



BANNARI AMMAN SUGARS LIMITED

Regd. Office : 1212, Trichy Road Coimbatore - 641 018 Tamilnadu India
Phone : 91 - 422 - 2204100 Fax : 2309999 (Sales) 2204222 (Purchase) 2204233 (Accounts)
E-Mail : bascbe@bannari.com Website : www.bannari.com CIN : L15421TZ1983PLC001358

SEC/MAIL/2017

30.08.2017

National Stock Exchange of India Ltd Exchange Plaza C-1, Block G Bundera-Kurla Complex, Bandra (E) Mumbai 400051	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001
NSE CODE : BANARISUG ISIN No. : INE459A01010	BSE CODE : 500041 ISIN No. : INE459A01010

Dear Sirs,

Sub: 33rd Annual General Meeting and Book Closure &
Remote e-voting Facility & Fixation of Cut-off date

Please refer to our letter No.SEC/MAIL/2017 dated 10.8.2017.

We wish to inform you that the 33rd Annual General Meeting of the company will be held on Monday the 25th September, 2017. A copy of the Annual Report inter alia containing notice to shareholders, Directors' Report and Financial Statements for the year ended 31.3.2017 is attached herewith.

Further, the Register of Members and Share Transfer Books of the Company will remain closed from **16th September, 2017 to 25th September, 2017** (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend.

Further to above, in compliance of the provisions of Section 108 of the Companies Act, 2013 read with the Rules made under Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the company is providing facility of remote e-voting to the members to exercise their right to vote electronically in respect of the business to be transacted at the 33rd Annual General Meeting of the company scheduled to be held on **Monday the 25th September, 2017 at 4.30 PM**. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide remote e-voting facility.

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The facility for voting through Ballot paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote may exercise their vote through ballot at the meeting.

The cut-off date for determining the eligibility to vote by electronic means or in the 33nd Annual General Meeting is 18.09.2017. The remote e-voting will be available from 22.09.2017 (9:00 am) to 24.09.2017 (5:00 pm).

M/s C Thirumurthy & Associates Company Secretaries have been appointed as Scrutinizers to scrutinize the remote e-voting and poll process in a fair and transparent manner.

Kindly take this on record.

Thanking you,

Yours faithfully,

For **BANNARI AMMAN SUGARS LIMITED**


(C PALANISWAMY)
COMPANY SECRETARY

Encl:



Resilience Through Adversity

BANNARI AMMAN SUGARS LIMITED

Annual Report 2016-17

Forward-looking statements :

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Annual Report 2016–17

Contents

1 Corporate Overview

Corporate Identity	02
Achievements over the years	04
5 year Operational Summary	07
5 year Financial Summary	09
Chairman's Message	10
Corporate Information	12

2 Statutory Reports

Notice to Shareholders	14
Report of the Board of Directors	21
Report on Corporate Governance	29
Management Discussion & Analysis Report	41
Business Responsibility Report	50
Secretarial Audit Report	70
Auditors' Certificate on Corporate Governance	73
Independent Auditors' Report	74

3 Financial Statements

Balance Sheet	80
Statement of Profit & Loss	81
Cash Flow Statement	83
Notes forming part of Financial Statements	85

Corporate identity



Cumulative cane
crushing
capacity

23700

tonnes per day

Cumulative Alcohol
production capacity

127.50

kilo litres per day

Cumulative power
generation capacity

138.55

megawatts

Bannari Amman Group is one of the largest Industrial Conglomerates in South India with wide spectrum of manufacturing, trading and Service activities. Manufacturing and trading

include sugar, power, alcohol, granite. The service sector has wind power energy and education.

Portfolio



Sugar

White Crystal
sugar



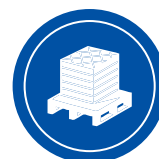
Power

Co-generation &
Wind Mills



Distillery

Alcohol



Granite

Blocks / Slabs /
Tiles

Background

Bannari Amman has established its first sugar factory in the year 1986 with a crushing capacity of 1250 tonnes of cane per day. Today the company has emerged as one of India's leading sugar manufacturers as well as manufacturer of granite products

Objectives

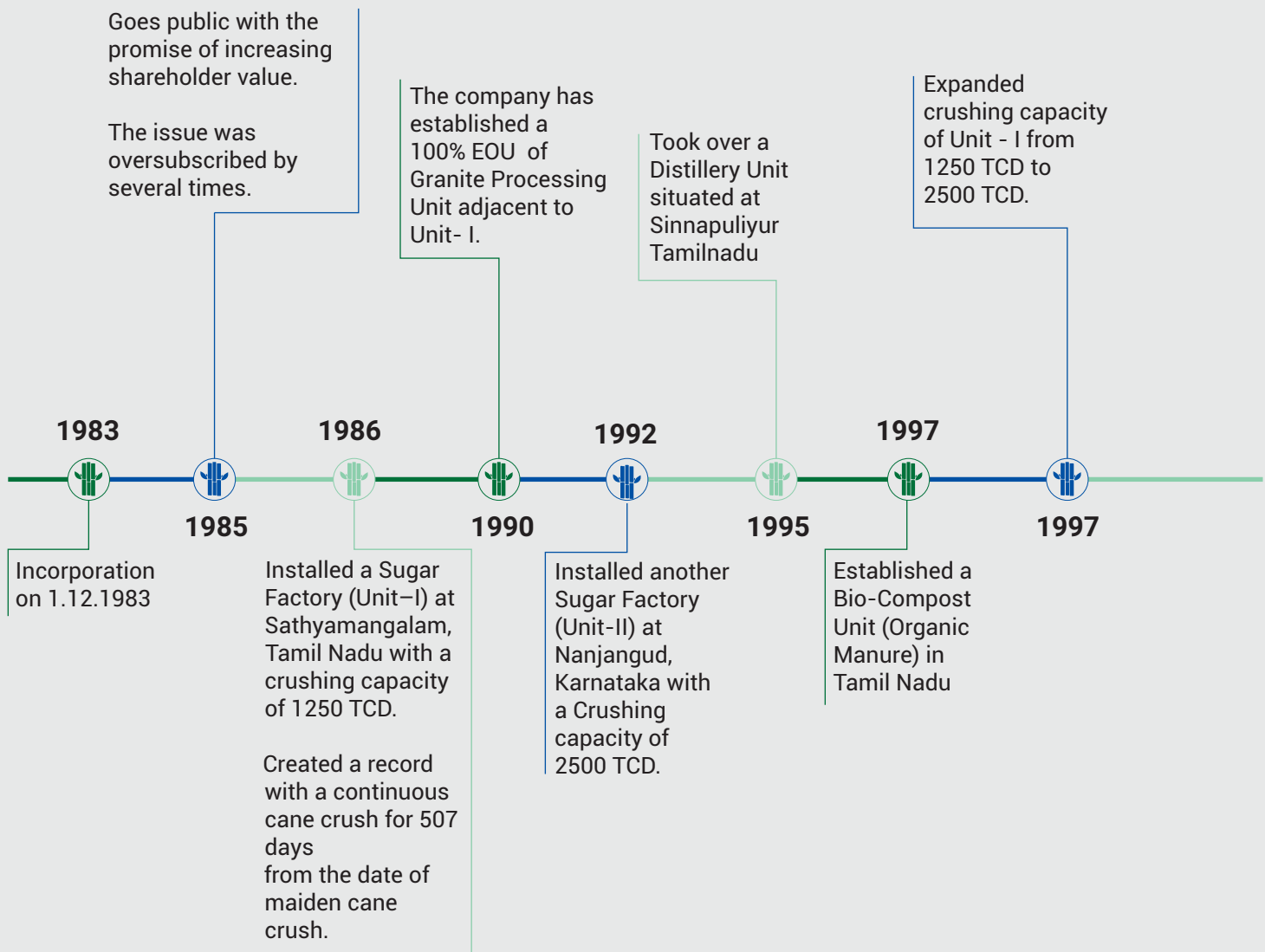
Our endeavor is to

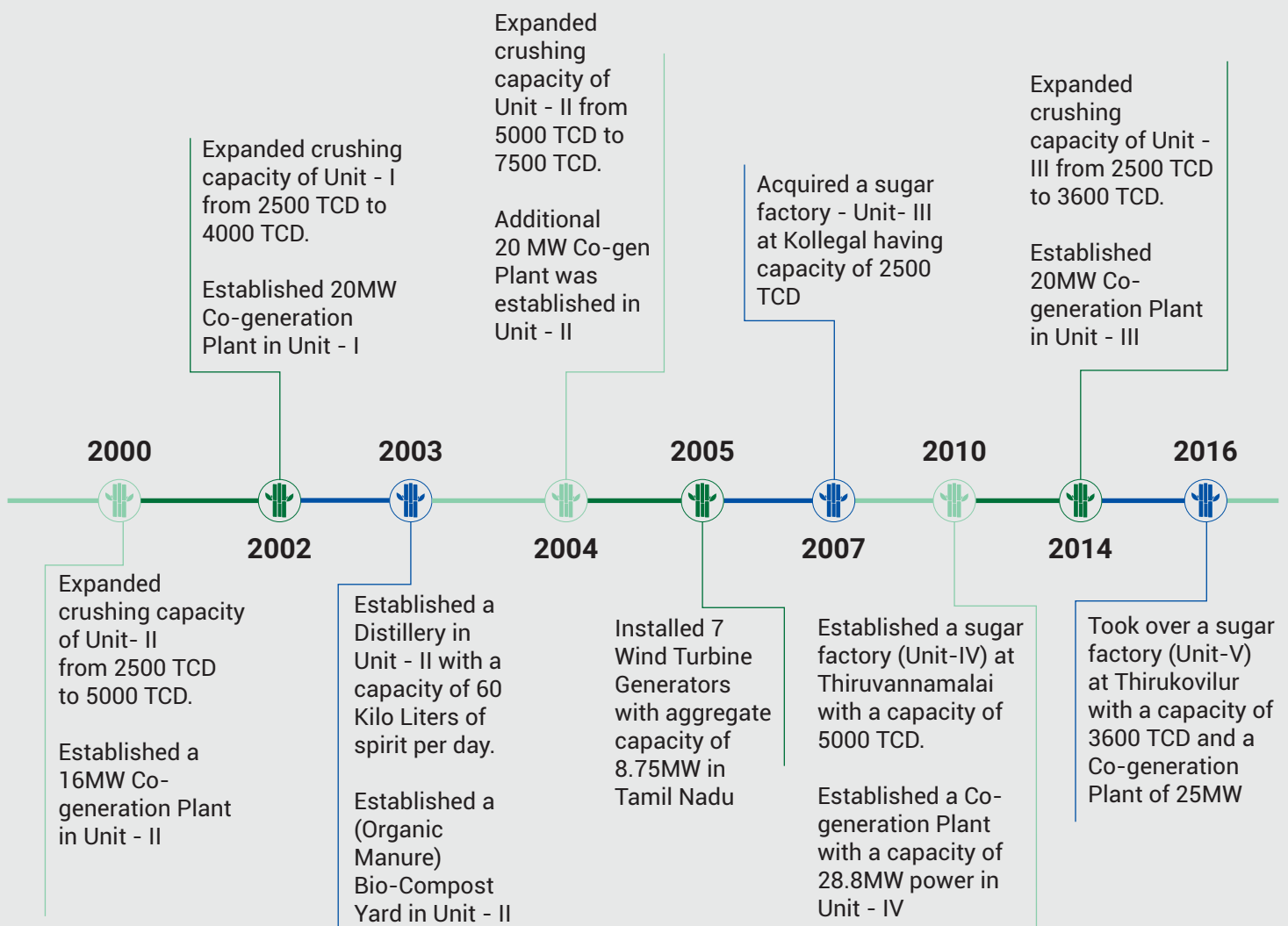
- Identify & improve the processes to have a continuous upgradation of the quality of the end products
- Serve in the best interest of cane growers and shareholders
- Maximize productivity by optimizing all inputs
- Expand and diversify utilizing by-products in a planned manner

Motto

Strive to perform best
at all times

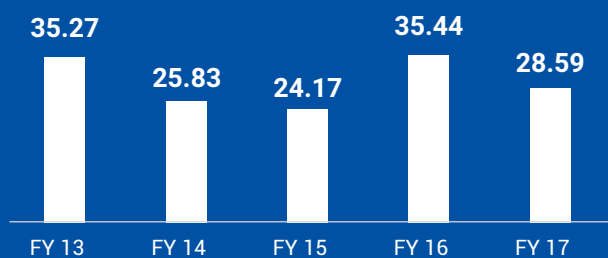
ACHIEVEMENTS OVER THE YEARS



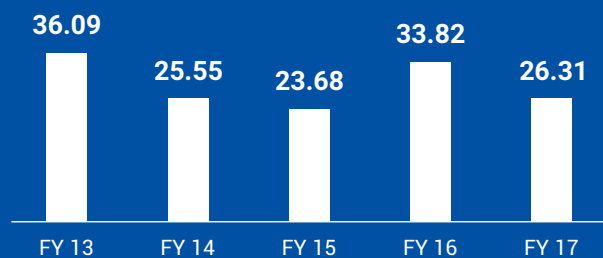


Five-Year operational summary

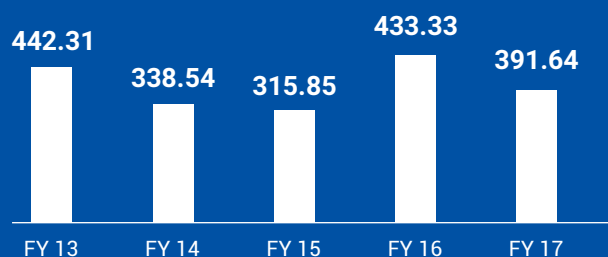
Sugarcane Crushed (in lakhs tonnes)



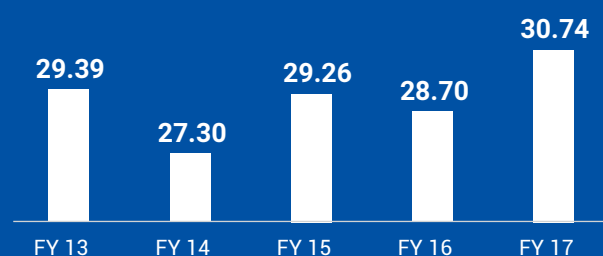
Sugar Production (in Lakh Quintals)



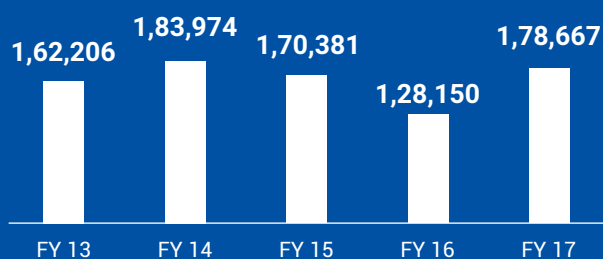
Power Generation (in Million Units)



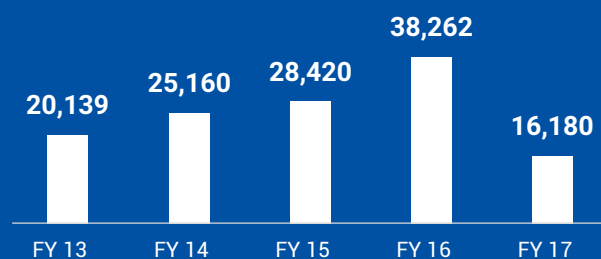
Alcohol production (in Million Bulk Litrs)



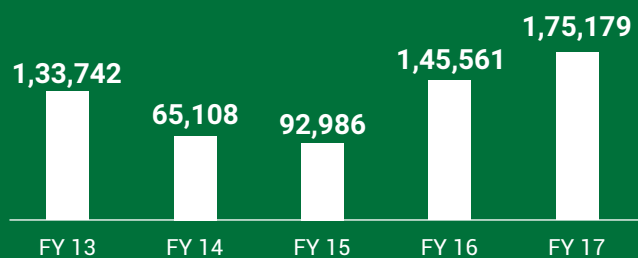
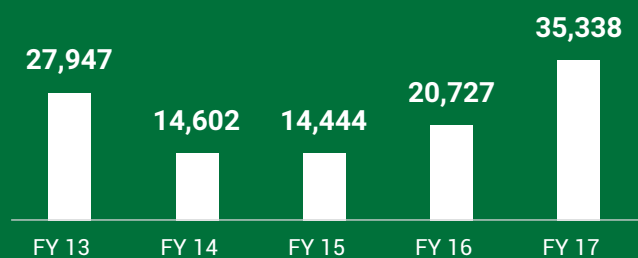
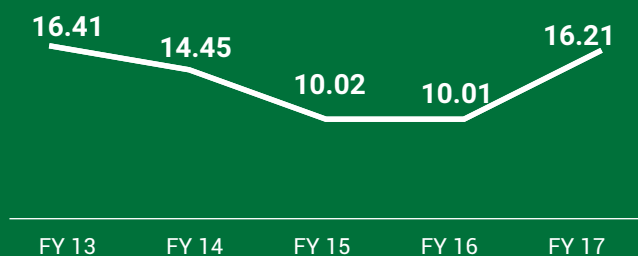
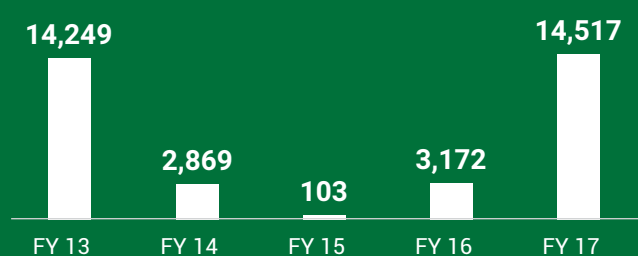
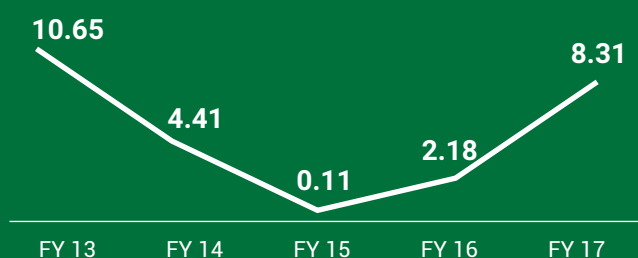
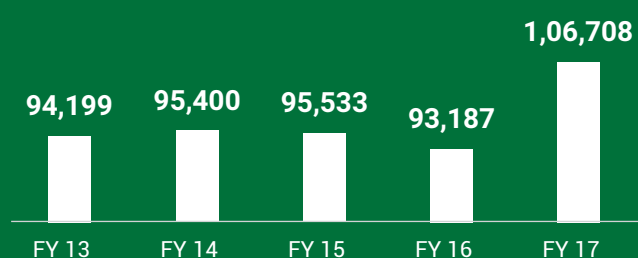
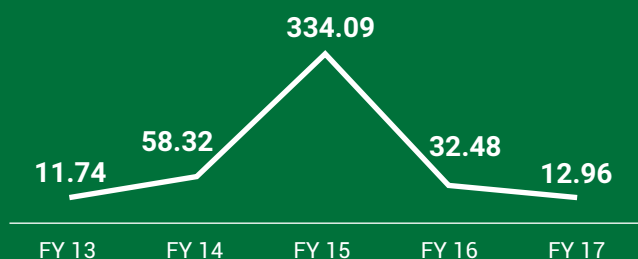
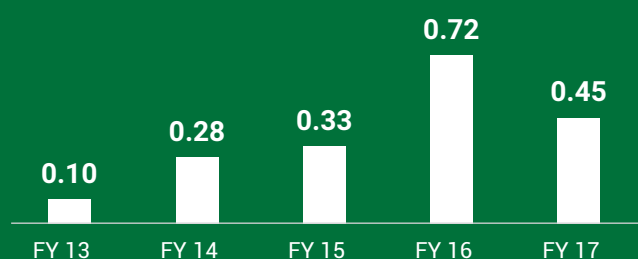
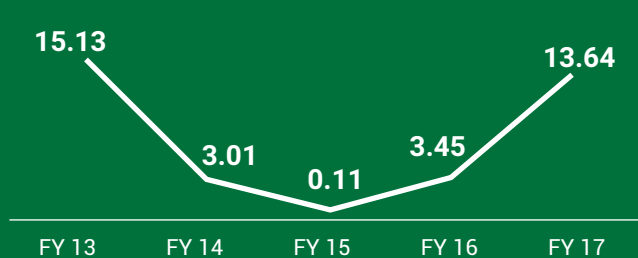
Granite Slabs (in Sq.Mtrs)



Granite Tiles (in Sq.Mtrs)



Five-Year financial summary

Turnover (Rs Lakhs)**EBITDA (Rs Lakhs)****Operating Margin (%)****PAT (Rs Lakhs)****PAT Margin (%)****Networth (Rs Lakhs)****Dividend Payout Ratio (%)****Net Debt/Equity (times)****Return on Networth (%)****Return on Capital Employed (%)**

Chairman's Message



“ The strategies adopted by your company has kept us profitable since inception ”

Dear Shareholders

The management at Bannari Amman Sugars Limited is pleased to present the Annual Report of your Company. At the outset let me tell you that we are immensely humbled and grateful to each and every one of you who have shown utmost trust and confidence on our management, our business model and our strategy. The numbers that we reported during the year under review are a testament of our competitive advantage and long-term sustainability.

Ever since the company was established we have never looked back as far as our performance is concerned with an exception of few years where there were extreme dry spell circumstances due to drought conditions. In spite of various testing times confronted by the organization among the years, we have always kept in mind the interest of our shareholders and we never fizzled. We have always paid dividend since inception without a single year of interruption and keep on increasing the net worth consistently.

The quality of sugar has been acknowledged to be one of the best in the industry and we are the preferred source of supplier for marquee customers.

We are one of the pioneers of integrated sugar operations in the country. Our cost of operations has been consistently low due to the highest level of efficiency maintained in the factories. We have always focussed on technical up-gradation of our equipments in the factories to increase the efficiency.

Bannari Amman Sugars is a financially focused business. We have strong financial controls and effective governance across the company and we monitor performance against our clear aims and KPI's. We have

judiciously used surplus generated during industry upturn to pare debts, stay lean and financially fit. Our relationship has been very good with the farmers. Usually all the cane planted in the area are registered with us, barring a minuscule percentage. Even in the case of higher price they can convert it to jaggery, they prefer to supply to our factories for our services rendered, not only for the cultivation of sugar cane but also for our various socio-economic activities. Our assistance to the growers by the way of providing loans to farmers for purchase of second-hand tractors and trucks, deepening of wells, supply of quality of seeds, fertilizers and technical services has helped to increase yield per acre.

In order to have a stable production and cane price structure, it's necessary to follow a Revenue Sharing Formula (RSF) in respect of cane price, which is already being adopted in countries like Australia, Thailand, and Brazil. In case the Fair and Remunerative Price (FRP) determined by the government is more than the price determined by RSF, the gap should be filled up by the government by establishing Price Stabilisation Fund (PSF).

“ Quality has been our dictum in any product ”

Our black granite mines owned and operated by the company are the best in terms of colour. The mines are developed and exploited scientifically with best machinery and mining practices to preserve the environment. The market for this segment is very much huge and availability of blocks is the major catalyst for growth in this segment.

CSR services of Bannari Amman Sugars Limited are carried out under Bannari Rural Foundation, a registered non-profitable charitable trust. The trust acts as resource nucleus for providing urban amenities in rural areas. We are working tirelessly to enrich the lives of people in the rural community by providing them with a host of

amenities that not just make their lives a whole lot easier but also ensures agricultural, educational and economic independence. Activities carried out by our foundation includes Health camps in rural areas, Sanitation facilities, Contribution to education, Check dam construction, desilting of tanks and waterbodies etc.

Going forward

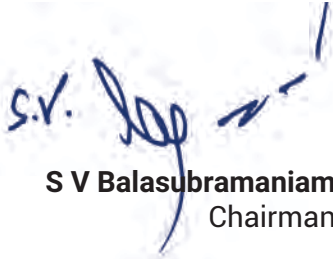
Continuous monsoon failure in South India consecutively for the last 3 years is really a dampener to all sugar factories in South as cane plantation has drastically reduced which will have an adverse effect on working of sugar factories.

Our strong financial position, well-equipped factories and close relationships with growers and customers alike are advantages that we will be taking on to the competitive landscape.

“ Enhancing value for our stakeholders since inception ”

Time and again we have proved our operational efficiency and your company never posted a loss, we have been resilient through adversity.

Given the goodwill we enjoy with our cane growers and the excellent support we enjoy from our dedicated employees and from, our shareholders, I remain positive on the outlook for our future.


S V Balasubramaniam
Chairman

CORPORATE INFORMATION



Sri S V Balasubramaniam

Chairman - Executive

Sri S V Balasubramaniam, Promoter and Chairman of Bannari Amman Sugar Limited is one of the most illustrious and successful businessman. His life is a real success as an industrialist, agriculturist, educationalist, social worker, and philanthropist. He is a Chartered Accountant cum Company Secretary and began his career as an Internal Auditor. His propensity for business enabled him to create one of the largest Industrial Conglomerates in South India.

He has contributed greatly to the growth of Indian Sugar Industry and was the President, Indian Sugar Mills Association twice during 1990-91 and 2002-03; President, South Indian Sugar Mills Association (Tamilnadu) thrice during 1987-88, 2000-01 and 2001-02; & President, South Indian Sugar Mills Association (Karnataka) during 1993-96.



Sri B Saravanan

Managing Director



Sri A K Perumalsamy

Non-Executive Independent Director



Sri E P Muthukumar

Non-Executive Independent Director



Sri T Gundan

Non-Executive Independent Director



Dr M P Vijayakumar

Non-Executive Independent Director



Dr Radha Ramani

Non-Executive Independent Director

Board of Directors**Executive**

Sri S V Balasubramaniam
Chairman

Sri B Saravanan
Managing Director

Non Executive**Independent Directors**

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

Company Secretary

Sri C Palaniswamy

Chief Financial Officer

Sri M Ramprabhu

Auditors

M/s P N Raghavendra Rao & Co
Chartered Accountants

Internal Auditors

M/s B M & Associates
Chartered Accountants

Cost Auditor

Sri M Nagarajan
Cost Accountant

Secretarial Auditor

M/s C Thirumurthy & Associates
Company Secretaries

Bankers

Punjab National Bank
Bank of Baroda
Canara Bank
The Federal Bank Limited
The Karur Vysya Bank Limited
Union Bank of India
Indian Overseas Bank
State Bank of India
Bank of India
AXIS Bank Limited
ICICI Bank Limited
HDFC Bank Limited
Central Bank of India

Registered Office

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

Registrar and Share Transfer Agent

M/s Cameo Corporate Services Limited
"Subramanian Building"
1, Club House Road Chennai 600 002
Tel : 044 – 28460395 **Fax :** 044 - 28460129
Email : investor@cameoindia.com
CIN : U67120TN1998PLC041613

Notice to Shareholders

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of the Company will be held at JENNYS RESIDENCY 2/2 AVINASHI ROAD CIVIL AERODROME POST COIMBATORE 641 014 on Monday the 25th day of September 2017 at 4.30 P.M. to transact the business set out in the agenda below.

You are requested to make it convenient to attend the meeting.

Agenda

Ordinary Business

1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon

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

RESOLVED that the audited financial statements of the company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon as circulated to the members and presented to the meeting be and are hereby approved and adopted.

2. Declaration of Dividend

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

RESOLVED that a dividend at the rate of Rs.12.50 per share on 1,25,39,700 equity shares of Rs.10/- each as recommended by the Board of Directors be and is hereby declared for the year ended March 31, 2017 and that the same be paid to the members whose names appeared in the Register of Members of the company as on September 25, 2017 and in the Register of beneficial owners maintained by the depositories as on September 15, 2017.

3. Appointment of Director who retires by rotation

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

RESOLVED that Sri S V Balasubramaniam (DIN:00002405) who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as Director of the Company.

4. Appointment of Auditors

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

RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions if any of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee of the Board, M/s P K Nagarajan & Co., Chartered Accountants [Firm Registration Number 016676S] Coimbatore be and are hereby appointed as Auditors of the Company in place of retiring auditors M/s P N Raghavendra Rao & Co, Chartered Accountants [Firm Registration No.003328S] to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of 38th Annual General Meeting of the company subject to ratification by the members [if required] at every Annual General Meeting.

FURTHER RESOLVED that the Board of Directors be and is hereby authorised to fix the remuneration payable to Auditors on the recommendation of Audit Committee each year.

Special Business

5. Ratification of Remuneration payable to Cost Auditor

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

RESOLVED that pursuant to Section 148 and other applicable provisions if any of the Companies Act 2013 and the Rules made there under and pursuant to the recommendations of the Audit Committee of the Board the remuneration of Rs.2,00,000/- (Rupees two lakhs only) (plus service tax and out of pocket expenses if any for the purpose of audit) payable to Sri M Nagarajan (Membership No.F-6384) Cost Accountant as approved by the Board of Directors for conducting the audit of cost accounting records of the company for the financial year ending 31st March 2018 be and is hereby ratified and confirmed.

Coimbatore
10.08.2017

By order of the Board
C PALANISWAMY
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING OF THE COMPANY MAY APPOINT A PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF / HERSELF. A Proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4 & 5 to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Sundays and Public Holidays up to the date of the Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday 16th September, 2017 to Monday, the 25th September, 2017 (both days inclusive).
5. Dividend recommended by the Board of Directors, if approved by the Members at the Annual General Meeting, will be credited / dispatched between 28th September, 2017 and 12th October, 2017 to those members whose names appear on the Register of Members as on 25th September, 2017. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as at the close of business hours on 15th September, 2017.
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/ bank mandate as furnished to the Company by the respective Depositories Viz., NSDL and CDSL will be printed on the dividend warrants. Members holding shares in physical form are requested to inform the changes in address/mandate/bank details directly to the Registrar and Share Transfer Agents.
7. Members are requested to bring their copies of the Annual Report to the Meeting. Members are requested to hand over the Attendance slip duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for identification.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting to the Company Secretary.
9. Pursuant to the provisions of Section 123, 124 of the Companies Act, 2013 and Section 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends upto the financial year 2009-2010 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on 29th December 2016 (date of last Annual General Meeting) on the website of the Company (www.bannari.com) as also on the website of the Ministry of Corporate Affairs.
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agent.

11. Electronic copy of the Notice convening the 33rd Annual General Meeting of the Company, the Annual Report, the Attendance slip and Proxy form are being sent to the members whose e-mail addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for hard copy of the same. For members who have not registered their e-mail addresses, physical copies of the above documents are being sent to the members in the permitted mode. Members who have not registered their e-mail addresses so far are requested to register the same to enable the company to send all communications including Annual Report, Notices, Circular etc. in electronic mode.

12 The notice of AGM and Annual Report 2016-17 will also be available on the Company's website at the link : [http:// www.bannai.com/Investor Information.html](http://www.bannai.com/InvestorInformation.html)

Voting through electronic means

I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Rules made there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company is providing facility of remote e-voting to the members to exercise their right to vote electronically in respect of the business to be transacted at the 33rd Annual General Meeting (AGM) of the company scheduled to be held on 25th September, 2017 at 4.30 P.M. The Company has engaged Central Depository Services (India) Limited (CDSL) to provide e-voting facility.

The instructions for remote voting through electronic means are as under:

- (1) **The remote e-voting will be available from 22.09.2017 (9.00am) to 24.09.2017(5.00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 18.09.2017, may cast their vote electronically.** The e-voting module shall be disabled by CDSL thereafter.
- (2) Log on to the e-voting website www.evotingindia.com
- (3) Click on "Shareholders" tab.
- (4) Now Enter your User ID
 - i) For CDSL: 16 digits beneficiary ID,
 - ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (5) Next enter the Image Verification as displayed and Click on Login.
- (6) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.

(7) Now, fill up the following details in the appropriate boxes:

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

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date viz., 15.09.2017 in the Dividend Bank details field.

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

(18) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(19) In case of members receiving the physical copy, please follow all steps from sl. no. (1) to (18) above to cast vote.

(20) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(21) M/s C Thirumurthy & Associates, Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(22) The Scrutinizer shall immediately after the conclusion of AGM unblock the votes casted through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report forthwith to the Chairman of the Company.

(23) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.bannari.com and on the website of CDSL www.cdslindia.com immediately after the result is declared by the company and communicated to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.

ANNEXURE TO NOTICE

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.4

In terms of the provisions of Section 139 of the Companies Act, 2013 read with Rule 6(3) of the Companies (Audit and Auditors) Rules, 2014, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. The Act further prescribes that the company has to comply with these provisions which shall not be later than the date of the first annual general meeting held after three years from the date of commencement of the Companies Act, 2013.

Present statutory auditors of the company M/s P N Raghavendra Rao, Chartered Accountants have been in office for more than 10 years. In compliance with the provisions of the Companies Act, 2013, the company has to appoint a new auditor in their place. Accordingly, on the recommendations of the Audit Committee, the Board of Directors has recommended the appointment of M/s P K Nagarajan & Co., Chartered Accountants as the Statutory Auditors of the company in place of M/s P N Raghavendra Rao & Co., to hold office from the conclusion of this 33rd Annual General Meeting until the conclusion of 38th Annual General Meeting of the company subject to ratification by the members at every Annual General Meeting if required in accordance with the provisions of Section 139(1) of the Companies Act, 2013 for the time being in force.

M/s. P K Nagarajan & Co., Chartered Accountants, is a firm registered with Institute of Chartered Accountants of India. The Firm is having its offices at Coimbatore and Pune. The Firm holds valid peer

review certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Firm has 5 partners and 3 qualified assistants having vast experience in Auditing.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed ordinary resolutions. The Board recommends the ordinary resolutions as set out in Item No. 4 for the approval of members.

ITEM NO.5

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment of Sri M Nagarajan, Cost Accountant as Cost Auditor to conduct audit of cost records of the company for the financial year ending March 31, 2018 and fixed his remuneration at Rs.2,00,000/- plus reimbursement of actual out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No.5 of the notice for ratification of the remuneration payable to the cost auditor for the financial year ending March 31, 2018.

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

Coimbatore
10.08.2017

By order of the Board
C PALANISWAMY
Company Secretary

In terms of Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with secretarial standard on General Meeting a brief profile of the director who proposed to be re-appointed is given below

Sri S V BALASUBRAMANIAM

Sri S V Balasubramaniam (DIN 00002405) B.Com., ACA., ACS., aged 77 years is the Chairman of the company. He has more than 52 years experience in sugar industry He was the President of South Indian Sugar Mills Association (SISMA) Tamilnadu and Karnataka and was the President of the Indian Sugar Mills Association (ISMA). Sri S V Balasubramaniam has been actively involved in the affairs of the company right from incorporation and served as the Managing Director from 9.10.1985 till 1.6.2010 and thereafter as the Chairman of the company with substantial powers of management.

Sri S V Balasubramaniam is the Chairman of following companies viz Annamallai Enterprise (P) Ltd Bannari Amman Enterprises (P) Ltd Bannari Amman Exports (P) Ltd Bannariamman Finance (P) Ltd Kerala Alcoholic Products (P) Ltd Shiva Cargo Movers (P) Ltd

Shiva Hi-Tech Infrastructure (P) Ltd Shiva Distilleries (P) Ltd Annamallai Estates (P) Ltd Bannari Enterprises (P) Ltd Kandiamman Enterprise (P) Ltd Kumaraguru Enterprise (P) Ltd Mehru Enterprises (P) Ltd Mylvagana Enterprises (P) Ltd Soundaram Enterprise (P) Ltd SVB Enterprise (P) Ltd SVB Holdings (P) Ltd Velmuruga Enterprises (P) Ltd Bannari Amman Educational Services (P) Ltd.

Sri S V Balasubramaniam is a member of Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Committee of Bannari Amman Sugars Limited.

Sri S V Balasubramaniam holds 1056232 equity shares in the company and he is related to Sri B Saravanan Managing Director of the company as Father.

Report of the Board of Directors

Dear members

Your Directors have pleasure in presenting the 33rd Annual Report of the company together with audited financial statements for the year ended 31st March 2017

(Rs in lakhs)

Financial Results	Financial Year	
	2016-17	2015-16
Profit for the year before depreciation	25630.74	9132.52
Less: Depreciation	6945.21	6154.07
Profit Before Tax	18685.53	2978.45
Less: Provisions: Current Tax	4005.24	634.99
MAT Credit Entitlement	(4005.24)	(634.99)
Deferred Tax	4168.98	(193.68)
Profit After Tax	14516.55	3172.13
Add : Surplus brought forward from previous year	3080.33	2250.47
Amount available for appropriation	17596.88	5422.60
Appropriations		
Provision for diminution in value of investment (Long term)	–	(1.94)
Dividend paid on equity shares (for the respective previous financial year as per IND AS)	857.98	285.99
Tax on Dividend paid (for the respective previous financial year as per IND AS)	174.66	58.22
Transfer to General Reserve	12000.00	2000.00
Surplus carried over to Balance Sheet	4564.24	3080.33
TOTAL	17596.88	5422.60

Indian Accounting Standard (IND AS)

The Indian Accounting Standards (Ind AS) prescribed under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016 are applicable to your company with effect from 1.4.2016 with a transition date of 1.4.2015. Your company has accordingly prepared the financial accounts for the financial year ended 31.3.2017 by following the Indian Accounting Standards (Ind-AS). The financial results for the financial year 2015-2016 are adjusted/ reconciled in accordance with Ind-AS

Dividend

Your Directors are glad to recommend dividend @ Rs.12.50 per share on 1,25,39,700 equity shares of Rs.10/- each.

Review of Operations

Sugar

During the year under review, the aggregate cane crush was 28.59 lakh tones compared to 35.44 lakh tones in the previous year. The overall recovery also dropped from 9.57% to 9.11%. Consequently sugar production was lower at 26.31 lakh quintals compared to 33.82 lakh quintals in the previous year. Lower cane crush and drop in recovery was mainly due to continuous drought and low yield.

Power

The Co-generation plants had generated 376.51 million units of power and exported 255.83 million units of power to grids compared to the generation of 424.72 million units and export of 292.23 million units in the previous year. Lower generation was mainly due to lower cane crush resulting in lower bagasse availability.

Distillery

During the year, the alcohol production had slightly increased from 28.70 million B.Ltrs in the previous year to 30.74 million B.Ltrs.

Granite Division

In the Granite Processing Unit 178667 square metres of Granite Slabs and 16180 square metres of Tiles were produced compared to production of 128150 square metres of Granite Slabs and 38262 square metres of Tiles in the previous year.

Wind Mill

Wind Mills had generated 15.13 million units of power and exported 13.13 million units to grid compared to the generation of 8.61 million units and export of 7.50 million units in the previous year.

Increase in share capital

Pursuant to the Scheme of Amalgamation of Madras Sugars Limited with the company approved by the Hon'ble High Court of Judicature at Madras, company has allotted 1100000 equity shares of Rs.10/- each to the shareholders of M/s Madras Sugars Limited on 10.2.2017. Consequently the paid up share capital of the company has been increased from Rs. 11,43,97,000/- to Rs. 12,53,97,000/-

Prospects for the Current year 2017 – 2018

It is estimated to crush 21 lakh tonnes of sugarcane in aggregate. Sugarcane availability is the major concern in the current year on account of continued drought and low yield. Performance of co-generation plant will be based on bagasse availability in the sugar mills. It is estimated to produce 28.75 million B.Litres of alcohol in the Distillery Units. Improved working results are expected in the Distillery and Granite Division. The sugar prices are expected to be steady at current level.

Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 read with the Articles of Association of the Company Sri S V Balasubramaniam is liable to retire by rotation and he is eligible for re-appointment.

All the independent directors have given declarations that they meet the criteria of independence as specified under Section 149 (6) of the Companies Act, 2013. All Independent Directors hold office for a fixed term of five years and are not liable to retire by rotation.

The Company has devised a policy on director's appointment, remuneration and for performance evaluation of independent directors, Board, Committees and other individual directors which include performance evaluation of non-executive and executive directors.

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

Particulars of Loans, Guarantees or Investments

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

Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, Technology absorption, Foreign Exchange earnings and outgo as required to be disclosed under the Companies Act, 2013 are provided in *Annexure I* to this Report.

Particulars of Employees

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

Meetings of the Board

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

Committees and Policies

The company has constituted Board Committees and framed policies as required under the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details are furnished in the Corporate Governance Report attached herewith.

Corporate Governance and Management Discussion and Analysis Report

A separate section on Corporate Governance, Management Discussion and Analysis Report and a certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed as *Annexure – III*

Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 the company has formulated a policy on Corporate Social Responsibility. Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2017, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are attached as *Annexure IV* to this report.

Risk Management / Risk Management policy

As per Regulation 21 of the SEBI (LODR) Regulations, 2015, constitution of Risk Management Committee is

not mandatory for the company. However the company has Risk Management Committee and has formulated a Risk Management Policy including risk assessment and minimization procedures. The Risk Management Committee has been assigned with the functions of monitoring and reviewing the risk management plans of the company. In the opinion of the Board no element of risk that may threaten the existence of the company has been identified

Vigil Mechanism/Whistle Blower Policy

The company has established vigil mechanism for Directors and Employees to report concerns about the unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics policy. The Whistle Blower Policy is posted in the company's website at the link

<http://www.bannari.com/InvestorInformation.html>

Dividend Distribution Policy

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, top 500 listed companies has to formulate a Dividend Distribution Policy. Accordingly, the Board of Directors at its meeting held on 14.2.2017 formulated and adopted the Dividend Distribution Policy. The policy is posted in the company's website at the link

<http://www.bannari.com/InvestorInformation.html>

Related Party Transactions

All the related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and other relevant Regulations as referred under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There is no materially significant related party transaction made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large and therefore disclosure in Form AOC-2 is not required. All the related party transactions are placed before the Audit Committee and approved by the Audit Committee. The Related Party Transactions Policy as approved by the Board is uploaded on the company's website

<http://www.bannari.com/InvestorInformation.html>

The details of transactions with Related Parties are provided in the accompanying financial statements.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting held on 14.2.2017 without participation of non-independent directors and management considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The criteria applied in the evaluation process are detailed in the Corporate Governance Report which forms part of this report. The Board has carried out an annual evaluation of its own performance, of the individual directors as well as the Committees of Directors.

Material changes and commitments

There is no material change or commitment affecting the financial position of your Company which have occurred between the end of the financial year March 31, 2017 and the date of this report.

Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, all the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- (c) they 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) they had prepared the annual accounts on a going concern basis;
- (e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Business Responsibility Report (BRR)

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that top 500 companies based on market capitalization as per NSE/BSE as 31st March of every financial year are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. As the company is amongst the top 500 companies based on the market capitalization as on 31.3.2017, the report has been prepared as prescribed. The BRR is annexed as *Annexure V* to this report and forms part of this Annual Report.

Extract of Annual Return

The extract of Annual Return in MGT 9 is annexed as *Annexure VI*.

Auditors / Auditors' Report

M/s. P N Raghavendra Rao & Co the present auditors of the company retire at the ensuing Annual General Meeting. They have served as statutory auditors of the Company for a period of more than 10 years in rotation. Pursuant to Section 139(2) of the Companies Act, 2013 read with rule 6(3) of Companies (Audit and Auditors) Rules, 2014, it is mandatory to change the auditors of the company.

The Board of Directors on the recommendation of the Audit Committee has proposed to appoint M/s. P. K. Nagarajan & Co., Chartered Accountants Coimbatore as the Statutory Auditors of the company for a period of five years at the ensuing Annual General

Meeting. M/s P K Nagarajan & Co., Chartered Accountants have consented for the said appointment and has submitted necessary certificates in compliance of Section 139 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014.

The Auditors' Report given by M/s P N Raghavendra Rao & Co., the present auditors on the financial statements of the company does not contain any qualification, reservation or adverse remark.

Secretarial Auditors and Secretarial Audit Report

M/s C Thirumurthy & Associates, Company Secretaries, Coimbatore has been appointed as Secretarial Auditor to conduct secretarial audit for the financial year 2016-2017. The Report of Secretarial Auditors is annexed to this report as Annexure VII. The Report does not contain any qualification, reservation or adverse remark.

Internal Control Systems and their Adequacy

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

Cost Audit

Sri M Nagarajan, Cost Accountant, Coimbatore was appointed as Cost Auditor to conduct audit of cost accounting records for the financial year 2016-17.

Industrial Relations

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

Coimbatore
10.08.2017

General

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

- i) Details relating to deposits covered under Chapter V of the Act.
- ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- iii) Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- iv) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, no cases were filed pursuant to the Sexual Harassment or Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgement

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

By order of the Board
S V BALASUBRAMANIAM
Chairman
DIN : 00002405

ANNEXURE - I**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014****(A) Conservation of energy :****(i) The steps taken or impact on conservation of energy :**

- Falling film Evaporators are replaced instead of Semikestners and direct contact heaters instead of Tubular heaters to reduce the steam & power consumption.
- Mechanical circulators are added for all batch pans to save time and steam.
- All motors are replaced by energy efficiency (IE3) motors with Variable Frequency drive (VFD) to save power.
- Vapour line juice heaters and plate heat exchangers are installed to recover heat from Evaporator V body and condensate water respectively.

(ii) The steps taken by the company for utilizing alternate sources of energy :

- Pan boiling vapour from III and IV body evaporator to be used instead of II body evaporator vapour

(iii) The capital investment on energy conservation equipments :

- Nil

(B) Technology absorption-**(i) The efforts made towards technology absorption:**

- Nil

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution :

- Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The company has not imported any technology during the last three years.

(iv) The expenditure incurred on Research and Development : Rs. 35.19 Lakhs**(C) Foreign exchange earnings and outgo :**

- The Foreign Exchange earned in terms of actual inflows during the year : Rs. 5989.08 lakhs
- The Foreign Exchange outgo during the year in terms of actual outflows : Rs. 1890.99 lakhs

Coimbatore
10.08.2017

By order of the Board
S V BALASUBRAMANIAM
Chairman
DIN : 00002405

ANNEXURE - II

THE INFORMATION REQUIRED PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) Information as per Section 197(12) read with Rule 5(1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

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

Name of the Director	Designation	Ratio
Sri S V Balasubramaniam	Chairman - Executive	224.69
Sri B Saravanan	Managing Director	150.62

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

2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year

Name	Designation	% increase in remuneration
Sri S V Balasubramaniam	Chairman - Executive	326.82
Sri B Saravanan	Managing Director	326.12
Sri C Palaniswamy	Company Secretary	4
Sri M Ramprabhu	Chief Financial Officer	5

3. Percentage increase in the median remuneration of employees in the financial year : 6 %.
4. Number of permanent employees on the rolls of company : 1880.
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :

The average percentile increase in salaries of employees other than managerial personnel was 8%. Since the managerial persons are being paid commission linked to company's profitability in terms of the resolutions passed by the shareholders of the company under the provisions of the Companies Act, 2013, it cannot be compared with the percentile increase in salaries of other employees.

6. Affirmation that the remuneration is as per the remuneration policy of the company.

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

(B) Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Name / (Age)	Designation of the Employee / Duties	Remuneration (Rs.)	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Balasubramaniam S V (77)	Chairman	6,45,87,440	B.Com., ACA., ACS (31)	9.10.1985	Vice Chairman Sakthi Sugars Limited
Saravanan B (44)	Managing Director	4,33,13,733	B.Com., (16)	5.7.2000	Joint Managing Director Shiva Distilleries (P) Ltd
Palaniswamy C (54)	Company Secretary	25,98,410	M.Com., BL., ACS (31)	22.11.1985	--
Rameshkumar M (47)	Executive President	25,27,304	MBA (23)	30.6.1993	--
Palanisamy A R (43)	Vice President	20,76,071	BE., BOE., AVSI (22)	7.10.1994	--
Venkateshmurthy S (54)	Vice President - Bangalore Office	20,02,800	BA., PGDMM (3)	7.10.2013	Parrys Sugar Industries Ltd
Lingeswaran T (56)	Vice President - Distillery Unit	16,00,095	B.Sc., (Chem.) (32)	14.2.1985	--
Ramprabhu M (35)	Chief Financial Officer	15,38,529	B.Com., FCA (7)	31.7.2009	--
Manoharan P (43)	Asst. Vice President	13,26,266	BE., BOE (22)	23.1.1995	--
Saravanan G (49)	Asst. Vice President	12,91,197	B.Sc., (Agri.) (25)	11.11.1991	--
Sugumar V (53)	Asst. Vice President - Purchase	12,77,255	B.Sc., (28)	3.3.1989	--
Velusamy M (41)	General Manager	11,73,820	BE., BOE (18)	7.12.1998	--

Notes: 1. The nature of employment of Sri S V Balasubramaniam Chairman and Sri B Saravanan Managing Director is contractual. They are related to each other. Other employees are not related to any Director of the Company.
2. The employment of all others are non-contractual and terminable by notice on either side.
3. None of the employees are covered under Rule 5(2) (ii) and 5(2)(iii) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Place : Coimbatore
Date : 10.08.2017

By order of the Board
S V BALASUBRAMANIAM
Chairman
DIN : 00002405

ANNEXURE - III

CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to achieve high standards of corporate governance

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

BOARD OF DIRECTORS

The Board of Directors comprises of Executive Chairman, Managing Director and Non-Executive

Independent Directors. At present 5 Directors are Independent Directors. None of the independent directors are promoters or related to promoters. Each Independent Director, gives declaration that he /she meets criteria of independence as required under Section 149(7) of the Companies Act, 2013. The company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been uploaded in the website of the company at the link <http://www.bannari.com/InvestorInformation.html>. Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and Number of other Directorship and Chairmanships/Memberships of Committees of each Director in various companies:

Category and Name of the Directors	Number of Directorships held in other Public Companies	Number of Board Committee Memberships held in other companies		Number of Board Meetings held	Number of Board Meetings Attended	Last AGM Attended
		Chairman	Member			
Executive						
Sri S V Balasubramaniam	–	–		6	6	Yes
Sri B Saravanan	–	–		6	6	Yes
Non-Executive Independent						
Sri A K Perumalsamy	–	–		6	6	Yes
Sri E P Muthukumar	–	–		6	5	Yes
Sri T Gundan	–	–		6	6	Yes
Dr M P Vijayakumar	1	–		6	6	Yes
Dr Radha Ramani	–	–		6	4	Yes

Six Board Meetings were held during the year and the details are:

Date of Board Meeting	Board Strength	No of Directors present
25.04.2016	7	6
25.05.2016	7	6
29.08.2016	7	6

Date of Board Meeting	Board Strength	No of Directors present
23.11.2016	7	7
29.12.2016	7	7
14.02.2017	7	7

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

PERFORMANCE EVALUATION OF DIRECTORS

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

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Clause 25 (3) of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations 2015, a meeting of Independent Directors was held on 14th February, 2017 to review the performance of the Board, Chairman and the Managing Director and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Dr M P Vijayakumar IAS (Retd.), Chairman of the meeting presented views of the Independent Directors on the matters relating to the Board process and the overall affairs of the company to the full Board.

FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment was given to him which inter alia explains the role, function, duties and responsibilities as a Director of the Company. The Director is also explained in detail the compliance required under the Companies Act, 2013, under Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman also has one to one discussion with the Directors to familiarize them with the company's operations. Further the company has put in place a system to familiarize the Independent Directors about the company, its products, business modules etc.,

CODE OF CONDUCT

The company has adopted the code of conduct for all Board Members and Senior Management. The code is posted on the company's website at the link <http://www.bannari.com/InvestorInformation.html>. All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis as required under Clause 26 (3) of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and a declaration to this effect signed by the Chairman is attached to this report.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

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

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

RELATED PARTY TRANSACTIONS

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

which are of repetitive nature. Transactions entered into pursuant to omnibus approval are reviewed by Audit Committee on quarterly basis.

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

INSIDER TRADING

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

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

The Audit Committee consists of Dr M P Vijayakumar, Sri T Gundan and Sri E P Muthukumar. Dr M P Vijayakumar is the Chairman of the Audit Committee. During the financial year ended March 31, 2017, the Committee met 6 times

at 1212, Trichy Road Coimbatore 641 018 on 25.04.2016, 25.05.2016, 29.08.2016, 23.11.2016, 29.12.2016 and 14.02.2017. Particulars of meetings attended by the members of the Audit Committee are given below:

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

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

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.

- iii) Major accounting entries involving estimates based on the exercise of judgment by management
- iv) Significant adjustments made in the financial statements arising out of audit findings
- v) Compliance with listing and other legal requirements relating to financial statements
- vi) Disclosure of any related party transactions
- vii) Qualifications in the draft audit report
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

The Committee consists of Dr M P Vijayakumar, Sri T Gundan and Sri E P Muthukumar. Dr M P Vijayakumar is the Chairman of the Nomination and Remuneration Committee. During the financial year ended March 31, 2017, the Committee met 1 time

at 1212 Trichy Road Coimbatore 641018 on 14.02.2017. Particulars of meeting attended by the members of the Nomination and Remuneration Committee are given below:

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

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

- Formulation of the criteria for determining qualifications, positive attributes and Independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

REMUNERATION POLICY

The remuneration policy is directed towards rewarding performance, based on the review of

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

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

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

The remuneration paid to the Chairman, Managing Director and other Key Managerial Personnel are disclosed in Page Nos. 68 & 69. The company does not have any Employees Stock Option Scheme.

STAKEHOLDERS' COMMITTEE

The Stakeholders Committee was formed to specifically look into the shareholders'/investors' complaints if any on transfer of shares non receipt of Balance Sheet, non receipt of declared dividend etc and this stakeholder' committee consists of Sri T Gundan, Sri S V Balasubramaniam, Dr M P Vijayakumar and Sri A K Perumalsamy.

Sri T Gundan is the Chairman of the Stakeholders' Committee. During the financial year ended March 31, 2017, the Committee met 4 times at 1212 Trichy Road, Coimbatore 641018 on 25.05.2016, 29.08.2016, 23.11.2016 and 14.02.2017. Particulars of meetings attended by the members of the Stakeholders' Committee are given below:

Name of the Member	Category	No of Meeting	
		Held	Attended
Sri T Gundan	Non-Executive - Independent	4	4
Sri S V Balasubramaniam	Executive	4	4
Dr M P Vijayakumar	Non-Executive - Independent	4	4
Sri A K Perumalsamy	Non-Executive - Independent	4	4

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

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

Sri C Palaniswamy Company Secretary is the compliance officer

During the financial year 2016-17 the company has not received any complaint from the shareholders relating to transfer of shares, non-receipt of Annual Report, declared dividend etc.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee consists of Sri S V Balasubramaniam, Dr M P Vijayakumar, Sri T Gundan and Dr Radha Ramani. Dr M P Vijayakumar is the Chairman of the Corporate Social Responsibility Committee.

During the financial year ended March 31, 2017, the Committee met 2 times at 1212 Trichy Road Coimbatore 641018 on 23.11.2016 and 14.2.2017. Particulars of meeting attended by the members of the Corporate Social Responsibility Committee are given below:

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

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

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

RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of Dr M P Vijayakumar, Sri S V Balasubramaniam, Sri B Saravanan and Sri T Gundan. Dr M P Vijayakumar is the Chairman of the Risk Management Committee. During the financial year ended March 2017 the committee met one time on 14.2.2017. All the members have attended the meeting.

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

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

GENERAL BODY MEETING

Location and time where last three Annual General Meetings were held :

AGM	Date	Venue	Time	Special Resolution Passed
30 th	15.09.2014	Jennys Residency 2/2 Avinashi Road Coimbatore 641 014	4.30 PM	Passed Special Resolutions for borrowing of money under Section 180(1)(c) and for creation of mortgage, pledge and hypothecation of immovable properties of the company under Section 180(1)(a) of the Companies Act, 2013
31 st	23.09.2015	-do-	3.45 PM	Passed Special Resolutions in pursuant to the provisions of sections 196,197 and 203 read with Schedule V and other applicable provisions of Companies Act, 2013 for the Re-appointment of Chairman of the company and for adoption of new set of articles of association of the company.
32 nd	29.12.2016	-do-	11.15 AM	No special resolution was passed

Special Resolutions passed thro' Postal Ballot/e-voting on 16.09.2016:

Pursuant to the Order dated 28th July 2016 passed by the Hon'ble High Court of Madras the company has conducted postal ballot/e-voting for the approval of

scheme of amalgamation of M/s Madras Sugars Limited with our company and passed necessary special resolutions as required under Section 391 to 394 of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013.

DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.3.2017

NAME OF THE DIRECTOR	NO. OF SHARES HELD
Sri E P Muthukumar	1000
Sri A K Perumalsamy	900
Sri T Gundan	NIL
Dr M P Vijayakumar	NIL
Dr Radha Ramani	NIL

DISCLOSURES

- None of the transactions with related parties during the year 2016-2017 were in conflict with the interest of the company.
- There was no instance of non-compliance of any matter related to the capital markets during the last 3 years.
- In the preparation of the financial statements, the company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.
- The Company has complied with corporate Governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015
- The Company has complied with all mandatory requirements of SEBI (LODR). Regulations, 2015 Adoption of non-mandatory requirements is being reviewed by Board from time-to-time.

MEANS OF COMMUNICATION

- The quarterly/half-yearly/annual financial results of the Company are announced within the stipulated period and are normally published in an English and Tamil newspaper. The financial results are also accessible on the Company's website at the link <http://www.bannari.com/InvestorInformation.html>
- The Management Discussion and Analysis forms part of the Directors' Report which is posted to the shareholders of the Company.

SHAREHOLDERS' INFORMATION**Annual General Meeting**

Day and Date	Monday, the 25th September 2017
Time	4.30 P.M.
Venue	Jenneys Residency, 2/2 Avinashi Road, Civil Aerodrome Post, Coimbatore 641 014
Financial Year	2016-2017
Date of Book Closure for the purpose of Dividend and AGM	16.09.2017 to 25.09.2017 (both days inclusive)
Dividend	Rs.12.50 per equity share (proposed)
Dividend payment date	On or before 12th October, 2017
The Company's Equity Shares are listed on the following Stock Exchanges BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 National Stock Exchange of India Limited "Exchange Plaza" Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 The company has paid Annual Listing fees for the year 2017-2018 to the above Stock Exchanges.	<u>Stock Code</u> 500041 BANARISUG
Announcement of Quarterly Results for the financial year 2017-2018	Within the time specified in SEBI (LODR) Regulations 2015

Share Price Movement

The high and low quotations of the company's shares on the Bombay Stock Exchange together with Sensex from April 2016 to March 2017 were given below:

MONTH	B S E		SENSEX	
	High (Rs. Ps)	Low (Rs. Ps)	High	Low
APRIL 2016	1912.00	1420.00	26100.54	24523.20
MAY	1899.75	1745.00	26837.20	25057.93
JUNE	2242.25	1745.15	27105.41	25911.33
JULY	2198.00	1810.00	28240.20	27034.14
AUGUST	1974.65	1722.00	28532.25	27627.97
SEPTEMBER	2059.95	1851.00	29077.28	27716.78
OCTOBER	2086.95	1886.60	28477.65	27488.30
NOVEMBER	2023.95	1790.00	28029.80	25717.93
DECEMBER	1935.00	1790.00	26803.76	25753.74
JANUARY 2017	2150.00	1850.00	27980.39	26447.06
FEBRUARY	2325.00	1980.00	29065.31	27590.10
MARCH	2120.00	1813.00	29824.62	28716.21

Based on the closing quotation of Rs.1,940.05 as at 31.3.2017 at the Bombay Stock Exchange the market capitalization of the company was Rs.2,432.76 Crores.

Outstanding GDRs/ADRs/Warrants or any convertible instruments

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

Dematerialisation of Shares

The shares of the company are in compulsory demat segment. Members have option to hold their shares in demat form either through National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL). About 97% shares of the company have been dematerialized. ISIN allotted to our company is INE459A01010

Investor Contacts

Registrar and transfer Agent

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

Company

Bannari Amman Sugars Limited
 1212 Trichy Road
 Coimbatore - 641 018 India
 Phone : 0422-2302277
 Fax : 0422-2309999
 Email : shares@bannari.com
secretary@bannari.com

Share Transfer System

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

Distribution of Shareholding as on 31.3.2017

SI No	Shareholding	No of shareholders	% of shareholders	No of shares	% of share holding
1	1-100	5212	73.39	203074	1.62
2	101-500	1416	19.94	325578	2.60
3	501-1000	234	3.29	188522	1.50
4	1001-2000	97	1.37	139388	1.11
5	2001-3000	32	0.45	80046	0.64
6	3001-4000	16	0.23	56729	0.45
7	4001-5000	14	0.20	65377	0.52
8	5001-10000	21	0.30	143782	1.15
9	10001 and above	60	0.84	11337204	90.41
	TOTAL	7102	100	12539700	100

Unclaimed Suspense Account

In compliance with requirements under Regulation 34(3) and 53(f) of Schedule V of SEBI (LODR), the Company has opened the Unclaimed Suspense Account and transferred the shares remained unclaimed even after three reminders as required by SEBI (LODR) were sent to the shareholders. The details as required under this regulations are as follows :

Aggregate number of shareholders at the beginning of the year	- 26
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	- 3816
Number of shareholders claimed	- 1
Number of shares claimed	- 250
Aggregate number of shareholders at the end of the year	- 25
Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	- 3566

Shareholding Pattern as on 31.3.2017

SI No	Category	No of Shares	%
1	Promoters	7360276	58.70
2	UTI & Mutual Funds	1659	0.01
3	Banks, Financial Institutions & Insurance Companies	563	0.01
4	Foreign Institutional Investors	20692	0.16
5	Private Corporate Bodies	1668213	13.30
6	Indian Public	3295183	26.27
7	NRI/OCB's	176354	1.41
8	Clearing Members	13194	0.11
9	Escrow Account	3566	0.03
	TOTAL	12539700	100

Plant Locations :**Sugar Unit I Co-Generation Bio-Diesel & Granite Processing**

Alathukombai Village Erode District Tamilnadu

Sugar Unit II & Co-Generation

Alaganchi Village Mysore District Karnataka

Sugar Unit III & Co-Generation

Kunthur Village Kollegal Taluk Chamarajanagar District Karnataka

Sugar Unit IV & Co-Generation

Kolundampattu Village Thandarampattu Taluk Thiruvannamalai District Tamilnadu

Sugar Unit V & Co-Generation

Vengur Village Thirukovilur Taluk Villupuram District Tamilnadu

DistillerySinnapuliur Village Erode District Tamilnadu
Alaganchi Village Mysore District Karnataka**Bio-Compost**Modur Village Erode District Tamilnadu
Alaganchi Village Mysore District Karnataka**Wind Mills**Radhapuram Irukkandurai and Karunkulam Villages
Radhapuram Taluk Tirunelveli District Tamilnadu**Address for Correspondence****Bannari Amman Sugars Limited**1212 Trichy Road
Coimbatore 641 018Phone : 0422-2302277 Fax : 0422-2309999
Email : shares@bannari.com /secretary@bannari.com

Management Discussion & Analysis

1. Economic Review

1.1 Global economic overview

Global economic activity improved in the second half of CY2016, especially in advanced economies. Growth picked up in the US as firms grew more confident about future demand. The economy also recorded a lower rate of unemployment and buoyant consumer demand. In the aftermath of the Brexit vote, the Euro area growth was also resilient on the back of strong domestic demand and continued easing; the growth in the United Kingdom remained robust on the back of resilient spending. Japan's performance has also been on the upside with strong exports.

However, the global economic growth, at 3.1% on a y-o-y basis, fell short of expectations in CY2016 as deceleration in key emerging markets and developing economies (EMDEs) overshadowed the modest recovery in major developed countries. The EMDEs contribute to more than half of the global economic growth rate. Their deceleration was accompanied by a modest increase in commodity prices, subdued global trade, financial market volatility and weakening capital flows. Although China's growth turned out to be better than expected on the back of policy stimulus, it was lower than

CY2015. India fared better than the world in terms of growth, even though the demonetisation exercise temporarily threw a challenge. Brazil, on the other hand, remained mired in a deep recession. Activity remained weak in fuel and non-fuel commodity exports more generally, while geopolitical factors held back growth in parts of the Middle East and Turkey.

IMF's World Economic Outlook

Year	Actual (%)		Projection (%)	
	2015	2016	2017	2018
World Output	3.4	3.1	3.5	3.6
Advanced Economies	2.1	1.7	2.0	2.0
Emerging Market and Developing Economies	4.2	4.1	4.5	4.8

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 World Economic Outlook (WEO) forecast.

1.2 Indian Economy

India's economic growth is gradually improving since 2014. The favourable policy as well as executive reforms by the Government to support strong and sustainable growth, prudent fiscal regime and calibrated monetary easing that reigned in inflation have helped to strengthen macro-economic stability. The lower crude oil prices have also helped to reduce current account deficit, improve fiscal positions and lower inflation. This, in turn, has helped to boost economic activities in India. Driven by these positive developments, the country has emerged as the world's fastest growing major economy.

India's growth is forecast to increase to 7.2 percent in FY2017 and accelerate to 7.7 percent by the end of the forecast horizon—slightly below previous projections. This outlook mainly reflects a more protracted recovery in private investment than previously envisaged. Nonetheless, domestic demand is expected to remain strong, supported by ongoing policy reforms, especially the introduction of the nationwide Goods and Services Tax (GST). Significant gains by the ruling party in State elections should support the government's economic reform agenda, which aims at unlocking supply constraints, and creating a business environment that is more conducive to private investment.

The Government of India has taken significant initiatives to strengthen the economic credentials of the country and make it one of the strongest economies in the world. India is fast becoming home to start-ups focused on high growth areas such as mobility, e-commerce and other vertical specific solutions - creating new markets and driving innovation. Owing to higher infrastructure spending, increased fiscal devolution to states, and continued reforms in fiscal and monetary policy, the Indian economic outlook has strengthened. The Government of India is striving to move steadily to minimise structural and political bottlenecks, attract higher investment and improve economic performance.

There has been nearly 25 per cent increase in Income Tax Returns filing in current fiscal year.

According to the CBDT, the rise in figures amply demonstrate the positive results of the government's commitment to fighting the menace of black money and that the organisation is committed in its resolve to eradicate tax evasion in a non-intrusive manner and widening of tax base.

Outlook

The growth momentum should rise, driven by the Government's policy initiatives in areas such as taxation (GST), foreign direct investment (FDI), and the ease of doing business, among others. Other major factors helping India stay as a bright spot in the global economic landscape include the lower global oil price, with positive impact on the country's import bill, a well regulated monetary policy by the Reserve Bank to stabilise prices, and improving fiscal condition. The Government's endeavour to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in the medium and long terms. The growth recovery has primarily happened due to discretionary spending, public investment and FDI reforms. The introduction of GST and higher outlays in the Budget 2017 are expected to drive growth as well.

2. Overview of Sugar Industry



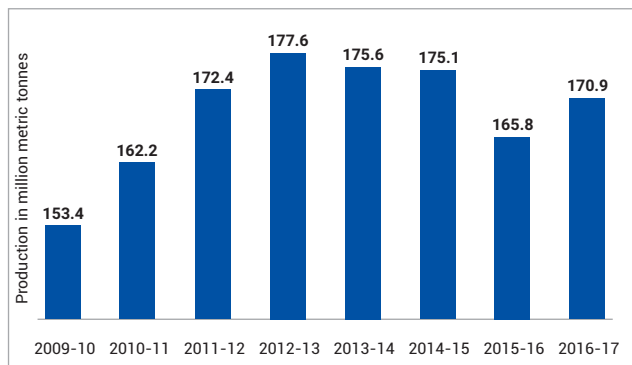
2.1 World Sugar Industry

Sugar is produced in over 100 countries worldwide. Approximately 80% is produced from sugar cane, which is largely grown in tropical countries. The remaining 20% is produced from sugar beet, which is grown mostly in the

temperate zones of the northern hemisphere. 70 countries produce sugar from sugar cane, 40 from sugar beet, and 10 from both. The 10 largest sugar producing nations represent roughly 75% of world sugar production. Brazil alone accounts for almost 25% of world production. Its share is increasing although the country's output has witnessed some setback since the 2008-2009 crisis. Global production for Marketing Year (MY) 2017/18 is up by 9 million tons (raw value) to a record 180 million on gains in Brazil, China, the European Union, India, and Thailand. The largest producers are Brazil (22%), India (15%) and the European Union (10%). Altogether, there are more than 123 sugar producing countries, but only 30% of the produce is traded on the international market.

In most years, over 70% of world sugar production is consumed domestically and the remainder is traded in the world. However, a significant share of this trade volume takes place under bilateral long-term agreements or on preferential terms. Since only a small proportion of world production is traded freely, small changes in production and government policies tend to have large effects on world sugar markets. As a result, sugar prices have been unstable in the world market. Total world sugar trade is projected to increase by 6.8%, from 42.5 to 45.4 million metric tons over the 2016-2025 period. Most exporting countries will increase their sugar exports for the same period. Around 170 million tonnes of sugar is produced every year.

Sugar production worldwide from 2009/2010 to 2016/17 (in million metric tons)



2.2 Indian Sugar Industry:

India is the World's second largest producer of sugar. India's production is forecast to rebound by 23 percent to 25.0 million tons in 2017-18 sugar season due to higher area and yields particularly in UP & Maharashtra

While sugar output is expected to be quite encouraging in UP & Maharashtra, sugar output in Tamil Nadu & Karnataka, is on a deep decline in recent years due to continuous failure of monsoon, recurrence of drought drying up of rivers, poor storage in reservoirs and resultant repressive water storage, with production estimated at 0.6 million MT for the 2017-18 season, down from around 1.1 million MT in the 2016-17 season in the State of Tamil Nadu.

To meet the shortfall in sugar production, the Central Government allowed the import of 5 Lakh tonnes of duty free, raw sugar till June 30 2017. In view of the severe drought conditions, the Government allocated 60 per cent of the quota comprising 3 Lakh tonnes to the Mills in South India, while Mills in the West and East were allocated 30 and 10 percent of the quota respectively.

However domestic sugar prices are likely to remain at around current levels in the near term. While sugar prices are likely to support the profitability of the UP-based sugar mills, the western and southern mills would continue to be impacted by low cane crushing volumes, low yield and low recovery during SY2017 (ICRA Report).

Domestic Sugar Statistics:

Particulars	2013-14 Actual	2014-15 Actual	2015-16 Actual	2016-17 Estimate
Opening Stock as on 1 st Oct	92.98	74.74	90.80	77.50
Production during the season	243.96	283.10	251.25	203.00
Imports	0.98	0.00	0.00	5.00
Total availability	337.92	357.84	342.05	285.50
Off-take				
1. Internal Consumption	241.91	256.10	247.99	242.00
2. Exports	21.27	10.94	16.56	0.00
Total off-take	263.18	267.04	264.55	242.00
Closing Stock as on 30 th Sep	74.74	90.80	77.50	43.50

Sugarcane Production Policy of Government of India

The GOI supports research, development, training of farmers, transfer of new varieties, and improved production technologies (seed, implements, pest management) to sugarcane growers so as to raise yields and recovery rates. The Indian Council of Agricultural Research conducts sugarcane research and development at the national level. State agricultural universities, regional research institutions, and state agricultural extension agencies support these efforts at the regional and state levels. Central and state governments also support sugarcane growers by ensuring finances and input supplies at affordable prices. To increase the area of cultivation and production in the

country, the GOI has implemented the "Sustainable Development Fund of Sugarcane Based Cropping System Area under Macro Management Mode of Agriculture" program in various sugarcane growing states. Additionally, under the Rashtriya Krishi Vikas Yojana (National Agriculture Development Program), state governments have the flexibility to choose priorities for crop development projects, including sugarcane.

Sugarcane Breeding Institute, Coimbatore with the assistance from South Indian Sugar Mills Association (TN) has identified new varieties of sugarcane and trials are being taken up in Tamil Nadu Sugar Factories.

India: Sugar Production by State (in Lac Tons)

State	2014-15	2015-16	2016-17	2017-18
			Upto June	Forecast
Andhra Pradesh	5.64	5.51	5.01	7.01
Bihar	5.26	5.03	5.26	6.00
Gujarat	11.53	11.68	8.85	10.70
Haryana	5.76	5.39	6.68	6.69
Karnataka	49.35	40.49	20.50	25.00
Maharashtra	105.06	84.24	42.01	73.93
Punjab	5.37	6.71	6.61	6.71
Tamil Nadu & Pondicherry	12.50	13.67	10.50	6.00
Uttar Pradesh	71.01	68.40	87.73	99.50

3. Performance of the company

3.1 Operational Performance

Particulars	Year Ended 31.3.2017	Year Ended 31.3.2016
Sugar		
Installed Capacity (TCD)	23700	23,700
Sugarcane Crushed (Lakh Tonnes)	28.59	35.44
Recovery %	9.11	9.57
Sugar bagged (Lakh Quintals)	26.31	33.82
Power		
Installed Capacity:		
Co-generation (MW)	129.80	129.80
Wind Mills (MW)	8.75	8.75
Units Generated (million units)	391.64	433.33
Distillery		
Installed capacity (KLPD)	127.50	127.50
Alcohol produced (Million B Ltrs)	30.74	28.70
Granite Products		
Polished slabs produced (Sq mtrs)	178667	128150
Polished tiles produced (Sq mtrs)	16180	38,262

3.2 Financial Performance

(Rs. in Lakhs)

Particulars	Year Ended 31.3.2017	Year Ended 31.3.2016
Revenue from Operations		
Sugar	141418.06	108299.47
Power	11839.96	16385.04
Distillery	13275.93	13145.56
Granite Products	8644.75	7731.24
Total Expenses (Excluding interest)		
Sugar	126887.71	110462.01
Power	2798.74	3801.09
Distillery	9902.82	9973.09
Granite Products	7197.13	6759.20
Profit Before Interest and Tax (PBIT)		
Sugar	14530.35	(2162.55)
Power	9041.22	12583.95
Distillery	3373.11	3172.47
Granite Products	1447.62	972.05
Profit After Tax (PAT)	14516.55	3172.13
Earnings Per Share (Basic and Diluted)	125.56	28.63

4. Opportunities and Threats in sugar Industry

- ❖ Sugar follows 3-5 years cycle, which is a function of prices. There is always a risk of bearish phase following excess supply. Sugar business is intrinsically cyclical. Market sentiments move disproportionate to demand-supply parity causing volatile change in product pricing.
- ❖ Power generation will also be affected as well as distillery (consequential effects). Sugarcane availability is critically dependent upon nature. Repeated monsoon failure and poor storage of water in company's areas of operation pose a severe challenge to agriculture impacting cane cultivation in the process.

5. Risks & Mitigations

Industry Risk

Sugar industry being agro based and vulnerable to commodity cycles is fraught with several risks. It has to source sugarcane from its command area where growth and availability would depend on monsoon and water flow in the river.

Risk mitigation

The Company has built excellent relationship over the years with the local farming community. It is financially fit and well positioned to meet the challenges.

6. Details of Adequacy of Internal Financial Controls

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.

The Company's Audit Committee is responsible for reviewing the Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

7. Human Resources and Industrial Relations

The Company employs 1880 permanent employees and the company maintains excellent relationship with its employees during the year under review. No case was filed under Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act 2013.

The company has created an excellent relationship with the farmers as well as other stakeholders including bankers.

8. CSR Activities

CSR services of Bannari Amman Sugars Limited are carried out under Bannari Rural Foundation, a registered non-profitable charitable trust. The trust acts as resource nucleus for providing urban amenities in rural areas. We are working tirelessly to enrich the lives of people in the rural community by providing them with a host of amenities that not just make their lives a whole lot easier but also ensures agricultural, educational and economic independence. Activities carried out by our foundation includes Health camps in rural areas, Sanitation facilities, Contribution to education, Check dams construction, desilting of tanks and water bodies.

9. Outlook

The sugarcane prices are slated to go up with hike in Fair and Remunerative Price based on the reported recommendations of CACP. This should put pressure on margins for the industry in general but sugar mills in Tamil Nadu are at their wit's end, struggling due to severe drought conditions and weather concerns. They have to deal with the horrible impact of recurring drought that has crumbled cane area, crumpled cane quality, compressed crushing days and crippled near term cash flows. Sugar industry in Tamil Nadu has thus a steep mountain to climb in the coming year.

Cautionary Statement

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.

ANNEXURE - IV**ANNUAL REPORT ON CSR ACTIVITIES**

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

The Company's philosophy on Corporate Social Responsibility (CSR) is that "as the organization grows the society and community around it should

also grow". The company is consistently making contributions for the welfare of the people living in and around the neighbouring villages of its sugar factories. The areas mainly focused on health sanitation, irrigation, education, environment, water conservation, livelihood etc.

Web link to the CSR Policy:

<http://www.bannari.com/InvestorInformation.html>

2. The Composition of the CSR Committee

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

3. Average net profit of the company for last three financial years : Rs 22.62 Crores
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) : Rs 0.45 Crores
5. Details of CSR spent during the financial year
- a) Total amount to be spent for the financial year : Rs 0.45 Crores
- b) Amount spent for 2016-2017 : Rs 0.79 Crores
- c) Manner in which the amount spent during the financial year :

Sl. No.	CSR Project/ Programs	Sector in which the Project / Programs is covered	Projects or programs	Amount outlay (budget) project / programs wise	Amount spent on the project / programs sub heads: (1)Direct expenditure on project / programs	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing Agency
			1) Local area or other 2) Specify the State and District where the Project or programs was undertaken				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Promoting health care and Sanitation	Item (i) of Sch. VII of Companies Act 2013	(1) Kasipalayam, Gobi Taluk Tamilnadu (2) Chettithangal Villupuram District Tamilnadu (3) Erode Tamilnadu	Rs.15,00,000	Rs.1,74,775/- (RO Plant & Drinking Water purpose) and Rs.15,00,000/- for installation of STP in Erode	Rs.16,74,775/-	(1)Rs.1,74,775 was Directly spent; (2)Rs.15,00,000 was spent through The District Collector, Erode Dist. Tamilnadu

Sl. No.	CSR Project/ Programs	Sector in which the Project / Programs is covered	Projects or programs	Amount outlay (budget) project/ programs wise	Amount spent on the project / programs sub heads: (1)Direct expenditure on project / programs	Cumulative expenditure upto reporting period	Amount spent: Direct or through implementing Agency
			1) Local area or other 2) Specify the State and District where the Project or programs was undertaken				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	Promoting Education	Item (ii) of Sch. VII of Companies Act 2013	Nanjangud Taluk, Karnataka	-	Rs.1,12,304/-	Rs.1,12,304/-	Direct
3	Conservation of natural resources and maintaining quality of soil, air and water	Item (iv) of Sch. VII of Companies Act 2013	Desilting work and construction / cleaning of check dams/ponds in and around Sathyamangalam Villages in Erode District	Rs. 55,00,000/-	Rs.60,00,000/-	Rs.60,00,000/-	Through a Registered Trust viz., Bannari Rural Foundation
4	Animal Welfare	Item (iv) of Sch. VII of Companies Act 2013	Coimbatore Zoological Park, Tamilnadu , India	Monthly Rs.10,000/-	Rs.1,20,000/-	Rs.1,20,000/-	Coimbatore Zoological Park Tamil Nadu India

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

Not Applicable

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

Place : Coimbatore
Date : 10.08.2017

B SARAVANAN
Managing Director
DIN : 00002927

M P VIJAYAKUMAR
Chairman - CSR Committee
DIN : 05103089

BUSINESS RESPONSIBILITY REPORT

About this Report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that the Annual Report of top 500 listed companies (based on market capitalization as per NSE/BSE as on 31st March of every financial year) should inter alia contain "Business Responsibility Report" (BRR) describing the initiatives taken by them from environmental, social and governance perspective, in the format as specified by the SEBI. Bannari Amman Sugars Limited is one of the top five hundred companies based on the market capitalization as on 31st March, 2017. This report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015 and provides required information.

About Bannari Amman Sugars Limited

Bannari Amman Sugars Limited is one of the leading sugar manufacturers in India. It has three sugar factories with co-generation plants in Tamilnadu and two sugar factories with co-generation plants in Karnataka. The company has two distillery units one in Tamilnadu and another in Karnataka. The Company has a Granite Processing unit in Tamilnadu. The company also has wind mills which are located in southern part of Tamilnadu.

The company's strategy is to produce high quality finished products, optimum utilization of by-products and also be cost effective. The consistent endeavor is to pursue profitable growth strategies for the benefit of all concerned.

SECTION-A: GENERAL INFORMATION ABOUT THE COMPANY

- | | | |
|------------------------------------|---|---------------------------------------|
| 1. Corporate Identity Number (CIN) | : | L15421TZ1983PLC001358 |
| 2. Name of the Company | : | Bannari Amman Sugars Limited |
| 3. Registered Address | : | 1212, Trichy Road, Coimbatore 641 018 |
| 4. Website | : | www.bannari.com |
| 5. E-mail id | : | shares@bannari.com |
| 6. Financial year reported | : | April 1, 2016 - March 31, 2017 |

7. Sector(s) that the Company is engaged in (industrial activity code - wise):

Description	NIC Code
White Crystal Sugar	10721
Power	35106
Distillery	1101
Granite	08102

8. List three key products/services that the Company manufactures/ provides (as in balance sheet)

- ❖ Sugar
- ❖ Power
- ❖ Alcohol

9. Total number of locations where business activity is undertaken by the Company:

- a) Number of International Locations : NIL
- b) Number of National Locations : The company carries its business from its registered office situated in Coimbatore, Tamilnadu. The manufacturing units are located at 4 places in Tamil Nadu and 2 places in Karnataka.

10. Markets served by the Company : Local/State /National/International

The company is predominantly engaged in sugar business and serves Indian market. The company's granite business has an international presence mainly in U.S.A and Europe.

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Rs. in crores
1	Paid up Capital	12.54
2	Total Turnover	1751.79 (net of excise duty)
3	Total profit after taxes	145.17
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	0.5 % (The company has spent Rs.0.79 crore as against the requirement of Rs.0.45 crore)
5	List of activities in which expenditure in 4 above has been incurred: a. Conservation of natural resources b. Education and healthcare c. Animal welfare	Refer Annual Report on CSR Activities attached along with the Board's Report

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Not Applicable

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR

(a) Details of Director / Directors responsible for implementation of the BR policy / policies

DIN	:	00002927
Name	:	Sri B Saravanan
Designation	:	Managing Director

(b) Details of the BR head:

Sl. No.	Description	NIC Code
1	DIN No.	00002927
2	Name	Sri B Saravanan
3	Designation	Managing Director
4	Telephone number	0422-2302277
5	Email ID	mdoffice@bannari.com

2. Principle-wise (as per NGV's) BR Policy/Policies [Reply in Y/N]

Principle 1:	Ethics, Transparency and Accountability [P1]
Principle 2:	Sustainability of the Product throughout the Lifecycle [P2]
Principle 3:	Employees' wellbeing [P3]
Principle 4:	Respect the interests and Response towards Stakeholders [P4]
Principle 5:	Promotion of human rights [P5]
Principle 6:	Environment Protection [P6]
Principle 7:	Responsible towards Public and Regulatory Policy [P7]
Principle 8:	Inclusive Growth and Equitable Development [P8]
Principle 9:	Value to Customers /Consumers [P9]

2a. Details of compliance

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify ? (50 words)	Yes. This policy is based on the "National Voluntary Guidelines on Social Environmental & Economic responsibilities of business released by the ministry of Corporate affairs Government of India.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.bannari.com/investorinformation.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

2b. If answer to Sl.No.1 against any principle, is 'NO', please explain why (Tick up to 2 options)

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
3	The Company does not have financial or manpower resources available for the task	Not applicable								
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, annually or more than one year:

There is no defined frequency. The assessment will be carried out by the BR head at such intervals as he considered necessary based upon its importance and impact on the company's business.

- (b) Does the company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequency it is published?

This is the first BRR of the company which can be accessed at :
<http://www.bannari.com/investorinformation.html>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

The company's policy relating to ethics, bribery and corruptions are covered in the Code of Conduct and whistle blower policy which aims to provide greater transparency and accountability. It also aims to follow ethics and to detect actual or suspected misconduct. The company has no joint venture/NGOs.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The company has a well established mechanism for receipt and resolution of stakeholders' complaints. During the year under review the company has received six complaints from various stakeholders and all the complaints have been resolved satisfactorily.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability "though out their life cycle"

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (a) Sugar
- (b) Power
- (c) Alcohol

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Sugar industry is a seasonal industry and it's working always depending on the availability of sugarcane. Use of raw material, energy and water etc., varies depending on capacity utilization of the plant. Continuous drought in the operational area affects not only the availability of sugarcane but also the yield and recovery. Since the company could not operate its plants at 100% capacity, we could not see any reduction in energy, water and raw material compared to previous year.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including Transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The main raw material viz. sugarcane being classified as essential commodity under the Essential Commodities Act, 1955, its distribution is controlled by the Government by allotting area to each sugar mill. The company is sourcing raw materials from the area allotted to each sugar mill. The company is propagating the innovative and technical process practices in farming viz. drip irrigation, trash mulching, pit planting, organic manure etc.. Bannari is also supporting farmers by way of arranging harvesting labour, mechanical harvesting and transportation. All the manufacturing units of the company are situated in midst of the area allotted to the company and thereby significantly reduces the environmental impact of transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As already stated sugar mills can draw sugarcane from the area allotted to the concerned sugar mill. The sugarcane is being harvested and transported by using the people surrounding the factory.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

In the process of sugar manufacturing apart from the main product sugar, bagasse and molasses are being generated. Bagasse is effectively used for power generation and molasses is effectively used for alcohol production. The waste viz. press mud is effectively used for manufacturing bio-compost by treating with distillery spent wash.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees

Total Number of employees as on 31.3.2017 : 1880

2. Please indicate the Total number of employees hired on temporary/contractual/ casual basis:

Sugar industry being a seasonal industry, the company employs temporary/contractual/casual employees depending on the necessity particularly after considering the sugarcane availability. It varies season to season and during off-season. Hence, providing data relating to such employees would not be meaningful.

3. Please indicate the Number of permanent women employees:

Number of permanent women employees as on 31.3.2017 : 4

4. Please indicate the Number of permanent employees with disabilities:

Number of permanent employees with disabilities as on 31.3.2017 : 2

5. Do you have an employee association that is recognized by management?

The company's manufacturing facilities are situated at six locations. In 3 sugar factories there are employee associations.

6. What percentage of your permanent employees is members of this recognized employee association?

It varies from factory to factory and ranges between 47% and 90%

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

NIL

8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

Sl. No.	Safety & Skill up-gradation training	
a	Permanent Employees	60%
b	Permanent Women Employees	The women employees are employed only in the head office in a fully secured environment
c	Casual/Temporary/Contractual Employees	50%
d	Employees with Disabilities	50%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes. The company has identified the farmers who are holding small lands as disadvantaged, vulnerable and marginalized stakeholders.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The company's field officials are regularly approaching them to identify their needs and resolve their problems.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The company has no group structure and it has no joint ventures/NGOs.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company has not received any complaint relating to violation of human rights.

Principle 6: Business should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The company has no group structure and it has no joint ventures/NGOs.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc? If yes, please give hyperlink for webpage etc.

The company is always and continuously taking initiatives to address environmental issues. The company's wastes are properly treated and utilized in an effective manner.

3. Does the company identify and assess potential environmental risks?

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Yes/No. If yes, please give hyperlink for web page etc.

Yes. The company has taken initiatives on clean technology, energy efficiency and renewable energy. The company has installed Bio Gas Engine in the Effluent Treatment Plant and utilizing the Bio-Gas generated from the Anaerobic Digester for power generation. The generated power is being used for running the Effluent Treatment Plant. Also, the company is in the process of installing Co2 Recovery Plant, for the recovery of Co2 Gas coming out of our Distillery Fermentation Process. As a renewable energy initiative, the company is using wind energy in one of the distillery units.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. Within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notice is pending.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes

(a) Indian Sugar Mills Association, New Delhi

(b) The South Indian Sugar Mills Association, Tamilnadu & Karnataka

(c) All India Distillers Association, New Delhi

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The company prefers to participate in the meetings and deliberations of the association for the interests of the industry and public good.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The company has conducted/supported many social welfare programs/projects directly as well as through government agencies. The company has taken many initiatives for the inclusive growth and equitable development including the following:

- ❖ Conducting monthly medical camps for eye checkup for rural people
- ❖ Conducting monthly medical camps for the benefit of elders orphanage
- ❖ Constructing checkdams for water harvesting
- ❖ Desilting of water bodies & ponds to harvest more rain water

2. Are the programmes / projects undertaken through in-house team/own foundation /external NGO/government structures/any other organization?

The programmes/projects are undertaken directly as well as through Bannari Rural Foundation subject to the approval of CSR Committee. The Company has also undertaken some of the projects through government structures.

3. Have you done any impact assessment of your initiative?

Yes. The CSR Committee is assessing the impact of the initiatives taken by the company.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

During the year, the company has spent Rs.79.07 lakhs for various activities. The details are furnished in the Annual Return on CSR activities forming part of the Report of the Board of Directors.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The company has taken proper steps to ensure that the community development initiative is successfully adopted by the community. The Chairman of the company as well as the Chairman of CSR Committee themselves are visiting various places and identifying the needs of community and ensuring that the initiatives taken by company are well received by the community.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as at the end of financial year?

No pending complaint as on 31st March, 2017.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)
Yes

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case relating to unfair trade practices, irresponsible advertising or anticompetitive behavior has been filed against the company during last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No formal survey has been carried out but the company ensures consumer satisfaction through the wholesale dealers.

Annexure VI**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2017****[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]****I REGISTRATION AND OTHER DETAILS:**

- i) CIN L15421TZ1983PLC001358
- ii) Registration Date 01.12.1983
- iii) Name of the Company Bannari Amman Sugars Limited
- iv) Category / Sub-Category of the Company Public Company Limited by Shares / Non - Government
- v) Address of the Registered Office and contact 1212 Trichy Road Coimbatore 641018
 Phone : 0422-2302277
 Fax : 0422-2309999
 E-mail : shares@bannari.com
 Website : www.bannari.com
- vi) Whether Listed Company (yes/no) Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent (if any) Cameo Corporate Services Ltd
 Subramanian Building, 1 Club House Road,
 Chennai - 600002
 Phone : 044-28460395, FAX : 044-28460129

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	White Crystal Sugar	10721	80.73

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl No	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/Associate	% of shares held	Applicable section
NOT APPLICABLE					

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1.4.2016)				No. of Shares held at the end of the year (as on 31.3.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
a) Individual/HUF	1837535	-	1837535	16.06	1837535	-	1837535	14.65	-1.41
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	4422741	-	4422741	38.66	5522741	-	5522741	44.04	5.38
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	6260276	-	6260276	54.72	7360276	-	7360276	58.69	3.97
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6260276	-	6260276	54.72	7360276	-	7360276	58.69	3.97
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	100	100	-	1599	100	1659	0.01	0.01
b) Banks /FI	114	150	264	-	413	150	563	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (as on 1.4.2016)				No. of Shares held at the end of the year (as on 31.3.2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Institutional Investors	20153	-	20153	0.18	20692	-	20692	0.17	-0.01
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	20267	250	20517	0.18	22704	250	22914	0.18	-
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	1308530	1560	1310090	11.45	1666653	1560	1668213	13.30	1.85
ii) Overseas	-	45000	45000	0.39	-	45000	45000	0.36	-0.03
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	721578	233997	955575	8.35	725428	225844	951272	7.59	-0.76
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2477646	50000	2527646	22.10	2136169	50000	2186169	17.43	-4.67
c) Others (specify)									
Clearing Members	3783	-	3783	0.03	13194	-	13194	0.11	0.08
Escrow Account	3816	-	3816	0.03	3566	-	3566	0.03	-
Hindu Undivided Families	145826	-	145826	1.27	149250	-	149250	1.19	-0.08
Non Resident Indians	98307	60372	158679	1.39	77432	53922	131354	1.05	-0.34
Independent Directors and their Relatives	8442	50	8492	0.07	8442	50	8,492	0.07	-
Sub-total (B)(2)	4767928	390979	5158907	45.10	4780134	376376	5156510	41.13	-3.97

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	4788195	391229	5179424	45.28	4802798	376626	5179424	41.31	-3.97
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11048471	391229	11439700	100.00	12163074	376626	12539700	100.00	-3.97

II Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Balasubramaniam S V	1056232	9.23	100	1056232	8.42	-	-0.81
2	Soundaram B	479349	4.19	-	479349	3.82	-	-0.37
3	Annamallai Enterprise (P) Ltd	255732	2.24	-	255732	2.04	-	-0.21
4	Saravanan B	175758	1.54	-	175758	1.40	-	-0.14
5	Murali B	126196	1.10	-	126196	1.01	-	-0.10
6	Shiva Cargo Movers (P) Ltd	106500	0.93	-	106500	0.85	-	-0.08
7	Bannariamman Finance (P) Ltd	87193	0.76	-	87193	0.69	-	-0.07
8	SVB Enterprise (P) Ltd	10700	0.09	-	10700	0.09	-	-
9	Bannari Amman Enterprises (P) Ltd	9703	0.08	-	9703	0.08	-	-
10	Kerala Alcoholic Products (P) Ltd	4900	0.04	-	4900	0.04	-	-
11	SVB Holdings (P) Ltd	3948013	34.51	-	5048013	40.26	-	5.75
	TOTAL	6260276	54.72		7360276	58.69		3.97

III Change in Promoters' Shareholding (please specify, if there is no change)

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Balasubramaniam S V				
	At the beginning of the year	1056232	9.23		
	At the end of the Year			1056232	8.42
2	Soundaram B				
	At the beginning of the year	479349	4.19		
	At the end of the Year			479349	3.82
3	Annamallai Enterprise (P) Ltd				
	At the beginning of the year	255732	2.24		
	At the end of the Year			255732	2.04
4	Saravanan B				
	At the beginning of the year	175758	1.54		
	At the end of the Year			175758	1.40
5	Murali B				
	At the beginning of the year	126196	1.10		
	At the end of the Year			126196	1.01
6	Shiva Cargo Movers (P) Ltd				
	At the beginning of the year	106500	0.93		
	At the end of the Year			106500	0.85
7	Bannariamman Finance (P) Ltd				
	At the beginning of the year	87193	0.76		
	At the end of the Year			87193	0.69
8	SVB Enterprise Private (P) Ltd				
	At the beginning of the year	10700	0.09		
	At the end of the Year			10700	0.09
9	Bannari Amman Enterprises (P) Ltd				
	At the beginning of the year	9703	0.08		
	At the end of the Year			9703	0.08
10	Kerala Alcoholic Products (P) Ltd				
	At the beginning of the year	4900	0.04		
	At the end of the Year			4900	0.04

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
11	SVB Holdings Private (P) Ltd				
	At the beginning of the year	3948013	34.51		
	Allotment made pursuant to scheme of Amalgamation on 10.2.2017	1100000	5.75		
	At the end of the Year			5048013	40.26

Pursuant to the scheme of amalgamation of Madras Sugars Limited with the company as approved by the Honorable High Court, Chennai the company has allotted 11,00,000 equity shares of Rs. 10/- each to a promoter group company on 10.02.2017. Consequently there is a change in the % of shareholding of all other categories.

IV Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	GAGANDEEP CREDIT CAPITAL PVT LTD				
	At the beginning of the year 01-Apr-2016	636444	5.5635		
	Purchase 16-Sep 2016	50648	0.4427		
	At the end of the Year 31-Mar-2017			687092	5.4793
2	ANUJ ANANTRAI SHETH JT1 : PARUL ANUJ SHETH				
	At the beginning of the year 01-Apr-2016	546219	4.7747		
	At the end of the Year 31-Mar-2017			546219	4.3559
3	NEMISH S SHAH JT1 : REKHA N SHAH				
	At the beginning of the year 01-Apr-2016	325000	2.8409		
	At the end of the Year 31-Mar-2017			325000	2.5918
4	AMRIT PETROLEUMS PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	290241	2.5371		
	At the end of the Year 31-Mar-2017			290241	2.3146

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
5	PRESCIENT SECURITIES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	197080	1.7227		
	Purchase 22-Apr-2016	2971	0.0259		
	Purchase 29-Apr-2016	7494	0.0655		
	Purchase 06-May-2016	924	0.0080		
	Purchase 13-May-2016	565	0.0049		
	Purchase 20-May-2016	25	0.0002		
	Purchase 27-May-2016	1909	0.0166		
	Purchase 03-Jun-2016	3309	0.0289		
	Purchase 16-Sep-2016	1205	0.0105		
	Purchase 23-Sep-2016	96	0.0008		
	At the end of the Year 31-Mar-2017			215578	1.7192
6	NILESH KISHOR SHAH JT1 : KISHOR NANDLAL SHAH				
	At the beginning of the year 01-Apr-2016	215000	1.8794		
	At the end of the Year 31-Mar-2017			215000	1.7146
7	KOTAK MAHINDRA TRUSTEESHIP SERVICES LTD				
	At the beginning of the year 01-Apr-2016				
	Purchase 31-Mar-2017	182450	1.5948		
	At the end of the Year 31-Mar-2017			182450	1.4550
8	ANVIL SHARE & STOCK BROKING PVT. LTD.				
	At the beginning of the year 01-Apr-2016	121000	1.0577		
	At the end of the Year 31-Mar-2017			121000	0.9649
9	MADHUSUDAN SHAH JT1 : CHANDRA SHAH				
	At the beginning of the year 01-Apr-2016	92500	0.8085		
	At the end of the Year 31-Mar-2017			92500	0.7377
10	MUKESH CHIMANLAL PATANI				
	At the beginning of the year 01-Apr-2016	82650	0.7224		
	At the end of the Year 31-Mar-2017			82650	0.6591

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
11	ARUN NAHAR				
	At the beginning of the year 01-Apr-2016	110914	0.9696		
	Sale 09-Sep-2016	85314	0.7458		
	At the end of the Year 31-Mar-2017			25600	0.2042
12	MAYANK JASHWANTLAL SHAH JT1 : SHRUTI MAYANK SHAH				
	At the beginning of the year 01-Apr-2016	179943	1.5730		
	Sale 31-Mar-2017	179943	1.5730		
	At the end of the Year 31-Mar-2017			0	0.0000

V Shareholding of Directors and Key Managerial Personnel :

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Balasubramaniam S V (Chairman)				
	At the beginning of the year	1056232	9.23		
	At the end of the Year			1056232	8.42
2	Saravanan B (Managing Director)				
	At the beginning of the year	175758	1.54		
	At the end of the Year			175758	1.40
3	A K Perumalsamy (Director)				
	At the beginning of the year	900	0.01		
	At the end of the Year			900	0.01
4	E P Muthukumar (Director)				
	At the beginning of the year	1000	0.01		
	At the end of the Year			1000	0.01
5	T Gundan (Director)				
	At the beginning of the year	-	-		
	At the end of the Year			-	-
6	M P Vijayakumar (Director)				
	At the beginning of the year	-	-		
	At the end of the Year			-	-

SI No	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
7	Radha Ramani (Director)				
	At the beginning of the year	-	-		
	At the end of the Year			-	-
8	C Palaniswamy (Company Secretary)				
	At the beginning of the year	10	-		
	At the end of the Year			10	-
9	M Ramprabhu (Chief Financial Officer)				
	At the beginning of the year	-	-		
	At the end of the Year			-	-

VI. INDEBTEDNESS

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

Details	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	(Rs. in Lakhs)			
i) Principal Amount	122560.40	30846.02	-	153406.42
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51.32	-	-	51.32
Total (i + ii + iii)	122611.72	30846.02	-	153457.74
Change in Indebtedness during the financial year				
Addition	6630.41	63732.08	-	70362.49
Reduction	63929.36	56063.28	-	119992.64
Net Change Indebtedness	(57298.95)	8668.80	-	(49630.15)
At the end of the financial year				
i) Principal Amount	65276.05	38,514.82	-	103790.87
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	36.72	-	-	36.72
Total (i + ii + iii)	65312.77	38514.82	-	103827.59

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager		Total Amount
		Sri S V Balasubramaniam (Chairman)	Sri B Saravanan (Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54.00	36.00	90.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.80	3.76	5.56
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify	590.07	393.38	983.45
5	Others, please specify	--	--	--
	Total	645.87	433.14	1079.01
	Ceiling as per the Act			
	i) in case the company has profit	5% of the net profit	5% of the net profit	10% of the net profit
	ii) in case the company has no profit or profit is inadequate	Minimum remuneration as prescribed in Part II of Section II of Schedule V to the Companies Act 2013		

B. Remuneration to other directors:

(Amount Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Sri T Gundan	Dr M P Vijayakumar	Sri A K Perumalsamy	Sri E P Muthukumar	Dr Radha Ramani	
1	Independent Directors Fee for attending board / committee meetings	1.05	1.05	0.55	0.55	0.35	3.55
	Commission						
	Others, please specify						
	Total (1)	1.05	1.05	0.55	0.55	0.35	3.55
2	Other Non-Executive Directors Fee for attending board / committee meetings						
	Commission						
	Others, please specify						
	Total (2)						
	Total (B)=(1+2)	1.05	1.05	0.55	0.55	0.35	3.55
	Total Managerial Remuneration	1.05	1.05	0.55	0.55	0.35	3.55
	Overall Ceiling as per the Act	1% of the net profit					

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

(Amount Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Sri C Palaniswamy Company Secretary	Sri M Ramprabhu Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	24.78	14.52	39.30
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.20	0.86	2.06
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity			
4	Commission - as % of profit - others - specify	--	--	--
5	Others, please specify	--	--	--
	Total	25.98	15.38	41.36

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

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

Coimbatore
10.08.2017By order of the Board
S V BALASUBRAMANIAM
DIN : 00002405
Chairman

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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
Bannari Amman Sugars Limited
1212, Trichy Road
Coimbatore – 641018

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act 1956 (to the extent applicable);
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. – Not Applicable.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009.
- vi) and other laws applicable to the Company viz., :-
 1. Essential Commodities Act, 1955
 2. Sugarcane (Control) Order, 1966
 3. Sugar Cess Act, 1982

4. Sugar Development Fund Act, 1982
5. Food Safety and Standards Act, 2006
6. The Boiler Act, 1923
7. The Electricity Act, 2003
8. The Legal Metrology Act, 2011
9. Karnataka Sugar Cane (Regulation of Purchase and Supply) Act, 2013

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals, we report that the adequate systems are in place to monitor and ensure compliance of Laws relating to Direct and Indirect Taxes and Labour and other Legislations.

We have also examined compliance with the Listing Agreement and applicable Regulations issued by the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

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

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

As informed the Company has responded appropriately to notices received from various Statutory or Regulatory authorities wherever found necessary.

All decisions at the Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of the Directors or Committee of the Board as the case may be.

The Scheme of Amalgamation (Merger) of Madras Sugars Limited with the Company was approved by the Hon'ble High Court of Judicature of Madras on 15.11.2016 and in this connection the Company has complied the laws, rules, regulations, guidelines and standards as are applicable.

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

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

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

Place : Coimbatore
Date : 29.05.2017

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

Annexure A'

To,

The Members,
Bannari Amman Sugars Limited
1212, Trichy Road,
Coimbatore – 641018

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

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

Place : Coimbatore
Date : 29.05.2017

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

DECLARATION ON CODE OF CONDUCT

To

The Members of
Bannari Amman Sugars Limited

In compliance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.3.2017.

Place: Coimbatore
Date : 10.08.2017

S V BALASUBRAMANIAM
Chairman
DIN 00002405

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of
Bannari Amman Sugars Limited,

We have examined the compliance of conditions of Corporate Governance by Bannari Amman Sugars Limited ('the Company'), for the year ended on 31st March 2017, as referred in Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Place : Coimbatore
Date : 10.08.2017

For P.N. RAGHAVENDRA RAO & Co.,
Chartered Accountants
(FRN:003328S)
P R Vittel
Partner
M.No. 200/018111

INDEPENDENT AUDITORS' REPORT

To

The Members of BANNARI AMMAN SUGARS LIMITED
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of BANNARI AMMAN SUGARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters:

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening Balance Sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by us vide report dated 29.05.2015 and 30.11.2016 with an unmodified opinion.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in exercise of the powers conferred by sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- g) With respect to 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 Ind AS financial statements as referred to in Note No.29 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv) The Company has provided requisite disclosure in the Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the company and as produced to us by the Management. Refer Note no.39

For P.N. RAGHAVENDRA RAO & Co.,
Chartered Accountants
(FRN:003328S)

P R Vittel
Partner

M.No. 200/018111

Place : Coimbatore
Date : 29.05.2017

Annexure 'A' to the Independent Auditors' Report

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31st March 2017, we report that:

- I.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company the title deeds of immovable properties are held in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, the provisions of Clauses iii (a) iii (b) and iii(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.
- v. The Company has not accepted any deposits from the public.
- vi. As per the information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under section 148(1) of the Act, by the company.
- vii.
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, Employee's State Insurance, Income tax, Sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income tax, Sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, the disputed statutory dues of income tax amounting to Rs.1.6 Lakhs that have not been deposited on account of matters pending before appropriate authority are as under :

Name of the Statute	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.60	Assessment year 2013-14	CIT (Appeals), Coimbatore

- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government during the year. The company has not issued any debentures and hence there are no dues to debenture holders.
- ix. The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year. According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which those were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- 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 related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standard 24 (Related Party Disclosures).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the Directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For P.N. RAGHAVENDRA RAO & Co.,
Chartered Accountants
(FRN:003328S)

P R Vittel
Partner

M.No. 200/018111

Place : Coimbatore
Date : 29.05.2017

Annexure 'B' to the Independent Auditors' Report of even date on the Ind AS Financial Statements of Bannari Amman Sugars Limited

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Act

We have audited the internal financial controls over financial reporting of Bannari Amman Sugars Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of the internal controls 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 Companies Act, 2013.

Auditor's responsibility

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 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.

Our audit involves performing procedures to obtain audit evidence about the adequacy of 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 controls based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error.

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 control system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

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 controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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

Because of the inherent limitation 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in condition, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For P.N. RAGHAVENDRA RAO & Co.,
Chartered Accountants
(FRN:003328S)

P R Vittel
Partner

M.No. 200/018111

Place : Coimbatore
Date : 29.05.2017

BALANCE SHEET AS AT 31. 03. 2017

SI No	PARTICULARS	Note No.	As at 31.03.2017		As at 31.03.2016		As at 1.04.2015	
			Details	Total	Details	Total	Details	Total
			(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
I	ASSETS							
	(1) NON- CURRENT ASSETS							
	a) Property, Plant and Equipment	2		110313.74		113798.08		91676.38
	b) Capital work-in-progress	2		3396.08		1511.38		2159.77
	c) Biological Assets	3		18.75		26.40		22.97
	d) Financial Assets							
	i) Investments	4	158.05		132.89		35.00	
	ii) Loans and advances	5	14454.67		10396.56		9472.73	
				14612.72		10529.45		9507.73
	(2) CURRENT ASSETS							
	a) Inventories	6		93924.50		127675.43		121073.21
	b) Financial Assets							
	i) Trade Receivables	7	11624.87		13260.62		4020.03	
	ii) Cash and cash equivalents	8	918.26		2046.52		1080.20	
	iii) Loans and advances	9	193.05		338.52		414.26	
	iv) Other current assets	10	5189.93		12954.00		10499.97	
				17926.11		28599.66		16014.46
	TOTAL ASSETS			240191.90		282140.40		240454.52
II	EQUITY AND LIABILITIES							
	EQUITY							
	a) Equity Share Capital	11	1253.97		1143.97		1143.97	
	b) Pending allotment on account of amalgamation	11			110.00			
	c) Other Equity	12	105453.78		91933.33		94389.18	
				106707.75		93187.30		95533.15
	LIABILITIES							
	(1) NON-CURRENT LIABILITIES							
	a) Financial Liabilities - Borrowings	13	44436.35		67174.75		27216.95	
	b) Provisions	14	409.01		333.74		310.08	
	c) Deferred tax liabilities (Net)	15	10559.53		6390.54		9422.17	
				55404.89		73899.03		36949.20
	(2) CURRENT LIABILITIES							
	a) Financial Liabilities							
	i) Borrowings	16	45969.29		71803.09		90842.61	
	ii) Trade payables	17	8500.87		13230.62		6204.94	
	b) Other current liabilities	18	17630.73		21043.96		6557.01	
	c) Provisions	19	5598.52		8362.29		4367.61	
	d) Current Tax liabilities (Net)	20	379.85		614.11		-	
				78079.26		115054.07		107972.17
	TOTAL EQUITY AND LIABILITIES			240191.90		282140.40		240454.52

Significant Accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Place: Coimbatore

Date : 29.05.2017

S V BALASUBRAMANIAM

Chairman

DIN 00002405

B SARAVANAN

Managing Director

DIN 00002927

C PALANISWAMY

Company Secretary

M RAMPRABHU

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31.03.2017

SI No	PARTICULARS	Note No.	Year ended 31.03.2017		Year ended 31.03.2016	
			Details	Total	Details	Total
			(Rs in Lakhs)		(Rs in Lakhs)	
I	INCOME					
	REVENUE FROM OPERATIONS (GROSS)	21	183176.12		149366.99	
	Less: Excise duty		7997.42		3805.68	
	Revenue from operations (Net)		175178.70		145561.31	
	Other Income	22	572.31		283.70	
	TOTAL REVENUE			175751.01		145845.01
II	EXPENSES :					
	Cost of materials consumed	23	83300.79		89115.09	
	Purchase of Stock-in-Trade	24	2.57		4172.52	
	Changes in inventories of finished goods and work-in-progress	25	33606.98		2820.31	
	Employee benefits expense	26	9481.06		7850.47	
	Finance Costs	27	9706.77		11587.47	
	Depreciation and amortisation expense		6945.21		6154.07	
	Other Expenses	28	14022.10		21166.63	
	TOTAL EXPENSES			157065.48		142866.56
III	PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I- II)			18685.53		2978.45
IV	Exceptional items					
V	PROFIT BEFORE TAX (III - IV)			18685.53		2978.45
VI	Tax Expenses:					
	a. Current tax		4005.24		634.99	
	b. MAT credit entitlement		(4005.24)		(634.99)	
	c. Deferred tax		4168.98	4168.98	(193.68)	(193.68)
VII	PROFIT FOR THE PERIOD (V - VI)			14516.55		3172.13
VIII	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss					
	i Re-measurement of the defined benefit plans (Net of Income tax effect thereon)		11.64		7.27	
	ii Equity Instruments thro' other comprehensive income		24.90	36.54	95.32	102.59
IX	Total Comprehensive Income for the period			14553.09		3274.72
X	Earnings per Share - Basic and diluted (Rs.)			125.56		28.63

Significant Accounting policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Place: Coimbatore

Date : 29.05.2017

S V BALASUBRAMANIAM
Chairman
DIN 00002405

C PALANISWAMY
Company Secretary

B SARAVANAN
Managing Director
DIN 00002927

M RAMPRABHU
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31.03.2017

A. Equity Share Capital

	Note No.	No of Shares	(Rs in Lakhs)
Balance as at 01.04.2015	11	11439700	1143.97
Changes in Equity Share Capital during the year	11	–	–
Balance as at 01.04.2016	11	11439700	1143.97
Changes in Equity Share Capital during the year	11	1100000	110.00
Balance as at 31.03.2017	11	12539700	1253.97

B. Other Equity

(Rs. in Lakhs)

Particulars	Note No.	Pending allotment on account of amalgamation	Reserves and Surplus					
			Capital Reserve	Securities Premium	Capital redemption Reserve	General Reserve	Retained Earnings	Total
Balance as at 1.4.2015			656.25	8503.35	1846.00	81133.11	2250.47	94389.18
Comprehensive Income for the year							3172.13	3172.13
Other Comprehensive Income							102.59	102.59
Transfer to General Reserve						2000.00	(2000.00)	
General Reserve on amalgamation						1390.00		1390.00
Adjustment on account of amalgamation						(6778.30)		(6778.30)
Dividend and Tax on Dividend							(344.21)	(344.21)
Provision for Diminution in Value of Investment							1.94	1.94
Balance as at 31.03.2016	11		656.25	8503.35	1846.00	77744.81	3182.92	91933.33
Balance as at 1.04.2016			656.25	8503.35	1846.00	77744.81	3182.92	91933.33
Comprehensive Income for the year							14516.55	14516.55
Other Comprehensive Income							36.54	36.54
Dividend and Tax on Dividend							(1032.64)	(1032.64)
Share allotted on account of amalgamation		(110.00)						
Transfer to General Reserve						12000.00	(12000.00)	
Balance as at 31.03.2017		(110.00)	656.25	8503.35	1846.00	89744.81	4703.37	105453.78

As per our report of even date attached

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Place: Coimbatore

Date : 29.05.2017

S V BALASUBRAMANIAM

Chairman

DIN 00002405

B SARAVANAN

Managing Director

DIN 00002927

C PALANISWAMY

Company Secretary

M RAMPRABHU

Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017

(Rs. in lakhs)

	Current year ended 31.3.2017		Previous year ended 31.3.2016	
A. OPERATING ACTIVITIES :				
Net profit before tax		18685.53		2978.45
Adjustments for:				
Add:				
Depreciation	6945.21		6154.07	
Finance costs	9706.77		11587.47	
Loss on sale of Fixed Assets	20.03	16672.01	7.06	17748.60
Less:				
Investment Income :				
Interest	84.30		96.79	
Dividend	2.36		4.23	
Profit on sale of Fixed Assets	35.96	122.62	33.84	134.86
Operating Profit before working capital changes		35234.92		20592.19
Adjustments for :				
Inventories	33750.93		(6591.23)	
Trade receivables	1635.75		(9240.59)	
Short term loans and advances	145.47		5108.08	
Other Current Assets	7764.07		(7486.37)	
Current Liabilities	(9837.44)	33458.78	15077.29	(3132.82)
Cash generated from operations		68693.70		17459.37
Less:				
Income tax		223.21		(346.85)
Net cash from operating activities		68470.49		17806.22

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2017 (Contd...)

(Rs. in lakhs)

	Current year ended 31.3.2017		Previous year ended 31.3.2016	
B. INVESTING ACTIVITIES :				
Interest Received		84.30		96.79
Dividend Received		2.36		4.23
Purchase of Fixed assets		(5454.48)		(27699.19)
Sale of Fixed assets		132.50		84.17
Purchase of Investments				(0.63)
Net cash used in investing activities		(5235.32)		(27514.63)
C. FINANCING ACTIVITIES:				
Increase in Borrowings		(53609.42)		30693.86
Increase in Share Capital				110.00
Increase in Reserves				(5388.30)
Deferred tax liabilities				(2837.94)
Finance Costs paid		(9721.37)		(11558.68)
Dividends paid (Gross)		(1032.64)		(344.21)
Net cash from financing activities		(64363.43)		10674.73
Net increase in cash and cash equivalents (A+B+C)		(1128.26)		966.32
Opening Cash balance	2046.52		1080.20	
Closing Cash balance	918.26		2046.52	
		(1128.26)		966.32

As per our report of even date attached

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

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Place: Coimbatore

Date : 29.05.2017

S V BALASUBRAMANIAM

Chairman

DIN 00002405

C PALANISWAMY

Company Secretary

B SARAVANAN

Managing Director

DIN 00002927

M RAMPRABHU

Chief Financial Officer

Notes forming part of the Financial Statements for the year ended 31.3.2017

NOTE 1:

Statement of Significant Accounting Policies followed by the Company

a) Basis of Preparation

i) Compliance with IND AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The financial Statements upto year ended 31 March 2016 were prepared in accordance with the accounting standards notified under Companies(Accounting Standards)Rules, 2006 (as amended) and other relevant provisions of the Act.

ii) Historical Cost Convention

The financial Statements have been prepared on a historical costs basis, except for certain financial instruments that are measured at fair values at the end of the each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, company takes into account when pricing the asset or liability if market participants would take characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statement is determined on such a basis except for measurements that have similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 (Inventories) or value in use in Ind AS 36 (Impairment of Assets).

Defined Benefit plans - plan assets measured at fair value

iii) Current and Non - Current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act 2013.

iv) Rounding of amounts

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

b) Use of Estimates and Judgements

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 the date but provide additional evidence about conditions existing as at the reporting date.

c) Property Plant and Equipment

Land and Building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Plant and Equipment, Fixtures are stated at Cost less accumulated depreciation and accumulated impairment losses (if any)

Historical Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities.

Subsequent expenditure relating to fixed assets is capitalised only 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 derecognised 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 other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Depreciation

Straight line method has been adopted for providing depreciation on fixed assets other than for Co-Generation Division and Wind Mill Division.

For the assets of Co-Generation division and Wind Mill Division, depreciation has been provided under written down value method.

The assets are depreciated over the useful life as prescribed in Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

Gains and Losses on disposal are determined by comparing proceeds with carrying amount and these are included in the Statement of profit and loss.

Impairment of Non financial Assets

Non financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets' fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets(cash generating

units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of the each reporting period.

d) Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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 profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, on initial recognition.

Derivative financial Instruments

Derivative financial instruments such as forward contracts to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value with changes in fair value recognised in the statement of profit and loss in the period when they arise.

Investment in Equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in the fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity instruments is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for Equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

The Company has invested in four entities which are not held for trading. The Company

has made an irrevocable election of FVTOCI option for all of its equity investments. Dividend on these investments in equity instruments are recognised in profit or loss when the company's right to receive the dividend is established, it is probable that the

economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividend recognised in profit or loss are included in the 'Other Income' line item.

e) Valuation of Inventory :

i) Finished Goods

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

At weighted average cost or Net
Realisable value whichever is lower

Sawn Granite slabs and process stock

-

At cost or net realisable value whichever is lower

Raw material, consumables, stores & spares and others

At weighted average cost or Net
Realisable value whichever is lower

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

iii) Due allowance is estimated and made for defective and obsolete items wherever necessary.

f) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of Goods:

Revenue from sale of goods is recognised when goods are delivered and title have passed and on satisfaction that the significant risk and rewards of ownership are transferred to the buyer, the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

The Company recognises revenue when the amount of revenue can be reliably measured, it is

probable that economic benefits associated with the transaction will flow to the Company and the cost incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Services

The Company recognises its revenue from sale of services based on the recognition criteria that the outcome of a transaction involving the rendering of services can be estimated reliably.

Export incentives under various schemes are accounted in the year of export.

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 entity

and the amount of income can be measured reliably). Dividend income are shown in the income statement are in accordance with Ind AS 109.

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the entity 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 assets net carrying amount on initial recognition

g) Foreign Currency Transactions

The financial statements are presented in Indian Rupee which is company's functional and presentation currency. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency monetary items as at the balance sheet date are retranslated using the closing rate or at the rate that is likely to be realised from / required to disburse. The gain or loss due to increase or decrease in value of reporting currency due to fluctuations in rates of exchange are recognized in the statement of profit and loss.

h) Provision, Contingent liabilities & Contingent assets

Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Contingent liabilities are disclosed in respect of possible obligations that arise from past event but their existence will be confirmed by occurrence or non occurrence of one or more future events not wholly within the control of the company. Contingent assets are neither recognised nor disclosed in the financial statements.

i) Taxation

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. The taxable profit is different from profit before tax as reported in Statement of profit or Loss because of temporary differences. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which give future economic benefit in the form of adjustment to future income tax liability is considered as an asset to the extent there is convincing evidence that the company will pay normal income tax.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised on all temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in the statement of profit and loss except to the extent it relates to items recognised in other comprehensive income or directly in equity.

j) Government grants

Government grants are recognized based on the reasonable assurance that the Company will comply with the condition attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. The company had accounted for Export benefits in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

k) Employee Benefits

Short Term Employee Benefits

Liabilities of wages and salaries, including non-monetary benefits for the period in which the employee render the related service are recognised in respect of employees services up to the end of the reporting period are measured at the undiscounted amount of benefit expected to be paid in exchange of that service.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

Post-employment obligations

The Company operates the following post-employment schemes:

- a) defined benefit plans such as gratuity; and
- b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

l) Operating Segments

Operating segments are identified in accordance with criteria set out for an operating segment as a component of an entity in Ind AS 108. The operating segments engages in business activities from which the company earns revenues and incur expenses and the operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the performance for

which discrete financial information is available.

The operating segments are reported after taken into consideration of Aggregation criteria and Quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.

m) Leases

The Company's significant leasing arrangements are operating leases and cancelable in nature.

Company as Lessor

The rental income from operating lease is generally recognised on a straight line basis over the term of relevant lease. When the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Company as Lessee

The rental expense from operating lease is generally recognised on a straight line basis over the term of relevant lease. When the rentals are structured solely to increase in line with expected general inflation to compensate for the Lessor's inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as expense in the period in which they are incurred.

n) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of non cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash flows from major classes of gross cash receipts and gross cash payments arising from investing and financing activities are reported separately.

For the purpose of presentation of cash flows, cash and cash equivalents include cash on hand, bank overdrafts, deposits held at call, other short term highly liquid investments with original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

o) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost.

p) Borrowing Cost

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

q) First time adoption of Indian Accounting Standards

Overall principle

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company detailed below:

Non-Ind AS Comparative Information

The Company had prepared the opening Ind AS Balance Sheet in accordance with Ind AS except to the requirement on compliance with recognition and measurements as per Ind AS's with respect to Investment in equity instruments wherein it has been complied with previous Indian

GAAP. Had the investments been restated as per Ind AS, the amount of investments and the closing balance of reserves as on the transition

date might differ from those reflected in the Opening Balance Sheet.

Explanation of transition to IND AS

Reconciliation of other equity between IND AS and previous Indian GAAP

(Rs in Lakhs)

Particulars	31.03.2016	01.04.2015
Other Equity (Reserves and Surplus) as per previous Indian GAAP	90805.37	94044.97
Add : Dividend (including Tax on Dividend) as per Ind AS	1032.64	344.21
Changes in Fair value of Equity instruments - FVTOCI under Ind AS 109	95.32	--
Other Equity as per previous Ind AS	91933.33	94389.18

Derecognition of financial assets and financial liabilities

The Company has adopted derecognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

Government Loans

The Company has adopted the previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS Balance Sheet. Further the Company will apply Ind AS 109 to the measurement of such loans after the date of transition to Ind ASs.

Deemed Cost for Property, Plant and Equipment

The Company has elected to continue with the

carrying value of all of its property plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Leasing

The Company classifies each element of lease of land and building as finance or an operating lease at the date of transition to Ind AS on the basis of the facts and circumstances existing as at that date.

Designation of Previously recognised financial instruments

The Company has designated all of its equity instruments as at fair value through other comprehensive income based on the facts and circumstances that existed as of transition date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS :
NON-CURRENT ASSETS :

2 PROPERTY, PLANT AND EQUIPMENT

(Rs. in Lakhs)

	Land Freehold	Land Lease hold	Buildings	Plant and Equipment	Furniture and Fixtures	Motor Vehicles	Office Equipments	Total	Capital Works in progress
Gross Carrying amount									
Deemed Cost as at 1.4.2015 (*)	3583.27	1.17	30803.82	56385.67	232.28	489.01	181.16	91676.38	2159.77
Additions	0.63	--	2008.43	1292.32	0.70	14.52	4.67	3321.27	1511.38
Additions on Amalgamation	1715.22	--	13047.27	20579.24	71.31	135.39	74.04	35622.47	--
Deduction/Adjustments	(5.96)	(0.02)	(1.48)	(79.78)	(0.43)	(11.32)	(2.07)	(101.06)	(2159.77)
Balance as at 31.3.2016	5293.16	1.15	45858.04	78177.45	303.86	627.60	257.80	130519.06	1511.38
Additions	136.90	--	1687.87	1678.55	9.19	47.34	17.59	3577.44	3396.08
Deduction/Adjustments	(6.66)	(0.02)	--	(277.90)	--	(29.49)	--	(314.07)	(1511.38)
Balance as at 31.3.2017	5423.40	1.13	47545.91	79578.10	313.05	645.45	275.39	133782.43	3396.08
Accumulated Depreciation									
Deemed Cost as at 1.4.2015	--	--	--	--	--	--	--	--	--
Depreciation for the year	--	--	1528.11	4375.58	59.43	135.04	55.91	6154.07	--
Depreciation on Amalgamation	--	--	1917.02	8556.31	25.85	63.37	48.04	10610.59	--
Withdrawn	--	--	--	(33.65)	--	(8.99)	(1.04)	(43.68)	--
Balance as at 31.3.2016	--	--	3445.13	12898.24	85.28	189.42	102.91	16720.98	--
Depreciation for the year	--	--	1523.78	5150.80	68.84	146.03	55.76	6945.21	--
Withdrawn	--	--	--	(176.44)	--	(21.06)	--	(197.50)	--
Balance as at 31.3.2017	--	--	4968.91	17872.60	154.12	314.39	158.67	23468.69	--
Net Carrying amount									
Balance as at 01.4.2015	3583.27	1.17	30803.82	56385.67	232.28	489.01	181.16	91676.38	2159.77
Balance as at 31.3.2016	5293.16	1.15	42412.91	65279.21	218.58	438.18	154.89	113798.08	1511.38
Balance as at 31.3.2017	5423.40	1.13	42577.00	61705.50	158.93	331.06	116.72	110313.74	3396.08

(*) As per Ind AS 101, Deemed Cost is an amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortization assumes that the entity had initially recognized the asset or liability at the given date and that its cost was equal to the deemed cost.

The Company has opted to continue with the carrying value for all of its property, plant and equipment measured as per previous GAAP as on 31.03.2015 and use that as deemed cost as on 01.04.2015 (the date of transition to Ind AS) as follows :

(Rs in Lakhs)

PARTICULARS	Gross Block as at 01.04.2015	Depreciation Block as at 01.04.2015	Net Block used as deemed cost as at 01.04.2015
Land Free hold	3583.27	-	3583.27
Land Lease Hold	1.17	-	1.17
Buildings	38206.36	7402.54	30803.82
Plant and Equipment	107152.52	50766.85	56385.67
Furniture and Fixtures	593.84	361.56	232.28
Office Equipments	697.14	515.98	181.16
Motor Vehicles	1257.07	768.06	489.01
TOTAL	151490.20	59814.99	91676.38

NOTE 3. BIOLOGICAL ASSETS

(Rs in Lakhs)

PARTICULARS	As at 31.3.2017	As at 31.3.2016	As at 01.04.2015
Live stock	10.44	11.59	11.98
Others	8.31	14.81	10.99
TOTAL	18.75	26.40	22.97

NOTE 4. INVESTMENTS

(Rs in Lakhs)

PARTICULARS	As at 31.3.2017	As at 31.3.2016	As at 01.04.2015
I. NON-TRADE, QUOTED - FULLY PAID UP			
INVESTMENT IN EQUITY INSTRUMENTS OF OTHER ENTITIES:			
i) 84375 Equity Shares (P.Y : 84375) of Sakthi Finance Ltd of Rs. 10 each	26.32	16.07	14.13
ii) 50000 Equity Shares (P.Y : 50000) of Bank of Baroda of Rs. 2 each	86.48	72.63	8.50
iii) 73400 Equity Shares (P.Y : 73400) of Indraprastha Medical Corporation Ltd of Rs.10 each	38.94	37.76	7.34
iv) 14300 Equity Shares (P.Y : 14300) of Indian Overseas Bank of Rs.10 each	3.83	4.20	3.43
TOTAL	155.57	130.66	33.40
II. NON-TRADE, UN QUOTED AT COST			
i) IN GOVERNMENT SECURITIES :			
Kisan Vikas Patra (Pledged with State Government Authorities)	0.40	0.40	0.40
ii) IN EQUITY INSTRUMENTS OF OTHER ENTITIES:			
Bannari Amman Sugars Employees' Co-operative Stores Limited	2.08	1.83	1.20
TOTAL	2.48	2.23	1.60
TOTAL (QUOTED&UNQUOTED)	158.05	132.89	35.00
Aggregate cost of Quoted Investments	49.36	49.36	49.36
Aggregate market value of Quoted Investments	155.57	130.66	142.65
Aggregate cost of unquoted Investments	2.48	2.23	1.60

NOTE 5. LOANS AND ADVANCES

PARTICULARS	As at 31.03.2017	As at 31.03.2016		As at 01.04.2015	
	(Rs in Lakhs)	(Rs in Lakhs)		(Rs in Lakhs)	
UNSECURED- CONSIDERED GOOD					
Capital Advances	1785.94		1731.60		1791.54
Security Deposits	300.54		290.95		224.97
Advance payment of Income Tax	1931.15		1942.20		1674.94
MAT Credit Entitlement	10288.60		6283.37		5632.84
Balance with Government Authorities	148.44		148.44		148.44
TOTAL	14454.67		10396.56		9472.73

NOTE 6. CURRENT ASSETS - INVENTORIES

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Details	Total	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
INVENTORIES (Valued at lower of cost and net realizable value)						
Raw material:						
Molasses at Distillery Unit	1097.49		1412.92		1098.72	
Granite Rough Blocks	150.81		208.48		196.10	
Press-mud	14.45		4.88		18.05	
Bio-products	-		1.93		2.28	
		1262.75		1628.21		1315.15
Work in Progress:						
Sugar	1039.22		1513.14		945.69	
Molasses	96.82		214.97		169.25	
Pressmud	82.97		43.38		67.25	
		1219.01		1771.49		1182.19
Finished Goods:						
Sugar	83088.11		116355.03		110411.51	
Molasses at Sugar Units	2110.93		2367.73		1892.31	
Bagasse	90.66		185.98		53.69	
Granite Products	767.78		1044.54		1214.02	
Industrial Alcohol	1610.19		769.32		1525.09	
Bio-Compost	0.53		0.10		1.10	
		87668.20		120722.70		115097.72
Stores and spare parts		3618.16		3384.69		3311.24
Loose tools		11.38		4.22		15.36
Others		145.00		164.12		151.55
TOTAL		93924.50		127675.43		121073.21

NOTE 7. TRADE RECEIVABLES**(Unsecured- considered good)**

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
a. Exceeding six months from the date of due for payment	4272.73	187.27	119.93
b. Others	7352.14	13073.35	3900.10
TOTAL	11624.87	13260.62	4020.03

Of the above, customer balances which represent more than 5% of the total balance of trade receivables are as follows :

CUSTOMERS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
TANGEDCO	9330.77	6290.87	1634.95
Mittal Processors Private Limited	637.26	2375.08	–
PTC India Limited	–	–	544.07
Kejriwal Sugar Agencies Private Limited	–	1512.79	–
Silk Road Sugar Private Limited	–	–	520.74

The credit period on Sale of goods ranges from 10 to 180 days. No interest is charged on trade receivables upto the due date.

The company uses other publicly available financial information and its own trading records before accepting any customer.

NOTE 8. CASH AND CASH EQUIVALENTS

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Cash on hand		20.46		58.17		42.33
Balances with Scheduled Banks:						
in Current Accounts	836.82		1927.60		974.60	
in Unpaid Dividend Accounts	60.98	897.80	60.75	1988.35	63.27	1037.87
TOTAL		918.26		2046.52		1080.20

NOTE 9. LOANS AND ADVANCES - CURRENT

(Unsecured considered good)

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Security deposits		86.08		226.22		32.60
Loan to Staff		106.97		112.30		133.02
Advance Income Tax		–		–		248.64
TOTAL		193.05		338.52		414.26

NOTE 10. OTHER CURRENT ASSETS

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Advance to staffs for expenses		53.19		44.47		45.46
Prepaid expenses		763.71		616.60		541.62
Balance with Government Authorities		827.16		1258.02		1806.47
Others-Advances recoverable in cash or kind		877.66		4818.45		2638.79
Interest accrued on loan advances and deposits		1026.42		1794.97		1272.73
Government subsidies receivable		1297.16		4009.65		3350.68
Interest subsidies receivable		344.63		411.84		844.07
Income receivable						0.15
TOTAL		5189.93		12954.00		10499.97

NOTE 11. EQUITY

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
AUTHORISED			
4,40,00,000 Equity Shares of Rs.10/- each	4400.00	4400.00	2900.00
(2,90,00,000 of Equity Shares of Rs.10/- each)			
21,00,000 Redeemable Preference of Rs.10/- each	2100.00	2100.00	2100.00
(2,90,00,000 of Equity Shares of Rs.10/- each)			
	6500.00	6500.00	5000.00
ISSUED, SUBSCRIBED AND FULLY PAID UP			
A. 1,25,39,700 Equity Shares of Rs.10/- each	1253.97	1143.97	1143.97
(1,14,39,700 Equity Shares of Rs.10/- each)			
B. Pending allotment on account of amalgamation			
11,00,000 Equity Shares of Rs.10/- each to M/s SVB Holdings (P)Ltd as per the scheme of Amalgamation of Madras Sugars Ltd with the Company	-	110.00	
	1253.97	1253.97	1143.97

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

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Equity shares						
At the beginning of the period	11439700	1143.97	11439700	1143.97	11439700	1143.97
At the end of the period	12539700	1253.97	11439700	1143.97	11439700	1143.97

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

NAME OF THE SHAREHOLDERS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)	No. of shares	Amount (Rs. in lakhs)
Equity shares						
i. S V Balasubramaniam	1056232	8.42	1056232	9.23	1056232	9.23
ii. SVB Holdings Private Limited	5048013	40.26	3948013	34.51	3948013	34.51

c. Terms/rights attached to equity shares

The company has issued only one class of equity shares having face value of Rs. 10/- each. One equity share carries one vote. The members are entitled to vote in accordance with their shareholding. The Company declares and pays dividend in Indian rupees. The dividend recommended by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTE 12. OTHER EQUITY

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Details	Total	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Capital Reserve		656.25		656.25		656.25
Capital Redemption Reserve		1846.00		1846.00		1846.00
Securities Premium account		8503.35		8503.35		8503.35
General Reserve						
Opening Balance	77744.81		81133.11		81133.11	
Add: a) Transfer from statement of profit and loss	12000.00		2000.00		-	
b) General Reserve on Amalgamation	-		1390.00		-	
	89744.81		84523.11		81133.11	
Less: Adjustment on account of Amalgamation			6778.30			
Closing balance	-	89744.81		77744.81	-	81133.11
Surplus in the statement of profit and loss						
Opening Balance	3080.33		2250.47		2117.66	
Add: Profit after tax for the year	14516.55		3172.13		103.03	
	17596.88		5422.60		2220.69	
Less: Appropriations:						
Provision for Diminution in Value of Investment (long term)			(1.94)		(29.78)	
Dividend on Equity Shares paid	857.98		285.99			
Tax on Dividend paid	174.66		58.22			
Transfer to General Reserve	12000.00		2000.00			
	13032.64		2342.27		(29.78)	
Closing balance		4,564.24		3,080.33		2250.47
Other Comprehensive Income		139.13		102.59		-
TOTAL		105453.78		91933.33		94389.18

NOTE 13. BORROWINGS - NON CURRENT

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Details	Total	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Secured:						
Term Loan from banks	9200.00		13199.84		17200.00	
Corporate Loan from banks	19062.50		28500.00		-	
Term Loan from Sugar Development Fund	1677.70		1813.34		2,395.28	
Loan under SEFASU-2014 notified by the Central Govt.	2794.33		5720.32		7621.67	
Soft Loan notified by the Central Govt.	1537.50	34272.03	2941.25	52174.75	-	27216.95
Unsecured:						
Interest Free Loan - from a related party		10000.00		15000.00		-
(as specified in the scheme of amalgamation)						
Interest Free Sales Tax Loan-Govt of Karnataka		164.32		-	-	-
TOTAL		44436.35		67174.75		27216.95

Breach of Loan Agreement : There is no breach of Loan Agreement.

- 13.1 Rupee term loan of Rs. 6750 Lakhs (31.03.2016 - Rs.8550 Lakhs and 01.04.2015 - Rs.9000 Lakhs) from HDFC Bank Ltd is secured by pari passu first charge on the movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III.
- The loan carries Interest at the rate of Bank's Base rate plus 1% and repayable in 20 equal quarterly instalments starting from January 2016.
- The loan amount repayable within twelve months is Rs 1800 lakhs (31.03.2016 - Rs.1800 Lakhs and 01.04.2015 - Rs.450 Lakhs) is grouped under Other Current Liabilities
- 13.2 Rupee term loan of Rs. 4950 Lakhs (31.03.2016 - Rs.6750 Lakhs and 01.04.2015 - Rs.8550 Lakhs) from State Bank of India is secured by pari passu first charge on the movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III.
- The loan carries Interest at the rate of Bank's Base rate plus 1% and repayable in 20 equal quarterly instalments starting from March 2015.
- The loan amount repayable within twelve months is Rs 1800 lakhs (31.03.2016 - Rs.1800 Lakhs and 01.04.2015 - Rs.1800 Lakhs) is grouped under Other Current Liabilities.
- 13.3 Rupee term loan of Rs. 1500 Lakhs (31.03.2016 - Rs.1900 Lakhs and 01.04.2015 - Rs.2000 Lakhs) from The Federal Bank Ltd is secured by pari passu first charge on the movable plant and machinery of the Sugar and Co-generation Plant at Sugar Unit III.
- The loan carries Interest at the rate of Bank's Base rate plus 0.60% and repayable in 20 equal quarterly instalments starting from January 2016.
- The loan amount repayable within twelve months is Rs 400 lakhs (31.03.2016 - Rs.400 Lakhs and 01.04.2015 - Rs.100 Lakhs) is grouped under Other Current Liabilities
- 13.4 Corporate loan of Rs. 7500 Lakhs (31.03.2016 - Rs.7500 Lakhs and 01.04.2015 - Rs. NIL) from State Bank of India is secured by pari passu first charge on the fixed assets (excluding vehicles) of the Sugar Complex at Sugar Unit II.
- The loan carries Interest at the rate of Bank's Base rate plus 1% and repayable in 16 equal quarterly instalments starting from December 2017.
- The loan amount repayable within twelve months is Rs 937.50 Lakhs (31.03.2016 - Rs. NIL and 01.04.2015 - Rs. NIL) is grouped under Other Current Liabilities.
- 13.5 Term loan of Rs. 4687.50 Lakhs (31.03.2016 - Rs.5000 Lakhs and 01.04.2015 - Rs. NIL) from HDFC Bank Ltd is secured by pari passu first charge on the fixed assets (excluding vehicles) of the Sugar Complex at Sugar Unit II.
- The loan carries Interest at the rate of Bank's Base rate plus 1% and repayable in 16 equal quarterly instalments with moratorium of 12 months from the date of first availment.
- The loan amount repayable within twelve months is Rs.1250 Lakhs (31.03.2016 - Rs. NIL and 01.04.2015 - Rs. NIL) is grouped under Other Current Liabilities.
- 13.6 Term loan of Rs. 10000 Lakhs (31.03.2016 - Rs.10000 Lakhs and 01.04.2015 - Rs. NIL) from ICICI Bank Ltd is secured by pari passu first charge on the fixed assets (excluding vehicles) of the Sugar Complex at Sugar Unit II.
- The loan carries Interest at the rate of Bank's Base rate plus 0.75% and repayable in 16 equal quarterly instalments with moratorium of 24 months from the date of first availment.
- The loan amount repayable within twelve months is Rs.937.50 Lakhs (31.03.2016 - Rs. NIL and 01.04.2015 - Rs. NIL) is grouped under Other Current Liabilities.
- 13.7 Loan from Sugar Development Fund (Government of India) availed for setting up of cogeneration plant in Sugar Unit-IV, amounting to Rs. 1442.09 Lakhs (31.03.2016 - Rs.1922.79 Lakhs and 01.04.2015 - Rs. 2403.48 Lakhs) is secured by way of first charge on the movable and immovable properties of Sugar Unit-IV and first pari passu charge on the movable and immovable properties of cogeneration plant in Sugar Unit IV.
- The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal commenced after the expiry of three years and in ten equal half yearly installments. The interest on the loan shall be paid half-yearly from the date of disbursement. The loan was disbursed during the financial year 2013.
- The loan amount repayable within twelve months is Rs 480.70 lakhs (31.03.2016 - Rs.480.70 Lakhs and 01.04.2015 - Rs.480.70 Lakhs) is grouped under Other Current Liabilities.
- 13.8 Loan from Sugar Development Fund (Govt. of India) availed for implementation of the schemes aimed at development of sugar cane in the factory area of Sugar Unit-II, amounting to Rs. 371.25

Lakhs (31.03.2016 - Rs.472.50 Lakhs and 01.04.2015 - Rs. 540 Lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit-II.

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

The loan amount repayable within twelve months is Rs 135 lakhs (31.03.2016 - Rs.101.25 Lakhs and 01.04.2015 - Rs.67.50 Lakhs) is grouped under Other Current Liabilities.

- 13.9 Loan from Sugar Development Fund (Govt. of India) availed for modernisation cum expansion of Sugar Unit-III, amounting to Rs. 480.06 Lakhs (31.03.2016 - Rs. NIL and 01.04.2015 - Rs. NIL) is secured by way of pari passu first charge basis on the immovable and movable properties of Sugar Unit-III.

The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal and payment of interest thereon commenced after the expiry of one year of the repayment the bank term loan and interest thereon or on the expiry of a period of 5 years reckoned from the date of disbursement whichever is earlier.

- 13.10 Loan of Rs.5006.67 Lakhs (31.03.2016 - Rs.7556.67 Lakhs and 01.04.2015 - Rs.7840 Lakhs) under SEFASU notified by Government of India availed from Punjab National Bank, The HDFC Bank Ltd and Indian Overseas Bank is secured by residual third charge on all fixed assets forming part of block assets and land and buildings of Sugar Units I, II, III and IV.

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

The loan amount repayable within twelve months is Rs 2620 lakhs (31.03.2016 - Rs.2620 Lakhs and 01.04.2015 - Rs.218.33 Lakhs) is grouped under Other Current Liabilities.

- 13.11 Loan of Rs.783.66 Lakhs (31.03.2016 - Rs.1127.99 Lakhs and 01.04.2015 - Rs. NIL) under SEFASU notified by Government of India availed from Central Bank of India and The Karur Vysya Bank Ltd is secured by residual first charge on all fixed assets Sugar Units V.

The loan availed from Central Bank of India carries interest at the rate of 12% per annum and loan availed from The Karur Vysya Bank Ltd carries interest at the rate of Bank's base rate plus 0.50%. The loan is eligible interest subvention upto 12% and is repayable in 36 equal monthly installments after the expiry of 2 years from the date of disbursement.

The loan amount repayable within twelve months is Rs.376 Lakhs (31.03.2016 - Rs.344.33 Lakhs and 01.04.2015 - Rs. NIL) is grouped under Other Current Liabilities.

- 13.12 Loan of Rs.3282.50 Lakhs (31.03.2016 - Rs.4250 Lakhs and 01.04.2015 - Rs. NIL) under SOFT LOAN notified by Government of India availed from The DFC Bank Ltd and Union Bank of India is secured by residual third charge on all fixed assets forming part of block assets and land and buildings of Sugar Units I, II, III and IV.

The loan availed from HDFC Bank Ltd carries interest at the rate of 10% per annum for the first twelve months and at HDFC bank rate for the second and third year of loan or subject to change as per Government/Reserve Bank of India. The loan availed from Union Bank of India carries interest at the rate of Bank's base. The loan availed from HDFC Bank Ltd is repayable in 8 equal quarterly instalments after expiry of one year from the date of first disbursement. The loan availed from Union Bank of India is repayable in 16 equal quarterly instalments after expiry of one year. The loan is eligible interest subvention.

The loan amount repayable within twelve months is Rs 1745 lakhs (31.03.2016 - Rs.1308.75 Lakhs and 01.04.2015 - Rs. NIL) is grouped under Other Current Liabilities.

- 13.13 The interest free loan availed by Madras Sugars Limited from a related party is repayable as specified in the scheme of Amalgamation and the same will continue to be interest free loan until repayment.

13.14 The purchase tax of Rs. 164.32 lakhs payable to Government of Karnataka for purchase of Sugarcane to sugar Unit III during the Year ended 31.03.2015 has been converted into interest free

loan. The loan is secured by issue of Bank Guarantee from ICICI Bank Limited. The loan is payable in five annual instalments from the sixth year of Conversion into Loan.

NOTE 14. PROVISIONS - NON CURRENT

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
Provision for employee benefits-compensated absences	409.01	333.74	310.08

NOTE 15. DEFERRED TAX LIABILITIES (NET)

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
Deferred tax liability arising on account of depreciation	16027.59	13808.80	14096.73
Less: Deferred tax ascertaining on account of carry forward loss	5468.06	7418.26	4674.56
Deferred tax liability (Net)	10559.53	6390.54	9422.17

NOTE 16. BORROWINGS - CURRENT

PARTICULARS	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Details	Total	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)		(Rs in Lakhs)	
Loan from banks repayable on demand						
SECURED:						
Cash Credit Loan	18522.33		56860.61		57192.64	
Packing Credit loan	-		-		500.00	
		18522.33		56860.61		57692.64
UNSECURED:						
Short Term Loan from banks	22446.96		10389.34		33149.97	
Inter Corporate Deposit	from the related parties		1800.00			
Others	(as specified in the scheme of amalgamation)	5000.00	2753.14			
		27446.96		14942.48		33149.97
TOTAL		45969.29		71803.09		90842.61

16.1 Cash Credit and other Working Capital Limits/ Demand Loan sanctioned by Punjab National Bank consortium consists of Punjab National Bank, Bank of Baroda, Canara Bank, The Federal Bank Ltd, The Karur Vysya Bank Ltd, Union Bank of India, Indian Overseas Bank, State Bank of Travancore, State Bank of India, State Bank of Hyderabad, Bank of India, Axis bank Ltd, ICICI Bank Ltd and The HDFC Bank Ltd to the company's Sugar Units I, II, III and IV are secured by way of hypothecation of current assets and other

movable block assets of the sugar units and third mortgage on the immovable properties of the Sugar units I, II, III and IV.

The credit limit availed as at 31.3.2017 is Rs. 18522.33 Lakhs (31.03.2016 - Rs.43961.29 Lakhs and 01.04.2015 - Rs.56945.04 Lakhs)

The availed limits are repayable on demand and carries interest rates between Bank's base rate plus 0.25% and 1% per annum.

16.2 The Unsecured Short term loan of Rs.10000 lakhs from HDFC Bank Ltd is repayable within ninety

days from the date of availment and carries interest at the rate of 7.90% per annum.

The Unsecured short term factoring facility for domestic receivable / sales invoice discount facility of Rs. 711.66 lakhs from Axis Bank Ltd is repayable within ninety days from the date of availment and carries interest at the rate of 8.15% per annum.

The Unsecured short term vender financing / purchase invoice discounting facility of Rs. 1316.89 lakhs from Axis Bank Ltd is repayable within one hundred and twenty days from the date of availment and carries interest at the rate of 8.25% per annum.

The Unsecured short term farmer finance loan of Rs. 5418.41 lakhs from HDFC Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at 8% per annum.

The Unsecured Shot term FCNRB loan of Rs. 5000 lakhs from HDFC Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at LIBOR plus 200 basis points

The other unsecured loan of Rs.5000 lakhs availed by M/s Madras Sugars Limited from the related parties will be repaid as specified in the scheme of amalgamation

NOTE 17. TRADE PAYABLES

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
Purchases and Services	5787.63	10555.00	5216.60
Expenses	2713.24	2675.62	988.34
TOTAL	8500.87	13230.62	6204.94

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

NOTE 18. OTHER CURRENT LIABILITIES

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
Current maturities of long term borrowings	13385.24	14428.57	4020.07
Payable on purchase of fixed assets	762.65	447.91	1314.64
Interest accrued but not due on borrowings	36.72	51.32	22.53
Unpaid Dividend	60.98	60.75	63.27
Statutory remittances	2461.39	2481.34	209.01
Trade or security deposits received	175.87	178.85	119.92
Advance from customers	718.61	3370.46	785.25
Others	29.27	24.76	22.32
TOTAL	17630.73	21043.96	6557.01

NOTE 19. PROVISIONS-CURRENT

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
For excise duty on closing stock	5155.15	7975.18	4197.84
For employee benefits-bonus/exgratia	443.37	387.11	169.77
TOTAL	5598.52	8362.29	4367.61

NOTE 20. CURRENT TAX LIABILITIES (NET)

PARTICULARS	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
	(Rs in Lakhs)	(Rs in Lakhs)	(Rs in Lakhs)
For Income-tax	379.85	614.11	-

NOTE 21. REVENUE FROM OPERATIONS

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
SALE OF PRODUCTS				
MANUFACTURED GOODS				
Sugar	146247.80		102395.04	
Molasses	2118.15		2498.98	
Bagasse	911.50		984.27	
Granite Products	8684.84		7761.34	
Industrial Alcohol	12831.23		12655.36	
Bio-Compost	457.76		502.62	
Power	11839.96		16385.04	
Pressmud	2.43		7.45	
Bio-products	2.83		0.34	
		183096.50		143190.44
TRADED GOODS				
Sugar	-		4043.17	
Granite Products	3.33		-	
		3.33		4043.17
SALE OF SERVICES				
Hirecharges		23.71		57.90
OTHER OPERATING REVENUE				
Duty draw back and other export incentives	17.08		1613.08	
Sale of Scrap	35.50		48.83	
Claim received	-		413.57	
		52.58		2075.48
Revenue from operations (Gross)		183176.12		149366.99
Less: Excise duty		7997.42		3805.68
Revenue from operations (Net)		175178.70		145561.31

NOTE 22. OTHER INCOME

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
Interest Income				
From loans and advances	69.83		81.72	
From deposits	14.47	84.30	15.07	96.79
Dividend income from long term investments		2.36		4.23
Production subsidy from Govt of India		288.89		
Other non-operating income :				
Rent receipts from operating leases	172.21		54.04	

Profit on Sale of Fixed Assets	15.93		26.78	
Agricultural Income	-		6.13	
Dairy Farm Income	-		3.29	
Miscellaneous income	8.62		92.44	
		196.76		182.68
TOTAL		572.31		283.70

EXPENSES:**NOTE 23. COST OF MATERIALS CONSUMED**

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
Opening Stock of Raw Materials:				
Molasses at Distillery Units	1412.92		1098.72	
Granite rough blocks	208.48		196.10	
Press-mud	4.88		18.05	
Bio-products	1.93		2.28	
		1628.21		1315.15
Add: Purchase of Raw Materials:				
Sugarcane	77464.77		84154.87	
Purchase Tax on sugar cane	24.26		620.94	
Sugarcane cess	97.29		175.31	
Freight and transport on sugar cane	2744.44		1431.28	
Molasses at Distillery Units	1016.67		940.30	
Granite rough blocks	440.42		260.81	
Press-Mud	107.30		45.29	
		81895.15		87628.80
		83523.36		88943.95
Less: Closing Stock of Raw Materials:				
Molasses at Distillery Units	1097.49		1412.92	
Granite rough Blocks	150.81		208.48	
Press-mud	14.45		4.88	
Bio-products	-		1.93	
		1262.75		1628.21
Raw Material Consumed		82260.61		87315.74
Packing Material Consumed		1040.18		1799.35
TOTAL		83300.79		89115.09
Details of Raw Material Consumed				
Sugarcane (includes cost, tax and freight)		80330.76		86382.40
Packing Material for Sugar		1040.18		1799.35
Molasses at Distillery Units		1332.10		626.10
Granite rough blocks		498.09		248.43
Press-Mud		97.73		58.46
Bio-products		1.93		0.35
TOTAL		83300.79		89115.09

NOTE 24. PURCHASE OF STOCK - IN - TRADE

PARTICULARS	As at 31.03.2017	As at 31.03.2016
	(Rs in Lakhs)	(Rs in Lakhs)
Sugar	-	4168.89
Granite Products	2.57	3.63
TOTAL	2.57	4172.52

NOTE 25. CHANGES IN INVENTORIES

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
I. FINISHED GOODS:				
a. Opening Stock:				
Sugar	116355.03		110411.51	
Molasses at Sugar Units	2367.73		1892.30	
Bagasse	185.98		53.69	
Granite Products	1044.54		1214.02	
Industrial Alcohol	769.32		1525.10	
Bio-Compost	0.10		1.10	
	120722.70		115097.72	
Add: Opening stock of Madras Sugars Ltd as on appointed date as per the scheme of amalgamation:				
Sugar	-		8659.84	
Molasses at Sugar Units	-		27.86	
	-		8687.70	
	120722.70		123785.42	
b. Closing Stock:				
Sugar	83088.11		116355.03	
Molasses at Sugar Units	2110.93		2367.73	
Bagasse	90.66		185.98	
Granite Products	767.78		1044.54	
Industrial Alcohol	1610.19		769.32	
Bio-Compost	0.53		0.10	
	87668.20		120722.70	
a - b		33054.50		3062.72
II. WORK IN PROGRESS:				
a. Opening Stock:				
Sugar	1513.14		945.69	
Molasses	214.97		169.25	
Press-mud	43.38		67.25	
	1771.49		1182.19	
Add: Opening stock of Madras Sugars Ltd as on appointed date as per the scheme of amalgamation:				
Sugar	-		314.04	
Molasses	-		32.85	
	-		346.89	
	1771.49		1529.08	

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
b. Closing Stock:				
Sugar	1039.22		1513.14	
Molasses	96.82		214.97	
Press-mud	82.97		43.38	
	1219.01		1771.49	
		552.48		(242.41)
TOTAL		33606.98		2820.31

NOTE 26. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	Year ended 31.03.2017	Year ended 31.03.2016
	(Rs in Lakhs)	(Rs in Lakhs)
Salaries, wages and allowances	8020.70	6599.02
Contribution to Provident and other funds	756.44	616.77
Staff Welfare expenses	703.92	634.68
TOTAL	9481.06	7850.47

NOTE 27. FINANCE COSTS

PARTICULARS	Year ended 31.03.2017	Year ended 31.03.2016
	(Rs in Lakhs)	(Rs in Lakhs)
Interest Expenses	9540.62	11035.20
Other borrowing costs	166.15	552.27
TOTAL	9706.77	11587.47

The company has not capitalised any borrowing cost.

NOTE 28. OTHER EXPENSES

PARTICULARS	Year ended 31.03.2017	Year ended 31.03.2016
	(Rs in Lakhs)	(Rs in Lakhs)
Consumption of stores and spare parts	2626.78	2732.88
Loose tools	6.73	4.47
Increase / (decrease) of excise duty on inventory	(2817.59)	3585.51
Power and fuel	4541.50	4658.69
Watercharges	151.11	153.18
Rent	65.18	82.21
Lease/hire charges for equipments	32.31	28.01

PARTICULARS	Year ended 31.03.2017		Year ended 31.03.2016	
	Details	Total	Details	Total
	(Rs in Lakhs)		(Rs in Lakhs)	
Granite processing charges		387.79		291.89
Cane development expenses		297.64		292.93
Repairs and maintenance:-				
Buildings	569.88		463.35	
Plant and Machinery	2852.19		2509.33	
Vehicles	418.48		391.11	
Others	137.32		88.85	
		3977.87		3452.64
Effluent disposal expenses		432.07		327.63
Insurance charges		261.77		247.19
Rates and axes		1542.23		2296.14
Telephone & Fax charges		52.45		52.06
Travelling expenses		233.94		209.97
Printing and Stationery		53.53		38.90
Directors' sitting fees		3.55		2.55
Advertisement		24.93		5.16
Other Administrative expenses		279.96		170.58
Freight and forwarding		238.60		893.80
Selling and distribution expenses		1308.98		1429.81
Sales commission		34.15		9.57
Donations		23.25		3.92
Corporate Social Responsibility expenses		79.07		47.20
Legal and professional charges		133.96		111.11
Agricultural expenses		5.87		-
Dairy Farm Expenses		3.65		-
Auditor's Remuneration (net of service tax input credit, where applicable)				
For statutory audit	17.25		15.14	
For taxation matters	18.75		12.22	
For Company law matters	-		1.71	
For other services	4.52		9.31	
Reimbursement of expenses	0.30	40.82	0.25	38.63
TOTAL		14022.10		21166.63

29. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Contingent liabilities

- 29.1 The company has preferred a Writ Appeal before the Division Bench of the Hon'ble High Court, Madras challenging the Order pronounced in Writ Petition No. 4030/2002 dated 28.02.2006 in connection with increase in rate of water charges and the method of computation of water charges pursuant to the G.O. No.474 dated 13.11.2001 for the water drawn for industrial purposes. The approximate amount under dispute is Rs.408.14 Lakhs (31.03.2016 - Rs.397.94 Lakhs and 01.04.2015 - Rs.387.76 Lakhs)
- 29.2. Sugar Unit-I at Sathyamangalam was permitted to sell 100% of the sugar production as Free Sugar for a period of 8 years from 1985-86 Sugar Season. Chief Director (Sugar), Directorate of Sugar Department of Food New Delhi has restricted the entitlement of Free sale Sugar Incentive to 275000 quintals production per season by a subsequent notification. A Writ Petition has been filed in the Madras High Court Challenging the restriction imposed and interim injunction has been obtained. By virtue of injunction order the entire production was sold as Free Sugar. The approximate unprovided quantum under dispute is Rs. 683.35 Lakhs (31.03.2016 - Rs.683.35 Lakhs and 01.04.2015 - Rs.683.35 Lakhs).
- 29.3. Sugar Unit-I at Sathyamangalam was allowed to sell 100% of the Sugar production as free sugar for a period of 8 years from 1985-86 sugar season and pay excise duty on incentive sugar as applicable to levy sugar and to retain the difference in excise duty between levy and free sale sugar. In respect of incentive sugar sold by Unit-I from 20.09.1991 to 31.01.1994, the Central Excise Department has issued show cause notices to the Company to show cause why the difference of Rs.33/- per quintal being the difference between duty on levy sugar and free sugar should not be demanded from the Company. The Company has filed Writ Petitions in Madras High Court and the Hon'ble High Court disposed the case with direction to submit all explanations before the adjudicating authority. Now the matter is pending before the adjudicating authority The excise duty in dispute is Rs.149.99 Lakhs (31.03.2016 - Rs.149.99 Lakhs and 01.04.2015 - Rs.149.99 Lakhs).
- 29.4. The Entry Tax of Rs. 188.29 lakhs on Inter-state purchase of rough blocks is disputed (31.03.2016 - Rs.188.29 Lakhs and 01.04.2015 - Rs.188.29 Lakhs).
- 29.5. The Company has received a demand for payment of excise duty for Rs.148.44 (31.03.2016 - Rs.148.44 Lakhs and 01.04.2015 - Rs.148.44 Lakhs). lakhs on the machineries purchased for co-generation plant which have been cleared by the manufacturers based on the certificates alleged to have been forged by an Official in the Ministry of Finance. The Company has remitted the amount under protest. The company opted for obtaining a valid certificate for which steps have been taken through a writ petition filed in Hon'ble High Court of Madras.
- 29.6. The company has preferred an appeal before the Commissioner of Income Tax (Appeals) challenging the order of Assistant Commissioner of Income Tax in connection with disallowance of deduction for the Assessment year 2013-14. The quantum under dispute is Rs.1.60 Lakhs.
- 29.7. As at the year end, the Company has an obligation under EPCG Scheme to export sugar of a value of USD 93,28,827. (31.03.2016 - USD 93,28,827 and 01.04.2015 - USD 1,03,17,105).
- 29.8. Estimated amount of contracts remaining to be executed on capital account - Tangible Assets not provided for is Rs.461.72 Lakhs (31.03.2016 - Rs.174.38 Lakhs and 01.04.2015 - Rs.155.10 Lakhs).

30 DISCLOSURE REPORT UNDER Ind AS 19

(Rs in Lakhs)

PARTICULARS	COMPENSATED ABSENCES		GROUP GRATUITY	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
PRINCIPAL ACTUARIAL ASSUMPTIONS				
Discount rate (%)	7.29	7.64	7.29	7.64
Salary escalation rate (%)	8.00	8.00	8.00	8.00
Expected return on plan assets (%)	–	–	8.00	8.00
Attrition rate (%)	7.00	7.00	7.00	7.00
A NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET AT THE BEGINNING OF THE YEAR				
Present Value of Defined Benefit Obligation	278.96	145.12	1870.17	1651.15
Fair Value of Plan Assets	–	–	1854.01	1649.47
Funded Status [Surplus/(Deficit)]	(278.96)	(145.12)	(16.16)	(1.68)
Unrecognised Past Service Costs	–	–	–	–
Net Asset / (Liability) Recognised in Balance Sheet	(278.96)	(145.12)	(16.16)	(1.68)
B DISCLOSURE OF EMPLOYER EXPENSE				
Current Service Cost (including risk Premium for fully insured benefits)	185.15	154.29	204.88	157.67
Interest Cost	21.31	11.09	143.79	125.19
Expected Return on Assets	–	–	(152.99)	(134.76)
Curtailment Cost /(Credit)	–	–	–	–
Settlement Cost / (Credit)	–	–	–	–
Past Service Cost	–	–	–	–
Actuarial (gains) and losses	(91.03)	(31.54)	365.62	36.94
Total Employer Expense Recognised in the Statement of Profit & Loss	115.43	133.84	561.30	185.04

30 DISCLOSURE REPORT UNDER Ind AS 19 Contd.... :

(Rs in Lakhs)

PARTICULARS	COMPENSATED ABSENCES		GROUP GRATUITY	
	31.3.2017	31.3.2016	31.3.2017	31.3.2016
C NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET				
Present Value of Defined Benefit Obligation	394.39	278.96	2522.14	1870.17
Fair Value of Plan Assets	–	–	2092.63	1854.01
Funded Status [Surplus / (Deficit)]	(394.39)	(278.96)	(429.51)	(16.16)
Unrecognised Past Service Costs	–	–	–	–
Net Asset / (Liability) recognised in Balance Sheet	(394.39)	(278.96)	(429.51)	(16.16)
D CHANGE IN OBLIGATIONS AND ASSETS				
Change in obligations				
Present Value of Defined Benefit Obligation at the Beginning of the period	278.96	145.12	1870.17	1651.15
Employer Service Cost	185.15	154.29	204.87	157.67
Interest Cost	21.31	11.09	143.79	125.19
Curtailment Cost / (Credit)	–	–	–	–
Settlement Cost / (Credit)	–	–	–	–
Plan Amendments	–	–	–	–
Acquisitions	–	–	–	–
Actuarial (Gains) / Losses	(91.03)	(31.54)	366.24	36.57
Benefit Payments	–	–	(62.93)	(100.41)
Present Value of Defined Benefit Obligation at the end of the period	394.39	278.96	2522.14	1870.17
Change in Assets				
Fair value of Plan Assets at the Beginning of the Period	–	–	1854.01	1649.41
Expected Return on Plan Assets (Para 108/109)	–	–	152.99	134.76
Actuarial Gain / (Loss)	–	–	0.61	(0.38)
Assets Distributed on Settlements	–	–	–	–
Actual Company contributions Less Risk Premium	–	–	147.95	170.55
Benefit Payments	–	–	(62.93)	(100.41)
Fair Value of Plan Assets at the End of the Period	–	–	2092.63	1853.93

E RECONCILIATION OF NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET

Net Asset/(Liability) recognised in balance sheet at the beginning of the year	(278.96)	(145.12)	(16.16)	(1.67)
Employer Expenses	(115.43)	(133.84)	(561.30)	(185.04)
Employer Contributions	–	–	147.95	170.55
Acquisitions / Business Combinations	–	–	–	–
Net Asset/(Liability) Recognised in Balance Sheet at the end of the year	(394.39)	(278.96)	(429.51)	(16.16)

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

(Rs. in Lakhs)

PARTICULARS	For the year ended	
	31.03.2017	31.03.2016
Provident Fund	487.60	417.88
Family Pension Fund	23.76	22.85
Employees State Insurance	1.39	0.87
Employees Group Insurance Fund	28.70	21.71
TOTAL	541.45	463.31

Whole time directors remuneration	FY 2016-17	FY 2015-16
Short term employment benefit	1079.21	254.13
Post employment benefit	7.20	7.20
TOTAL	1086.41	261.33

Non-Whole time directors remuneration	FY 2016-17	FY 2015-16
Directors sitting fees	3.55	2.55
TOTAL	3.55	2.55

The above remuneration does not include gratuity and leave encashment benefit, since the same is computed actuarially for all the employees and the amount attributable to the managerial person cannot be ascertained separately.

31. Segment Information for the year ended 31st March 2017

Information reported to the chief operating decision maker (C.O.D.M.) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the following segment tabulated below . Business segments are primarily Sugar, Power, Distillery and Granite products. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment/manpower efforts. Income or Expenses which are not attributable or allocable to segments have been disclosed as unallocable Income / Expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical revenues are allocated based on the location of the customer.

PARTICULARS	Sugar		Power		Distillery		Granite Products		TOTAL	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
PRIMARY										
External Revenue	162220.62	124261.96	23459.35	28427.57	13291.07	13160.41	10467.66	9590.46	209438.70	175440.40
Operating Income	68.90	2123.19			7.39	10.18			76.29	2133.37
Intersegment Revenue	162289.52	126385.15	23459.35	28427.57	13298.46	13170.59	10467.66	9590.46	209514.99	177573.77
	12940.74	14333.04	11619.39	12042.53	2.08	2.42	1776.66	1828.79	26338.87	28206.78
	149348.78	112052.11	11839.96	16385.04	13296.38	13168.17	8691.00	7761.67	183176.12	149366.99
RESULT										
Segment Result	14170.50	(2266.08)	9041.22	12583.95	3373.11	3172.47	1447.62	972.05	28032.45	14462.39
Add: Un-allocable Income									359.85	103.53
Operating Profit									28392.30	14565.92
Less: Finance Costs									9706.77	11587.47
Tax expenses									4168.98	(193.68)
Profit after Tax									14516.55	3172.13
OTHER INFORMATION										
Segment Assets	175766.90	216519.23	33172.44	34363.21	10468.38	10272.47	10784.93	10392.99	230192.65	271547.90
Segment Liabilities	30309.35	27591.57	4275.80	5514.41	201.32	223.18	799.52	770.04	35585.99	34099.20
Capital expenditure	1797.00	1907.14	21.74	163.75	92.08	1227.60	1666.62	22.78	3577.44	3321.27
Depreciation	3493.21	3225.39	1979.79	1507.95	483.55	444.78	988.66	975.95	6945.21	6154.07
SECONDARY										
Revenue by Geographical Market										
India	149269.47	93416.29	11839.96	16385.04	13296.38	13168.17	2780.27	2472.36	177186.08	125441.86
Outside India	79.31	18635.82					5910.73	5289.31	5990.04	23925.13

No single customer contributed more than 10% to the company's revenue for the financial year 2016-17 & 2015-16.

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

1 KEY MANAGEMENT PERSONNEL :

Sri S V Balasubramaniam, Chairman

Sri B Saravanan, Managing Director

2 RELATIVES OF KEY MANAGEMENT PERSONNEL :

Sri S V Balasubramaniam

Relatives

Sri B Saravanan (Son)

Sri B Saravanan

Relatives

Sri S V Balasubramaniam (Father)

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

1 Annamallai Enterprise Private Limited

2 Bannari Amman Exports Private Limited

3 Shiva Cargo Movers Private Limited

4 Shiva Distilleries Private Limited

5 SVB Holdings Private Private Limited

RELATED PARTY TRANSACTIONS

(Rs. in Lakhs)

PARTICULARS	Key Management Personnel	Relatives of Key Management Personnel	Enterprises as described in (3) above
Purchase of Goods			107.31 (33.44)
Sale of Goods			8954.82 (5853.21)
Rendering of Service (Managerial Remuneration)	1079.01 (253.93)		
Availing of Services			1058.94 (971.15)
Rent			17.72 (11.20)
Interest (*)			162.74 (53.26)
Loans and Advances / ICD (*)			4553.14 (19553.14)
Balance Outstanding as on 31 st March 2017 is Rs.15000.00 lakhs (Rs.19553.14 lakhs)			

* Transferred pursuant to Scheme of Amalgamation of M/s Madras Sugars Limited with the Company

PARTICULARS	For the Year Ended	
	31.3.2017	31.3.2016
	(Rs in Lakhs)	
33 Details of government grants		
Government grants received by the Company during the year towards		
Duty drawback and other export incentives (recognised under other operating revenues)	17.08	1613.08
Other incentives (recognised under other income)	288.89	--
TOTAL	305.97	1613.08
34 Earnings per share		
a) Weighted average number of equity shares of Rs 10/-each		
i) Number of shares at the beginning of the year	11439700	11439700
ii) Number of shares at the end of the year	12539700	11439700
Weighted average number of equity shares outstanding during the year	11590385	11439700
b) Net Profit after tax available for equity shareholders (Rs in lakhs)	14553.09	3274.72
c) Basic and diluted earnings per share (Rs)	125.56	28.63
35 Details of research and development expenditure recognised as an expense		
Materials	35.19	10.33

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

37 Foreign currency exposures that are hedged by a derivative instrument or natural hedging are as under :-

PARTICULARS	As at 31.3.2017		As at 31.3.2016	
	US DOLLAR	EURO	US DOLLAR	EURO
Receivables	563765	429153	428360	985724
Payables	--	716411	--	567168
Advance for Purchase	--	13800	120490	10190
Advance for Sale	--	--	9023	--

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

39. During the year the company had Specified Bank Notes (SBN) or other denomination notes as defined in the MCA notification G.S.R 308 (E) dated 30.3.2017 on the details of SBN held and transacted during the period from 8.11.2016 to 30.12.2016 are as under :

(Rs. in Lakhs)

	S B N	Other Denomination notes	Total
Closing cash in hand as on 8.11.2016	20.47	11.04	31.51
Add: Permitted receipts	--	193.26	193.26
Less: Permitted payments	1.35	168.03	169.38
Less: Amount deposited in banks	19.12	1.65	20.77
Closing cash in hand as on 30.12.2016	--	34.62	34.62

PARTICULARS	Consumption (Amount Rs in Lakhs)	% to total consumption
40.1 Imported Value of		
Spares and Components	1120.06 (1512.46)	9.46% (11.74%)
40.2 Indigenous Value of		
a Sugarcane	80330.76 (86382.40)	100% (100%)
b Granite Rough Blocks	2274.76 (2077.21)	100% (100%)
c Molasses	6484.04 (5674.66)	100% (100%)
d Pressmud	102.21 (63.68)	100% (100%)
e Spares and Components	10723.26 (11369.40)	90.54% (88.26%)

PARTICULARS	For the Year Ended	
	31.3.2017 (Rs in Lakhs)	31.3.2016
41. Value of Imports on C.I.F. basis:		
a. Components and spare parts	1358.00	1520.90
b. Capital goods	485.35	4.32
42. Expenditure in foreign currency :		
1. Travelling	9.12	14.13
2. Sales commission	23.83	
3. Subscription	1.03	1.57
4. Sales promotion expenses	13.66	6.94
43. Earnings in Foreign Exchange:		
F.O.B Value of Exports	5989.08	21677.78

44. Financial Instruments:**Capital Management**

The Company manages its capital to ensure that the company will be able to continue as going concern by maximizing the return to stakeholders through the optimization of the debt and equity balance. The Capital structure of the company consist of net debt (as mentioned in Note 13,16 & 18 off set by cash and bank balances) and total equity of the company. The company is not subject to any externally imposed capital requirements.

The following table summarizes the capital of the Company :

(Rs. in Lakhs)

	31.03.2017	31.03.2016	01.04.2015
Equity	106707.75	93187.30	95533.15
Debt	103790.88	153406.41	122079.63
Cash and Cash Equivalent	(918.26)	(2046.52)	(1080.20)
Net Debt	102872.62	151359.89	120999.43
Net debt to capital ratio	0.96	1.62	1.27

Financial risk management objectives and policies :

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

The Company's corporate treasury function provides services to the business co-ordinates access to financial markets and manages financial risks relating to the operation of the company through internal risk reports which analyze exposures by degree and magnitude of risk. These risks include market risk (including currency risk, interest risk), credit and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by Board of Directors. The company does not enter into or trade financial instruments, including derivatives instruments for speculative purposes.

The Market Risk – Currency risk is mitigated through forward contracts and natural hedging.

Market risk – Interest Rate risk is managed maintaining a combination of fixed and floating rate debt and cash management policies. There is no material interest risk to the company's financial liabilities.

Credit Risk Management – refers to the risk that the customer's ability to meet the contractual obligation. The company manages the risk by credit approval, monitoring process and adequate insurance coverage.

Liquidity Risk Management – refers to the fluctuation in cash flows; the same is managed by preparing and monitoring the forecast of cash flows, cash management policies by matching the maturity profiles of financial assets and liabilities.

All current financial liabilities are repayable within 1 year. The company covering its currency exposure under forward cover/ natural hedging, and hence sensitive analysis is not required.

45. Reconciliation of effective tax rate.

The Income tax expenses for the year can be reconciled to the accounting profit as follows :

PARTICULARS	For the Year Ended	
	31.3.2017 (Rs in Lakhs)	31.3.2016
Profit before tax	18685.53	2978.45
Income tax expenses calculated @ 34.608 % (2016- 34.608 %)	6466.69	1030.78
Effect of different tax rate on certain items	(156.31)	(649.59)
Effect of income not taxable	(2141.40)	(574.87)
Income tax recognised in profit or loss	4168.98	(193.68)

The tax rate used for the years 2015-16 and 2016-17 reconciliation above is the corporate tax rate of 34.608% (30% + surcharge @ 12% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

46. Events occurring after Balance Sheet date.

The Board of Directors has recommended equity dividend of Rs. 12.50 per share (Previous year Rs.7.50 per share) for the financial year 2016-17.

As per our report of even date attached

For P N RAGHAVENDRA RAO & CO
Chartered Accountants

P R VITTEL

Partner

M No 200/18111

ICAI Firm Regn. No: 003328S

Place: Coimbatore

Date : 29.05.2017

S V BALASUBRAMANIAM

Chairman

DIN 00002405

B SARAVANAN

Managing Director

DIN 00002927

C PALANISWAMY

Company Secretary

M RAMPRABHU

Chief Financial Officer

Financial Performance - Year Wise

(Rs in Lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
1985-1986	373.26	85.15	1421.08	247.65	192.32	55.33	15
1986-1987	374.81	150.60	1585.78	258.56	117.68	140.88	15
1987-1989 (18 months)	374.95	558.79	3157.49	743.55	200.87	542.68	25
1989-1990	375.00	821.84	2941.28	479.29	127.04	352.25	18
1990-1991	375.00	1097.53	3035.74	470.31	169.05	301.26	20
1991-1992	375.00	1381.32	4354.55	572.49	244.04	328.45	21
1992-1993	375.00	1526.96	6154.24	623.38	415.35	208.03	21
1993-1994	753.97	3004.49	5502.34	486.04	382.17	103.87	21
1994-1995	953.97	4937.00	12219.55	853.98	403.98	450.00	22
1995-1996	953.97	6107.79	15686.98	1895.45	533.78	1361.67	24
1996-1997	953.97	7201.67	16133.02	1884.43	560.90	1323.53	25
1997-1998	953.97	8704.64	14229.49	2292.81	568.50	1724.31	25
1998-1999	953.97	9737.98	20572.87	2009.33	598.43	1410.60	25
1999-2000	953.97	11071.16	23242.80	2425.92	675.51	1750.41	25
2000-2001	953.97	12728.83	30792.42	3655.88	1710.46	1945.42	27
2001-2002	953.97	12296.57	36158.79	4727.63	1652.41	3075.22	33
2002-2003	953.97	13265.96	34823.17	4429.97	2160.88	2269.09	30
2003-2004	953.97	16192.33	45778.58	7298.47	2705.14	4593.33	36
2004-2005	953.97	20070.14	38318.31	8826.31	3200.10	5626.21	45
2005-2006	953.97	27158.61	49408.86	13878.66	4307.00	9571.66	70
2006-2007	953.97	40572.76	69116.18	14570.19	3734.83	10835.36	70
2007-2008	1143.97	43825.26	60608.73	7397.92	3481.86	3916.06	70
2008-2009	1143.97	54270.49	67404.42	16597.74	3408.23	13189.51	100
2009-2010	1143.97	67301.16	85346.50	23807.83	3834.06	19973.77	100
2010-2011	1143.97	71273.33	111880.26	12692.25	7083.08	5609.17	100
2011-2012	1143.97	80355.33	126046.54	17920.15	6676.92	11243.23	100
2012-2013	1143.97	93055.51	148321.54	23430.89	5995.44	17435.45	125
2013-2014	1143.97	94256.37	107709.57	8410.18	5195.53	3214.65	125
2014-2015	1143.97	94044.97	96109.23	5159.42	5125.55	33.87	25
2015-2016	1143.97	90805.37	142741.00	9139.79	6154.07	2985.72	75
2016-2017	1253.97	105453.78	141571.72	25630.74	6945.21	18685.53	125

* Turnover = Net Sales + Closing Stock – Opening Stock

* Excludes inter-segment transfers

Notes



BANNARI AMMAN SUGARS LIMITED

Registered Office : 1212 Trichy Road Coimbatore 641 018 Tamilnadu

CIN : L15421TZ1983PLC001358

ATTENDANCE SLIP

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

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

I hereby record my presence at the 33rd Annual General Meeting of the company held on Monday the 25th September 2017 at 4.30 PM at Jennys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014

Member's / Proxy's Signature

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

Form No. MGT - 11

PROXY FORM

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

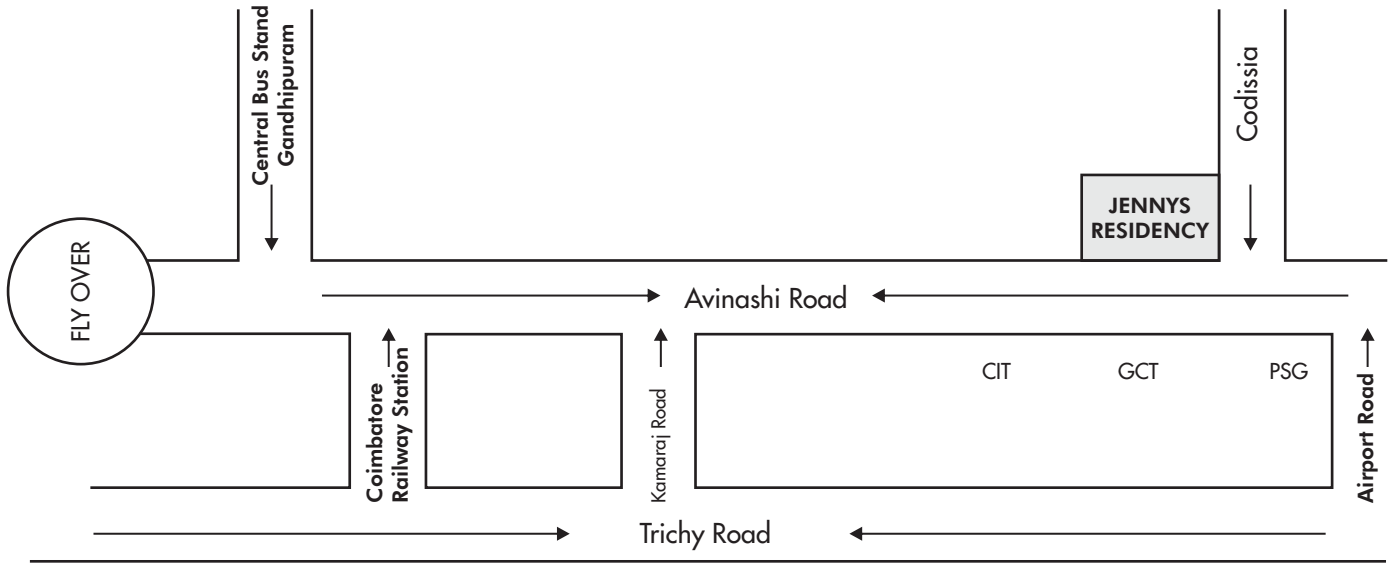
CIN : L15421TZ1983PLC001358
Name of the Company : BANNARI AMMAN SUGARS LIMITED
Registered Office : 1212 Trichy Road Coimbatore 641018 Tamilnadu
Name of the Member(s) :
Registered Address :
E-mail ID :
Folio No / Client ID :
DP ID :

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

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



ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING



As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the company to be held on Monday the 25th day of September 2017 at 4.30 p m at Jennys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Nos	Resolutions	For	Against
1	Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon		
2	Declaration of Dividend on equity shares		
3	Appointment of Director in the place of Sri S V Balasubramaniam (DIN:00002405) who retires by rotation and being eligible offers himself for re-appointment		
4	Appointment of Auditors		
5	Special Business Ratification of Remuneration payable to Cost Auditor of the Company		

Signed this ____ day of _____ 2017

Affix
Revenue
Stamp

Signature of Shareholder(s)

Signature of Proxy holder(s)

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



BANNARI AMMAN SUGARS LIMITED

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

Phone: 0422-2302277 Fax: 0422-230999

Email: shares@bannari.com Website: <http://www.bannari.com>

CIN: L15421TZ1983PLC001358