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members,

SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]

Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu-638315

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SAKTHI SUGARS LIMITED (hereinafter called "the Company") during the financial year from 1st April 2022 to 31st March 2023 ("the year"/ "audit period"/ "period under review").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the physical / electronic books, papers, minute books and other records maintained by the Company and furnished to us in physical / electronic form through email, forms / returns filed and compliance related action taken by the Company during the year as well as after 31st March 2023 but before the issue of this audit report;
- (ii) Our observations during our visits to the Corporate office of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/ Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2023 the Company has

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

1. Compliance with specific statutory provisions

We further report that:

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder ("the Act").
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations"):-
 - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) The following laws are specifically applicable to the Company (Specific laws):
 - (a) Essential Commodities Act, 1955 and the rules / orders made thereunder with respect to sugar;
 - (b) Tamil Nadu Prohibition Act, 1937 and the rules made thereunder with respect to molasses and industrial alcohol;



- (c) Sugar Development Fund Act, 1982 and the rules made thereunder;
 - (d) Sugar Cess Act, 1982;
 - (e) Food Safety and Standards Act, 2006 and the rules/regulations made thereunder with respect to sugar and soya; and
 - (f) Electricity Act, 2003 and the rules made thereunder, with respect to co-generation of power.
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ("Agreements").
- (vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (FEMA).
- (viii) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2023 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Complied with the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations mentioned under sub – paragraph (iv) of paragraph 1.1 above; and
 - (ii) Complied with the applicable provisions / clauses of the Acts, Rules and Specific laws mentioned under sub-paragraph (i) to (iii), (v), (vi) and (vii) of paragraph 1.1 and Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1(viii) above to the extent applicable to Board / Committee Meetings and General meetings.
- 1.3. We are informed that, during / in respect of the year, due to non-occurrence of certain events, the Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (FEMA);
 - (ii) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
 - (iii) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
 - (iv) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (v) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - (vi) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2. Board processes:
- We further report that:
- 2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and SEBI (LODR) Regulations 2015.
- 2.2 As on 31st March 2023, the Board has:
- (i) 1 [One] Executive Director designated as Chairman and Managing Director.
 - (ii) 2 [Two] Executive Directors designated as Managing Directors.
 - (iii) 8 [Eight] Non-Executive Independent Directors including a Woman Independent Director.
- 2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:
- (i) Re-appointment of Dr.M.Manickam (DIN 00102233) as Director retiring by rotation at the 60th Annual General Meeting held on 24th August 2022;
- 2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.5 Notice of Board /Committee meetings was sent to the directors at least seven days in advance except for the meetings which was convened at a shorter notice, as required under Secretarial Standard (SS 1) 1.3.11 and the same has been ratified by majority of the Directors.



- 2.6 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board / Committee meetings except for the meetings which was convened at a shorter notice.
- 2.7 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers; and
 - (ii) Additional subjects/ information/ presentations and supplementary notes.
- 2.8 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.9 We are informed that, at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
 - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that:

- 3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/actions

- 4.1 During the year, the following specific events / actions having a major bearing on the Company's affairs took place, in pursuance of above referred laws, rules, regulations and standards.

- (a) Members have accorded their approvals by way of resolutions passed in the Extraordinary General Meetings (EGM) held during the year.

Section of the Act	EGM Date	Type of Resolution	Purpose
180 (1) (a)	27th May 2022	Special	For the sale of Sugar and Distillery Units at Dhenkanal, Orissa State and Soya Unit at Marchinaickenpalayam, Pollachi, Coimbatore District, Tamilnadu State at a fair price.
188		Ordinary	Related Party Transaction regarding sale of Soya Unit as a going concern or on a slump sale basis either to ABT Limited or Sakthi Industrial Enterprises Private Limited or any other related party at a fair price. Related Party Transaction regarding sale of Third Floor of the Corporate Office Building of the Company at 180, Race Course Road, Coimbatore to Sakthi Finance Limited and ABT Industries Limited at a fair price.
185	25th June 2022	Special	Provision of Corporate Guarantee and Security for a loan to be availed by ABT Limited, a related party.

- (b) Based on the approval of the members in the EGM held on 27th May 2022, the sale of sugar and distillery units situated in Dhenkanal, Orissa State was completed on 11th November 2022.

For S Krishnamurthy & Co.,
Company Secretaries
Firm Unique Identification No. P1994TN045300
Peer Review Certificate No. 733/2020

R. Sivasubramanian
Partner
Membership No: A22289
Certificate of Practice No: 12052
UDIN : A022289E000466337

Place : Coimbatore
Date : 10th June 2023

**Annexure - A to Secretarial Audit Report of even date**

To,
The Members,
Sakthi Sugars Limited, [CIN: L15421TZ1961PLC000396]
Sakthi Nagar, Bhavani Taluk, Erode District, Tamil Nadu - 638315

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2023 is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2023 but before the issue of this report.
5. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
6. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.
8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
9. Our 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.
10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For S Krishnamurthy & Co.,
Company Secretaries
[Firm Unique Identification No. P1994TN045300]
(Peer Review Certificate No. 733/2020)

Date : 10th June 2023
Place : Coimbatore

R. Sivasubramanian
Partner
Membership No: A22289
Certificate of Practice No: 12052
UDIN : A022289E000466337

**ANNEXURE - E TO THE BOARD'S REPORT**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

(Rs. in Lakhs)

S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (after adjusting for qualifications)
1	Turnover / Total income	1,06,847.62	1,06,847.62
2	Total Expenditure	1,10,863.74	1,10,863.74
3	Net Profit/(Loss)	41,781.81	41,781.81
4	Earnings Per Share (in Rs.)	35.16	35.16
5	Total Assets	1,66,816.04	1,66,816.04
6	Total Liabilities	1,67,898.80	1,67,898.80
7	Net Worth	(1,082.76)	(1,082.76)
8	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II *Audit Qualification (each audit qualification separately)***Audit Qualification - I****a. Details of Audit Qualification**

No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs.25219.69 lakhs have been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the Company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the financial results.

b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion

Qualified opinion

c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing

Repetitive from 31st March 2020.

d. For Audit Qualification where the impact is quantified by the Auditor, Management's views:

Not applicable.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:**(i) Management's estimation on the impact of audit qualification**

The impact is unascertainable.

(ii) If management is unable to estimate the impact, reasons for the same

The Management is confident of obtaining favourable award and considers the full amount as recoverable. Hence, no provision is made.

(iii) Auditors' comments on (i) or (ii) above

The Auditors Report is qualified for non-provision of expected credit loss as per Ind-AS 109.



III	Signatories	
	CEO/Managing Director	Sd. (M. Manickam) Chairman & Managing Director
	CFO	Sd. (S. Veluswamy) Chief Financial Officer
	Audit Committee Chairman	Sd. (C.Rangamani) Chairman of the Audit Committee
	Statutory Auditors	Sd. (P.R. Vittel) Partner Membership No. : 018111 M/s. P.N. Raghavendra Rao & Co. FBN : 003328S
	Place : Coimbatore Date : 29th May 2023	



CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The Company's philosophy on corporate governance endeavours attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with stakeholders, including shareholders, employees, cane growers, lenders and the Government.

2. BOARD OF DIRECTORS

a. Composition and category of Directors

The composition of the Board is in conformity with the provisions contained in the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March 2023, the Board consisted of three Executive Directors, viz. Chairman and Managing Director, Managing Director and Joint Managing Director, and eight Independent Directors, including a Woman Director. The number of Independent Directors is more than 50% of the total number of Directors on the Board.

None of the Directors on the Board is in more than 10 Committees or Chairman of more than 5 Committees across all listed companies in which he/she is a Director as per the disclosures made by them.

All the Independent Directors have confirmed/declared that they satisfy/meet with the criteria of independence as stipulated under Section 149(6) of the Companies Act 2013 and in Regulation 16(1)(b) of SEBI (LODR) Regulations 2015 and that they have registered their names in the databank for Independent Directors maintained as per Section 150 of the Companies Act 2013. During the financial year ended 31st March 2023, the Independent Directors held a separate meeting on 14.02.2023, without the participation of Non-Independent Directors and members of the management team. All the Independent Directors were present at the meeting.

b. Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended 31st March 2023, the Board met 6 times on 02.05.2022, 21.05.2022, 25.05.2022, 13.08.2022, 14.11.2022, and 14.02.2023. The Board is provided with all material information, including the minimum information to be placed before the Board as specified in Part A of Schedule II to the SEBI (LODR) Regulations. The gap between two meetings did not exceed 120 days. The details of attendance of each Director at the Board Meetings held during the year 2022-23, either physically or through video conference, and at the last Annual General Meeting held through video conference on 24.08.2022, and the number of their other Directorships and Committee Chairmanship/ Membership as on 31st March 2023 are given below:

Name of the Director	DIN	Category of Directorship	Attendance at		Number as on 31.03.2023 (Other than SSL)		
			Board Meeting	Annual General Meeting	Directorships	Committee Position*	
						Chairman	Member
Dr.M.Manickam	00102233	Promoter Executive	6	Yes	11	1	1
Sri M.Balasubramaniam	00377053	Promoter Executive	5	Yes	12	-	2
Sri M.Srinivaasan	00102387	Promoter Executive	6	Yes	11	-	3
Sri C.Rangamani	00090786	Non-executive Independent	6	Yes	1	1	1
Sri S.S.Muthuvelappan	00273870	Non-executive Independent	6	Yes	-	-	-
Sri P.K.Chandran	00273738	Non-executive Independent	6	Yes	-	-	-
Sri N.K.Vijayan	00300871	Non-executive Independent	6	Yes	-	-	-
Sri K.V.Ramachandran	00322331	Non-executive Independent	6	Yes	3	-	1



Name of the Director	DIN	Category of Directorship	Attendance at		Number as on 31.03.2023		
			Board Meeting	Annual General Meeting	(Other than SSL)		
					Directorships	Committee Position*	
Chairman	Member						
Sri S.Chandrasekhar	00011901	Non-executive Independent	5	Yes	10	-	1
Sri S.Balasubramanian	00458139	Non-executive Independent	6	Yes	2	-	-
Smt. Priya Bhansali	00195848	Non-executive Independent	6	Yes	3	-	1

*Audit Committee and Stakeholders Relationship committee of public limited companies alone are considered.

c. Details of directorships held by the Directors of the Company in other listed entities

Name of Director	Name of listed entity	Category of directorship
Dr. M. Manickam	Sakthi Finance Limited	Promoter Non-executive
	Kovai Medical Centre & Hospitals Limited	Non-executive Independent
Sri M. Balasubramaniam	Sakthi Finance Limited	Promoter Executive
Sri M. Srinivaasan	Sakthi Finance Limited	Promoter Non-executive
Sri K.V. Ramachandran	E L Forge Limited	Promoter Executive
Smt. Priya Bhansali	Sakthi Finance Limited	Non-executive Independent
	Kaycee Industries Limited	Non-executive Independent

d. Chart/Matrix setting out skills/expertise/competence of the Directors

The Company being manufacturers of refined white crystal sugar and other bye-products, its Board of Directors are of the view that the directors would need one or more of the following core skills/expertise/competencies for effective functioning of the Company:

Skill set/expertise/competence required	Names of Directors having it
Entrepreneurial skill and business management	Dr.M.Manickam Sri M.Balasubramaniam Sri M.Srinivaasan Sri K.V.Ramachandran
Engineering and manufacturing expertise with reference to sugar industry	Sri M.Srinivaasan Sri S.Balasubramanian
Agricultural expertise and experience in sugarcane cultivation	Sri S.S.Muthuvelappan Sri P.K.Chandran Sri N.K.Vijayan
Expertise in finance, accounting, legal and taxation	Sri M.Balasubramaniam Sri C.Rangamani Sri K.V.Ramachandran Smt. Priya Bhansali
Sales and marketing expertise and experience	Sri S.Chandrasekhar

e. Relationship between Directors inter se

Dr. M. Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, are related to each other as brothers.



f. Number of shares and convertible instruments held by Non-Executive Directors in the Company as on 31st March 2023

Sl. No	Name of the Non-Executive Director	No. of Equity Shares held
1	Sri C.Rangamani	500
2	Sri S.S.Muthuvelappan	3009
3	Sri P.K.Chandran	6424
4	Sri N.K.Vijayan	1850
5	Sri K.V.Ramachandran	500
6	Sri S.Chandrasekhar	1990
7	Sri S.Balasubramanian	10830
8	Smt. Priya Bhansali	-

The Non-Executive Directors do not hold any convertible instrument.

g. Familiarisation programme for Independent Directors

The familiarisation process followed by the Company includes briefing about the Board's composition and conduct, roles, rights, responsibilities of Directors, nature of the industry, details about the Company, Group and its culture and briefing of amendments on Companies Act, SEBI Regulations, etc. The familiarisation process is disclosed at the Company's weblink www.sakthisugars.com/investorinformation/familiarisationprog.pdf.

h. Performance Evaluation

Pursuant to the provisions of the Companies Act 2013 and SEBI (LODR) Regulations 2015, evaluation of the performance of the Board, Committees and individual Directors was carried out by the Board for the year 2022-23, which included performance of the Directors and fulfilment of independence criteria as specified in SEBI (LODR) Regulations and their independence from the management. The questionnaires were prepared in a structured manner taking into consideration the guidance note on Board Evaluation issued by SEBI. The performance of each of the individual Directors was evaluated on parameters such as attendance, level of participation in the meetings and contribution, independence of judgement, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of all the Independent Directors was done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

i. Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company www.sakthisugars.com. All Board Members and Senior Management personnel have confirmed compliance with the code and an annual declaration signed by the Chairman and Managing Director in this regard is attached.

j. It is confirmed that in the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the SEBI (LODR) Regulations 2015 and that they are independent of the management of the Company.

None of the Independent Directors of the Company has resigned before expiry of his/her tenure of office as Independent Director.

3. AUDIT COMMITTEE

a. Composition and Meetings

The Audit Committee comprises the following Independent Non-Executive Directors as its members:

- Sri C. Rangamani, Chairman
- Sri N.K. Vijayan
- Sri K.V. Ramachandran
- Smt. Priya Bhansali

The Committee met 6 times during the financial year on 02.05.2022, 21.05.2022, 25.05.2022, 13.08.2022, 14.11.2022, and 14.02.2023 and all the Members of the Committee attended all the six meetings held during the financial year. The gap between two meetings did not exceed 120 days.



All members of the Audit Committee are financially literate. The minutes of the Audit Committee Meetings are placed before the meetings of the Board of Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting.

Sri S. Baskar, Company Secretary, functions as Secretary for the Committee.

b. Terms of reference

The Audit Committee assists the Board in fulfilling its oversight responsibilities in monitoring financial reporting, reviewing internal financial controls and the statutory and internal audit activities.

The terms of reference of the Audit Committee are as per the guidelines in the Listing Regulations read with Section 177 of the Companies Act, 2013. The role and terms of reference of the Audit Committee, inter alia, include the following:

1. Examination of the financial statement and draft auditors' report.
2. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Recommendation for appointment, remuneration and terms of appointment of statutory auditors and cost auditors of the Company.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of sub-section (3)(c) of Section 134 of the Companies Act 2013.
 - b. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations.
 - c. Any changes in accounting policies and practices and reasons for them.
 - d. Major accounting entries involving estimates based on exercise of judgment by management.
 - e. Significant adjustments made in the financial statements arising out of audit findings.
 - f. Modified opinions in the draft audit report.
 - g. Disclosure of any related party transaction.
 - h. Compliance with listing and other legal requirements relating to financial statements.
 - i. Review the statement for uses/application of funds by major category on a quarterly basis, with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document /prospectus/notice. Such review shall be conducted till the full money raised through the issue has been fully spent.
 - j. Evaluation of internal financial controls and risk management systems.
6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.
7. Approval/recommendation to the Board of related party transactions, including omnibus approval and modification, if any, therein.

The matters reviewed and recommended in the meetings of the Audit Committee were appraised to the Board by the Chairman of the Audit Committee for its approval. All the recommendations of the Audit Committee were accepted by the Board.

The Committee has taken appropriate action with regard to the above references that have arisen during the financial year.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition and Meetings

The Nomination and Remuneration Committee comprises of the following Independent Non-Executive Directors as its Members:

Sri K.V. Ramachandran, Chairman

Sri C. Rangamani

Sri S. Chandrasekhar



The Nomination and Remuneration Committee met 2 times during the financial year on 25.05.2022 and 14.02.2023. Both the meetings were attended by all the members of the Committee.

The Chairman of the Committee was present at the last Annual General Meeting of the Company.

b. Terms of reference

The terms of reference of the Committee includes the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
2. Recommend to the Board about appointment and removal of directors and senior management personnel.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Carry out evaluation of every Director's performance.
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director and preparation of description of the role and capability required of an independent director.
6. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees and to ensure the following:
 - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - ii. relationship of remuneration to performance is clear and meets the appropriate benchmarks; and
 - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long term performance, objectives appropriate to the working of the Company and its goals.
7. Review and recommend the compensation and variable pay for Executive Directors to the Board.
8. Recommend on Board diversification.
9. To recommend to the Board, all remuneration, in whatever form, payable to senior management personnel.

c. Performance evaluation criteria for Independent Directors

Performance evaluation criteria for the Independent Directors covering evaluation of Board process, evaluation of committees and individual evaluation of Board members and the Chairman has been evolved and these evaluations are done based on structured questionnaires.

5. REMUNERATION OF DIRECTORS

a. Policy on Remuneration

The Remuneration policy of the Company is in consonance with the industry practices and aims to attract, retain, develop and motivate a high performance workforce. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance. The details of Policy on remuneration for Directors, Key Managerial Personnel and other employees of the Company form part of the Board's Report.

b. Details of remuneration to Directors

The details of remuneration paid to Executive and Non-Executive Directors during the financial year ended 31st March 2023 are given below:

(Rs. in Lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr.M.Manickam	–	–	–	–
Sri M.Balasubramaniam	–	–	–	–
Sri M.Srinivaasan	–	–	–	–
Sri C.Rangamani	–	–	1.60	1.60
Sri S.S.Muthuvelappan	–	–	1.20	1.20
Sri P.K.Chandran	–	–	1.30	1.30
Sri N.K.Vijayan	–	–	1.30	1.30
Sri K.V.Ramachandran	–	–	1.60	1.60
Sri S.Chandrasekhar	–	–	0.90	0.90
Sri S.Balasubramanian	–	–	0.80	0.80
Smt. Priya Bhansali	–	–	1.30	1.30



- i. The Non-Executive Directors were paid sitting fees for attending the Board and Committee Meetings within the limits prescribed under the Companies Act 2013. The sitting fees paid to any single Non-executive Director does not exceed 50% of the total fees paid to all the Non-executive Directors together. There has been no other pecuniary relationship or transactions with the Non-Executive Directors.
- ii. The appointments of Dr.M.Manickam, Chairman and Managing Director, Sri M.Balasubramaniam, Managing Director, and Sri M.Srinivaasan, Joint Managing Director, are without remuneration. There is no service contract with these Executive Directors.
- iii. No severance fee is payable to the Directors on termination of office/employment.
- iv. The Company has no stock option scheme to its Directors or employees.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a. Composition and Meetings:

The Stakeholders Relationship Committee consists of the following Directors as its Members:

Sri S. Chandrasekhar

Dr. M. Manickam

Sri M. Balasubramaniam

Sri S. Chandrasekhar, an Independent Non-Executive Director, heads the Stakeholder Relationship Committee as its Chairman. He was present at the last Annual General Meeting of the Company.

Sri S. Baskar, Company Secretary, functions as the Compliance Officer.

The Committee met once during the financial year on 27.03.2023 and all the Members of the Committee were present at the meeting.

The Company has not received any complaint during the year under review. There is no complaint remaining unresolved or pending as on 31st March 2023.

b. Terms of reference

The terms of reference of the Committee includes the following:

1. Resolving the grievances of the security holders of the Company, including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
2. Reviewing of measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

7. RISK MANAGEMENT COMMITTEE

Regulation 21 of SEBI (LODR) Regulations relating to Risk Management Committee is not applicable to the Company in view of sub-regulation 5 of Regulation 21.

A Risk Management Committee has been voluntarily constituted by the Board of Directors of the Company for laying down procedures for risk assessment and mitigation and to report to the Board. The Risk Management Committee consists of the following Directors as its Members:

Sri C. Rangamani, Chairman

Sri P.K. Chandran

Sri K.V. Ramachandran

The Committee met once during the financial year on 25.03.2023. All the members of the Committee were present at the meeting. The Board has framed and implemented a Risk Management Policy for assessing and mitigating the risks.



8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted by the Board pursuant to Section 135 of the Companies Act 2013. This Committee consists of the following Directors as its members:

- Sri N.K.Vijayan, Chairman
- Sri M.Srinivaasan
- Sri S.Chandrasekhar

Since the Company has incurred loss during the three immediately preceding financial years, the necessity of incurring expenditure towards Corporate Social Responsibility as specified in the Companies Act read with Schedule VII to the Act has not arisen during the year under review. The Committee did not meet during the financial year under review.

The CSR Policy approved by the Board is displayed on the website of the Company www.sakthisugars.com.

9. OTHER COMMITTEES OF DIRECTORS

a. Share Transfer Committee

The Committee consists of Dr. M.Manickam (Chairman), Sri S.S.Muthuvelappan and Sri P.K.Chandran, as Members. The Committee met 5 times during the financial year on 09.07.2022, 16.08.2022, 01.11.2022, 21.11.2022 and 13.12.2022 and all the Members of the Committee attended all the five meetings held during the financial year.

b. Committee of Directors (Borrowing)

The Committee met once during the financial year on 25.5.2022. All the Members of the Committee, viz. Dr.M.Manickam (Chairman), Sri M.Balasubramaniam and Sri S.Balasubramanian, were present at the meeting.

10. GENERAL BODY MEETINGS

a. Location and time of last three AGMs

The venue and time of the Annual General Meetings held during the last three years are as follows:

AGM	Date	Venue	Time
58th	25.09.2020	Held through Video Conference / Other Audio-Visual Means (VC/OAVM). Deemed venue was Registered Office	02.45 p.m.
59th	30.09.2021	Held through Video Conference / Other Audio-Visual Means (VC/OAVM). Deemed venue was Registered Office	11.00 a.m.
60th	24.08.2022	Held through Video Conference / Other Audio-Visual Means (VC/OAVM). Deemed venue was Registered Office	11.30 a.m.

b. Special Resolutions passed in the previous three AGMs

In the 58th Annual General Meeting held on 25.09.2020 one special resolution was passed pursuant to Sections 149, 150 and 152 of the Companies Act 2013 regarding approval of reappointment of Smt. Priya Bhansali as Independent Director for the second term of five consecutive years from 1st October 2020 to 30th September 2025.

In the 59th Annual General Meeting held on 30.09.2021 no special resolution was passed.

In the 60th Annual General Meeting held on 24.08.2022 no special resolution was passed.

c. Special Resolutions passed through Postal Ballot

No Special Resolution was passed through Postal Ballot during the financial year 2022-23 or is proposed to be conducted through postal ballot as of now.

d. Special Resolutions passed in the Extraordinary General Meetings (EGM)

- i. In the EGM held on 27.05.2022 one special resolution was passed under Section 180(1)(a) of the Companies Act 2013 with respect to sale of the Sugar and Distillery Units at Dhenkanal, Orissa State, and Soya Unit at Marchinaickenpalayam, Pollachi, Tamilnadu.
- ii. In the EGM held on 25.06.2022 one special resolution was passed with respect to provision of corporate guarantee and security for a loan availed by ABT Limited, a related party, under Section 185 of the Companies Act 2013.

11. MEANS OF COMMUNICATION

The quarterly/half yearly/annual financial results of the Company are announced within the stipulated time and are normally published in Financial Express and Maalai Malar/Dinamani, English and Tamil Newspapers respectively. The Company displays its periodical results on the Company's website www.sakthisugars.com as required by the Listing Regulations. No presentations were made to institutional investors or to the analysts.

**12. GENERAL SHAREHOLDER INFORMATION****a. Annual General Meeting**

As per the relevant circulars of Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) and in accordance with the framework laid down therein regarding conducting of Annual General Meetings of companies through Video Conference / Other Audio Visual Means, the 61st Annual General Meeting (AGM) of the Members of the Company will be held through Video Conference / Other Audio Visual Means (VC/OAVM).

Day and Date	:	Wednesday, 23rd August 2023
Time	:	11.30 a.m.
VC/OAVM facility provider	:	Link Intime India Private Limited, Mumbai
Cut-off Date (Record Date) for Voting	:	16th August 2023

Details/instructions in respect of participation and voting in the AGM by shareholders are given in the Notice of the AGM.

b. Financial Calendar for the financial year	:	From 1st April 2023 to 31st March 2024
Result for the quarter ending	:	Result announcement
30th June 2023	:	On or before 14th August 2023
30th September 2023	:	On or before 14th November 2023
31st December 2023	:	On or before 14th February 2024
31st March 2024 (Audited)	:	On or before 30th May 2024 or such other extended date as may be permitted by SEBI

c. Listing on Stock Exchanges:

The Company's equity shares are listed on the following stock exchanges and the Annual Listing Fees have been paid to these stock exchanges. The Company's Stock Codes are as follows:

Name of Stock Exchange	Stock Code
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai – 400 051.	SAKHTISUG
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.	507315

d. Market Price Data

The high and low quotations of the Company's shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from April 2022 to March 2023 are given below:

Month	BSE		NSE		BSE (Sensex)	
	High	Low	High	Low	High	Low
April 2022	21.50	13.40	21.60	13.35	60845.10	56009.07
May 2022	19.90	15.15	20.00	15.10	57184.21	52632.48
June 2022	18.40	13.80	18.50	13.70	56432.65	50921.22
July 2022	17.75	15.05	17.70	15.10	57619.27	52094.25
August 2022	20.45	15.50	20.50	15.35	60411.20	57367.47
September 2022	28.40	19.35	28.45	19.55	60676.12	56147.23
October 2022	24.20	20.05	24.20	20.10	60786.70	56683.40
November 2022	23.50	20.30	23.45	20.30	63303.01	60425.47
December 2022	34.55	20.70	34.40	21.10	63583.07	59754.10
January 2023	26.85	20.40	26.80	20.80	61343.96	58699.20
February 2023	22.90	19.40	23.00	19.65	61682.25	58795.97
March 2023	23.35	18.07	23.35	18.25	60498.48	57084.91



Performance in comparison to BSE Sensex:

	31.03.2023	31.03.2022	% change
Company share price (closing)	20.16	13.58	48.45
SENSEX (closing)	58,991.52	58,568.51	0.72

- e. The equity shares of the Company have not been suspended from trading by National Stock Exchange of India Limited and by BSE Limited.

f. Registrar and Share Transfer Agents

Registered Office:

Link Intime India Private Limited

C-13, Pannalal Silk Mill Compound

LBS Marg, Bhandup (W), Mumbai - 400078

Phone No: 022 - 25963838

Fax No: 022 - 25946969

Email: mumbai@linkintime.co.in

Branch Office:

"Surya" 35, Mayflower Avenue

Behind Senthil Nagar

Sowripalayam Road

Coimbatore – 641 028.

Phone Nos: 0422 - 2314792 & 2315792

Fax No: 0422 -2314792

Email: coimbatore@linkintime.co.in

g. Share Transfer System and processing of service requests

Transfer of shares in physical form is prohibited pursuant to Regulation 40 of SEBI (LODR) Regulations 2015, as amended.

SEBI has, vide circular dated 25th January 2022, prescribed procedures for processing the service requests of shareholders like transmission, issue of duplicate shares, and for conversion of the physical holding into dematerialised form through issue of Letter of Confirmation upon completion of the service request. The shares mentioned in the Letter of Confirmation issued by the Company/RTA is to be dematerialised within 120 days from the date of the Letter of Confirmation. In case of non-dematerialisation within the prescribed period as aforesaid, such shares are to be transferred to an Unclaimed Demat Suspense Escrow Account. The Company has opened a demat account in the name "Sakthi Sugars Limited Unclaimed Securities Suspense Escrow Account" with Stock Holding Corporation of India Limited. No share has been credited to that account during the financial year under review.

h. Distribution of Shareholding as on 31st March 2023:

Shareholdings	No. of shareholders	% of shareholders	Number of shares	% of shareholding
1 - 500	42837	81.87	5298401	4.46
501 - 1000	4422	8.45	3688426	3.10
1001 - 2000	2319	4.43	3595710	3.03
2001 - 3000	899	1.72	2329426	1.96
3001 - 4000	380	0.73	1382336	1.16
4001 - 5000	413	0.79	1966845	1.65
5001 - 10000	571	1.09	4284923	3.61
10001 & above	479	0.92	96302969	81.03
Total	52320	100.00	118849036	100.00

i. Dematerialisation of shares and liquidity

The shares of the Company are in compulsory demat segment. The Company's shares are available for demat both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE 623A01011.

As on 31st March 2023, 11,75,40,005 equity shares of the Company representing 98.90% have been dematerialised.



j. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments and impact on equity

The Company has not issued any global depository receipts or American depository receipts or warrants. As on 31st March 2023, no instrument is outstanding for conversion into equity shares.

k. Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company.

The prices of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments, no hedging has been made.

l. Plant Location

Sugar Unit, Distillery Unit, Ethanol & Co-Generation Plant	:	Sakthi Nagar - 638 315 Erode District, Tamilnadu
Sugar Unit & Beverage Plant and Co-generation Plant	:	Padamathur Village – 630 561 Sivaganga District, Tamil Nadu
Sugar Unit & Co-Generation Plant	:	Poonthurai Semur Post - 638 115 Modakurichi, Erode District, Tamilnadu
Soya Unit (held for sale)	:	Marchinaickenpalayam Ambarampalayam Post - 642 103 Pollachi, Coimbatore District, Tamilnadu
Address for correspondence	:	Sakthi Sugars Limited 180, Race Course Road Coimbatore – 641 018 Phone No: 0422-4322222 E-mail : shares@sakthisugars.com Website : www.sakthisugars.com

m. The Company has not obtained or revised any credit rating during the financial year.

13. OTHER DISCLOSURES

a. Materially significant related party transactions:

During the financial year under review, there is no materially significant transaction with the related parties, viz. Promoters, Directors, KMPs or the Management, or their relatives or holding company that may have potential conflict with the Company's interest.

b. Instances of non-compliance, if any:

There is no instance of non-compliance by the Company on any matter relating to capital markets, nor have any penalty/strictures been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

c. Vigil Mechanism/Whistle Blower Policy:

The Company has adopted a Vigil Mechanism/Whistle Blower Policy and a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. This policy has been posted on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee of the Company. No complaint/report has been received under this Policy during the year under review.

d. Compliance on Corporate Governance:

The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.



The status of adoption of the non-mandatory requirements stipulated by the Regulation is as under:

- i. Shareholders rights: As the quarterly/half yearly financial results are published in newspapers and are also posted in the website of the Company, they are not being sent to the shareholders separately.
- ii. Audit qualification: The audit qualification is relating to estimated credit loss to be made in accordance with Ind-AS in respect of the amount receivable from erstwhile associate company. The Company is thriving for a regime of unqualified financial statements.
- iii. Reporting of Internal Auditor: The Company has in-house internal audit system and the head of internal audit team reports to the Audit Committee of the Company.

e. Subsidiary:

During the financial year ended 31st March 2023, the Company did not have any subsidiary. As such the need for framing a policy for determining material subsidiary does not arise at present.

f. Related Party Transactions:

The details of related party transactions are disclosed in Notes on Financial Statements. Those transactions are not in conflict with the interest of the Company and are on arms length basis. Approval of the Members under Section 188 of the Companies Act 2013 has been obtained wherever necessary. Statements of related party transactions are placed before the Audit Committee periodically.

The Policy on related party transactions is posted on the Company's website www.sakthisugars.com/investorinformation/rptpolicy.pdf.

g. Compliance with Accounting Standards:

The Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 have been followed by the Company while preparing Financial Statements and the Company has not adopted a treatment different from that prescribed in the Indian Accounting Standards.

h. Utilisation of funds raised from issue of securities:

The Company has not raised any fund through issue of securities during the financial year ended 31st March 2023.

- i. A certificate issued by M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed.
- j. All the recommendations of the Committees which are mandatorily required have been accepted by the Board of Directors of the Company.
- k. The total fees paid by the Company for all the services to its statutory auditors is Rs.46.34 lakhs plus applicable tax thereon. The statutory auditors of the Company do not have any network arrangement.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:
 - a. Number of complaints filed during the financial year : Nil
 - b. Number of complaints disposed of during the financial year : Nil
 - c. Number of complaints pending at the end of the financial year : Nil
- m. The Company has not given any loans and advances in the nature of loans to firms/companies in which directors are interested.
- n. The Company does not have any subsidiary.

o. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practising Company Secretary carries out the share capital audit of Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital with the Stock Exchanges.

**14. CEO/CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company have provided to the Board of Directors of the Company Compliance Certificate as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations.

The Senior Management personnel have made disclosures to the Board relating to all material, financial and commercial transaction stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large. The Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics during the year ended 31.3.2023. The Declaration issued by the Chairman and Managing Director in this regard is annexed.

15. DETAILS OF UNCLAIMED SHARE CERTIFICATES:

Pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has opened a Demat Account in the name of "Sakthi Sugars Limited Unclaimed Suspense Account" with Stock Holding Corporation of India Limited. The details of unclaimed shares as on 31.3.2023 are as under

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2022)	124616	2759
Shareholders approached for transfer during the year	0	0
Transferred during the year	0	0
Outstanding at the end of the year (31.03.2023)	124616	2759

The voting rights on the above shares in the Suspense Account remains frozen till the rightful owner of such shares claims the shares.

16. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) of the SEBI (LODR) Regulations, 2015.

In terms of Regulation 34(3) of the said SEBI Regulations and Schedule V(E) thereto, the Auditors Certificate on compliance of conditions of Corporate Governance is annexed.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M. Manickam
Chairman and Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[In terms of Regulation 34(3) read with Schedule V Para C Clause(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]
Sakthi Nagar, Bhavani Taluk,
Erode District, Tamilnadu – 638315.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sakthi Sugars Limited [CIN: L15421TZ1961PLC000396] having registered office at Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu 638 315 produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification at MCA Portal as considered necessary and explanations furnished to us by the Company and its Officers, we hereby certify that, none of the directors on the Board of Sakthi Sugars Limited (“the Company”) as stated below for the financial year ended as on the 31st March 2023, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs, Government of India (MCA) or such other Statutory Authority.

S.No	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Mahalingam Manickam	Chairman and Managing Director	00102233
2.	Balasubramaniam Mahalingam	Managing Director	00377053
3.	Srinivaasan Mahalingam	Managing Director	00102387
4.	Shanmugasundaram Chandrasekhar	Independent Director	00011901
5.	Rangamani	Independent Director	00090786
6.	Puliyampatti Karuthirumagounder Chandran	Independent Director	00273738
7.	Savandapur Senniappa Gounder Muthuvellappan	Independent Director	00273870
8.	Nanjagoundenpalayam Kaliappa Gounder Vijayan	Independent Director	00300871
9.	Korukkai Visweswaran Ramachandran	Independent Director	00322331
10.	Balasuhrmanian Swaminathan	Independent Director	00458139
11.	Priya Bhansali	Independent Director	00195848

Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

Our responsibility

Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For S.Krishnamurthy & Co.,
Company Secretaries,

(Firm Unique Identification No. P1994TN045300)

(Peer Review Certificate No: 733/2020)

R.Sivasubramanian
Partner

Membership No. A22289
Certificate of Practice No.12052
UDIN : A022289E000466546

Coimbatore
10th June 2023



Annual Declaration by Chairman and Managing Director pursuant to Schedule V (D) of SEBI (LODR) Regulations, 2015

As required under Schedule V(D) of the SEBI (LODR) Regulations, 2015, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31.03.2023.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M. Manickam
Chairman and Managing Director

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of Sakthi Sugars Limited

Certificate on Corporate Governance

1. We have examined the compliance of conditions of Corporate Governance by Sakthi Sugars Limited ('the Company') for the year ended March 31, 2023 as stipulated in Regulations 17 to 27, clause (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchange.

Management's Responsibility

2. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2023.
4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI') and as per the Guidance Note on Reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in in the SEBI Listing regulations.
8. We 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.

For P N. RAGHAVENDRA RAO & Co
Chartered Accountants
Firm Registration Number : 003328S

P R Vittel
Partner

Coimbatore
10th June 2023

Membership Number : 018111
UDIN: 23018111BGZEXY1098



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. Industry Structure and Developments

Sugar Industry is the second largest agro-based industry in India next to textiles. The prospects of this industry depend on availability of sugarcane which in turn is subject to vagaries of monsoon and the policies of the Central and State Governments.

India remains to be one of the major players in sugar production in the world. Sugar Mills across the country have produced 311 lakh tonnes of sugar (after diversion for ethanol) upto April 15, 2023 during the current season 2022-23 which is about 6% lesser than the previous season for the same period due to late arrival of monsoon impacting sugarcane yield in Maharashtra and Karnataka. While selling price of sugar was favourable, currently it faces pressure as no additional export quota has been announced. The increase in the blending percentage of ethanol and development of flexi-fuel vehicle are expected to bring a solution to the sugar industry's problem of ever-growing sugarcane price with unmatched sugar selling price.

B. Opportunities and Threats

i. Opportunities

Ethanol gives a valuable solution both for the sugar industry and for the users of petroleum products. This gives opportunity for capacity creation and alternative use for sugarcane without increasing the production of sugar.

Co-generation of power in sugar industry makes it possible to generate Green power with minimum use of coal.

Bye-products like molasses, and power are capable of being used in production of value-added goods.

ii. Threats

The price of sugarcane is ever increasing, politically sensitive and is fixed in advance without any correlation to the price of sugar.

There is sharp increase in the cost of sugar production due to rising prices of chemicals, jute and high-density polyethylene bags for packing sugars. The manpower cost is also increasing.

Behaviour of monsoon, an uncontrollable factor, determines the prospects of sugar industry.

C. Segmentwise or Productwise Performance

Segmentwise results are given in the Notes on Financial Statements for the financial year ended 31.3.2023. Productwise performance is furnished in the Board's Report.

D. Outlook

Overall sugar production in the country is expected to come down compared to the previous year. In Tamil Nadu, the South-West monsoon is expected to be normal with adequate availability of sugarcane for crushing. The outlook for the sugar sector is expected to be good.

E. Risks and Concerns

Availability of sugarcane for crushing, price realisation on sale of sugar, and the controls imposed by the Governments are the major risks faced by the sugar industry. These factors have direct impact on the financial liquidity and profitability of the Company.

F. Internal Control Systems and their adequacy

The Company has an in-house internal audit team to ensure that all activities are monitored and controlled. Adequate internal checks are built-in to cover all monetary and material transactions in the system developed by the Company. The Internal Audit reports are presented to the Audit Committee on a quarterly basis for review and deliberation. The Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2023 and found the same to be adequate and effective.

G. Financial Performance with respect to Operational Performance

The total revenue from operations for the financial year under review is Rs.105375.54 lakhs [previous year Rs.43167.40 lakhs (excluding discontinued operations)]. The financial year has ended with net profit of Rs.41781.81 lakhs (previous year net loss



of Rs.15016.49 lakhs) after providing Rs.10801.07 lakhs (Rs.23316.76 lakhs) for finance cost, Rs.3713.65 lakhs [Rs.4580.98 lakhs (including discontinued operations)] for depreciation and amortization.

H. Key Financial Ratios

Details of significant changes in key financial ratios (i.e. change of 25% or more as compared to the immediately previous financial year) and in return on net worth and the reasons therefor are as under:

Description	Unit of measurement	2022-23	2021-22	Change (%)	Explanation
Debtors Turnover Ratio	Times	16.59	10.09	64.40	Improvement is mainly on account of increase in sales in current year as compared to previous year.
Inventory Turnover Ratio	Times	10.65	8.23	29.37	Increase is on account of improvement in operations in current year as compared to previous year.
Interest coverage ratio	Times	1.45	0.30	384.46	Increase in ratio is on account of increase in EBIDTA and reduction in interest cost in current year as compared to previous year.
Operating profit margin	%	8.70	1.92	353.50	On account of increase in profit due to improvement in operations.
Net profit margin	%	31.82	-19.05	267.00	Increase is on account of improvement in profitability, exceptional income from interest remissions and profit on sale of one of the divisions.

As net worth/shareholders' equity is in the negative, debt equity ratio and return on net worth ratio cannot be calculated.

I. Material developments in Human Resource/Industrial Relations front, including number of people employed

The industrial relations at all plants and offices remain cordial. The total number of employees on the rolls of the Company, including temporary employees and apprentice, was 1201 as at the financial year ended on 31st March 2023. Training programmes are conducted depending on the needs for updating the knowledge with respect to the developments in the industry.

On behalf of the Board of Directors

Coimbatore
10th June 2023

M Manickam
Chairman and Managing Director



INDEPENDENT AUDITOR'S REPORT

To The Members of Sakthi Sugars Limited

Report on the Audit of the Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of Sakthi Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effect/possible effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. No provision for the expected credit loss/ impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/ impairment as per the requirements of Ind AS 109 "Financial Instruments" and its consequential impact on the profit for the year/accumulated loss. This matter has been qualified by the predecessor auditors in their audit report for the year ended March 31, 2022.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report..

Key Audit Matter	How the matter was addressed in the audit
<p>Assessment of litigations and related disclosure of contingent liabilities</p> <p>[Refer to the accompanying note 1.3 and 42A forming integral part of the Financial Statements]</p> <p>As on March 31, 2023, the Company has exposures towards litigations relating to various matters.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <p>(a) We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</p> <p>(b) We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</p> <p>(c) We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Financial Statements;</p> <p>(d) We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; and</p> <p>(e) We assessed the adequacy of the Company's disclosures.</p> <p>Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Financial Statements are considered to be reasonable.</p>

**Other Information**

6. The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our auditor's report thereon.
7. The other information is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
8. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
9. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

10. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.
11. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
12. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

13. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
 - (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - (b) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant



doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 15. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 16. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 19. In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year. Hence the reporting requirement under Section 197(16) of the Act, does not arise.
- 20. 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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, except for the effect/possible effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.
 - (f) On the basis of the written representations received from the Directors as on March 31, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with 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 – Refer Note 42A 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (iv) (a) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,



including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
(c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under subclause (i) and (ii) of Rule 11(e) as provided under paragraph (2)(h)(iv)(a) & (b) above, contain any material misstatement.
(v) The company has not declared or paid any dividend during the year. Hence, the question of compliance under Section 123 of the Act does not arise.
(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the year ended March 31, 2023.

For P N RAGHAVENDRA RAO & CO., Chartered Accountants Firm Registration Number: 003328S

Coimbatore May 29, 2023

P R Vittel Partner Membership Number: 018111 UDIN : 23018111BGZEXT7296

Annexure - A to the Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2023

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company does not hold any intangible assets and hence reporting under this clause is not applicable.
(b) The Company has physically verified Property, Plant and Equipment in regular intervals 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 Property, Plant and Equipment. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are in the name of the company.
(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, except for the following:

Table with 6 columns: Description of Property, Gross carrying value (Rs. in lakhs), Held in the name of, Whether promoter, director or their relative or employee, Period held - indicate range, where appropriate, Reason for not being held in name of company. Rows include Land and Building.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.



- (e) Based on the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the management during the year. In our opinion, the coverage and procedure of such verification by management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.
- (b) Based on the information and explanations furnished to us, the Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. The company has not made investments in, provided any security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.
- (a) The company has given loan to employees and provided guarantee to one entity during the year. The Company has given unsecured loan to two entities during earlier years and in respect of one entity the principal has been fully repaid and there is an outstanding balance of Rs. 25219.69 lakhs towards interest as on the balance sheet date. The other entity has become a related party during the year. The details of loans and guarantees given and their balances outstanding are as below.

(Rs.in Lakhs)

Particulars	Loans	Guarantee
Aggregate amount granted/ provided during the year to:		
-- Other Entities / Employees	114.49	5000.00
Balance outstanding as at balance sheet date:		
-- Other Entities / Employees	25474.51	4356.84

- (b) In respect of the investments, loans and guarantees, the terms and conditions under which such investments were made, loans granted and guarantees provided are not prejudicial to the Company's interest.
- (c) With respect to loan to an entity, the principal amount of the loan has already been fully repaid and interest has been charged after the repayment of principal. As per the representation of the management of the company, the interest has become due and payable on demand. The Company has demanded payment of interest as on date and the receipt of the same is not regular on account of dispute. In respect of the loans given to employees and one other entity, no schedule of repayment of principal and payment of interest has been stipulated and are repayable on demand.
- (d) In respect of the aforesaid loan given to the entity, the entire amount of interest is overdue for more than 90 days and the Company has initiated legal actions for recovery of the outstanding interest. In respect of the loans given to the employees and one other entity, that has become a related party during the year, there are no amounts which are overdue for a period of more than 90 days.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The aforesaid loans are repayable on demand and the company has not granted any loans without specifying any terms or period of repayment. The aggregate amount of loans granted as repayable on demand to related parties are Rs. 25329.69 lakhs and percentage thereof is 99.43% to the total loans granted.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of loans granted, investments made, and guarantees and securities provided, wherever applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed there under.
- vi. We have broadly reviewed the cost records maintained by the company specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, the prescribed accounts and records have been made and maintained.
- 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 company is generally regular in depositing undisputed statutory dues including goods and service tax,



provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the appropriate authorities except undisputed statutory dues relating to provident fund, income-tax and goods and services tax that have not generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, arrears of undisputed statutory dues as at March 31, 2023 outstanding for a period of more than six months from the date they became payable are mentioned below:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates
Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Electricity Generation Tax	250.61	June 2016 to September 2022
	Interest on Electricity Generation Tax	38.98	June 2016 to September 2022

(b) According to the information and explanations given to us and the records of the Company examined by us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

S. No.	Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
1.	The Central Excise Act, 1944	Excise Duty	759.06	2010-12 & 2015-17	CESTAT, Chennai
2.	The Central Goods and Services Tax Act, 2017	CGST	469.24	August 2017 and December 2017	Commissioner of GST and Central Excise (Appeals), Coimbatore Commissioner of GST and Central Excise (Appeals), Coimbatore
			4.24	2017	
3.	Tamil Nadu General Sales Tax Act, 1959	Sales Tax	28.24	2000-01	Additional Commissioner (CT)/(RP), Chennai
4.	The Bihar & Orissa Excise Act, 1915	Excise Duty	12.63	2002-03	High Court of Orissa, Cuttack

viii. According to the information and explanations given to us and the records of the Company examined by us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has defaulted in repayment of loans or other borrowings or in the payment of interest to lenders during the year. The defaults by the Company as at the balance sheet date are as under:

Nature of Borrowings	Name of Lender	Amount not paid on due date (Rs. in lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Canara Bank)	243.90	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Canara Bank)	406.50	Principal	188	Paid on 06.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Canara Bank)	89.47	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Canara Bank)	4607	Principal	246	Paid on 03.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Canara Bank)	17495.59	Interest	246	Interest remission on 03.06.2022



Nature of Borrowings	Name of Lender	Amount not paid on due date (Rs. in lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	86.40	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	144.00	Principal	188	Paid on 06.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	31.69	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	1632.00	Principal	260	Taken over by Pheonix ARC Pvt. Ltd on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	79.02	Interest	256	Paid on 13.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (HDFC Bank Limited)	6784.80	Interest	260	Interest remission on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	207.99	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	346.65	Principal	188	Paid on 06.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	76.30	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	3929.00	Principal	260	Transferred to Pheonix ARC Pvt. Ltd on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	190.20	Interest	256	Paid on 13.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (State Bank of India)	14839.34	Interest	260	Interest remission on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (IDBI Bank)	137.88	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (IDBI Bank)	229.80	Principal	188	Paid on 06.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (IDBI Bank)	50.58	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (IDBI Bank)	2604.00	Principal	260	Transferred to Pheonix ARC Pvt. Ltd.on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (IDBI Bank)	126.06	Interest	256	Paid on 13.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	176.58	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	294.30	Principal	188	Paid on 06.04.2022



Nature of Borrowings	Name of Lender	Amount not paid on due date (Rs. in lakhs)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	64.78	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	3335.00	Principal	260	Transferred to Pheonix ARC Pvt. Ltd. on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Indian Overseas Bank)	161.52	Interest	256	Paid on 13.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Allahabad Bank)	47.25	Principal	186	Paid on 04.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Allahabad Bank)	78.75	Principal	188	Paid on 06.04.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Allahabad Bank)	17.33	Principal	222	Paid on 10.05.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Allahabad Bank)	893.00	Principal	260	Transferred to Pheonix ARC Pvt. Ltd. on 17.06.2022
Term Loan from Financial Institution	Asset Reconstruction Company (India) Limited (Allahabad Bank)	43.20	Interest	256	Paid on 13.06.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (IDFC Limited)	1984.09	Principal	291	Paid on 18.08.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (IDFC Limited)	212.55	Interest	291	Paid on 18.08.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (IDFC Limited)	1432.41	Interest	291	Interest remission on 18.08.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (Oriental Bank of Commerce)	2360.41	Principal	291	Paid on 18.08.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (Oriental Bank of Commerce)	253.85	Interest	291	Paid on 18.08.2022
Term Loan from Financial Institution	Edelweiss Asset Reconstruction Limited (Oriental Bank of Commerce)	1505.92	Interest	291	Interest remission on 18.08.2022
Term Loan from Financial Institution	Phoenix ARC Limited (HDFC Bank)	1632.00	Principal	29	Paid on 29.11.2022
Term Loan from Government	Sugar Development Fund	3614.56	Principal	3608	--
Term Loan from Government	Sugar Development Fund	5108.37	Interest	3973	--
Term Loan from Government	Sugar Development Fund	801.86	Principal	3325	--
Term Loan from Government	Sugar Development Fund	1111.32	Interest	4056	--



- (b) According to the information and explanations given to us, the Company has not been declared willful defaulter by any bank or financial institution or any other lender.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us, the Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us, the Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company has been noticed or reported during the year. Accordingly, reporting under clause 3(xi)(a) and (b) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, and as represented by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, the reporting under clause 3 (xii)(a) to (c) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the reporting under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable to the Company.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred cash loss during the financial year covered by our audit. However, the company has incurred a cash loss of Rs.16635.04 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under clause (xviii) of the Order is not applicable to the Company.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes



us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. In our opinion and according to the information and explanations given to us, the Company is not required to spend on CSR activity based on the criteria prescribed under Section 135 of the Companies Act, 2013 and hence, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.

For P.N. RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner

Coimbatore
May 29, 2023

Membership Number: 018111
UDIN: 23018111BGZEXT7296

Annexure - B to the Independent Auditor's Report

Referred to in paragraph 20(g) of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over financial reporting of Sakthi Sugars Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:



- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

- 7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P.N. RAGHAVENDRA RAO & CO.,
Chartered Accountants
Firm Registration Number: 003328S

P R Vittel
Partner

Membership Number: 018111
UDIN: 23018111BGZEXT7296

Coimbatore
May 29, 2023



BALANCE SHEET AS AT 31.03.2023

(Rs. in lakhs)

	Note No.	As at 31.03.2023	As at 31.03.2022
I. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	2	79,314.91	82,407.74
(b) Capital work-in-progress	2	3,351.95	50.06
(c) Right-of-use assets	3	87.93	--
(d) Biological assets other than bearer plants	4	8.70	8.40
(e) Financial Assets			
i) Investments	5	17,022.64	1,657.60
ii) Loans	6	68.43	65.06
iii) Other financial assets	7	737.28	667.14
(f) Deferred tax assets (Net)	8	214.80	--
(g) Other Non-current assets	9	3,424.06	3,367.08
Total Non-current Assets		104,230.70	88,223.08
(2) CURRENT ASSETS			
(a) Inventories	10	5,525.92	4,116.13
(b) Biological assets	11	6.75	6.27
(c) Financial assets			
i) Trade receivables	12	774.31	635.55
ii) Cash and cash equivalents	13	528.19	855.90
iii) Bank balances other than cash and cash equivalents	14	26.32	50.59
iv) Loans	15	24,907.34	24,859.29
v) Other financial assets	16	89.48	124.45
(d) Current tax assets (Net)	17	545.37	454.11
(e) Other current assets	18	3,328.39	4,550.11
(f) Assets classified as held for sale	19-A	26,853.27	57,372.03
Total Current Assets		62,585.34	93,024.43
TOTAL ASSETS (1 to 2)		166,816.04	181,247.51
II. EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	20	11,884.90	11,884.90
(b) Other Equity	21	(12,967.66)	(54,697.51)
Total Equity		(1,082.76)	(42,812.61)
(2) LIABILITIES			
A) NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	22	50,358.87	37,576.31
ii) Lease liabilities		80.32	--
iii) Other financial liabilities	23	148.82	123.79
(b) Provisions	24	1,632.36	1,645.71
(c) Other non-current liabilities	25	--	639.00
Total Non-Current Liabilities		52,220.37	39,984.81



BALANCE SHEET AS AT 31.03.2023 (CONT....)

(Rs. in lakhs)

	Note No.	As at 31.03.2023	As at 31.03.2022
B) CURRENT LIABILITIES			
(a) Financial Liabilities			
i) Borrowings	26	34,772.45	56,251.48
ii) Lease liabilities		16.45	--
iii) Trade Payables	27		
a) Total outstanding dues of micro and small enterprises		566.21	370.85
b) Total outstanding dues of other than (iii)(a) above		10,125.13	4,344.70
iv) Other financial liabilities	28	41,103.00	87,952.32
(b) Other current liabilities	29	27,151.15	26,502.98
(c) Provisions	30	395.64	421.37
(d) Liabilities directly associated with assets classified as held for sale	19-B	1,548.40	8,231.61
Total Current Liabilities		115,678.43	184,075.31
Total Liabilities		167,898.80	224,060.12
TOTAL EQUITY AND LIABILITIES (1 to 2)		166,816.04	181,247.51
Significant Accounting Policies	1		
See accompanying notes to financial statements			

Vide our report annexed
For P N RAGHAVENDRA RAO & Co
Chartered Accountants
Firm Registration Number : 003328S
P R VITTEL
Partner
Membership Number : 018111

Coimbatore
29th May 2023

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Managing Director

S VELUSWAMY
President (Finance & Operations)
Chief Financial Officer

S BASKAR
President &
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
CONTINUING OPERATIONS			
I. INCOME			
Revenue from Operations	31	105,375.54	43,167.40
Other Income	32	1,472.08	1,589.28
Total Income		106,847.62	44,756.68
II. EXPENSES			
Cost of material consumed	33	65,631.78	26,528.45
Purchase of stock in trade	34	146.73	73.98
Changes in inventories of finished goods, work-in-progress and stock in trade	35	(346.43)	(1,114.87)
Employee benefits expense	36	4,566.97	3,905.09
Finance costs	37	10,801.07	23,316.76
Depreciation and amortization expense	38	3,713.65	4,580.98
Other expenses	39	26,349.97	12,294.32
Total expenses		110,863.74	69,584.71
III. Profit/(Loss) before exceptional items and tax (I-II)		(4,016.12)	(24,828.03)
IV. Exceptional Items	40	(41,061.91)	(6,891.23)
V. Profit/(Loss) before tax (III-IV)		37,045.79	(17,936.80)
VI. Tax Expense:	8		
1. Current tax		-	-
2. Deferred tax		(224.40)	42.63
		(224.40)	42.63
VII. Profit/(Loss) for the year from continuing operations (V-VI)		37,270.19	(17,979.43)
Profit/(Loss) before tax from discontinued operations		4,511.62	2,924.41
Tax Expense of discontinued operations:			
1. Current tax		-	-
2. Deferred tax		-	(38.52)
		-	(38.52)
Profit/(Loss) for the year from discontinued operations		4,511.62	2,962.93
Profit/(Loss) for the year		41,781.81	(15,016.50)
VIII. Other Comprehensive Income - Continuing Operations			
Items that will not be reclassified to Statement of Profit and Loss			
i) Remeasurement benefit of defined benefit plans		(29.75)	(173.15)
ii) Income tax expense on remeasurement benefit of defined benefit plans		(9.61)	42.63
		(39.36)	(130.52)
Other Comprehensive Income - Discontinued Operations			
Items that will not be reclassified to Statement of Profit and Loss			
i) Remeasurement benefit of defined benefit plans		(11.76)	153.06
ii) Income tax expense on remeasurement benefit of defined benefit plans		(0.84)	(38.52)
		(12.60)	114.54
Total Other Comprehensive Income for the year		(51.96)	(15.98)



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023 (CONT....)

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
IX. Total Comprehensive Income for the year		41,729.85	(15,032.48)
X. Earnings per equity share - Rs. (for Continuing Operations)			
1. Basic	50	31.36	(15.13)
2. Diluted	50	31.36	(15.13)
XI. Earnings per equity share - Rs. (for Discontinued Operations)			
1. Basic	50	3.80	2.49
2. Diluted	50	3.80	2.49
XII. Earnings per equity share - Rs. (for Continuing and Discontinued Operations)			
1. Basic	50	35.16	(12.64)
2. Diluted	50	35.16	(12.64)
Significant Accounting Policies	1		
See accompanying notes to financial statements			

Vide our report annexed
For P N RAGHAVENDRA RAO & Co
Chartered Accountants
Firm Registration Number : 003328S
P R VITTEL
Partner
Membership Number : 018111
Coimbatore
29th May 2023

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Managing Director

S VELUSWAMY
President (Finance & Operations)
Chief Financial Officer

S BASKAR
President &
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023

(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax from Continuing Operations	37,045.79	(17,936.80)
Net Profit / (Loss) before tax from Discontinuing Operations	4,511.62	2,924.41
Adjustment for:		
Depreciation and amortization expense	4,401.15	5,500.40
Finance Costs	10,864.29	23,414.81
Remission of Interest/Liability	(41,061.91)	(6,891.23)
Provision for Expected credit loss	16.05	175.22
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded (Net)	(5,106.00)	--
(Gain) / Loss on Fair Valuation of Non Current Investment through Profit and Loss (Net)	(207.18)	(340.87)
Dividend Income	(9.60)	(680.98)
Interest Income	(182.41)	(140.25)
Operating Profit before Working Capital / Other Changes	10,271.80	6,024.71
Changes in Working Capital:		
Adjustments for (Increase) / Decrease in Operating Assets:		
Inventories/Biological Assets	156.21	(3,382.97)
Trade Receivables	(180.48)	(83.05)
Other Financial Assets	36.28	700.54
Other Current Assets	1,468.95	(1,167.90)
Other Non-current Assets	(59.04)	(54.66)
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Trade Payables	1,014.65	(9,147.95)
Other Financial Liabilities	(149.96)	60.02
Other Current Liabilities	(415.77)	11,320.64
Other Long Term Liabilities	(1,374.92)	(565.74)
Cash Generated from Operations	10,767.72	3,703.64
Income Tax Paid (Net)	(100.62)	(49.12)
Net Cash from / (used in) Operating Activities (A)	10,667.10	3,654.52
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(1,884.90)	(608.25)
Proceeds from Disposal of Property, Plant and Equipment	13,768.33	10.95
Investment in Long Term Investments (Net)	--	645.91
Dividend received	9.60	680.98
Interest Income	182.41	140.25
Loans and Advances - Related Parties	--	(6.88)
Net Cash from / (used in) Investing Activities (B)	12,075.44	862.96



CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2023 (CONT....)

(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Finance Costs Paid	(10,748.11)	(3,398.44)
Principal Payment of Lease Liabilities	96.77	(67.17)
Interest Paid on Lease Liabilities	(14.77)	(9.40)
Proceeds from Long Term Borrowings	19,492.51	25,879.57
Repayment of Long Term Borrowings	(33,869.64)	(25,485.64)
Short Term Borrowings (Net)	--	100.00
Loans from Body corporate (Net)	1,245.60	(191.36)
Net Cash from / (used in) Financing Activities (C)	(23,797.64)	(3,172.44)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(1,055.10)	1,345.04
Cash and cash equivalents at the beginning of the year	1,726.70	381.66
Cash and cash equivalents at the end of the year	671.60	1,726.70
Cash and cash equivalents at the end of the year comprises of		
(a) Cash on hand	17.15	53.73
(b) Balances with banks:		
i) In Current Accounts	571.88	1,607.97
ii) Margin Money with banks / Security against borrowings	82.57	65.00
Cash and cash equivalents as at the end of the year	671.60	1,726.70

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STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

Particulars	Note No.	No of Shares	(Rs. In lakhs)
Balance as at 01.04.2021	20	118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2022		--	--
Balance as at 31.03.2022		118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2023		--	--
Balance as at 31.03.2023		118849036	11884.90

B. Other Equity

(Rs. In lakhs)

Particulars	Note No.	Reserves and Surplus					Total
		Capital Reserve	Capital Re-deemption Reserve	Securities Premium Account	Retained Earnings	Other Comprehensive Income	
Balance as at 01.04.2021	21	625.24	2512.27	27000.19	(69648.71)	(154.02)	(39665.03)
Profit / (Loss) for the Year		--	--	--	(15016.50)	--	(15016.50)
Other Comprehensive Income		--	--	--	--	(15.98)	(15.98)
Balance as at 31.03.2022		625.24	2512.27	27000.19	(84665.21)	(170.00)	(54697.51)
Balance as at 01.04.2022		625.24	2512.27	27000.19	(84665.21)	(170.00)	(54697.51)
Profit / (Loss) for the Year		--	--	--	41781.81	--	41781.81
Comprehensive Income for the year		--	--	--	--	(51.96)	(51.96)
Balance as at 31.03.2023		625.24	2512.27	27000.19	(42883.40)	(221.96)	(12967.66)

Vide our report annexed
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NOTES TO FINANCIAL STATEMENTS

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information:

Sakthi Sugars Limited is engaged in the business of manufacture of sugar, industrial alcohol, power and soya products. The Company's segments include sugar, industrial alcohol, soya products and power. The by-products/waste products include molasses, bagasse and press mud.

The installed capacity of sugar division is 16500 tons of cane crush per day (TCD). Its power division has co-generation power plants at Sakthinagar, Sivaganga and Modakurichi, and the aggregate power generation capacity of all three plants is 92 MW.

Its distillery produces rectified spirit, extra neutral alcohol and ethanol, and has a distillation capacity of 120 kiloliters per day (KLPD) and ethanol plant capacity of over 50 KLPD.

The Company has the capacity to process 90,000 tons soya beans per annum.

The Company's shares are listed in BSE Limited and National Stock Exchange of India Ltd.

Significant Accounting Policies:

1.1 Basis of Preparation and Presentation:

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

1.2 Current/Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

(a) An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Expected to be realised within twelve months after the reporting period, or
- (iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (iv) Held primarily for the purpose of trading.

All other assets are classified as non-current.

(b) A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is due to be settled within twelve months after the reporting period, or
- (iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) Held primarily for the purpose of trading

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

1.3 Use of Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for taxation, etc., during the reporting year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.



The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1.4 Inventory:

Inventories excluding by-products and scraps are valued at the lower of cost or net realizable value.

Cost of inventory comprises of the purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

The cost of inventories of stores, spares and soya products is computed on weighted average basis. Cost is ascertained on seasonal weighted average basis for sugar.

Cost of inventories of soya bean, stock-in-trade of fertilizer and newsprint paper is computed on FIFO basis.

By-products and scraps are valued at Net realizable value.

1.5 Biological Assets:

Biological assets comprise of living animals and standing crops (crops under development) of sugarcane.

a) Living Animals

Livestock are measured at fair value less cost to sell. Costs to sell include the transportation charges for transporting the cattle to the market but excludes finance costs and income taxes. Changes in fair value of livestock are recognised in the statement of profit and loss. Costs such as vaccination, fodder and other expenses are expensed as incurred. The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

b) Standing Crops

The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops.

Biological assets are measured at fair value less cost to sell or at cost whichever is applicable.

In respect of Standing crop, where little biological transformation has taken place since the initial cost was incurred before the balance sheet date, such biological assets are measured at cost i.e., expenses incurred on such plantation upto the balance sheet date. When harvested, crop is transferred to inventory at fair value less costs to sell.

Changes in fair value of biological assets is recognised in the statement of profit and loss.

1.6 Property, Plant and Equipment:

Measurement at recognition: Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Historical cost includes taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred upto the date of commencing operations but excludes duties and taxes that are recoverable from taxing authorities. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and Capital work-in-progress are carried at cost comprising direct cost, related incidental expenses and attributable interest. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.

Depreciation: Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013.

Depreciation on addition to assets or on sale/discardment of assets, is calculated on pro-rata from the month of such addition or up to the month of such sale/discarding, as the case may be.



De-recognition: An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

1.7 Intangible assets:

Measurement at recognition: Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortization: Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

De-recognition: The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

1.8 Impairment of Assets:

The carrying values of assets/cash generating units are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

1.9 Revenue Recognition:

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

a) Sale of goods:

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

b) Dividend and interest income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).



Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c) Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

d) Export Benefits:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

e) Rental Income:

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and loss due to its operating nature.

f) Other Incomes and Expenses:

All other income and expenses are accounted for on accrual basis.

1.10 Foreign Currency Transactions:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

1.11 Employee Benefits:

a) Short term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

b) Post-employment benefits:

i) Defined contribution plans:

Defined contribution plans are Employee Provident Fund, Employee State Insurance Scheme for all applicable employees and Superannuation Scheme for eligible employees.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contribution payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

ii) Defined benefit plans:

Gratuity: Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

Leave encashment / Compensated absences: The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the other comprehensive income.



The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

1.12 Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

1.13 Non-Current Assets held for sale:

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

1.14 Government Grants:

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in Statement of Profit and Loss in the period in which they become receivable.

1.15 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax:

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

As per the Company's assessment on uncertainty overtax treatment on recognising Income Tax with respect to Appendix C to Ind AS12, there are no material uncertainties over tax treatments.

Deferred Tax:

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred



tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has written off accumulated MAT credit and re-measured provision for taxation.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Presentation of Current and Deferred Tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

1.16 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the owners of the Company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.17 Provisions and Contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A contingent asset is not recognized in financial statements. However, the same is disclosed where an inflow of economic benefit is probable.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**1.18 Leases:****a) Company as Lessee:**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The Company has used number of practical expedients when applying Ind AS 116. The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments relating to these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's lease asset classes primarily consist of leases for land and building for offices, and vehicles.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) Company as Lessor:

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.19 Borrowing Costs:

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

1.20 Financial Instrument:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

**a) Fair Value Measurement:**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

b) Financial Assets:**i) Initial recognition and measurement:**

At initial recognition, the Company measures a financial asset except trade receivable, at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

ii) Subsequent measurement:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through Other Comprehensive Income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains



or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair Value through Profit or Loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

iii) De-recognition :

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised primarily when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred substantially all the risks and rewards of the asset.

iv) Impairment of Financial Assets :

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is that in the case of financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

c) Financial Liabilities :**i) Initial recognition and measurement :**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

ii) Subsequent measurement :

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities designated upon initial recognition at Fair Value Through Profit or Loss (FVTPL) are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the Effective Interest Rate method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" in Statement of Profit and Loss.

**iii) De-recognition :**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

1.21 Exceptional Items :

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

1.22 Events after Reporting date :

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

1.23 Cash and Cash Equivalents :

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.24 Cash flow Statement :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or 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.

1.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh with two decimals, as per the requirement of Schedule III, unless otherwise stated.

1.26 Recent Pronouncements :

In March 2023, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2023 which amended certain Ind AS. The amendments are as below:

a) Ind AS 1-Presentation of Financial Statements

The amendment prescribes disclosure of material accounting policies instead of significant accounting policies. The impact of the amendment on the Financial Statements is expected to be insignificant based on the preliminary assessment of the Company.

b) Ind AS 8-Accounting Policies, Changes in Accounting Estimates and Errors

The amendment added definition of accounting estimate and clarifies what is accounting estimate and treatment of change in the accounting estimate and accounting policy. The Company has assessed the amendment and there is no impact on the Financial Statements.

c) Ind AS 12- Income Taxes

The definition of deferred tax asset and deferred tax liability is amended to apply initial recognition exception on assets and liabilities that does not give rise to equal taxable and deductible temporary differences. There is no impact of the amendment on the Financial Statements as assessed by the Company.

The above amendments are effective from annual accounting periods commencing on or after April 1, 2023.



NOTE No. 2

PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

PARTICULARS	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total	CWIP*
Gross Carrying Amount :									
Deemed cost as at April 1, 2021	24569.44	8719.68	61652.37	279.29	840.98	397.44	20.45	96479.65	60.79
Additions	--	--	444.57	--	--	19.77	--	464.34	50.06
Transfers from Asset classified as held for sale	2923.99	3309.02	11840.31	48.85	--	40.38	1.72	18164.27	--
Disposals	--	--	--	--	(0.46)	(1.10)	--	(1.56)	(60.79)
Transfers to Asset classified as held for sale	(7805.13)	(246.86)	--	--	--	--	--	(8051.99)	--
Balance as at March 31, 2022	19688.30	11781.84	73937.25	328.14	840.52	456.49	22.17	107054.71	50.06
Accumulated Depreciation :									
Balance as at April 1, 2021	--	1634.92	13633.76	261.00	771.78	353.19	--	16654.65	--
Adjustment on De-recognition of Assets classified as held for sale	--	513.75	2893.88	46.42	--	37.53	--	3491.58	--
Additions	--	571.95	3920.34	1.72	11.49	19.24	--	4524.74	--
Adjustment on recognition of Assets classified as held for sale	--	(22.88)	--	--	--	--	--	(22.88)	--
Disposals	--	--	--	--	(0.44)	(0.68)	--	(1.12)	--
Balance as at March 31, 2022	--	2697.74	20447.98	309.14	782.83	409.28	--	24646.97	--
Net Carrying Amount :									
Balance as at 1st April, 2021	24569.44	7084.76	48018.61	18.29	69.20	44.25	20.45	79825.00	60.79
Balance as at 31st March, 2022	19688.30	9084.10	53489.27	19.00	57.69	47.21	22.17	82407.74	50.06
Gross Carrying Amount :									
Deemed cost as at April 1, 2022	19688.30	11781.84	73937.25	328.14	840.52	456.49	22.17	107054.71	50.06
Additions	--	7.65	1267.41	1.17	76.00	49.56	--	1401.79	84.93
Transfers from Asset classified as held for sale	--	--	--	--	--	--	--	--	3216.96
Disposals	(717.92)	--	(133.67)	--	--	(3.52)	(20.45)	(875.56)	--
Balance as at March 31, 2023	18970.38	11789.49	75070.99	329.31	916.52	502.53	1.72	107580.94	3351.95
Accumulated Depreciation :									
Balance as at April 1, 2022	--	2697.74	20447.98	309.14	782.83	409.28	--	24646.97	--
Additions	--	443.64	3217.26	1.15	12.48	21.54	--	3696.06	--
Disposals	--	--	(73.66)	--	--	(3.34)	--	(77.00)	--
Balance as at March 31, 2023	--	3141.38	23591.58	310.29	795.31	427.48	--	28266.03	--
Net Carrying Amount :									
Balance as at 1st April, 2022	19688.30	9084.10	53489.27	19.00	57.69	47.21	22.17	82407.74	50.06
Balance as at 31st March, 2023	18970.38	8648.11	51479.41	19.02	121.21	75.05	1.72	79314.91	3351.95

* Capital Work-in-Progress.

Refer Note No.22 and 26 for assets given as securities for borrowings.



Ageing schedule for Capital work-in-progress for the year ended March 31, 2023 and March 31, 2022 is as follows: (Rs. in lakhs)

Particulars	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
For the year ended 31.03.2023					
Buildings	35.72	--	--	--	35.72
Plant and Machinery	87.24	--	--	3216.96	3304.20
Electrical Installation	12.04	--	--	--	12.04
	134.99	--	--	3216.96	3351.95
For the year ended 31.03.2022					
Plant and Machinery	39.89	--	--	--	39.89
Electrical Installation	10.17	--	--	--	10.17
	50.06	--	--	--	50.06

During the year, the Company has transferred Plant and Machinery and Electrical installation at Co-generation - II, Sakthinagar to Capital WIP on their de-recognition from assets classified as held for sale. (Refer to Note.41.2)

(Rs. in lakhs)

As at 31.03.2023

As at 31.03.2022

NOTE No. 3

RIGHT-OF-USE ASSETS

Building :

Opening Balance

Reclassified on account of adoption of Ind AS 116 (Refer to Note. 54)

Additions

Deletions

Depreciation

--

--

105.52

--

--

--

--

--

17.59

--

87.93

--

The aggregate depreciation expense on ROU Assets is included under depreciation and amortization expense in the statement of profit and loss account.

NOTE No. 4

BIOLOGICAL ASSETS OTHER THAN BEARER PLANTS

Matured biological assets

Immatured biological assets

7.60

7.56

1.10

0.84

8.70

8.40

Reconciliation of carrying amount of biological assets:

Particulars	31.03.2023		31.03.2022	
	Matured	Immatured	Matured	Immatured
Balance at the beginning of the year	7.56	0.84	--	--
Cattle purchased during the year	0.75	0.08	6.82	0.36
Change in fair value	0.48	0.22	0.74	0.48
Cattle matured during the year	--	--	--	--
Cattle sold/discarded during the year	1.19	0.04	--	--
Balance at the end of the year	7.60	1.10	7.56	0.84

As at 31st March 2023, there were 18 cattle (31st March 2022: 13) as immatured biological assets and 20 cattle (31st March 2022: 21) as matured biological assets.

The fair valuation of biological assets is classified as level 2 in the fair value hierarchy as they are determined based on the basis of the best available quote from the nearest market on the basis of age of the bulls, calves, cows and heifers.



(Rs. in lakhs)

As at 31.03.2023

As at 31.03.2022

NOTE No. 5

NON-CURRENT INVESTMENTS

I. Investments in Equity Instruments

a. Quoted Equity Shares

In Other Entities at FVTPL

Sakthi Finance Limited

10,40,000 (10,40,000) Shares of Rs.10 each

298.38

218.92

ICICI Bank Limited

2,425 (2,425) Shares of Rs.2 each

21.27

17.71

NIIT Limited

2,527 (2,527) Shares of Rs. 2 each

8.25

15.72

Coforge Limited (Formerly NIIT Technologies Limited)

759 (759) Shares of Rs. 10 each

28.97

33.80

K G Denim Limited

16,129 (16,129) Shares of Rs.10 each

3.71

7.10

IFCI Limited

100 (100) Shares of Rs.10 each

0.01

0.01

The Industrial Development Bank of India Limited

1,360 (1,360) Shares of Rs.10 each

0.61

0.58

The South Indian Bank Limited

1,65,000 (1,65,000) Shares of Re.1 each

24.12

12.41

Kovai Medical Centre and Hospital Limited

52,217 (52,217) Shares of Rs.10 each

961.21

833.10

Total of Quoted equity shares

1,346.53

1,139.35

b. Unquoted Equity Shares

i. Other Entities (Measured at Cost)

The ABT Co-operative Stores Limited

1,000 (1,000) Shares of Rs. 10 each

0.10

0.10

ii. Other Entities (Measured at FVTPL)

Sri Chamundeswari Sugars Limited

6,81,146 (6,81,146) Shares of Rs.10 each

518.15

518.15

Sakthi Auto Component Limited

638,60,000 (638,60,000) Shares of Rs.10 each

15,157.86

--

15,676.01

518.15

TOTAL

17,022.64

1,657.60

Aggregate cost of Quoted Investments

295.71

295.71

Aggregate cost of Unquoted Investments

15,676.11

518.24

Aggregate market value of Quoted Investments

1,346.53

1,139.35

Investments carried at Cost

0.10

0.10

Investments carried at Fair Value through Profit or Loss

17,022.54

1,657.50

NOTE No. 6

NON-CURRENT LOANS

Loans to Employees

68.43

65.06

68.43

65.06

Less : Provision for Expected Credit Loss

—

—

TOTAL

68.43

65.06



(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
Security-wise Breakup:		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	68.43	65.06
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - Credit Impaired	-	-
	68.43	65.06
Less : Provision for Expected Credit Loss	-	-
	68.43	65.06
NOTE No. 7		
OTHER NON-CURRENT FINANCIAL ASSETS		
Security Deposits	703.16	603.61
Margin Money / Fixed Deposits - Maturing after 12 Months	34.12	63.53
TOTAL	737.28	667.14

NOTE No. 8

INCOME TAXES

8.1 Tax expense recognized in the Statement of Profit and Loss

(Rs. in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(i) Income Tax recognised in Statement of Profit and Loss		
Current tax		
Current Tax on taxable income for the year	--	--
Total current tax expense	--	--
Deferred tax		
Deferred tax charge/(credit)	(224.40)	4.11
Total deferred income tax expense/(benefit)	(224.40)	4.11
Total income tax expense	(224.40)	4.11
(ii) Income tax recognised in Other Comprehensive Income		
Deferred Tax		
Deferred Tax Expenses on remeasurement of defined benefit plans	(10.45)	4.11

8.2 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

(Rs. in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Enacted income tax rate in India applicable to the Company	25.168%	25.168%
Profit before tax	41,557.41	(15,012.39)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	10,459.17	(3,778.32)
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Effect of expenses that are not deductible in determining taxable profit	(8,946.58)	6,266.65
Effect of expenses deductible for tax purpose	(12,359.81)	(2,654.66)
Effect of change in Tax rate	--	(0.95)
Income exempted from income taxes	--	--



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Effect of Different tax rate on certain items		
Unrecognised MAT Credit		
Reversal of DTA exceeding DTL (Expecting Insufficient Future Profits)	10,620.41	--
Other items	2.41	171.39
Total income tax expense/(credit)	(10,683.57)	3,782.43
Adjustment in respect of current tax of previous year	--	--
	(10,683.57)	3,782.43
Total Tax Expenses	(224.40)	4.11

8.3 The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31.03.2023

(Rs. in lakhs)

Particulars	Balance sheet 01.04.2022	Profit & Loss 2022-23	OCI 2022-23	Balance sheet 31.03.2023
A. Deferred tax assets:				
Carry forward Business Loss/Unabsorbed Depreciation	2,506.09	9,658.67	--	12,164.76
Difference in treatment of Expenses	15,953.75	(740.23)	--	15,213.52
Remeasurement benefit of the defined benefit plans	57.18	--	(9.61)	47.57
Remeasurement of DTA on account of 43B Interest Disallowance	--	(10,620.41)	--	(10,620.41)
Total deferred tax Assets (A)	18,517.02	(1,701.97)	(9.61)	16,805.45
B. Deferred tax Liabilities:				
Property, Plant and Equipment	18,517.02	(1,926.37)	--	16,590.65
Total deferred tax Liabilities (B)	18,517.02	(1,926.37)	--	16,590.65
Net deferred tax Asset (Net) (A-B)	--	224.40	(9.61)	214.80

As at 31.03.2022

(Rs. in lakhs)

Particulars	Balance sheet 01.04.2021	Profit & Loss 2021-22	OCI 2021-22	Balance sheet 31.03.2022
A. Deferred tax assets:				
Carry forward Business Loss/Unabsorbed Depreciation	14,803.20	(12,297.11)	--	2,506.09
Difference in treatment of Expenses	11,863.93	4,089.82	--	15,953.75
Remeasurement benefit of the defined benefit plans	53.07	--	4.11	57.18
Total deferred tax Assets (A)	26,720.20	(8,207.29)	4.11	18,517.02
B. Deferred tax Liabilities:				
Property, Plant and Equipment	26,720.20	(8,203.18)	--	18,517.02
Total deferred tax Liabilities (B)	26,720.20	(8,203.18)	--	18,517.02
Net deferred tax Liabilities (Net) (A-B)	--	(4.11)	4.11	--

8.4 Deferred tax (assets) / liabilities

(Rs. in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Significant components of deferred tax asset/(liabilities)		
Deferred tax assets	(16,805.45)	(18,517.02)
Deferred tax liabilities	16,590.65	18,517.02
Deferred tax (assets) / liabilities (net)	(214.80)	--



(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 9		
OTHER NON-CURRENT ASSETS		
Capital advances	2,242.73	2,253.04
Sundry Deposits	1,101.88	1,053.64
Advance for Purchases & Others	79.45	60.40
TOTAL	3,424.06	3,367.08
NOTE No. 10		
INVENTORIES		
(a) Raw Materials:		
Molasses - Distillery Unit	245.14	31.46
News print paper	4.97	3.44
	250.11	34.90
(b) Work in Progress:		
Sugar	375.88	334.18
Molasses	187.99	130.39
	563.87	464.57
(c) Finished goods:		
Sugar	1,059.94	1,329.27
Molasses - Sugar Unit	228.61	27.63
Industrial Alcohol	396.21	140.63
Ethanol	73.59	62.03
Hand Sanitizer	39.29	48.33
Bio-Earth	0.71	1.68
Fusel Oil	0.33	0.41
Bagasse	51.16	10.95
	1,849.84	1,620.93
(d) Stock in Trade:		
Chemicals, Fertilisers & Others	70.21	52.00
	70.21	52.00
(e) Stores and spares:		
Stores and spares	2,791.89	1,943.73
	2,791.89	1,943.73
TOTAL	5,525.92	4,116.73
For mode of valuation refer Sl. No.1.4 in Significant Accounting Policies.		
NOTE No. 11		
BIOLOGICAL ASSETS		
Opening Balance	6.27	1.67
Changes in Fair value	11.83	8.26
Harvested Sugar cane Transferred to Inventory	(11.35)	(3.66)
TOTAL	6.75	6.27



(Rs. in lakhs)

As at 31.03.2023 As at 31.03.2022

NOTE No. 12

CURRENT TRADE RECEIVABLES

Trade Receivable from Related Parties (Refer Note No. 52)	12.89	32.38
Trade Receivables from Others	7,226.91	7,066.37
	7,239.80	7,098.75
Less : Provision for Expected Credit Loss	6,465.49	6,450.20
Less : Impairment allowance for doubtful trade and other receivables	--	13.00
TOTAL	774.31	635.55
Security-wise Breakup:		
Trade Receivables Considered good - Secured	--	--
Trade Receivables Considered good - Unsecured	774.31	635.55
Trade Receivables which have significant increase in Credit Risk	6,465.49	6,450.20
Trade Receivables - Credit Impaired	--	13.00
	7,239.80	7,098.75
Less : Provision for Expected Credit Loss	6,465.49	6,450.20
Less : Impairment allowance for doubtful trade and other receivables	--	13.00
	774.31	635.55

Trade Receivable ageing Schedule as at March 31, 2023

(Rs. in lakhs)

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivable - Considered good	--	437.46	6.93	150.48	144.96	34.48	774.31
ii) Undisputed Trade Receivable - which have significant increase in credit risk	--	--	--	--	335.19	6,130.30	6,465.49
iii) Undisputed Trade Receivable - credit impaired	--	--	--	--	--	--	--
iv) Disputed Trade Receivable - Considered good	--	--	--	--	--	--	--
v) Disputed Trade Receivable - which have significant increase in credit risk	--	--	--	--	--	--	--
vi) Disputed Trade Receivable - credit impaired	--	--	--	--	--	--	--
	--	437.46	6.93	150.48	480.15	6,164.78	7,239.80

Trade Receivable ageing Schedule as at March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 years	More than 3 years	Total
i) Undisputed Trade Receivable - Considered good	--	163.16	82.79	146.62	227.07	15.91	635.55
ii) Undisputed Trade Receivable - which have significant increase in credit risk	--	--	--	--	--	6,450.20	6,450.20
iii) Undisputed Trade Receivable - credit impaired	--	--	--	--	--	13.00	13.00
iv) Disputed Trade Receivable - Considered good	--	--	--	--	--	--	--
v) Disputed Trade Receivable - which have significant increase in credit risk	--	--	--	--	--	--	--
vi) Disputed Trade Receivable - credit impaired	--	--	--	--	--	--	--
	--	163.16	82.79	146.62	227.07	6,479.11	7,098.75



(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 13		
CASH AND CASH EQUIVALENTS		
Bank balances in current accounts	458.47	811.27
Fixed Deposits with maturity of less than three months	56.25	1.28
Cash on hand	13.47	43.35
TOTAL	528.19	855.90
NOTE No. 14		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed deposits with maturity more than 3 Months but less than 12 months	26.32	50.59
NOTE No. 15		
CURRENT LOANS		
Loans to Employees	60.67	12.62
Loans and Advances to Related Parties	24,846.67	24,846.67
	24,907.34	24,859.29
Less : Provision for Expected Credit Loss	--	--
TOTAL	24,907.34	24,859.29
Security-wise Breakup:		
Loans Receivables considered good - Secured	--	--
Loans Receivables considered good - Unsecured	24,907.34	24,859.29
Loans Receivables which have significant increase in Credit Risk	--	--
Loans Receivables - Credit impaired	--	--
	24,907.34	24,859.29
Less : Provision for Expected Credit Loss	--	--
	24,907.34	24,859.29
NOTE No. 16		
OTHER CURRENT FINANCIAL ASSETS		
Rent Deposit to Related Party	--	36.00
Outstanding interest receivable	9.79	3.85
Income Receivable	79.69	84.60
TOTAL	89.48	124.45
NOTE No. 17		
CURRENT TAX ASSETS (NET)		
Advance Income Tax and TDS	545.37	454.11
NOTE No. 18		
OTHER CURRENT ASSETS		
Employee related Loans and Advances	10.47	4.45
Prepaid expenses	666.94	1,482.02
Deposits with Government authorities	1,267.03	1,206.36
Advance for purchases & others	1,343.83	1,828.64
Other Receivables	40.12	28.64
TOTAL	3,328.39	4,550.11



(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 19		
A. ASSETS CLASSIFIED AS HELD FOR SALE		
Land and Building	13,538.08	13,538.08
Less : Impairment Loss	675.94	675.94
	12,862.14	12,862.14
Plant and Equipment	--	3,216.96
Investment in Equity instruments :		
Sakthi Auto Component Limited	--	15,157.86
6,38,60,000 (63860000) Shares of Rs.10 each		
	12,862.14	31,236.96
Assets of Discontinued operations	13,991.13	26,135.07
TOTAL	26,853.27	57,372.03
B. LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE		
Liabilities of Discontinued Operations	1,548.40	8,231.61
	1,548.40	8,231.61
NOTE No. 20		
EQUITY SHARE CAPITAL		
Authorised		
12,00,00,000 (12,00,00,000) Equity Shares of Rs.10 each	12,000.00	12,000.00
50,00,000 (50,00,000) Preference Shares of Rs.100 each	5,000.00	5,000.00
	17,000.00	17,000.00
Issued		
11,89,65,705 (11,89,65,705) Equity Shares of Rs.10 each	11,896.57	11,896.57
	11,896.57	11,896.57
Subscribed and Paid up		
11,88,49,036 (11,88,49,036) Equity Shares of Rs.10 each fully paid up	11,884.90	11,884.90
TOTAL	11,884.90	11,884.90

Reconciliation of Number of Shares	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	118,849,036	118,849,036
Add: Shares issued/allotted during the year	--	--
Equity Shares at the end of the year	118,849,036	118,849,036

Rights, Preferences and Restrictions of each class of Shares

The Company has only one class of equity shares having a face value of Rs.10 each fully paid up. Each shareholder is eligible for one vote per share held. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets of the Company after payment of all the preferential amounts.

Shares held by promoters as at March 31, 2023

Promoter Name	No. of Shares	% of total shares held	% change during the year
Dr. M. Manickam	19,14,200	1.61	--
Mr. M. Balasubramaniam	3,37,325	0.28	--
Mr. M. Srinivaasan	2,01,000	0.17	--
	24,52,525	2.06	--



Shares held by the holding company

Particulars	As at 31.03.2023	As at 31.03.2022
ABT Investments (India) Private Limited	66473540	66473540

List of shareholders holding more than 5%

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	%	No. of Shares	%
ABT Investments (India) Private Limited	66473540	55.93	66473540	55.93
Asset Reconstruction Company (India) Limited	9592640	8.07	13353253	11.24

Terms of security convertible into equity shares

The Company does not have any security convertible into equity shares as at 31st March 2023.

Details of Equity shares allotted as fully paid up pursuant to the terms of restructure by an Asset Reconstruction Company.

During the period of five years immediately preceding the financial year ended 31st March 2023, the Company had not issued any shares as fully paid up pursuant to contract without payment being received in cash. No share had been bought back during that period.

(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 21		
OTHER EQUITY		
Capital reserve	625.24	625.24
Capital redemption reserve	2,512.27	2,512.27
Securities premium account	27,000.19	27,000.19
Retained Earnings	(42,883.40)	(84,665.21)
Other Comprehensive Income	(221.96)	(170.00)
	(12,967.66)	(54,697.51)
Capital reserve		
Balance as per last Balance Sheet	625.24	625.24
Capital redemption reserve		
Balance as per last Balance Sheet	2,512.27	2,512.27
Securities premium account		
Balance as per last Balance Sheet	27,000.19	27,000.19
Retained Earnings		
Balance as per last Balance Sheet	(84,665.21)	(69,648.71)
Net Profit/(Loss) after tax for the year	41,781.81	(15,016.50)
	(42,883.40)	(84,665.21)
Other Comprehensive Income		
Balance as per last Balance Sheet	(170.00)	(154.02)
Addition/(Deletion) during the year	(51.96)	(15.98)
	(221.96)	(170.00)
TOTAL	(12,967.66)	(54,697.51)

Nature and Purpose of Reserves:

Capital reserve

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.



Capital redemption reserve

Capital redemption reserve was created in respect of the preference shares redeemed by the Company. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium account

Securities premium represents the amount of premium received on the equity shares issued by the Company. It is to be utilised in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are the profits/losses that the Company has earned/incurred till the date of the Balance Sheet, less any transfers to other reserves, dividends paid or other distributions made to shareholders, if any.

Other Comprehensive Income

Other Comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation. This would not be re-classified to Statement of Profit and Loss.

(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 22		
NON-CURRENT BORROWINGS		
(a) Secured Loans		
(i) Term Loans		
From Banks	--	3,345.34
From Other Parties	10,962.82	28,491.07
	10,962.82	31836.41
ii) Long term maturities of finance lease obligations	48.41	--
	11,011.23	31,836.41
Less: Current maturities	10,160.31	31,836.41
Total of Secured Loans	850.92	--
(b) Unsecured Loans		
Term Loans		
From Other Parties	46,478.36	38,174.02
	46,478.36	38,174.02
Less: Current maturities	298.42	597.71
Total of Unsecured Loans	46,179.94	37,576.31
Loan from Related Party	4,356.84	--
Less: Current maturities	1,028.83	--
	3,328.01	--
TOTAL	50,358.87	37,576.31



A) SECURED LOANS FROM BANKS

Nature of Security	Terms of Repayment
<p>1 Bank of India Term Loans Rs.Nil (Rs.1526.70 lakhs) The above loan is secured by :-</p> <p>a. Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.</p> <p>b. Pari passu second charge on the current assets of the Company, except the assets charged on exclusive basis.</p> <p>c. Pledge of shares held by the promoters in the Company.</p>	The loan has been fully repaid in June 2022.
<p>2 Bank of India Term Loan Rs.Nil (Rs.534.24 lakhs) The above loan is secured by :-</p> <p>a. Pari passu first charge on fixed assets pertaining to Co-generation plant at Sakthinagar.</p> <p>b. Subservient pari passu charge on the fixed assets of the Company after the loans which were earlier covered under CDR, except the assets charged on exclusive basis.</p>	The loan has been fully repaid in June 2022
<p>3 Bank of India Term Loan Rs. Nil (Rs.1284.40 lakhs) The above loans are secured by :-</p> <p>a. Subservient charge on the fixed assets of the Company after the loans which were earlier covered under CDR, except the assets charged on exclusive basis.</p> <p>b. Additionally secured by corporate guarantee and collateral security given by a group company</p>	The loan has been fully paid in June 2022.
<p>4 Guarantees given by Directors / Others: Term Loan amounting to Rs.Nil (Rs.3345.34 lakhs) were guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan.</p>	

B) SECURED LOANS FROM OTHER PARTIES

Nature of Security	Terms of Repayment
<p>1 i) Asset Reconstruction Company (India) Limited Term Loan Rs. Nil (Rs.19730.15 lakhs)</p> <p>ii) Edelweiss Asset Reconstruction Company Limited Term Loans Rs.Nil (Rs.4344.50 lakhs)</p> <p>iii) Phoenix ARC Private Limited Term Loans Rs.6546.40 lakhs (Rs.Nil)</p> <p>The above loans are secured by</p> <p>a. Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.</p> <p>b. Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.</p> <p>c. Pledge of shares held by the promoters in the Company.</p>	<p>The loan has been fully paid in June 2022.</p> <p>The loan has been fully paid in August 2022</p> <p>Term loan of Rs.2318.40 lakhs (Rs.Nil) is repayable in June 2023</p> <p>Term loan of Rs.3335 lakhs (Rs.Nil) is repayable in February 2024</p> <p>Term loan of Rs.893 lakhs (Rs.Nil) is repayable in May 2025</p> <p>Rate of Interest as at the year end 20% p.a. (Nil)</p>



(Rs. in lakhs)

<p>d. Term Loan from Asset Reconstruction Company (India) Limited amounting to Rs.Nil (Rs.1500 lakhs) is additionally secured by exclusive first charge on the Bottling Plant at Sivaganga.</p> <p>e. Term Loans amounting to Rs.6546.40 lakhs (Rs.22574.65 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan.</p> <p>f. Term Loan amounting to Rs.Nil (Rs.1500 lakhs) is guaranteed by Dr.M.Manickam</p>	
<p>2 a) Sugar Development Fund Loan amounting to Rs.3614.56 lakhs (Rs.3614.56 lakhs) is secured by exclusive second charge on the Sugar and Cogen units of the Company at Sivaganga.</p> <p>b) Sugar Development Fund Loan amounting to Rs.801.86 lakhs (Rs.801.86 lakhs) is secured by exclusive second charge on the Sugar and Cogen units of the Company at Modakuruchi.</p>	<p>Repayable in 10 half yearly instalments commencing from May 2013. Rate of Interest as at the year end 8.00% p.a</p> <p>Repayable in 10 half yearly instalments commencing from February 2014. Rate of Interest as at the year end 8.00% p.a</p>

3 Default in repayment of loan to Government

(Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2023		Period of Default	
	Principal	Interest	Principal	Interest
Sugar Development Fund Loan	4,416.42	6,668.29	May 13 to Aug 18	Feb 12 to Mar 23

C) FINANCE LEASE OBLIGATIONS

Hire Purchase Loans amounting to Rs.48.41 lakhs (Rs.Nil) are secured by hypothecation of vehicles so financed	Repayable in 36 monthly instalments.
---	--------------------------------------

D) UNSECURED LOANS FROM OTHER PARTIES

Nature of Loan	Terms of Repayment
1 Loan amounting to Rs. 45738.05 lakhs (Rs.36836 lakhs) from various parties	Repayable in varying instalments from 2024 onwards.
2 Tamilnadu Newsprint and Papers Limited Loan amounting to Rs.740.31 lakhs (Rs.1034.79 lakhs)	Repayable in 60 instalments commencing from August 2020. Rate of Interest as at the year end 9.00% p.a
3 Foreign Currency Convertible Bonds - Rs. Nil (Rs.303.23 lakhs)	The Bonds have been fully redeemed in June 2022.

(Rs. in lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 23		
OTHER NON-CURRENT FINANCIAL LIABILITIES		
Superannuation Contribution Payable	148.82	123.79
TOTAL	148.82	123.79
NOTE No. 24		
NON-CURRENT PROVISIONS		
Provision for gratuity	1,085.06	1,090.99
Provision for compensated absence	547.30	554.72
TOTAL	1,632.36	1,645.71



NOTES TO FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31.03.2023	As at 31.03.2022
NOTE No. 25		
OTHER NON-CURRENT LIABILITIES		
Advance from Customers	--	639.00
TOTAL	--	639.00
NOTE No. 26		
CURRENT BORROWINGS		
(a) Secured loans		
Loans repayable on demand		
From other parties	200.00	200.00
Total of secured loans	200.00	200.00
(b) Unsecured loans		
Loan from related party	23,084.88	23,617.37
Total of unsecured loans	23,084.88	23,617.37
(c) Current maturities of long term debts	11,487.57	32,434.11
TOTAL	34,772.45	56,251.48

Nature of Security	Terms of Repayment
<p>SECURED LOANS FROM OTHER PARTIES</p> <p>Loan amounting to Rs.200 lakhs (Rs.200 lakhs) is secured by pledge of shares held by the Company in a listed Company.</p>	<p>The loan is Repayable in May 2023. Rate of Interest as at the year end 19.50% p.a</p>

	As at 31.03.2023	As at 31.03.2022
NOTE No. 27		
TRADE PAYABLE		
Dues of micro and small enterprises		
Related Party creditors (Refer Note No.52)	2.85	14.03
Other trade creditors	563.36	356.82
	566.21	370.85
Dues of creditors other than micro and small enterprises		
Related Party creditors	30.89	322.98
Other trade creditors	10,094.24	4,021.72
TOTAL	10,125.13	4,344.70
	10,691.34	4,715.55



Trade Payable ageing Schedule as at March 31, 2023

(Rs. in lakhs)

Particulars		Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed dues - MSME	13.09	553.12	--	--	--	566.21
ii)	Undisputed dues - Other than MSME	242.95	9,875.21	2.76	--	4.21	10,125.13
iii)	Disputed dues - MSME	--	--	--	--	--	--
iv)	Disputed dues - Other than MSME	--	--	--	--	--	--
		256.04	10,428.33	2.76	--	4.21	10,691.34

Trade Payable ageing Schedule as at March 31, 2022

Particulars		Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
i)	Undisputed dues - MSME	132.15	191.93	1.63	19.96	25.18	370.85
ii)	Undisputed dues - Other than MSME	396.96	3,430.11	135.80	14.84	366.99	4,344.70
iii)	Disputed dues - MSME	--	--	--	--	--	--
iv)	Disputed dues - Other than MSME	--	--	--	--	--	--
		529.11	3,622.04	137.43	34.80	392.17	4,715.55

(Rs. in lakhs)

As at 31.03.2023

As at 31.03.2022

NOTE No. 28

OTHER CURRENT FINANCIAL LIABILITIES

Interest accrued and due on borrowings	40,138.47	86,014.62
Expenses payable	601.94	653.80
Security deposits	362.59	1,283.90
TOTAL	41,103.00	87,952.32

NOTE No. 29

OTHER CURRENT LIABILITIES

Statutory remittances	3,464.44	2,758.05
Advance from customers	4,326.86	9,520.27
Liabilities for capital expenditure	215.65	243.17
Employee related obligations	1,558.12	1,702.27
Advance for Properties	16,452.25	11,083.30
Other liabilities	1,133.83	1,195.92
TOTAL	27,151.15	26,502.98

NOTE No. 30

CURRENT PROVISIONS

Provision for gratuity	266.82	337.81
Provision for compensated absence	128.82	83.56
TOTAL	395.64	421.37



(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
NOTE No. 31		
REVENUE FROM OPERATIONS		
(a) Sale of products		
Manufactured Goods		
Sugar	69,214.44	33,227.34
Industrial alcohol	15,261.82	10,389.85
Power	6,809.88	1,658.44
Hand Sanitizer	16.60	359.41
Soya products	21,790.06	24,341.31
Bio earth	81.67	62.73
Fusel oil	6.20	4.00
Magazines	18.88	11.49
Bagasse	14,448.78	7,164.91
Ash	27.14	3.34
	127,675.47	77,222.82
Traded Goods:		
Fertilisers & chemicals	221.81	258.25
Seeds	52.56	10.56
	274.37	268.81
Total (a)	127,949.84	77,491.63
(b) Other Operating revenues		
Sale of used materials	383.09	189.33
Bagasse handling charges	1,445.11	949.92
Duty drawback/other export incentive	843.79	171.49
Total (b)	2,671.99	1,310.74
TOTAL (a+b)	130,621.83	78,802.37
Less : Revenue from Discontinued Operations	25,246.29	35,634.97
TOTAL	105,375.54	43,167.40
NOTE No. 32		
OTHER INCOME		
(a) Interest income from financial assets at amortised cost	109.29	67.33
(b) Dividend income from investments measured at FVTPL	9.60	8.39
(c) Dividend income from investments measured at amortised cost	--	672.59
(d) Other non-operating income		
Rent receipts	149.35	140.48
Net gain on disposal of Property, Plant and Equipment	2.66	--
Changes in fair value of biological assets	12.39	9.47
Net gain on investments carried at FVTPL	222.88	342.32
Sundry balances written back	10.94	108.73
Provision no longer required	--	228.61
Liability no longer payable	912.18	--
Miscellaneous income	42.79	11.36
	1,353.19	840.97
TOTAL	1,472.08	1,589.28



(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
NOTE No. 33		
COST OF MATERIAL CONSUMED		
(a) Opening Stock		
Molasses	31.46	30.58
Newsprint paper	3.44	1.39
Total (a)	34.90	31.97
(b) Purchases		
Sugarcane	65,617.03	26,507.80
Molasses	213.50	13.95
Newsprint paper	16.46	9.63
Total (b)	65,846.99	26,531.38
(c) Closing Stock		
Molasses	245.14	31.46
Newsprint paper	4.97	3.44
Total (c)	250.11	34.90
TOTAL (a+b-c)	65,631.78	26,528.45
NOTE No. 34		
PURCHASES OF STOCK IN TRADE		
Fertiliser & chemicals	146.73	73.98
NOTE No. 35		
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE		
(a) Opening Stock		
Finished goods:		
Sugar	1,329.28	109.67
Molasses	27.63	4.63
Industrial alcohol	140.62	645.75
Ethanol	62.03	--
Hand Sanitizer	48.33	11.86
Bagasse	10.95	--
Bio earth	1.68	0.27
Fusel oil	0.41	0.06
	1,620.93	772.24
Work in Progress and Stock in trade:		
Sugar in process	334.18	152.35
Molasses in process	130.39	48.13
Fertilisers & chemicals	52.00	49.91
	516.57	250.39
Total (a)	2,137.50	1,022.63



(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
(b) Closing Stock		
Finished goods:		
Sugar	1,059.94	1,329.27
Molasses	228.61	27.63
Industrial alcohol	396.21	140.63
Ethanol	73.59	62.03
Hand Sanitizer	39.29	48.33
Bagasse	51.17	10.95
Bio earth	0.71	1.68
Fusel oil	0.33	0.41
	1,849.85	1,620.93
Work in Progress and Stock in trade:		
Sugar in process	375.88	334.18
Molasses in process	187.99	130.39
Fertilisers & chemicals	70.21	52.00
	634.08	516.57
	2,483.93	2,137.50
Total (b)	(346.43)	(1,114.87)
TOTAL (a-b)		
NOTE No. 36		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	3,798.84	3,293.68
Contribution to provident fund and other funds	334.45	311.24
Workmen and Staff welfare expenses	433.68	300.17
TOTAL	4,566.97	3,905.09
NOTE No. 37		
FINANCE COSTS		
Interest Expenses on:		
Borrowings	10,415.49	22,662.36
Trade payable	97.25	363.92
Lease liabilities	14.77	9.40
Taxes	85.94	55.38
Others	169.60	162.15
Other borrowing costs	19.40	53.87
Exchange differences regarded as an adjustment to borrowing costs	(1.38)	9.68
TOTAL	10,801.07	23,316.76
NOTE No. 38		
DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation on Property, Plant and Equipment	3,696.06	4,524.74
Depreciation on Right-of-use Assets	17.59	56.24
TOTAL	3,713.65	4,580.98



(Rs. in lakhs)

	Year Ended 31.03.2023	Year Ended 31.03.2022
NOTE No. 39		
OTHER EXPENSES		
Manufacturing Expenses:		
Consumption of stores and spares	2,749.54	1,373.00
Printing and publication charges	12.07	8.94
Power and fuel	1,473.36	390.86
Consumption of coal	14,447.28	7,067.15
Water charges	128.69	71.45
Rent	40.82	16.45
Repairs to buildings	234.85	111.44
Repairs to machinery	4,157.17	1,442.43
Repairs to others	341.27	226.31
Insurance	125.69	126.34
Rates and taxes	550.69	239.17
Effluent disposal expenses	503.03	223.84
State administrative service fees	123.61	57.09
Selling and Distribution Expenses:		
Selling and distribution expenses	--	0.10
Freight & transport on finished goods	95.86	34.50
Commission and brokerage	1.01	--
Other Administrative Expenses:		
Travelling expenses	130.58	36.56
Printing, postage & telephone	63.65	59.15
Freight and transport	11.47	7.20
Donations	17.80	13.14
Legal and professional charges	149.59	109.47
Administrative and other expenses	323.41	351.75
Bank charges	1.60	36.75
Provision for expected credit losses	16.05	170.22
R & D expenses	20.47	17.70
Data processing charges	33.57	29.46
Auditors remuneration	46.34	44.83
Directors sitting fees	10.00	10.80
Net Loss on Fair valuation of Quoted Investments	--	1.35
Loss on sale of fixed assets	521.65	--
Net Loss on Fair Valuation of Investment through Profit and Loss	15.70	--
Net Loss on Sale of Biological Assets	0.50	--
Sundry balances written off	2.65	16.87
TOTAL	26,349.97	12,294.32



NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2023

40 EXCEPTIONAL ITEMS

(Rs. in lakhs)

Particulars	2022-23	2021-22
Remission of Interest	41,061.91	6,891.23
	41,061.91	6,891.23

Exceptional items for the current and previous year represent interest remission granted by lenders as per the terms and conditions of restructuring granted by them, net of related expenditure.

41 ASSETS CLASSIFIED AS HELD FOR SALE

41.1 The Company intends to dispose off, certain non-core assets (land and building and certain plant and equipment) it no longer requires, in the next 12 months. A search for buyers is underway.

41.2 The Company has de-recognised investment in Equity shares of SACL of Rs.15157.86 lakhs and Capital WIP in Co-Generation - II amounting to Rs.3216.96 lakhs from Assets classified as held for sale on account of withdrawal of proposal for sale of such assets as on March 31, 2023.

41.3 Discontinued Operations

a. During the financial year, the Company has approved the sale of Sugar and Distillery units at Dhenkanal and Soya unit at Pollachi, at competitive prices, for the purpose of raising funds to reduce the liabilities.

b. The Company has sold its Sugar and Distillery units at Dhenkanal for a consideration of Rs. 13410.00 lakhs on November 11, 2022, on slump sale basis and the Company has recognised Rs.5624.98 Lakhs as profit on disposal of Dhenkanal units.

c. Results of these units for the year are presented below:-

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Income:		
Revenue from Operations	25,246.29	35,634.97
Other Income	5,711.09	141.51
Total Income	30,957.38	35,776.48
Expenditure:		
Cost of material consumed	18,388.14	28,672.46
Purchase of stock in trade	1.80	8.86
Changes in inventories of finished goods, work-in-progress and stock in trade	2,539.32	(2,934.13)
Employee benefits expense	1,749.10	2,008.47
Finance costs	63.22	98.05
Depreciation and amortization expense	687.50	919.42
Other expenses	3,016.68	4,078.94
	26,445.76	32,852.07
Profit/Loss before Tax from Discontinued Operations	4,511.62	2,924.41
Tax Expenses:	--	--
Current Tax	--	(38.52)
Deferred Tax	--	(38.52)
Profit/Loss after Tax from Discontinued Operations	4,511.62	2,962.93
Other Comprehensive Income/(Expense)	(11.76)	153.06
Tax on Other Comprehensive Income	(0.84)	(38.52)
	(12.60)	114.54
Total Comprehensive Income/(Expense)	4,499.02	3,077.47



d. Major classes of Assets and Liabilities of Discontinued operations are as follows: (Rs. in lakhs)

Particulars	31.03.2023
ASSETS:	
Non-Current Assets:	
Property, Plant and Equipment	6,640.57
Capital work-in-progress	146.24
Financial Assets	
Loans	9.29
Other Financial Assets	82.60
	6,878.70
Current Assets:	
Inventories	5,723.29
Financial Assets	
Trade Receivables	493.29
Cash and cash equivalents	117.09
Loans	6.44
Other Financial Assets	26.30
Current tax assets (Net)	14.18
Other current assets	731.84
	7,112.43
Total Assets	13,991.13
LIABILITIES:	
Non Current Liabilities:	
Provision	305.93
Deferred tax Liabilities	0.84
Current Liabilities:	
Trade Payable	856.93
Other Financial Liabilities	116.20
Other Current Liabilities	237.58
Provision	30.92
Total Liabilities	1,548.40
Net Assets directly associated with Discontinued operations	12,442.73

e. Net Cash flows attributable to Discontinued operations are as follows: (Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Net Cash Flow from/(used in) in Operating Activities	(13,915.56)	6,435.04
Net Cash Flow from/(used in) in Investing Activities	13,269.22	(75.41)
Net Cash Flow from/(used in) in Financing Activities	(56.78)	(5,842.71)
Net Increase/(Decrease) in Cash and Cash Equivalents	(703.12)	516.92
Cash and Cash Equivalents as at 1st April (Opening Balance)	820.21	303.29
Cash and Cash Equivalents (Closing Balance)	117.09	820.21



42 CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Claims against the Company not acknowledged as debts:		
a. Purchase tax/sales tax	28.24	28.24
b. Central Goods and Service Tax	473.48	469.24
c. Cane Price (Refer Note. 42.1)	9,504.47	9,504.47
d. Differential Price of Levy Sugar (Refer note No. 42.2)	2,310.34	2,220.09
e. Excise duty/Service Tax	771.69	802.77
f. Water tax	988.09	988.09
g. Electricity tax and Start-up power charges	5,616.38	5,389.11
h. Others	8.67	8.67

B. CONTINGENT LIABILITIES ON ACCOUNT OF GUARANTEES

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Guarantee issued by bankers	0.25	0.25
Corporate Guarantee given for loans to Associates		
a. Guarantee Amount	5,000.00	--
b. Outstanding Amount	4,356.84	--

C. COMMITMENTS

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Towards Property, Plant and Equipment	251.42	295.24

42.1 The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in Madras High Court is pending disposal. The differential price on this account is Rs.9504.47 lakhs for the seasons from 2013-14 to 2016-17.

42.2 Writ petitions were filed by the Company before the High Court of Orissa, Cuttack challenging the Orders passed by the Deputy Director (Cost), Ministry of Consumer Affairs relating to price payable for supply of levy quotas of sugar for the years from 1999-2000 to 2009-2010. The recall/review petitions filed by the Company are pending. The amount under dispute is Rs.2310.34 Lakhs.

43. DISCLOSURES ON ADDITIONAL REGULATORY INFORMATION

43.1 TITLE DEEDS OF IMMOVABLE PROPERTIES NOT HELD IN THE NAME OF THE COMPANY

Particulars of immovable properties whose title deeds are not held in the name of the company are as below:

Relevant line item in the Balance Sheet	Description of the item of Property	Gross carrying value (Rs. in lakhs)	Title deeds held in the name of	Whether title deed holder is a promotor, director or their relative/ employee	Property held since which date	Reason for not being held in the name of the Company
PPE	Land	2388.70	Sakthi Soyas Limited	No	01.04.1993	Property acquired pursuant to scheme of amalgamation. Steps are being taken for change of name in title deeds.
	Building	984.24				
Total		3372.94				



43.2 On transition to Ind AS, the Company has elected to regard the fair values of all its property, plant and equipment as at April 01, 2016 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time Adoption of Indian Accounting Standards". Accordingly, the Company has not revalued its Property, Plant and Equipment, during the year.

43.3 LOANS OR ADVANCES TO SPECIFIED PERSONS

The following disclosures are made in respect of loans and advances in the nature of loans granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person, that are:

a. Repayable on demand

(Rs. in lakhs)

Type of Borrower	31.03.2023		31.03.2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	--	--	--	--
Directors	--	--	--	--
KMPs	--	--	--	--
Related Parties	24,846.67	99.76	24,736.67	99.51
	24,846.67	99.76	24,736.67	99.51

b. Without specifying any terms or period of repayment

(Rs. in lakhs)

Type of Borrower	31.03.2023		31.03.2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	--	--	--	--
Directors	--	--	--	--
KMPs	--	--	--	--
Related Parties	--	--	--	--
	--	--	--	--

43.4 DETAILS OF BENAMI PROPERTIES HELD

The Company does not hold any benami property. Hence, no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

43.5 WILFUL DEFAULTER

The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender during the financial year.

43.6 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended March 31, 2023.

43.7 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES (ROC)

Details of charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period and reasons thereof are disclosed hereunder:

Description of Charge/ Satisfaction	Location of ROC	Due Date	Delay in Days/ Month	Reason for delay
Satisfaction:				
SDF Loan	Coimbatore	23-Oct-2010	151 Months	Form CHG - 4 is yet to be received.



43.8 RATIOS

Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Variance %	Reason for variance
Current Ratio	Current Assets	Current Liabilities	0.60	0.54	9.69%	-
Debt – Equity Ratio	Total Debt	Shareholder’s Equity	NA	NA	NA	This ratio has not been computed as the net worth is negative for the current year and previous year.
Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	0.35	0.14	145.72%	Increase in ratio is on account of increase in EBIDTA and reduction in debt/interest cost in current year as compared to previous year.
Return on Equity (ROE)	Net Profit after taxes	Average Shareholder’s Equity	990.03%	-32.68%	3129.46%	Profit after tax has increased during the current year mainly due to exceptional income from interest remissions and profit on disposal of one of the units, resulting in an increase in variance.
Inventory Turnover Ratio	Cost of goods sold	Average of Inventory	10.65	8.23	29.37%	Inventory turnover ratio has improved significantly due to improved operations in the current year as compared to previous year.
Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	16.59	10.09	64.40%	Improvement in debtors turnover ratio is mainly on account of, increase in sales in current year as compared to previous year.
Trade Payables Turnover Ratio	Purchases of services and other expenses	Average Trade Payables	9.91	4.23	134.49%	Creditors turnover ratio has improved owing to increase in purchase on account of increased operations during the current year
Net capital turnover ratio	Revenue	Working Capital	(2.77)	(0.90)	-206.60%	Increase is on account of the significant rise in sales during the current year as compared to last year.
Net Profit Ratio	Net Profit	Revenue	31.82%	-19.05%	267.00%	Increase is on account of improvement in profitability, exceptional income from interest remissions and profit on sale of one of the divisions.
Return on Capital Employed (ROCE)	Earning before interest and taxes	Capital Employed	106.38%	-160.46%	166.30%	Increase in the ratio is on account of improved profits and increase in the capital employed.
Return on Investment (ROI)						
Unquoted	Income generated from investments	Time weighted average investments	0.00%	80.33%	-100.00%	Decrease in the ratio is on account of non receipt of dividend income during the current year as compared to previous year.
Quoted	Income generated from investments	Time weighted average investments	3.25%	2.84%	14.42%	--

43.9 UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

The Company has not advanced or loaned to or invested (either from borrowed funds or share premium or any other sources or kind of funds) in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any funds from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43.10 UNDISCLOSED INCOME

The Company did not have any transactions that were not recorded in the books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**43.11 CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a CSR Committee and has adopted a CSR Policy and the same is available in the Company's website www.sakthisugars.com. The composition of the CSR Committee is given in the Corporate Governance Report. As the Company has incurred loss for the three preceding financial years, the requirement of incurring expenditure towards fulfilment of its corporate social responsibility does not arise during the financial year under review.

43.12 DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

44 SUBSEQUENT EVENTS

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

45 EXPENDITURE ON RESEARCH AND DEVELOPMENT**REVENUE EXPENDITURE**

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
On Continuing Operation :		
Revenue Expenses (excluding depreciation and fixed assets scrapped):		
a. Employee Cost	19.14	17.68
b. Stores and Spares	1.33	0.02
Net revenue expenses on Research and Development	20.47	17.70
On Discontinued Operation :		
a. Employee Cost	1.34	2.18
b. Stores and Spares	0.29	0.89
	1.63	3.07
Less : Sale of Agri products	0.52	0.82
Net revenue expenses on Research and Development	1.11	2.25

46 AUDITOR'S REMUNERATION :

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Statutory audit fee	24.00	24.00
Other services	19.63	19.82
Reimbursement of expenses	2.71	1.01
	46.34	44.83

47 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2022-23, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	528.99	458.90
Interest due on above	6.47	22.55
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, along-with the amount of the payment made to the supplier beyond the appointed day during the period	177.75	3.37
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	40.03	(29.49)
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	(131.25)	(10.31)
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	41.85	173.10



Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

48 DISCLOSURE AS PER SECTION 186(4) OF THE COMPANIES ACT, 2013:

Loans given and investments made are given under relevant notes to Financial Statements.

Corporate Guarantee given by the Company in respect of Loans as at 31.03.2023 is as below:

Name of the Entity	Particulars	Amount (Rs. In Lakhs)	Purpose
ABT Limited	Corporate Guarantee	5,000.00	Provided as ICD to the Company

49 EMPLOYEE BENEFITS

A. Defined contribution plans

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.226.58 lakhs (Rs.206.12 lakhs) for Provident Fund contributions, Rs.30.18 lakhs (Rs.31.88 lakhs) for Superannuation Fund contributions and Rs.0.80 lakhs (Rs.1.13 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss for the year ended March 31, 2023. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined benefit plans :

(i) Gratuity :

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2023 by Mr. Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment risk : The probability or likelihood of occurrence of losses relating to the expected return on any particular investment.

Salary Escalation risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(Rs. in lakhs)

Particulars	Gratuity Funded	
	2022-23	2021-22
Present Value of obligations at the beginning of the year	2,316.61	2,291.27
Current service cost	102.91	104.43
Interest Cost	145.45	135.86
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	62.28	101.82
Benefits paid	(260.64)	(316.77)
Present Value of obligations at the end of the year	2,366.61	2,316.61
Transfer to a disposed unit (part of Discontinued Operations)	533.08	--
Present Value of obligations at the end of the year	1,833.53	2,316.61



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	Gratuity Funded	
	2022-23	2021-22
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	126.79	38.46
Interest Income	11.96	5.10
Return on plan assets	--	--
Contributions from the employer	343.00	400.00
Actuarial gains and losses arising from change in financial assumption	5.16	--
Benefits paid	(260.64)	(316.77)
Fair Value of plan assets at the end of the year	226.27	126.79
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	1,833.53	2,316.61
Fair value of plan assets at end of the year	226.27	126.79
Funded status of the plans – Liability recognised in the balance sheet	1,607.26	2,189.82
Liability recognised in the balance sheet for Discontinued operations	255.38	761.02
Liability recognised in the balance sheet for Continuing operations	1,351.88	1,428.80
Components of defined benefit cost recognised in Profit and Loss		
Current service cost	102.91	104.43
Net interest expense	133.49	130.76
Net Cost in Profit and Loss	236.40	235.19
Net Cost in Profit and Loss of Discontinued operations	67.57	83.19
Net Cost in Profit and Loss of Continuing operations	168.83	152.00
Components of defined benefit cost recognised in Other Comprehensive Income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	67.44	101.82
Return on plan assets	--	--
Net Cost in Other Comprehensive Income	67.44	101.82

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Assumptions:		
Discount rate	7.47%	7.12%
Expected rate of salary increases	4.00%	4.00%
Expected rate of attrition	4.00%	4.00%
Average age of members	45.96	47.19
Average remaining working life	14.04	12.81
Mortality (IALM (2006-2008) Ultimate)	100%	100%

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:



(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Discount rate		
+ 100 Basic Points	1,750.76	2,204.36
- 100 Basic Points	1,925.19	2,440.61
Salary growth rate		
+ 100 Basic Points	1,926.66	2,441.94
- 100 Basic Points	1,748.13	2,201.40
Attrition rate		
+ 100 Basic Points	1,846.93	2,331.56
- 100 Basic Points	1,818.91	2,300.38
Mortality rate		
+ 10% up	1,834.03	2,317.19

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in increase in liability without corresponding increase in the asset).

Expected contribution to the plan in next financial year ending March 31, 2024 is Rs. 286.15 lakhs (Rs. 384.44 lakhs)

Estimated payout from the plan for the next annual periods are as given below:

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Year - I	229.40	278.43
Year - II	326.91	177.75
Year - III	178.09	372.25
Year - IV	191.68	195.30
Year - V	176.40	221.22
Thereafter	731.05	1071.66

The expected benefits / payouts are based on the same assumptions used to measure the company benefit obligations as at March 31, 2023. The weighted average duration of the defined benefit plan is 10 years as applicable (previous year: 9 years as applicable) for gratuity.

(ii) Long Term Compensated Absence

The Company is exposed to various risks in providing the above long term compensated absence benefit which are as follows:

Interest rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment risk : The probability or likelihood of occurrence of losses relating to the expected return on any particular investment.

Salary Escalation risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.



(Rs. in lakhs)

Particulars	Leave Scheme	
	2022-23	2021-22
Present Value of obligations at the beginning of the year	929.01	962.16
Current service cost	79.86	86.37
Interest Cost	60.58	64.85
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	(53.09)	(81.73)
- Actuarial gains and losses arising from experience adjustment	--	--
Benefits paid	(79.57)	(102.64)
Present Value of obligations at the end of the year	936.79	929.01
Transfer to a disposed unit (part of Discontinued Operations)	179.20	--
Present Value of obligations at the end of the year	757.59	929.01
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	--	--
Interest Income	--	--
Return on plan assets	--	--
Contributions from the employer	79.57	102.64
Benefits paid	(79.57)	(102.64)
Fair Value of plan assets at the end of the year	--	--
Amounts recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	757.59	929.01
Fair value of plan assets at end of the year	--	--
Funded status of the plans – Liability recognised in the balance sheet	757.59	929.01
Liability recognised in the balance sheet for Discontinued operations	81.47	290.72
Liability recognised in the balance sheet for Continuing operations	676.12	638.29
Components of defined benefit cost recognised in Profit and Loss		
Current service cost	79.86	86.37
Net interest expense	60.58	64.85
Net Cost in Profit and Loss	140.44	151.22
Net cost in Profit and Loss Discontinued operation	33.92	47.29
Net cost in Profit and Loss Continued operation	106.52	103.93
Components of defined benefit cost recognised in Other Comprehensive Income		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	(53.09)	(81.73)
- Actuarial gains and losses arising from experience adjustment	--	--
Return on plan assets	--	--
Net Cost in Other Comprehensive Income	(53.09)	(81.73)

Particulars	31.03.2023	31.03.2022
Assumptions:		
Discount rate	7.47%	7.12%
Expected rate of salary increase	4.00%	4.00%
Expected rate of attrition	4.00%	4.00%
Average age of members	46.64	47.44
Average remaining working life	13.36	12.56
Mortality (IALM (2006-2008) Ultimate)	100%	100%



The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below: (Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Discount rate		
+ 100 Basic Points	716.59	871.82
- 100 Basic Points	803.47	992.95
Salary growth rate		
+ 100 Basic Points	802.11	990.88
- 100 Basic Points	717.18	872.78
Attrition rate		
+ 100 Basic Points	764.20	937.15
- 100 Basic Points	750.24	920.01
Mortality rate		
+ 10% up	757.90	929.45

Estimated payouts from the plan for the next annual periods is given below: (Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
Year - I	80.47	95.38
Year - II	98.22	62.72
Year - III	55.88	121.99
Year - IV	64.73	64.67
Year - V	55.51	79.27
Thereafter	402.78	504.98

The expected benefits/payouts are based on the assumptions used to measure the Company's benefit obligations as at March 31, 2023.

The weighted average duration of the defined benefit plan is 10 years as applicable (Previous year : 9 years as applicable) for compensated absence.

C. Note on Provident Fund:

With respect to employees, who are covered under Provident Fund Trust administered by the Company, the Company shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regards to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

50. EARNINGS PER SHARE

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Basic earnings per share (Rs.)		
From Continuing Operations	31.36	(15.13)
From Discontinued Operations	3.80	2.49
From Continuing and discontinued operations	35.16	(12.64)
Diluted earnings per share (Rs.)		
From Continuing Operations	31.36	(15.13)
From Discontinued Operations	3.80	2.49
From Continuing and discontinued operations	35.16	(12.64)

**50.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows: (Rs. in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Earnings used in the calculation of basic earnings per share		
Profit/Loss after taxation (Rs.in lakhs)		
From Continuing Operations	37,270.19	(17,979.43)
From Discontinued Operations	4,511.62	2,962.93
From Continuing and discontinued operations	41,781.81	(15,016.50)
Number of equity shares of Rs.10 each outstanding at the beginning of the year	118849036	118849036
Add: Equity shares issued/allotted during the year	--	--
Revised number of equity shares of Rs. 10 each outstanding at the end of the year	118849036	118849036
(a) Number of equity Shares of Rs.10 each outstanding at the end of the year	118849036	118849036
(b) Weighted average number of equity shares	118849036	118849036

50.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows: (Rs. in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Earnings used in the calculation of basic earnings per share		
From Continuing Operations	37,270.19	(17,979.43)
From Discontinued Operations	4,511.62	2,962.93
From Continuing and discontinued operations	41,781.81	(15,016.50)
Adjustments	--	--
Earnings used in the calculation of diluted earnings per share		
From Continuing Operations	37,270.19	(17,979.43)
From Discontinued Operations	4,511.62	2,962.93
From Continuing and discontinued operations	41,781.81	(15,016.50)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Weighted average number of equity shares used in the calculation of basic earnings per share	118849036	118849036
Adjustments	--	--
Weighted average number of equity shares used in the calculation of diluted earnings per share	118849036	118849036

51 FINANCIAL INSTRUMENT**51.1 Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.



51.2 Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

(Rs. in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Debt	85,131.32	93,827.79
Cash and Cash Equivalent	(528.19)	(855.90)
Net Debt	84,603.13	92,971.89
Total Equity	(1,082.76)	(42,812.61)
Net Debt to Equity Ratio	(78.14)	(2.17)

51.3 Category-wise Classification of Financial Instruments

(Rs. in lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Financial Assets measured at Fair Value Through Profit & Loss [FVTPL]				
Investment in quoted equity instruments	1346.53	1139.35	--	--
Investment in unquoted equity instruments	15676.01	518.15	--	--
	17022.54	1657.50	--	--
Financial assets measured at Amortised Cost				
Investments	0.10	0.10	--	--
Trade receivables	--	--	774.31	635.55
Loans	68.43	65.06	24907.34	24859.29
Cash and cash equivalents	--	--	528.19	855.90
Other balances with banks	--	--	26.32	50.59
Other financial assets	737.28	667.14	89.48	124.45
	805.81	732.30	26325.64	26525.78
Total	17828.35	2389.80	26325.64	26525.78
Financial Liabilities measured at Fair Value Through Profit & Loss [FVTPL]	--	--	--	--
Financial Liabilities measured at Amortised Cost				
Borrowings	50358.87	37576.31	34772.45	56251.48
Lease Liabilities	80.32	--	16.45	--
Trade payables :				
Dues of micro enterprises and small enterprises	--	--	566.21	370.85
Dues of creditors other than micro enterprises and small enterprises	--	--	10125.13	4344.70
Other financial liabilities	148.82	123.79	41103.00	87952.32
Total	50588.01	37700.10	86583.24	148919.35

51.4 Fair Value Measurements

The following table provides the fair value measurement hierarchy of the Company's Financial Asstes and Liabilities:

51.4.1 Quoted prices in an active market (Level 1)

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.

**51.4.2 Valuation techniques with observable inputs (Level 2)**

This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

51.4.3 Valuation techniques with significant unobservable inputs (Level 3)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

51.4.4 As at March 31, 2023

(Rs. in lakhs)

Particulars	Fair Value as at 31.03.2023	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	1,346.53	1,346.53	--	--
Investment in unquoted equity instruments	15,676.11	--	--	15,676.11

51.4.5 As at March 31, 2022

Particulars	Fair Value as at 31.03.2022	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	1,139.35	1,139.35	--	--
Investment in unquoted equity instruments	518.25	--	--	518.25

51.4.6 Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

51.5 Financial Risk Management Objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

51.5.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

**51.5.2 Foreign Currency Exchange Rate Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

51.5.3 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

51.5.4 Credit risk management

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the Company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

51.5.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through borrowings.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The liquidity position of the Company is given below:

(Rs. in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and Cash Equivalents	528.19	855.90

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2023 and March 31, 2022:

(Rs. in lakhs)

Particulars	As at	Less than 1 Year	1-2 Years	2 Years and above
Borrowings	March 31, 2023	34,772.45	2,260.57	48,098.30
	March 31, 2022	56,251.48	298.42	36,950.72
Trade payables	March 31, 2023	10,684.37	2.76	4.21
	March 31, 2022	4,151.15	137.43	426.97
Other financial liabilities	March 31, 2023	41,268.27	--	--
	March 31, 2022	88,076.11	--	--

51.5.6 Foreign Currency Sensitivity Analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables, trade payables and FCCB in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents



management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative. (Rs. in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Impact on Profit or (Loss) for the year	344.85	298.86

51.5.7 Interest Rate Risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

51.5.8 Interest Rate Sensitivity Analysis

If interest rates had been 1% higher and all other variables were held constant, the Company's profit for the year ended would have impacted in the following manner: (Rs. in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Impact on Profit or (Loss) for the year	123.85	Nil

52 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDAS- 24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31.03.2023.

52.1 Name of Related Parties and nature of relationship:

Holding Company	ABT Investments (India) Private Limited
Associates	Sakthi Auto Component Limited Sakthi Finance Limited Sri Chamundeswari Sugars Limited
Key Management Personnel (KMP)	Executive Directors Dr M Manickam, Chairman and Managing Director Sri M Balasubramaniam, Managing Director Sri M Srinivaasan, Joint Managing Director Non-Executive Directors Sri C Rangamani, Independent Director Sri S S Muthuvelappan, Independent Director Sri P K Chandran, Independent Director Sri N K Vijayan, Independent Director Sri K V Ramachandran, Independent Director Sri S Chandrasekar, Independent Director Sri S Balasubramanian, Independent Director Smt Priya Bhansali, Independent Director Executive Officers Dr S Veluswamy, President (Finance & Operations), Chief Financial Officer. Sri S Baskar, President & Company Secretary
Relatives of KMP	There have been no transactions with relatives of Key Management Personnel.



Other entities over which there is a significant influence

ABT Limited
ABT Business Solutions Private Limited
ABT Foods Limited
ABT Two Wheelers Private Limited
ABT Industries Limited
Anamallais Bus Transport Private Limited
ARC Retreading Company Private Limited
Chamundeswari Enterprises Private Limited
Magnum Foundations Private Limited
Nachimuthu Industrial Association
Sakthi Coffee Estates Private Limited
ABT Textiles Private Limited
Anamallais Retreading Corporation
N.Mahalingam and Company
Sakthi Automobiles
The Gounder and Company
Sakthifinance Financial Services Limited

Note : Related party relationships are as identified by the management and relied upon by the auditors.

52.2 Transaction with Related Parties:

52.2.1 Key management personnel compensation

(Rs. in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Short-term employee benefits	73.56	60.22
Post-employment benefits	--	--
Total Compensation	73.56	60.22
Remuneration / sitting fees to Non-Executive and Independent Directors	10.00	10.80



52.2.2 Details of Related Party transactions during the year ended 31.03.2023 and balances outstanding as at 31.03.2023
(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Sales:					
Sale of materials					
- Sakthi Auto Component Limited		0.18 (--)			0.18 (--)
- N. Mahalingam and Company				2.01 (1.90)	2.01 (1.90)
- ABT Foods Limited				--	--
- ABT Limited				(3.58) 0.07 (--)	(3.58) 0.07 (--)
Sale of Oxygen Head Assembly					
- Nachimuthu Industrial Association (MCET)				-- (1.06)	-- (1.06)
Sale of Sugar					
- ABT Limited				0.43 (2.74)	0.43 (2.74)
- Nachimuthu Industrial Association				2.37 (--)	2.37 (--)
Sale of Hand Sanitizer					
- ABT Limited				-- (0.16)	-- (0.16)
Conversion Charges					
- ABT Limited				0.71 (4.11)	0.71 (4.11)
Rendering of services:					
Rent and other Receipts					
- Sakthi Auto Component Limited		8.58 (9.64)			8.58 (9.64)
- ABT Limited				77.87 (73.87)	77.87 (73.87)
Technical Service Charges Receipts					
- ABT Industries Limited				3.63 (12.79)	3.63 (12.79)
Advertisement Receipts					
- Sakthi Finance Limited		2.40 (2.60)			2.40 (2.60)
- Sri Chamundeswari Sugars Limited		2.40 (2.20)			2.40 (2.20)
- N. Mahalingam and Company				3.60 (3.70)	3.60 (3.70)



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
- ABT Limited				2.40	2.40
				(2.60)	(2.60)
- Nachimuthu Industrial Association (MCET)				2.40	2.40
				(2.60)	(2.60)
- ABT Industries Limited				4.20	4.20
				(3.85)	(3.85)
- ARC Retreading Company Private Limited				1.80	1.80
				(1.65)	(1.65)
Dividend Receipts					
- Sri Chamundeswari Sugars Limited		--			--
		(672.59)			(672.59)
- Sakthi Finance Limited		6.24			6.24
		(6.24)			(6.24)
Redemption of Preference Shares					
- Sri Chamundeswari Sugars Limited		--			--
		(645.90)			(645.90)
Loans and Advances					
- Sakthi Finance Limited		--			--
		(1,500.00)			(1,500.00)
- Sri Chamundeswari Sugars Limited		--			--
		(1,000.00)			(1,000.00)
Inter Corporate Deposit					
- ABT Limited				5,000.00	5,000.00
				--	--
- Magnum Foundations Private Limited				1,500.00	1,500.00
				--	--
Purchases:					
Purchase of materials					
- Sakthi Auto Component Limited		5.07			5.07
		(4.08)			(4.08)
- ABT Limited		--			--
				(0.51)	(0.51)
Purchase of Fuel					
- N. Mahalingam and Company				30.32	30.32
				(23.74)	(23.74)
Purchase of Milk					
- ABT Industries Limited				5.99	5.99
				(4.58)	(4.58)



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Receiving of services					
Interest payments					
- ABT Limited				2,673.91	2,673.91
				(1,741.05)	(1,741.05)
- ABT Industries Limited				32.50	32.50
				(32.50)	(32.50)
- Sri Chamundeswari Sugars Limited		10.04			10.04
		(0.53)			(0.53)
- Magnum Foundations Private Limited				208.46	208.46
				(--)	(--)
Printing Charges					
- Nachimuthu Industrial Association (Rukmani Offset Press LLP)				34.73	34.73
				(25.25)	(25.25)
Lease Rent					
- ABT Limited				37.56	37.56
				(76.58)	(76.58)
Vehicle Purchase/Maintenance					
- ABT Limited				1.19	1.19
				(1.70)	(1.70)
- ARC Retreading Company Private Limited				1.09	1.09
				(1.57)	(1.57)
- Annamalais Engineering Private Limited				--	--
				(0.05)	(0.05)
- ABT Industries Limited				0.08	0.08
				(--)	(--)
Transport charges					
- ABT Limited				157.80	157.80
				(70.79)	(70.79)
Purchase of Computer Consumables					
- ABT Limited				44.10	44.10
				(38.49)	(38.49)
Repayment of Advance					
- Sri Chamundeswari Sugars Limited		--			--
		(877.93)			(877.93)
Repayment of Inter Corporate Deposit					
- Sri Chamundeswari Sugars Limited		1,000.00			1,000.00
		(--)			(--)
- ABT Limited				643.16	643.16
				(--)	(--)
- Magnum Foundations Private Limited				1,500.00	1,500.00
				(--)	(--)
Repayment of Loans and Advances					
Annamalais Bus Transport Private Limited				110.00	110.00
				(--)	(--)



NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Remuneration to KMP					
- S Veluswamy			36.98		36.98
			(--)		(--)
- S Baskar			36.58		36.58
			(34.57)		(34.57)
- C R Sankar			--		--
			(25.65)		(25.65)
Balances outstanding at the end of the year					
Loans and advances					
- Sakthi Auto Component Limited		24,736.67			24,736.67
		(24,736.67)			(24,736.67)
- ABT Industries Limited				110.00	110.00
				(110.00)	(110.00)
Trade Receivable					
- Sakthi Auto Component Limited		4.99			4.99
		(--)			(--)
- Sakthi Finance Limited		1.25			1.25
		(1.05)			(1.05)
- Nachimuthu Industrial Association				1.81	1.81
				(1.71)	(1.71)
- ABT Limited				0.54	0.54
				(0.96)	(0.96)
- ABT Industries Limited				30.36	30.36
				(28.41)	(28.41)
- N.Mahalingam and Company				0.01	0.01
				(0.21)	(0.21)
- Sakthifinance Financial Services Limited				--	--
				(0.04)	(0.04)
- ABT Foods Limited				--	--
				(3.58)	(3.58)
Key Managerial Personnel					
- Dr. M Manickam Chairman and Managing Director			31.98		31.98
			(34.00)		(34.00)
Loans from Body Corporate					
- ABT Investments (India) Private Limited	400.00				400.00
	(400.00)				(400.00)
- Anamallais Bus Transport Private Limited				6,839.07	6,839.07
				(7,086.78)	(7,086.78)
- ABT Limited				20,135.37	20,135.37
				(15,094.59)	(15,094.59)
- ABT Industries Limited				57.76	57.76
				(327.17)	(327.17)



(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
Unsecured Loan from Other Parties					
- Sri Chamundeswari Sugars Limited		9.52 (1,000.48)			9.52 (1,000.48)
Advance received for sale of Property					
- Sakthi Finance Limited		1,500.00 (1,500.00)			1,500.00 (1,500.00)
Trade Payables					
- ABT Limited				29.94 (321.81)	29.94 (321.81)
- Nachimuthu Industrial Association				2.94 (14.05)	2.94 (14.05)
- ABT Industries Limited				0.10 (0.04)	0.10 (0.04)
- N.Mahalingam and Company				1.68 (2.13)	1.68 (2.13)

Note:-

- Information has been furnished with respect to individuals/entities with whom/which related party transactions had taken place during the year.
- Figures in bracket pertain to previous year

52.2.3 Details of transactions during the financial year ended 31st March 2023 with any person or entity belonging to Promoter/Promoters Group who/which holds 10% or more shareholding in the Company

Name of the Person / Entity	Details of Transaction
ABT Investments (India) Private Limited	Nil

53 SEGMENT REPORTING

Basis of Segmentation:

Factors used to identify the reportable segments:

The Company has following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Reportable Segment	Products/Service
Sugar	Manufacturing and trading of sugar and its by-products
Industrial alcohol	Manufacturing and trading of Industrial Alcohol and its by-products
Soya products	Manufacturing and trading of Soya and its by-products
Power	Generation and trading of Power

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net un-allocable expenses/income.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable.

Inter segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.



53.1 Operating segments revenue and results:

(Rs. in lakhs)

Particulars	Sugar		Industrial Alcohol		Power		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue (Sales/Income):								
External Customers	84266.50	34154.91	14272.02	7350.71	6837.02	1661.78	105375.54	43167.40
Inter-segmental Sales	23285.28	6225.37	2.39	79.91	28106.58	9601.06	51394.25	15906.34
Total Segment Revenue	107551.78	40380.28	14274.41	7430.62	34943.60	11262.84	156769.79	59073.74
Less : Intersegment Revenue	23285.28	6225.37	2.39	79.91	28106.58	9601.06	51394.25	15906.34
	84266.50	34154.91	14272.02	7350.71	6837.02	1661.78	105375.54	43167.40
Discontinued Operations							25246.29	35634.97
Total Revenue (Including Discontinued Operations)							130621.83	78802.37
Operating Profit (+)/Loss (-)	4043.91	(1654.31)	749.44	1204.25	1815.87	(1013.97)	6609.22	(1464.03)
Other Unallocated Expenses/Income (Net)							(41237.64)	(6843.99)
Finance Cost							10801.07	23316.76
Profit/(Loss) before Tax							37045.79	(17936.80)
Less: Income-tax:-								
Current Tax							--	--
Deferred Tax							(224.40)	42.63
Total Tax							(224.40)	42.63
Net Profit/Loss after Tax from Continuing Operations							37270.19	(17979.43)
Net Profit/Loss before Tax from Discontinued Operations							4511.62	2924.41
Tax on Discontinued Operations							--	(38.52)
Net Profit/Loss after Tax from Discontinued Operations							4511.62	2962.93
Other Information:-								
Segment Assets	84351.72	86529.94	7575.28	7999.87	28821.59	25665.84	120748.59	120195.65
Unallocated Corporate Assets							19214.17	3679.85
Assets classified as held for sale							26853.28	57372.01
Total Assets							166816.04	181247.51
Segment Liabilities	30744.71	38365.43	2059.45	1935.74	13318.99	12527.70	46123.15	52828.87
Unallocated Corporate Liabilities							120227.25	162999.63
Liabilities Directly Associated With Assets Classified As Held For Sale							1548.40	8231.62
Total Liabilities							167898.80	224060.12
Capital Expenditure	1036.49	235.71	137.40	98.13	362.90	119.76	1536.79	453.60
Depreciation & Amortization	2307.46	3177.89	518.04	518.55	888.15	884.54	3713.65	4580.98

53.2 Geographical information

(Rs. in lakhs)

Country	2022-23	2021-22
Segment Revenue of Continuing Operations		
India	156,769.79	59,073.74
Segment Revenue of Discontinued Operations		
India	23,119.08	32,978.77
Korea	1,076.25	1,098.08
Malaysia	250.29	157.68
Philippines	7.23	21.27
Vietnam	793.44	1,369.48
United Kingdom	--	9.69
Total	25,246.29	35,634.97

53.3 The entire non-current assets of the Company are located in India.

53.4 There is no transaction with single external customer which amounts to 10% or more of the Company's revenue.

**54 LEASES****54.1 The Company as a Lessee****54.1.1 Maturity Analysis of future contractual maturities of lease liabilities as on March 31, 2023 on an undiscounted basis:**

(Rs. in lakhs)

0-1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
8.75	16.45	20.25	24.66	29.77	5.64	105.52
(--)	(--)	(--)	(--)	(--)	(--)	(--)

54.1.2 Amounts recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	2022-23	2021-22
Interest on lease liability	14.77	9.40
Expenses relating to short-term leases	40.82	15.90
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	--	0.55
Depreciation and amortisation expenses on right-of-use assets	17.59	56.24

Break-up of lease liabilities recognised in Balance Sheet

(Rs. in lakhs)

Particulars	2022-23	2021-22
Current lease liabilities	16.45	--
Non-current lease liabilities	80.32	--
	96.77	--

54.1.3 Amounts recognised in the cash flow statement

(Rs. in lakhs)

Particulars	2022-23	2021-22
Principal payment of lease liabilities	8.75	67.17
Interest paid on lease liabilities	14.77	9.40
	23.52	76.57

54.1.4 Incremental borrowing rate:

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2022 is 14%

54.2 The Company as a Lessor

(Rs. in lakhs)

Particulars	2022-23	2021-22
Annual lease receipts included as income in the Statement of Profit and Loss	149.35	140.48
Future Minimum Lease Receivable		
Not later than one year	138.92	133.82
Later than one year and not later than five years	402.53	475.76
Later than five years	149.33	178.83

55 The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings held on May 29, 2023.

56 The comparative figures have been regrouped, rearranged and reclassified wherever necessary to make them comparable with current year's figures.

57 All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report annexed

For P N RAGHAVENDRA RAO & Co

Chartered Accountants

Firm Registration Number : 003328S

P R VITTEL

Partner

Membership Number : 018111

Coimbatore

29th May 2023

M MANICKAM
Chairman and Managing Director

M BALASUBRAMANIAM
Managing Director

S VELUSWAMY
President (Finance & Operations)
Chief Financial Officer

S BASKAR
President &
Company Secretary



COMPANY'S PERFORMANCE AT A GLANCE

YEAR	SUGARCANE CRUSHED (TONNES)	SUGAR PRODUCED (TONNES)	RECOVERY (%)	TURNOVER (Rs.in Lakhs)	PROFIT BEFORE DEPRN (Rs. In Lakhs)	DEPRECIATION (Rs. In Lakhs)	PROFIT AFTER DEPRN (Rs. In Lakhs)	EQUITY DIVIDEND (%)	GROSS BLOCK (Rs. In Lakhs)
1966	332794	28741	8.64	328.24	18.47	11.63	6.84	6	180.66
1967	202641	16750	8.27	346.46	3.08	12.78	-9.70	-	181.33
1968	195997	17614	8.99	346.60	74.97	14.90	60.07	12	173.51
1969	332822	27955	8.40	520.65	31.09	13.74	17.35	12	179.75
1970	460457	38704	8.41	536.07	10.30	15.23	-4.93	6	312.82
1971	434862	40159	9.23	692.62	55.05	20.04	35.01	12	345.52
1972	526103	50063	9.52	1112.43	135.34	29.89	104.45	15	466.18
1973	687892	59691	8.72	1358.41	67.83	34.66	33.17	15	567.55
1974	813430	67776	8.33	1779.28	72.04	46.99	25.05	12	958.57
1975	1002544	84494	8.43	2324.35	128.52	65.61	62.91	-	1014.43
1976	311774	28025	8.98	1395.33	19.20	64.00	-44.80	-	1026.49
1977	298725	22692	7.60	653.64	-98.96	0.00	-98.96	-	1020.98
1978	366487	33883	9.25	706.32	-27.36	0.00	-27.36	-	1021.26
1979	767844	64299	8.37	1201.64	52.40	0.00	52.40	-	1037.86
1980	624399	54680	8.76	2323.30	303.52	58.24	245.28	12	1068.08
1981	648514	57236	8.83	2400.96	138.32	67.22	71.10	17.5	1207.00
1982	1121964	104305	9.30	3861.03	322.10	99.89	222.21	20	1396.35
1983▲	803716	79295	9.87	3371.42	248.52	194.78	53.74	15	1846.66
1984	336704	34375	10.12	3063.41	109.28	108.20	1.08	15	2024.62
1985	697491	70103	10.05	3211.28	297.71	128.91	168.80	16	2122.82
1986	704626	72150	10.24	3739.00	211.46	116.05	95.41	15	2229.53
1987	496762	48791	9.82	3647.90	173.62	150.86	22.76	-	2443.58
1989	934601	96145	10.28	5087.15	849.45	249.08	600.37	30	4530.72
1990	1122219	108421	9.66	8762.84	989.65	377.09	612.56	20	6101.95
1991	1130173	107984	9.55	7474.44	801.55	394.37	407.18	20	6617.61
1992	1091843	103723	9.50	11200.64	1010.49	409.11	601.38	20	8540.39
1993	1115158	107158	9.61	11547.77	1027.03	411.07	615.96	20	11387.44
1994	956993	89163	9.36	18109.42	1521.21	489.38	1031.83	24	17649.21
1995	1724621	159199	9.28	21701.32	1859.60	782.45	1077.15	24	18638.23
1996	2345289	211267	9.00	33568.19	2953.13	857.58	2095.55	24	26042.75
1997	2106840	191940	9.11	33442.13	2022.05	1019.11	1002.94	20	30242.48
1998	1569438	143991	9.21	36753.07	2478.28	1414.47	1063.81	-	32548.89
1999	2607462	246609	9.43	40788.52	2298.23	1860.97	437.26	-	35155.94
2000▲	2161594	212600	9.86	36393.04	2102.55	1485.66	616.89	-	28394.91
2001	2316874	233278	10.04	45197.53	1596.80	1272.83	323.97	-	29463.22
2002	1914453	193302	10.04	45022.47	1791.99	1309.48	482.51	-	30771.78
2003	1472547	192505	9.80	32221.35	-3968.28	1347.49	-5315.77	-	61006.09
2004	499480	124559 ■	10.15	30313.24	-3339.32	948.67	-4287.99	-	56054.15*
2005	847934	257611 ■	9.30	63942.19	3972.94	1158.49	2814.45	-	56273.16
2006	2746916	347702 ■	9.52	89601.78	10835.71	1218.85	9616.86	15	60637.41
2007	3477203	336996 ■	9.56	76651.73	4358.84	1340.87	3017.97	15	91376.04
2008	4416309	400678 ■	9.07	103847.83	-4419.38	4294.29	-8713.67	-	136053.62
2009●	2045681	427288	9.22	140435.07	15496.43	3025.71	12470.72	-	138730.83*
2011	2356303	536973 ■	9.47	216553.65	-8915.89	3878.48	-12794.37	-	142173.20
2012▲	2900630	278431 ■	9.60	112126.99	-2187.62	3162.85	-5350.47	-	143553.93
2013	3056321	286296	9.37	118989.97	-8515.22	3232.54	-11747.76	-	146750.52
2014	1653822	147240	8.82	71704.59	-20165.02	3272.67	-23437.69	-	146898.93
2015	1476477	131893	8.90	84748.61	-1924.07	3013.82	-4937.89	-	147110.70
2016	1562489	121622	7.93	83034.12	-2903.08	4621.12	-7524.20	-	147317.80
2017	1975869	175613	8.83	93897.56	10015.62	5700.47	4315.15	-	145679.38
2018	549241	84800	8.97	53020.06	-19938.69	5281.69	-25220.38	-	139330.95*
2019	849503	81216	9.63	50505.93	-21517.69	5158.53	-26676.22	-	136193.32#
2020	1295177	120227	9.18	80301.01	-15902.85	4931.06	-20833.91	-	117947.01#
2021	977302	86994	8.96	63338.33	-6465.77	3885.39	-10351.16	-	118172.51#
2022	1169693	107859	9.34	78802.35	-9511.97	5500.41	-15012.38	-	128881.88#
2023	2116409	199298	9.41	105375.54	40759.44	3713.65	37045.79	-	120509.56#

▲ 15 Months

● 18 Months

■ Includes sugar produced out of Raw sugar

Excluding assets classified as held for sale.

* Including increase in value on account of revaluation of fixed assets Rs.30045.71 Lakhs

* Including increase in value on account of revaluation of fixed assets Rs.38696.60 Lakhs

* Including net increase of Rs.36642.32 Lakhs on account of adoption of fair value under Ind AS



NOTES

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SAKTHI SUGARS LIMITED

CORPORATE OFFICE

180 RACE COURSE ROAD, COIMBATORE - 641 018