



**TRIDENT SUGARS LIMITED**

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**ANNUAL REPORT 2015-16**

## **TRIDENT SUGARS LIMITED**

### **BOARD OF DIRECTORS**

Ms.Rajshree Pathy  
Managing Director (DIN 00001614)

Mr.R.Varadarajan  
Director (DIN 00001738)

Dr.K.Mohan Naidu  
Director (DIN 01774192)

Mr.G.Sathiyamoorthi  
Director (DIN 05147467)

Mr.R.C.H.Reddy  
Director (DIN 00006184)

### **AUDITORS**

M/s.Srikishen & Co  
Kanapathy Towers, 3<sup>rd</sup> Floor  
1391/A-1, Sathy Road  
Ganapathy  
Coimbatore - 641 006.

### **CHIEF FINANCIAL OFFICER**

Mr.V.B. Gopal Krishnan

### **COMPANY SECRETARY**

Mr.M.Ponraj

### **REGISTERED OFFICE**

'The Uffizi',  
338/8, Avanashi Road  
Peelamedu  
Coimbatore - 641 004

### **FACTORY**

Madhunagar  
Zaheerabad  
Medak District – 502 228  
Andhra Pradesh

### **BANKERS**

UCO Bank  
State Bank of India

**TRIDENT SUGARS LIMITED**  
CIN: U15424TZ2002PLC013368  
Regd. Office: "The Uffizi", 338/8 Avanashi Road  
Peelamedu, Coimbatore 641 004

**NOTICE**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the members of the Company will be held on Thursday, the **29<sup>th</sup> September 2016 at 9 AM** at the registered office of the Company at The Uffizi, 338/8, Avanashi Road, Peelamedu, Coimbatore - 641 004 to transact the following business:

**AGENDA**

**1) Adoption of audited financial statements**

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 year ended 31<sup>st</sup> March 2016 including Audited Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Boards' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

**2) Retirement of Director by rotation**

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

"**RESOLVED** that Mr.R.Varadarajan (DIN 00001738), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**3) Appointment of M/s.Srikishen & Co., as Statutory Auditors**

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

"**RESOLVED** that pursuant to Sections 139, 142 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), M/s SRIKISHEN & CO., Chartered Accountants (Firm Registration No. 004009S), be and are hereby appointed as the Joint Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of

the Company on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s.S.KRISHNAMOORTHY & CO., Chartered Accountants (Firm Registration No.001496S) the other statutory Auditors”.

**“RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

#### **4) Appointment of M/s.S.Krishnamoorthy & Co., as Statutory Auditors**

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 139, 142 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), M/s.S.KRISHNAMOORTHY & CO., Chartered Accountants (Firm Registration No. 001496S), be and are hereby appointed as Statutory Auditors of the Company for a term of five financial years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company, subject to ratification of appointment by the shareholders at every Annual General Meeting after this Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s SRIKISHEN & CO., Chartered Accountants (Firm Registration No. 004009S) for the financial year 2016-17”.

**“RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

### **SPECIAL BUSINESS**

#### **5) Ratification of remuneration 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 the Company do hereby confirm and ratify in terms of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the remuneration of Rs.25,000/- (Rupees twenty five thousand only) per annum excluding out of pocket

expenses, as approved by the Board of Directors on the recommendation of the Audit Committee, for M/s.Ram Babu & Co., Cost Accountants (Firm Registration No.100638) for conducting the audit of the cost records for the product sugar of the Company for the financial year ending March 31, 2017.”

**"RESOLVED FURTHER** that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### **6) Appointment of Managing Director**

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

**"RESOLVED** that pursuant to the provisions of sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 the consent of the members be and is hereby accorded to the reappointment of Ms.Rajshree Pathy (holding DIN 00001614), as the Managing Director of the Company for a period of three years with effect from 10<sup>th</sup> August 2016 without any remuneration."

**By Order of the Board**

**M.PONRAJ**  
**Company Secretary**

**Place : Coimbatore**  
**Date : 28<sup>th</sup> May 2016**

#### **NOTES:**

- 1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a Member. The Proxy can vote in favour or against the resolution at poll.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 ('the Act'), will be available for inspection by the members at the Annual General Meeting.
3. The Statements pursuant to section 102(1) of the Companies Act, 2013, in respect of special businesses are annexed hereunder.

### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")**

#### **Item No.4: Ratification of Remuneration to Cost Auditor**

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s.Ram Babu & Co., Cost Accountants (Firm Registration No.100638) to conduct the audit of the cost records of the Company in respect of the product sugar, for the financial year ending 31<sup>st</sup> March 2017 at a remuneration of Rs.25,000/- (Rupees twenty five thousand only) per annum excluding out of pocket expenses.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as determined by the Board on recommendation of Audit Committee, has to be ratified by the shareholders of the Company at the following general meeting.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolutions for approval by the shareholders.

#### **Item No.05: Re-appointment of Ms.Rajshree Pathy as Managing Director**

The Board of Directors at their meeting held on 28<sup>th</sup> May 2016 had reappointed Ms.Rajshree Pathy as Managing Director of the Company for a period of three years with effect from 10<sup>th</sup> August 2016 without any remuneration. As per Schedule V to the Companies Act, 2013, the appointment requires approval of the members of the Company by way of an ordinary resolution.

The Directors commend the resolution for approval by the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except Ms.Rajshree Pathy.

**By Order of the Board**

**M.PONRAJ**  
**Company Secretary**

**Place : Coimbatore**  
**Date : 28<sup>th</sup> May 2016**

## TRIDENT SUGARS LIMITED

### BOARD'S REPORT

Your Directors have pleasure in presenting the 14<sup>th</sup> Annual Report with the audited financial statements for the year ended 31<sup>st</sup> March 2016.

#### 1) Financial Highlights

	(Rs. in lakhs)	
Particulars	2015-16	2014-15
Total Income	14,445.55	15,528.82
Profit/(Loss) before Interest and depreciation	322.71	(580.89)
Interest	836.15	1,046.51
Depreciation	205.71	214.62
Profit/(Loss) before tax	(719.14)	(1,842.02)
Provision for deferred tax	(222.21)	(549.91)
Profit/(Loss) after tax	(496.93)	(1,292.11)
Basic / Diluted Earnings per share of Rs.10/- each after extraordinary items	(1.88)	(8.89)

#### 2) Dividend

The Board of Directors has not recommended any dividend for the year ended 31<sup>st</sup> March 2016.

#### 3) Financial performance

The Company has incurred a net loss of Rs.496.93 lakhs for the year ended 31<sup>st</sup> March 2016 as against a net loss of Rs.1,292.11 lakhs incurred in the previous year. Higher cane price coupled with lower realisation and lower recovery on account of erratic rainfall affected the performance of the company.

#### 4) Change in nature of business

There has been no change in the nature of business of the Company during the year under review.

#### 5) Operations

During the year under review, the factory has crushed 3.40 lakh tons of sugarcane at a recovery of 11.02% as against 5.04 lakh tons crushed at a recovery of 10.98% in the previous year.

#### 6) Fixed Deposits

The Company has not accepted any deposits as per Chapter V of the Companies Act 2013, during the year under review.



## 7) Future outlook

In view of the then existing adverse conditions in the Sugar Industry, the holding Company M/s.Rajshree Sugars & Chemicals Limited, has opted for Corporate Debt Restructuring (CDR) and entered into a Master Restructuring Agreement (MRA) in March 2014.

In terms of the said CDR Scheme and MRA, the Company is to explore the possibilities of disposal of its wholly owned subsidiary, M/s.Trident Sugars Limited within three years from the date of MRA and the sale proceeds are to be utilised for retiring debts of the holding Company.

In its efforts, the holding Company has been successful in identifying a few parties and also entered into a term sheet with one such party.

## 8) Share Capital

During the year, there has been no change in the share capital.

## 9) Directors or Key Managerial Personnel (KMP)

The details of Directors or KMP appointed/resigned during the year are furnished hereunder:

Name	Designation	Appointment / reappointment / Resignation	Effective from
Mr.V.B.Gopal Krishnan	Chief Financial Officer	Appointment	11 <sup>th</sup> August 2015
Mr.A.Sathyamurthy	Chief Financial Officer	Resignation	10 <sup>th</sup> August 2015
Mr.G.Sathiyamoorthi	Director	Reappointment	10 <sup>th</sup> August 2015

## 10) Number of Board Meetings

During the year 5 Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act 2013.

## 11) Internal control systems

The Company has established adequate internal control systems, which is commensurate with its nature and volume of operations.

## 12) Internal financial controls

The internal financial controls of the Company are adequate with reference to the financial statements of the Company.

## 13) Auditors

M/s.Srikishen & Co., Chartered Accountants, the present auditors of the company, retires at the ensuing Annual General Meeting and proposed for reappointment. They have furnished necessary certificate in terms of second

and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014.

As the transition period under Companies Act, 2013, for rotation of the auditor expires on 31<sup>st</sup> March 2017, it is also proposed to appoint M/s.S.Krishnamoorthy & Co., Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting. They have furnished necessary certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014.

**14) Conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows**

Annexed herewith as **Annexure 1**.

**15) Audit Committee**

The composition of the Audit Committee, as required under Section 177 (8) of the Companies Act 2013, is furnished hereunder:

- a) Dr.K.Mohan Naidu, Independent Director (Chairman of the Committee)
- b) Mr.R.C.H.Reddy, Independent Director
- c) Mr.R.Varadarajan, Non-Independent & Non-Executive Director

The board has accepted all the recommendations of the committee during the year

**16) Corporate Social Responsibility Committee ('CSR Committee')**

The Company is not required to constitute a CSR Committee u/s 135(1) of the Companies Act, 2013. However, the Company has voluntarily constituted a CSR Committee, consisting of the following members:

- a) Dr.K.Mohan Naidu, Independent Director (Chairman of the Committee)
- b) Mr.R.C.H.Reddy, Independent Director
- c) Mr.R.Varadarajan, Non-Independent & Non-Executive Director

**17) Nomination & Remuneration Committee & Policy**

The Composition of the Nomination and Remuneration Committee is furnished hereunder:

- 1) Mr.R.C.H.Reddy, Independent Director (Chairman of the Committee)
- 2) Dr.K.Mohan Naidu, Independent Director
- 3) Mr.R.Varadarajan, Non-Independent & Non-Executive Director

The Nomination & Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of the Directors and recommended to the Board a policy for appointment and remuneration for the Directors, Key Managerial Personnel and other employees.

As required under Section 178(4) of the Companies Act 2013. The Nomination & Remuneration Policy is furnished as **Annexure 2**.

**18) Whistle Blower Policy ('Vigil Mechanism')**

As per Section 177 (9) & 177 (10) of the Companies Act 2013 and rules made thereunder, the Board has established a Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud.

This mechanism also provides for adequate safeguards against victimization of director(s) /employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

**19) Risk Management Policy**

The Company has formulated a Risk Management Policy as required under Section 134(3)(n) of the Companies Act 2013.

At present the Board has not identified any element of risk which may threaten the existence of the company. However, the details about the risks being faced by the Company are furnished hereunder:

- a) *Sugarcane availability*: Sugarcane is the main raw material in sugar mills. Sugarcane cultivation is monsoon dependent. Hence it becomes unpredictable in adverse climatic conditions. Similarly other factors like scarcity of harvest labour, lower sugarcane price, availability of attractive competitive/alternate crops will have a direct impact on cane availability and affect our business.
- b) *Sugar price realization risk*: Sugar being a commodity, the sugar price remains volatile and realisations get adversely affected during a downturn. Coupled with this, higher cane price too affects profitability.
- c) *Regulatory Risk*: The sugar industry continues to be regulated by State Governments by other controls viz., reservation of cane area and fixing sugarcane price.  
Risk mitigation: Indian Sugar Mills Association (ISMA) and South Indian Sugar Mills Association (SISMA) of which the Company is a member are in the process of presenting recommendation for appropriate policy changes to reduce governmental influence in the sugar sector and work toward complete decontrol of the sugar industry.
- d) *Financial liquidity risk*: Sugar industry is highly working capital intensive. Raising adequate and rightly-priced working capital or arranging funds for payment of the interest and principal with respect to loans availed might pose challenge. The other associated risk is soaring interest rates.

## **20) Director's Responsibility Statement**

In terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the directors would like to state that:

- a) In the preparation of the annual accounts / financial statements, the applicable accounting standards had been followed along with the proper explanation relating to material departures;
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 loss of the Company for the year under review.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts / financial statements on a going concern basis.
- e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

## **21) Extract of Annual Return**

Pursuant to the requirement of section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return in Form MGT-9 is annexed as **Annexure 3**.

## **22) Board Evaluation**

Pursuant to the provisions of the companies Act, 2013 and SEBI Listing Regulation the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its committees the performance evaluation has been carried out as per the policy laid down by the Nomination and Remuneration committee.

## **23) Declaration by an Independent Director(s):**

No independent Director is proposed to be appointed at the ensuing Annual General Meeting.

**24) Subsidiary / Associate / Joint Venture companies**

No Company has become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year

**25) Significant or material orders passed**

There has been no significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**26) Sexual Harassment**

There has been no complaint received on Sexual Harassment, during the year under review.

**27) Material changes & commitments**

There have been no material changes & commitments between end of financial year and this report.

**28) Particulars of loans, guarantees or investments under section 186:**

The Company has not made any loan, given any guarantee or made any investment as per Section 186 of the Companies Act 2013 during the year under review.

**29) Managerial Remuneration and Employee Particulars**

The details of disclosures relating to Managerial Remuneration and particular of employees as required under Section 197 (12) of the Companies Act 2013 is not applicable to the Company.

**30) Related Party Transactions**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There were no material contracts/arrangements/transactions with related parties during the year.

**31) Industrial Relations**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

### **32) Acknowledgement**

Your Directors thank the Banks and Financial Institutions for the continued financial assistance and support provided by them to the Company. Your Directors also thank the cane growers, suppliers, Government Institutions and others for the cooperation extended to the Company. The Board also places on record its appreciation of the dedicated services rendered by the employees of the Company.

May **Goddess Lakshmi** shower Her blessings for the continued prosperity of the Company.

**For and behalf of the Board**

Place : Coimbatore  
Date : 28<sup>th</sup> May 2016

**R.VARADARAJAN**  
Director  
DIN:0001738

**RAJSHREE PATHY**  
Managing Director  
DIN:00001614

## TRIDENT SUGARS LIMITED

### ANNEXURE 1 TO BOARD'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016.

#### A. Conservation of Energy

- i) The steps taken or impact on conservation of energy;
  - a) One 50HP Service pump operation stopped during offseason and in that place 7.5 HP open well submersible pump put into the operation there by achieved power saving of 34425KWH.
  - b) We have taken 166KVA DG Set after radiator modification, continuously during off-season in place of 750 KVA DG Set and achieved diesel saving 50 liters per hour.
  - c) Narinja Raw Water drawal Pump 7.5HP Stopped. Water Conservation measures were adopted in Factory operations by recycling the excess condensate after cooling. Raw water consumption was reduced and arrangement made to use for:
    - Spray pond Inlet water for Boiler ash wetting purpose.
    - Evaporator tube cleaning purpose Spray pond water used.
    - Spray pond Inlet water connection was provided to Wet scrubber.
- ii) The steps taken by the company for utilising alternate sources of energy; Nil
- iii) The capital investment on energy conservation equipment : Rs.4.02 lakhs

#### B. Technology Absorption: Nil

#### C. Foreign exchange earnings and outgo: Nil

For and behalf of the Board

Place : Coimbatore  
Date : 28<sup>th</sup> May 2016

**R.VARADARAJAN**  
Director  
DIN:0001738

**RAJSHREE PATHY**  
Managing Director  
DIN:00001614

**ANNEXURE 2 TO BOARD'S REPORT  
OF TRIDENT SUGARS LTD FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

**NOMINATION AND REMUNERATION POLICY**

**1) Introduction**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management and other employees of the Company has been formulated by the Committee and adopted by the Board of Directors.

**2) Objective and purpose of the Policy**

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

The objective and purpose of this policy are:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- b) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the sugar industry.
- c) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- d) To evaluate the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- f) To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- g) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

**3) Effective Date**

This policy shall be effective from **1st April 2014**.



#### 4) Applicability

This Policy is applicable to;

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel
- d) Other employees of the Company

#### 5) Nomination and Remuneration Committee

The Nomination and Remuneration Committee, constituted by the Board, comprises of the following Directors:

- 1) Mr.R.C.H.Reddy, Independent Director (Chairman of the Committee)
- 2) Dr.K.Mohan Naidu, Independent Director
- 3) Mr.R.Varadarajan, Non-Independent & Non-Executive Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

#### 6) Definitions

- a) "Company" "The Company" means Trident Sugars Limited.
- b) "Board" means Board of Directors of the Company.
- c) "Directors" mean Directors of the Company.
- d) "Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- e) "Independent Director" means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- f) "Key Managerial Personnel (KMP)" means
  - (i) Executive Chairman and / or Managing Director;
  - (ii) Wholetime Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- g) "Senior Management Personnel" - means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

## **7) General**

This Policy is divided in three parts: Part A covers the matters to be dealt with and recommended by the Committee to the Board, Part B covers the appointment and nomination and Part C covers remuneration and perquisites, etc.

## **8) Role of Committee**

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- c) to recommend to the Board the appointment and removal of Senior Management.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.
- e) to make recommendations to the Board concerning any matters relating to the continuation in office or any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) to devise a policy on Board diversity;
- h) to develop a succession plan for the Board and to regularly review the plan;

## **9) Membership**

- a) The Committee shall consist of a minimum 3 non-executive Directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **10) Chairman**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **11) Frequency of Meetings**

The meeting of the Committee shall be held at such regular intervals as may be required.

### **12) Committee Members' Interests**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **13) Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

### **14) Nomination Duties**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters as may be requested by the Board.

### **15) Remuneration Duties**

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Nomination and Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient

to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee to consider any other matters as may be requested by the Board;
- d) Professional indemnity and liability insurance for Directors and senior management.

## **PART- A**

### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions.
- c) Recommend to the Board appointment and removal of Director, KMP and Senior Management Personnel.

## **PART- B**

### **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **a) Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification/ expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

## **b) Term / Tenure**

### **1. Managing Director / Whole-time Director**

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

### **2. Independent Director**

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

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director; Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### **3. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

### **4. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act / rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **5. Retirement**

The Director, KMP and Senior Management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## **PART C**

### **POLICY RELATING TO THE REMUNERATION FOR THE WHOLETIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

#### **a) General**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation /

commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
4. Where any insurance is taken by the Company on behalf of its Wholetime Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration;

**b) Remuneration to Wholetime / Executive / Managing Director, KMP and Senior Management Personnel**

**1. Fixed pay**

The Wholetime Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break - up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**2. Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole Time Director. in accordance with the provisions of Schedule V of the Companies Act, 2013 .and if it is not able to comply with such provisions/ with the previous approval of the Central Government.

**3. Provisions for excess remuneration**

If any Executive Director draws or receives / directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act1 2013 or without the prior sanction of the Central Government where required/ he / she shall refund such sums to the Company and until such sum is refunded 1 hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**c) Remuneration to Non- Executive / Independent Director Sitting Fees**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**d) Minutes of Committee Meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**For and behalf of the Board**

Place : Coimbatore  
Date : 28<sup>th</sup> May 2016

**R.VARADARAJAN**  
Director  
DIN:0001738

**RAJSHREE PATHY**  
Managing Director  
DIN:00001614

**ANNEXURE 3 TO BOARD'S REPORT  
OF TRIDENT SUGARS LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

**Form No.MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31<sup>st</sup> March 2016**  
[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	U15424TZ2002PLC013368
ii)	Registration Date	22/08/2002
iii)	Name of the Company	TRIDENT SUGARS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and contact details	"The Uffizi", 338/8 Avanashi Road, Peelamedu, Coimbatore 641 004.
vi)	Whether listed company	NO
vii)	Name, Address and contact details of Registrar and Transfer Agents	Not applicable

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company is furnished hereunder:

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
White Crystal Sugar	1072	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
Rajshree Sugars & Chemicals Limited	L01542TZ1985PLC001706	Holding	100%	2(87)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**a) Category-wise Shareholding**

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	
<b>A) PROMOTERS</b>									
<b>Indian</b>									
1) Bodies Corporates	Nil	26494324	26494324	99.99	Nil	26494324	26494324	99.99	Nil
2) Nominees **									
Ms.Rajshree Pathy	Nil	100	100	0.00	Nil	100	100	0.00	Nil
Mr.R.Varadarajan	Nil	100	100	0.00	Nil	100	100	0.00	Nil
Dr.K.Mohan Naidu	Nil	100	100	0.00	Nil	100	100	0.00	Nil
Mr.Aditya Krishna Pathy	Nil	100	100	0.00	Nil	100	100	0.00	Nil
Mr.N.Manoharan	Nil	100	100	0.00	Nil	100	100	0.00	Nil
Ms.S.Valliammai	Nil	100	100	0.00	Nil	100	100	0.00	Nil
<b>Total Shareholding of Promoters</b>	<b>Nil</b>	<b>26494924</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>	<b>26494924</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>
<b>B) PUBLIC SHAREHOLDING</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B)</b>	<b>Nil</b>	<b>26494924</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>	<b>26494924</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>

\*\* Nominees of Rajshree Sugars & Chemicals Limited



**b) Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % change in shareholding during the year
		No. of shares	% of total shares of company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of company	% of shares pledged / encumbered to total shares	
1.	Rajshree Sugars & Chemicals Limited	26494324	99.99	Nil	26494324	99.99	Nil	Nil
2.	Ms.Rajshree Pathy	100	0.00	Nil	100	0.00	Nil	Nil
3.	Mr.R.Varadarajan	100	0.00	Nil	100	0.00	Nil	Nil
4.	Dr.K.Mohan Naidu	100	0.00	Nil	100	0.00	Nil	Nil
5.	Mr.Aditya Krishna Pathy	100	0.00	Nil	100	0.00	Nil	Nil
6.	Mr.N.Manoharan	100	0.00	Nil	100	0.00	Nil	Nil
7.	Ms.S.Valliammai	100	0.00	Nil	100	0.00	Nil	Nil
	<b>Total</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>	<b>26494924</b>	<b>100.00</b>	<b>Nil</b>	<b>Nil</b>

**c) Change in Promoters' shareholding : Nil**

**d) Shareholding Pattern for top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) ; Nil**

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

Ms.Rajshree Pathy, Dr.K.Mohan Naidu & Mr.R.Varadarajan are holding 100 shares each as Nominees of Rajshree Sugars & Chemicals Limited and no other Directors and KMPs are holding shares in the company at the beginning and end of the year.

**V. INDEBTEDNESS (Rs. in lakhs)**

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

Particulars	Secured Loans	Unsecured Loans	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			
i) Principal Amount	6,106.86	1,498.38	<b>7,605.24</b>
ii) Interest due but not paid	41.40	-	<b>41.40</b>
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,148.26</b>	<b>1,498.38</b>	<b>7,646.64</b>
<b>Change in Indebtedness during the financial year</b>			
Addition	3,562.51	-	<b>3,562.51</b>
Reduction	761.00	966.65	<b>1,727.65</b>
<b>Net change Indebtedness</b>	<b>2,801.51</b>	<b>(966.65)</b>	<b>1,834.86</b>
<b>At the end of the financial year</b>			
i) Principal Amount	8,908.37	531.73	<b>9,440.10</b>
ii) Interest due but not paid	80.88	-	<b>80.88</b>
iii) Interest accrued but not due	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,989.25</b>	<b>531.73</b>	<b>9,520.98</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL: Nil**

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : Nil**

**For and behalf of the Board**

**R.VARADARAJAN**  
Director  
DIN:0001738

**RAJSHREE PATHY**  
Managing Director  
DIN:00001614

Place : Coimbatore  
Date : 28<sup>th</sup> May 2016

## **Independent Auditor's Report To the Members of Trident Sugars Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Trident Sugars Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) In the case of the Balance Sheet, the state of affairs of the Company as at 31 March 2016 ,
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance sheet, the statement of Profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, a separate report has been given in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which will have an impact on its financial position. ;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **SRIKISHEN&CO**  
*Chartered Accountants*  
Firm Regn. No.: 004009S

**K. MURALI MOHAN**  
*Auditor, Proprietor*  
Membership number: 14328

Place: Coimbatore  
Date: 28.05.2016

#### **Annexure - A referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements**

According to the information and explanations sought by us and given by the Company and the books and records examined by us, during the course of our Audit and to the best of our knowledge and belief, we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) All fixed assets have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) The Title Deeds of immovable properties of the Company shown under the Fixed Assets schedule are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.  
The Company has not given any loan or made any investment as specified in section 186 of the Act.
- (v) The Company has not accepted any deposits.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of sugar manufactured by the company. We have broadly reviewed the accounts and records of the company in this

connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.

- (vii) (a) The Company is regular in depositing 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 other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

There are no undisputed arrears of statutory dues which were outstanding as at 31 March 2016 for a period of more than six months from the date they became payable.

- (b) The Company does not have any disputed statutory dues which have not been deposited.

- (viii) The Company has not borrowed from any financial institution and has not issued any debentures till date. In respect of borrowings from Banks there is no default in repayment. However, in respect of borrowings from Sugar development fund, the details of default in repayment is as under:

Name of the lender	Amount of default		Period of default	Remarks
	Principal	Interest		
Sugar Development Fund	159.86 lakhs	36.76 lakhs	From March 2015.	The company has requested for restructuring of the loans
Sugar Development Fund	159.86 lakhs	44.11 lakhs	From March 2016.	-do-

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In respect of term loans, the Company has utilized it for the purpose for which it was availed.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) No managerial remuneration has been provided or paid during the year.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion, the transactions with the related parties are in compliance with section 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standard. Provisions of Section 177 are not applicable to the Company.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) The Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **SRIKISHEN&CO**  
*Chartered Accountants*  
Firm Regn. No.: 004009S

**K. MURALI MOHAN**  
*Auditor, Proprietor*  
Membership number: 14328

Place: Coimbatore  
Date: 28.05.2016

### **Annexure - B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Trident Sugars Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' 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 the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement 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 controls system over financial reporting.

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SRIKISHEN&CO**  
*Chartered Accountants*  
Firm Regn. No.: 004009S

**K. MURALI MOHAN**  
*Auditor, Proprietor*  
Membership number: 14328

Place: Coimbatore  
Date: 28.5.2016



**TRIDENT SUGARS LIMITED**

**Balance Sheet as at 31.03.2016**

Rupees in Lacs

Particulars	Note No.	31.03.2016	31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	<u>A</u>	2,649.49	2,649.49
(b) Reserves and surplus	<u>B</u>	(2,988.99)	(2,492.06)
		<u>(339.50)</u>	157.43
<b>(2) Non-current liabilities</b>			
Long-term borrowings	<u>C</u>	2,188.11	1,417.72
		<u>2,188.11</u>	1,417.72
<b>(3) Current liabilities</b>			
(a) Short-term borrowings	<u>D</u>	6,372.67	5,106.80
(b) Trade payables	<u>E</u>	1,931.16	8,308.33
(c) Other current liabilities	<u>F</u>	1,965.63	1,722.45
(d) Short-term provisions	<u>G</u>	23.09	13.02
		<u>10,292.55</u>	15,150.60
<b>TOTAL</b>		<u>12,141.16</u>	16,725.75
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	<u>H</u>		
(i) Tangible assets		4,071.19	4,250.92
(ii) Capital work-in-progress		24.88	26.89
(b) Deferred tax assets (net)	<u>I</u>	1,431.44	1,209.23
(c) Long-term loans and advances	<u>J</u>	230.67	230.67
(d) Other non-current assets		-	-
		<u>5,758.18</u>	5,717.71
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	<u>K</u>	5,593.25	8,975.28
(c) Trade receivables	<u>L</u>	39.55	201.90
(d) Cash and cash equivalents	<u>M</u>	68.04	110.86
(e) Short-term loans and advances	<u>N</u>	406.92	1,606.98
(f) Other current assets	<u>O</u>	275.22	113.02
		<u>6,382.98</u>	11,008.04
<b>TOTAL</b>		<u>12,141.16</u>	16,725.75

*See accompanying notes to the financial statements*

As per our report of even date

For **Srikishen & Co.**

Chartered Accountants

Registration No: 004009S

**K Murali Mohan**  
Membership No.14328  
Auditors, Proprietor

**R Varadarajan**  
Director  
DIN:0001738

**Rajshree Pathy**  
Managing Director  
DIN:00001614

Place: Coimbatore  
Date : 28th May 2016

**V B Gopal Krishnan**  
Chief Financial Officer

**M Ponraj**  
Company Secretary

**TRIDENT SUGARS LIMITED**  
**Statement of Profit & Loss for the year ended 31.03.2016**

Rupees in Lacs

Particulars	Note No.	31.03.2016	31.03.2015
<b>INCOME</b>			
I. Revenue from operations	<u>P</u>	14,301.26	15,517.32
II. Other income	<u>Q</u>	144.28	11.49
<b>III. Total Revenue (I + II)</b>		<b>14,445.54</b>	<b>15,528.81</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	<u>R</u>	9,042.18	13,173.75
Purchase of Stock in trade - Sugar		-	1,855.22
Changes in inventories of finished goods work-in-progress & Stock-in-Trade	<u>S</u>	3,337.47	(908.24)
Employee benefits expense	<u>T</u>	592.16	613.70
Finance costs	<u>U</u>	836.15	1,046.51
Depreciation and amortization expense	<u>H</u>	205.70	214.61
Other expenses	<u>V</u>	1,151.02	1,375.28
<b>Total expenses</b>		<b>15,164.68</b>	<b>17,370.83</b>
V. Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		<b>(719.14)</b>	<b>(1,842.02)</b>
VI. Exceptional items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		<b>(719.14)</b>	<b>(1,842.02)</b>
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII- VIII)		<b>(719.14)</b>	<b>(1,842.02)</b>
X Tax expense:			
(1) Income tax		-	-
Less MAT credit entitlement		-	-
(2) Deferred tax liability / (Asset)		<b>(222.21)</b>	<b>(549.91)</b>
<b>XI Profit / (Loss) for the period from continuing operations (IX-X)</b>		<b>(496.93)</b>	<b>(1,292.11)</b>
<b>XII Profit / (Loss) for the period</b>		<b>(496.93)</b>	<b>(1,292.11)</b>
XIII Earnings per equity share:			
(1) Basic		<b>(1.88)</b>	<b>(8.89)</b>
(2) Diluted		<b>(1.88)</b>	<b>(8.89)</b>

*See accompanying notes to the financial statements*

As per our report of even date

**For Srikishen & Co.**

Chartered Accountants

Registration No: 004009S

**K Murali Mohan**  
Membership No. 14328  
Auditors, Proprietor

**R Varadarajan**  
Director  
DIN:0001738

**Rajshree Pathy**  
Managing Director  
DIN:00001614

Place: Coimbatore  
Date : 28th May 2016

**V B Gopal Krishnan**  
Chief Financial Officer

**M Ponraj**  
Company Secretary

**TRIDENT SUGARS LIMITED****NOTES TO THE FINANCIAL STATEMENTS:****Rupees in Lacs**

PARTICULARS	31.03.2016	31.03.2015
<b>A. SHARE CAPITAL</b>		
AUTHORISED		
30,000,000 Equity Shares of Rs.10/- each	<u>3,000.00</u>	<u>3,000.00</u>
<i>Previous year 20,000,000 Equity shares of Rs 10/- each</i>		
ISSUED SUBSCRIBED & PAID UP:		
26,494,924 Equity Shares of Rs.10/- each fully paid-up in cash	<u>2,649.49</u>	<u>2,649.49</u>
<i>Previous year 26,494,924 Equity shares of Rs 10/- each</i>		
i) No of Equity Shares outstanding		
at the beginning of the year	264.95	144.95
Changes during the year	-	120.00
at the end of the year.	264.95	264.95
ii) Shareholder holding more than 5 percent shares:		
<i>M/s. Rajshree Sugars &amp; Chemicals Limited</i>	264.95	264.95
iii) Shares held by the holding company:		
<i>M/s. Rajshree Sugars &amp; Chemicals Ltd</i>	264.95	264.95
<b>B RESERVES &amp; SURPLUS</b>		
<b>RESERVES</b>		
i) General Reserve		
Opening Balance	569.67	572.50
Additions / ( Deletions ) during the year	-	(2.83)
Closing Balance	<u>569.67</u>	<u>569.67</u>
<b>SURPLUS</b>		
ii) Surplus / (Deficit) in Profit & Loss statement:		
Opening Balance	(3,061.73)	(1,769.62)
Add: Profit / ( Loss ) after tax	(496.93)	(1,292.11)
Closing Balance	<u>(3,558.66)</u>	<u>(3,061.73)</u>
<b>TOTAL</b>	<u>(2,988.99)</u>	<u>(2,492.06)</u>
<b>C LONG - TERM BORROWINGS</b>		
<b>SECURED LOANS</b>		
Term Loans		
a) From Banks	2,028.25	1,098.00
b) From Other parties		
Sugar Development Fund	<u>159.86</u>	<u>319.72</u>
	<u>2,188.11</u>	<u>1,417.72</u>
<b>D SHORT - TERM BORROWINGS</b>		
i) SECURED LOANS		
Loans repayable on demand from Banks		
Cash Credit	5,840.93	3,608.42
ii) UNSECURED LOAN		
Loans and Advances from related parties		
Rajshree Sugars & Chemicals Ltd- Holding Company	<u>531.73</u>	<u>1,498.38</u>
	<u>6,372.67</u>	<u>5,106.80</u>
<b>E TRADE PAYABLES</b>		
Due to Micro, Small & Medium Enterprises		
Due to Others	-	-
	<u>1,931.16</u>	<u>8,308.33</u>
	<u>1,931.16</u>	<u>8,308.33</u>
<b>F OTHER CURRENT LIABILITIES</b>		
i) Current maturities of long term debt		
	879.33	1,080.72
ii) Interest accrued and due on borrowings		
	80.88	36.77
iii) Interest accrued but not due on borrowings		
	-	4.64
iv) Statutory Payables:		
	477.96	478.87
v) Advance received from Customers		
	527.46	93.47
vi) Creditors for Capital expenditure		
	-	27.98
	<u>1,965.63</u>	<u>1,722.45</u>
<b>G SHORT- TERM PROVISIONS</b>		
Provisions for employee benefits:		
	<u>23.09</u>	<u>13.02</u>
	<u>23.09</u>	<u>13.02</u>

TRIDENTSUGARSLIMITED

NOTE FORMING PART OF THE BALANCE SHEET AS AT 31.03.2016

NOTE "H"  
FIXED ASSETS

TSL Rs. in Lakhs

ASSET HEADS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS ON 31.03.2015	ADDITIONS FOR THE PERIOD	DELETIONS FOR THE	AS ON 31.03.2016	UP TO 31.03.2015	FOR THE YEAR	Adjusted to General Reserve	WRITTEN BACK	UP TO 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
LAND	70.32	-	-	70.32	-	-	-	-	-	70.32	70.32
BUILDINGS	975.25	6.21	-	981.46	233.18	26.20	-	-	259.39	722.07	742.07
PLANT & MACHINERY	5,456.52	19.64	-	5,476.16	2,043.44	172.21	-	-	2,215.64	3,260.52	3,413.08
DATA PROCESSING EQUIPMENTS	34.06	0.13	-	34.18	29.63	1.83	-	-	31.46	2.72	4.43
OFFICE EQUIPMENTS	4.79	-	-	4.79	3.34	0.46	-	-	3.80	0.99	1.45
FURNITURE	19.01	-	-	19.01	14.89	1.83	-	-	16.71	2.30	4.13
VEHICLES	45.02	-	-	45.02	29.57	3.18	-	-	32.74	12.27	15.45
<b>TOTAL</b>	<b>6,604.97</b>	<b>25.97</b>	<b>-</b>	<b>6,630.94</b>	<b>2,354.04</b>	<b>205.71</b>	<b>-</b>	<b>-</b>	<b>2,559.75</b>	<b>4,071.19</b>	<b>4,250.92</b>
WORK IN PROGRESS										24.88	26.89
2014-15	6,539.33	65.64	-	6,604.97	2,136.58	214.62	2.83	-	2,354.03	4,250.93	4,402.74

**TRIDENT SUGARS LIMITED****NOTES TO THE FINANCIAL STATEMENTS:****Rupees in Lacs**

PARTICULARS	31.03.2016	31.03.2015
<b>I DEFERRED TAX ASSETS (Net)</b>		
Opening balance	1,209.23	659.32
Addition during the year	222.21	549.91
	<u>1,431.44</u>	<u>1,209.23</u>
<b>J LONG TERM LOANS &amp; ADVANCES :</b>		
(Unsecured, considered good)		
i) Capital Advance	-	-
ii) Ryot Advance	216.26	216.25
iii) Security Deposits	14.41	14.42
	<u>230.67</u>	<u>230.67</u>
<b>K INVENTORIES</b>		
Work-in-progress at cost	48.73	187.66
Finished Goods at cost / realisable value	5,254.41	8,392.82
Finished Goods - at realisable value	-	41.33
Stores & Spares at cost	290.11	353.47
	<u>5,593.25</u>	<u>8,975.28</u>
<b>L TRADE RECEIVABLES:</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	7.08	7.67
Others	32.47	194.23
	<u>39.55</u>	<u>201.90</u>
<b>M CASH AND CASH EQUIVALENTS:</b>		
Balance with Banks :	11.75	65.17
Cash on hand	0.31	3.26
Margin money deposits	55.98	42.43
	<u>68.04</u>	<u>110.86</u>
<b>N SHORT TERM LOANS AND ADVANCES:</b>		
(Unsecured, considered good)		
<b>Others:</b>		
Staff and other advance	195.17	1,405.78
Advance to Ryots	82.69	66.60
Income Tax Advance	88.99	88.53
Prepaid Expenses	18.98	18.21
Excise Duty Deposits	21.09	27.86
	<u>406.92</u>	<u>1,606.98</u>
<b>O OTHER CURRENT ASSETS:</b>		
Interest accrued on investment:		
Interest receivable	139.77	112.86
Income receivable	135.45	0.16
	<u>275.22</u>	<u>113.02</u>
<b>P REVENUE FROM OPERATIONS</b>		
Sales	14,970.20	16,125.12
Other Operating Revenues :		
Sale of Scrap	9.55	34.63
	<u>14,979.75</u>	<u>16,159.75</u>
LESS: Excise Duty	678.49	642.43
Net Sales	<u>14,301.26</u>	<u>15,517.32</u>

**TRIDENT SUGARS LIMITED****NOTES TO THE FINANCIAL STATEMENTS:****Rupees in Lacs**

PARTICULARS	31.03.2016	31.03.2015
<b>Q OTHER INCOME</b>		
Interest Income	5.03	5.79
Other non- operating Income:		
Other Miscellaneous Income	134.10	3.49
Miscellaneous Sales	0.62	2.21
Clearing gai-Exchange rate translation	1.63	-
Insurance claim receipts	2.90	-
	<u>139.25</u>	<u>5.70</u>
	<u>144.28</u>	<u>11.49</u>
<b>R COST OF MATERIALS CONSUMED:</b>		
Raw material - Sugar cane	<u>9,042.18</u>	<u>13,173.75</u>
<b>S CHANGES IN INVENTORIES OF FINISHED GOODS &amp; WORK-IN-PROGRESS:</b>		
Opening Inventories:		
Finished Goods	8,434.15	7,483.45
Work in progress	187.66	163.42
	<u>8,621.81</u>	<u>7,646.87</u>
Less : Closing Inventories:		
Finished Goods	5,254.41	8,434.15
Work in progress	48.73	187.65
	<u>5,303.14</u>	<u>8,621.81</u>
	<u>3,318.67</u>	<u>(974.93)</u>
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	<u>(18.80)</u>	<u>(66.69)</u>
	<u>3,337.47</u>	<u>(908.24)</u>
<b>T EMPLOYEE BENEFIT EXPENSES:</b>		
Salaries, Wages & Bonus	518.31	542.79
Contribution to P F & Other funds	43.69	51.19
Welfare Expenses	30.16	19.72
	<u>592.16</u>	<u>613.70</u>
<b>U FINANCE COST:</b>		
i) Interest expense	810.96	1,024.26
ii) Other borrowing costs	25.19	22.25
	<u>836.15</u>	<u>1,046.51</u>
<b>V OTHER EXPENSES:</b>		
Consumption of Stores & spares	149.10	230.98
Consumption of Packing Materials	129.51	210.11
	<u>278.61</u>	<u>441.09</u>
Power & Fuel	45.74	47.28
Building rent	15.06	39.98
Repairs & Maintenance		
Building	3.05	8.43
Machinery	309.46	356.95
	<u>312.51</u>	<u>365.38</u>
Insurance Premium	28.00	22.19
Licence Fees & Tax	23.97	80.13
Freight outwards	193.61	75.38
Payment to Auditor's :		
- Statutory Audit fees	2.00	2.00
- Taxation matters	1.80	0.50
- Certification	-	0.10
	<u>3.80</u>	<u>2.60</u>
Cost Audit fees	0.25	0.25
Miscellaneous Expenses	249.47	301.00
	<u>1,151.02</u>	<u>1,375.28</u>

## **W) SIGNIFICANT ACCOUNTING POLICIES:**

### **(a) Accounting Convention**

The financial statements are prepared under historical costing convention on a going concern basis, with revenue recognized and expenses accounted on accrual concept (including provisions and adjustments) and in accordance with the applicable accounting standards.

### **(b) Fixed Assets**

Fixed Assets are stated at their Purchase cost less accumulated depreciation. Cost includes attributable expenses, pre-operative expenses, financing costs during the period of construction for qualifying assets and net of Cenvat and Service Tax credit, if any.

### **(c) Preoperative expenses**

Expenditure (including financing cost relating to the borrowed funds for construction and acquisition of qualifying fixed assets) incurred on projects under implementation are treated as pre-operative expense pending allocation to the assets and are shown under "Capital Work-in-Progress".

### **(d) Depreciation**

Depreciation of fixed assets has been provided on straight-line method in terms of Schedule II to the Companies Act 2013 adopting the useful life and residual value as stated therein for the respective assets. In respect of additions during the year, depreciation has been provided on pro-rata basis.

### **(e) Inventories**

Inventory is valued at lower of cost and net realizable value as under:

- a) Raw material is valued at cost on FIFO basis.
- b) In respect of sugar, cost is arrived at on historical cost basis after deducting the realisable value of the by-products. In respect of manufactured finished goods, excise duty and cess payable are added to the cost, wherever applicable.
- c) In respect of semi-finished goods (in process) cost is taken as cost of input raw materials and estimated cost of manufacture upto the various stages of completion.
- d) Stores and spares are valued at Weighted Average cost.

### **(f) Employee Benefits**

Contribution to Provident Fund made to appropriate authorities is charged to revenue. In respect of Gratuity, the company's contribution, calculated on actuarial basis, to the Group Gratuity Scheme of Life Insurance Corporation of India is charged to revenue. Amount payable towards leave encashment benefit as at the close of this year has been provided for in its entirety.

**(g) Excise Duty**

Excise duty payable on finished products/by-products held as stock at the year-end has been provided for as expenditure for the year and included in the valuation of Closing Stock.

**(h) Taxation**

Tax expenses for the year comprising current tax and deferred tax are considered in determining the net profit for the year. Provision is made for the Current Tax based on tax liability computed in accordance with relevant tax rates and tax laws. Provision is made for deferred tax for all timing differences arising between taxable incomes and accounting income at currently enacted tax rates. Deferred tax assets are recognized only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

**(i) Earnings Per Share**

The earnings for the purpose of ascertaining the Company's EPS, comprises the net profit/(loss) after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

**(j) Impairment of Assets**

Impairment is ascertained at each Balance Sheet date in respect of cash generating units and impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on their appropriate discount factor.

**(k) Provision and Contingent Liability**

Provisions are recognized in the accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Control of the Company.

**(l) Income and Expenditure Recognition**

Revenue on sales transactions is recognized as and when the property in goods sold is transferred to the buyers for a definite consideration. Income & Expenditure are recognized on accrual basis.



## X) OTHER ADDITIONAL INFORMATION

### 1) Rate of Interest and Maturity Profile of Long Term/Short Term Borrowings (Forming part of Note for Long Term/Short Term Borrowings)

Rs in lakhs

Rate of Interest	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
4%/7.5%	479.58	159.86	-	-	-	-	-	639.44
3.90%	399.75	399.00	299.25	-	-	-	-	1,098.00
12%/12.5%	-	133.00	266.00	266.00	266.00	266.00	133.00	1,330.00
<b>Total</b>	<b>879.33</b>	<b>691.86</b>	<b>565.25</b>	<b>266.00</b>	<b>266.00</b>	<b>266.00</b>	<b>133.00</b>	<b>3,067.44</b>

#### Security Details for long-term borrowings:

- Term loan Rs.639.44 lakhs (Rs.639.44 lakhs) secured by exclusive 2<sup>nd</sup> Charge on all immovable and movable properties (save and except book debts) of company's sugar factory situated at Medak District, Andhra Pradesh.
- Term loan Rs.306 lakhs (Rs.334 Lakhs) secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3<sup>rd</sup> pari passu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director.
- Term loan Rs.792 lakhs (Rs.856 Lakhs) secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3<sup>rd</sup> pari passu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director
- Soft loans aggregating to Rs.1330 lakhs secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 1<sup>st</sup> pari passu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director
- Aggregate amount of loan guaranteed by others is Nil.
- Period and amount of continuing default in respect of the aforesaid loans is Nil except as detailed below :

Term loan installment of Rs.159.86 lakhs due in March 2015 and Rs.159.86 lakhs due in March 2016 and interest outstanding thereon Rs.80.88 lakhs payable to Sugar Development Fund (SDF), Government of India, is yet to be paid.

### Security Details for Short-term borrowings:

- a) Working Capital limit Rs. 3340.93 lakhs (Rs.1108.42 lakhs) secured by 1<sup>st</sup> pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3<sup>rd</sup> paripassu charge on immovable properties and fixed assets at Madhunagar, Medak District. The working capital facilities guaranteed by the holding Company.
- b) One time demand loan Rs.2500 lakhs secured by charge over warehouse receipt (resulting in charge over underlying goods) and personally guaranteed by Managing Director.
- c) Aggregate amount of loans guaranteed by others is Nil.
- d) Period and amount of default in respect of the aforesaid loans is Nil.

- 2) The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

	<b>31.03.2016</b>	31.03.2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

- 3) Contingent Liabilities not provided for: Nil
- 4) Income tax assessment up to assessment year 2013-14 has been completed. There are neither pending demands payable nor any disputes affecting tax liability of the company.
- 5) The Company had taken certain properties on lease for operating purposes and the future minimum lease payments are as under:

	<b>31.3.2016</b>	31.3.2015
Not later than one year	-	13.00
Later than 1 year and not later than 5 years		
Lease payments recognized in the Statement of Profit & Loss	<b>3.42</b>	38.00

- 6) Borrowing costs capitalized
- 7) Borrowing costs included in Capital Work in progress

- 8) The disclosures required under Accounting Standard 15 “Employee Benefits” are as follows:

Defined Contribution Plan:

Contributions to Defined contribution plan, recognized and charged off for the year is as under:

Employer’s contribution to Provident Fund	36.40	36.17
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Defined Benefit Plan:

The employee’s gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

- a. Reconciliation of opening and closing balances of Defined Benefit obligation

	31.3.2016	31.3.2015
Defined benefit obligation at the beginning of the year	94.38	78.36
Current service cost	7.55	7.43
Interest Cost	5.90	6.27
Actuarial (gain)/loss	7.89	6.54
Benefits paid	(16.71)	(4.22)
Defined benefit obligation at end of the year	99.01	94.38

- b. Reconciliation of opening and closing balances of fair value of plan assets

Fair value of plan assets at beginning of the year	90.96	78.51
Expected return on plan assets	7.42	7.51
Actuarial (gain)/ loss	-	-
Employer contribution	6.65	9.16
Benefits paid	(16.71)	(4.22)
Fair value of plan assets at year end	88.33	90.96

- c. Reconciliation of fair value of assets and obligations

Fair value of plan assets	88.33	90.96
Present value of obligation	99.01	94.38
Amount recognized in Balance Sheet	(10.68)	(3.42)

- d. Expenses during the year

Current service cost	5.90	7.43
Interest cost	7.55	6.27
Expected return on plan assets	(7.42)	(7.51)

Actuarial (gain)/loss	<b>7.89</b>	<b>6.54</b>
Net cost	<b>13.91</b>	<b>12.73</b>

e. Investment details:

L.I.C. Group gratuity policy

f. Actuarial assumptions

Mortality table (L.I.C)	1994-96
Discount rate (per annum)	8%
Expected rate of return on plan assets (p.a)	8%
Rate of escalation in salary (p.a)	4%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

9) Related Party Disclosures

- (i) Key Managerial Personnel - Ms. Rajshree Pathy, Managing Director  
Mr. A. Sathyamurthy, Chief Financial Officer (upto 10<sup>th</sup> August 2015)  
Mr.V.B.Gopal Krishnan, Chief Financial Officer (from 11<sup>th</sup> August 2015)  
Mr.M.Ponraj, Company Secretary
- (ii) Holding Company - Rajshree Sugars & Chemicals Ltd
- (iii) Other related parties - Lavik Foodworks LLP  
- Lakshmi Mills Company Ltd.  
- Rajshree Biosolutions LLP  
- Aishwarya Pathy

The following transactions were carried out with the related parties in the ordinary course of business:

Nature of Transaction	Holding Company		Other Related parties	
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
Purchase of Assets / Accessories	<b>16.96</b>	-	-	-
Purchase of Stores & Consumables	-	135.92	-	-
Purchase of goods	-	1855.22	<b>12.11</b>	1.45
Deputation charges paid	-	0.72	-	-
Commission paid	-	-	<b>22.51</b>	6.05
Remuneration paid	-	-	<b>11.09</b>	-
Finance:			-	-
Loan repaid	<b>1110.00</b>	-	-	-
Interest paid	<b>161.09</b>	308.28	-	-
Corporate Guarantee from holding company	<b>3340.92</b>	1777.42	-	-

## TRIDENT SUGARS LIMITED

### NOTES TO FINANCIAL STATEMENTS

Equity Contribution Received	-	1200.00	-	-
Payable	<b>531.73</b>	1633.24	21.94	6.05
Receivable	-	-	-	-

10) Break up of deferred tax liability/ assets and reconciliation of current year deferred tax charges:

Particulars	Opening balance	Additions / (Reversal)	Closing balance
<b>Deferred tax Assets</b>			
Unabsorbed Depreciation/losses	1518.20	245.52	1763.72
Expenses charged to Profit & Loss account but allowable in Income Tax on payment basis	100.62	4.18	104.80
<b>Total A</b>	<b>1618.82</b>	<b>249.69</b>	<b>1868.51</b>
<b>Deferred tax Liability</b>			
Tax impact of difference between amount of fixed assets in the financial statements and the Income Tax Return	622.75	27.48	650.23
<b>Total B</b>	<b>622.75</b>	<b>27.48</b>	<b>650.23</b>
Add: MAT Credit C	213.15	0	213.15
<b>Total A-B+C</b>	<b>1209.22</b>	<b>222.22</b>	<b>1431.44</b>

11) Earnings / (loss) per share:

	31.3.2016	31.3.2015
a) Weighted average number of equity shares of Rs.10/- each at the end of the year.	<b>2,64,94,924</b>	<b>1,45,27,801</b>
b) Profit/(Loss) before exceptional/extraordinary items & tax.	<b>(719.14)</b>	<b>(1842.02)</b>
Basic/Diluted earnings per share of Rs.10/- each	<b>(2.71)</b>	<b>(12.62)</b>
c) Profit/(Loss) after exceptional/extraordinary items & tax.	<b>(496.92)</b>	<b>(1292.11)</b>
Basic/Diluted earnings per share of Rs.10/- each.	<b>(1.88)</b>	<b>(8.89)</b>

The Company does not have any outstanding dilutive potential equity shares. Consequently the basic and diluted earnings per share of the Company remain the same.

12) Cost of material Consumed

Sugarcane	<b>9042.18</b>	13173.75
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13) Capital and other commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for	-	1.17
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- 14) The Company is engaged in manufacture and sale of sugar, which as per Accounting Standard AS-17 is considered only reportable business segment. The geographical segment is not relevant as there are no exports.
  - 15) In the opinion of Board of Directors, the Current Assets, Loans & Advances have a value on realisation equal to the amounts at which they are stated in the Balance Sheet, in the ordinary course of business.
  - 16) Balances under Current Liabilities and Loans & Advances are subject to the confirmation. However the management does not expect any material revenue impact in this regard.
  - 17) Foreign exchange gains - Rs.1.63 lakhs are due to rate fluctuation on cancellation of Forward contracts against export realization.
  - 18) Earnings in Foreign Exchange : Nil
  - 19) Expenditure in Foreign Currency: Nil
  - 20) Previous year figures have been regrouped wherever necessary to conform to current year's classification.
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As per our report of even date  
**For Srikishen & Co.,**  
Firm Regn.No.004009S  
Chartered Accountants

**K.Murali Mohan**  
Membership No.14328  
Auditors, Proprietor

**R.Varadarajan**  
Director  
DIN 00001738

**Rajshree Pathy**  
Managing Director  
DIN 00001614

**V.B.Gopal Krishnan**  
Chief Financial Officer

**M.Ponraj**  
Company Secretary

Place: Coimbatore  
Date: 28<sup>th</sup> May 2016

**TRIDENT SUGARS LIMITED**

Rupees in Lacs

<b>Cash Flow Statement for the Year ended</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	<b>(719.14)</b>	(1,842.02)
Adjustment for:		
Depreciation	<b>205.70</b>	214.61
Interest paid	<b>836.15</b>	1,046.51
Profit on Sale of assets	-	(0.31)
Interest received	<b>(5.03)</b>	(5.79)
Operating profit before working capital changes	<b>317.68</b>	(587.00)
Adjustments for:		
Trade and other receivables	<b>1,200.22</b>	(44.12)
Inventories	<b>3,382.02</b>	(2,392.70)
Trade payables	<b>(5,922.52)</b>	1,047.89
Cash generated from Operations	<b>(1,022.60)</b>	(1,975.93)
Direct taxes (paid) / Refund	-	(0.30)
Cashflow before extraordinary items	<b>(1,022.60)</b>	(1,976.23)
Extraordinary items	-	-
Net cash from operating activities	<b>(1,022.60)</b>	(1,976.23)
B. Cash flow from investing Activities		
Purchase of Fixed Assets	<b>(23.96)</b>	(55.12)
Sale of Fixed Assets	-	0.35
Interest received	<b>5.03</b>	5.79
Net Cash used in Investing Activities	<b>(18.93)</b>	(48.98)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	708.37
Proceeds from / (Repayment of) long term borrowings	<b>569.00</b>	312.00
Proceeds from / (Repayment of) short term borrowings	<b>1,265.86</b>	1,349.10
Interest paid	<b>(836.15)</b>	(1,046.51)
Dividend paid including tax on dividend	-	-
Net Cash from in Financing Activities	<b>998.71</b>	1,322.96
Net Increase / (Decrease) in Cash and Cash Equivalents	<b>(42.82)</b>	(702.25)
Cash and cash equivalent as at the beginning of the Year	<b>110.86</b>	182.01
Cash and cash equivalent as at the close of the Year	<b>68.04</b>	110.86

As per our report of even date

**For Srikishen & Co.**

Chartered Accountants

Registration No: 004009S

**K Murali Mohan**

Membership No. 14328

Auditors, Proprietor

**R Varadarajan**

Director

DIN:0001738

**Rajshree Pathy**

Managing Director

DIN:00001614

Place: Coimbatore

Date : 28th May 2016

**V B Gopal Krishnan**

Chief Financial Officer

**M Ponraj**

Company Secretary