

Terra Energy Limited

Board of **Directors**

Mr R V Tyagarajan

Mr V Thirupathi

Mrs Malathi Ram Tyagarajan

Chief Executive Officer

Mr C S Sathiyarayanan

Chief Financial Officer

Mr R R Karthikeyan

Banker

- State Bank of India

Auditors

M/s. S.N.S. Associates
Chartered Accountants
No. 12, 11th Cross Street, Indira Nagar
Chennai - 600 020.

Registered Office

CIN:U40105TN1995PLC030420
Eldorado, Fifth Floor,
112, Nungambakkam High Road,
Chennai - 600 034
Phones : 2827 6001, 2827 8267
Fax : 044-2827 0470

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TERRA ENERGY LIMITED

CIN:U40105TN1995PLC030420

Regd. Office: "Eldorado" - 5th Floor 112, Nungambakkam High Road, Chennai - 600 034
Phone: 044 - 28276001, 28270915; Fax: 044-28270470

Notice to Shareholders

NOTICE is hereby given that the 21st Annual General Meeting of the Shareholders of the Company will be held at 4.30 P.M. on Wednesday, September 27, 2017, at Apeejay Business Centre, 39/12 Haddows Road, Nungambakkam, Chennai - 600 034 to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the Audited Financial Statements for the Year Ended March 31, 2017 and the Reports of the Board of Directors and Independent Auditors thereon.

2. Reappointment of retiring Director

To appoint a Director in the place of Mrs Malathi Ram Tyagarajan (DIN 00938836), Director, who retires by rotation and being eligible offers herself for reappointment.

3. Appointment of 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 the Companies (Audit and Auditors) Rules,2014 (including any statutory modification(s) or reenactment thereof, for the time being in force), and as recommended by the Audit Committee and the Board of Directors of the Company, M/s. Guru & Ram, LLP, Chartered Accountants, Chennai, having Firm Registration No. 09723S/S200039 allotted by the Institute of Chartered Accountants of India, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting till the 26th Annual General Meeting, and that the Board of Directors of the Company be and is hereby authorized to determine the remuneration payable to them on the recommendation of the Audit Committee each year.

SPECIAL BUSINESS

4. Reappointment of Independent Director

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

RESOLVED that pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act,2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. V Thirupathi (DIN-00024627), Independent Director of the Company, who

has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for reappointment, be and is hereby reappointed as Independent Director of the Company, not liable to retire by rotation, to hold office for the second term of five years from the date of this Annual General Meeting (2017) till the date of the 26th Annual General Meeting (2022) of the Company (both dates inclusive).

By order of the Board
for TERRA ENERGY LIMITED



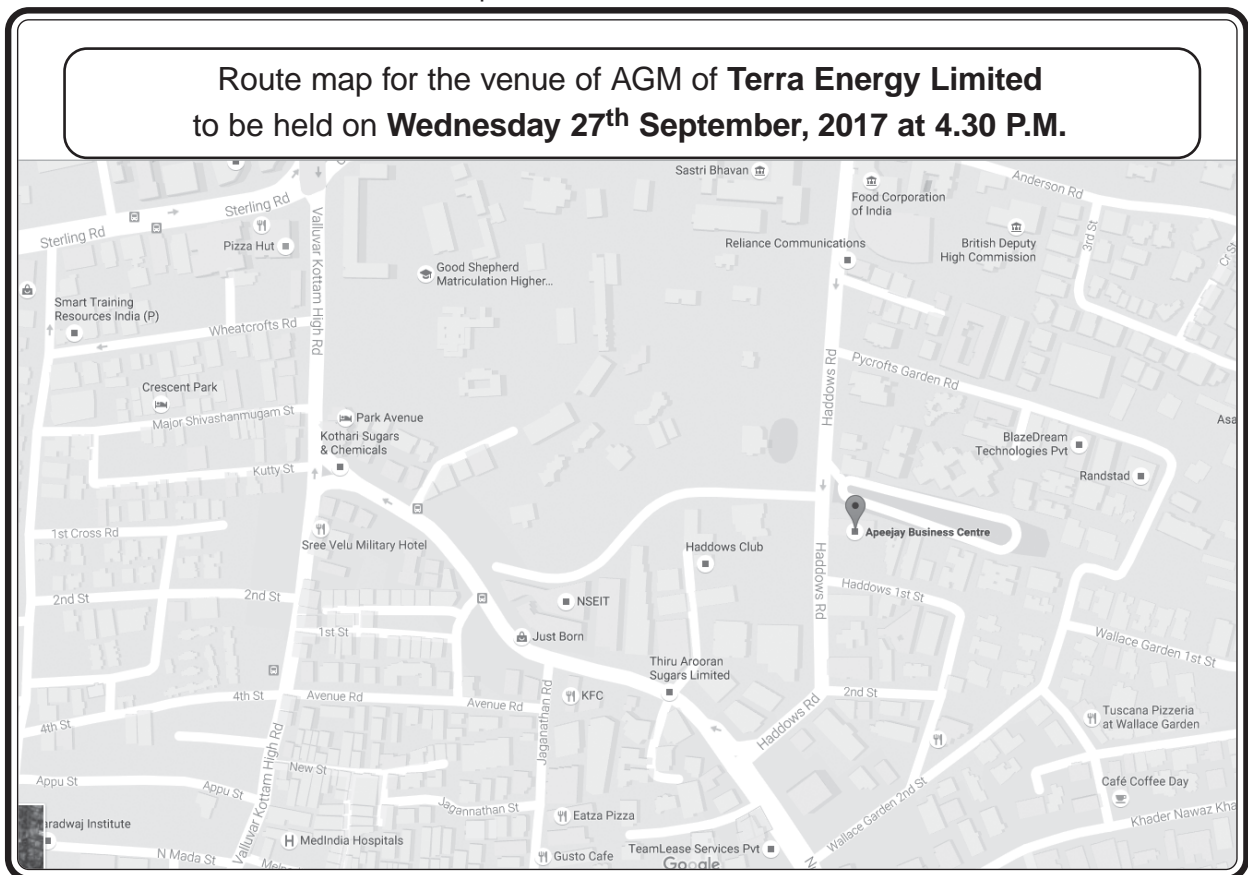
R V Tyagarajan
Director

Place : Chennai

Date : September 04, 2017

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A person can act as 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. A member holding more than 10% of the total share capital of the Company may appoint a person as proxy and such person shall not act as proxy for any other person or shareholder. A proxy Form is attached.
2. Instrument of proxy for use at the above meeting must be lodged at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
3. Statement pursuant to Section 102 of the Companies Act, in respect of the appointment of Statutory Auditors under Item No.3 and the Special Business under Item No.4, is annexed hereto.



STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

M/s. S.N.S. Associates, Chartered Accountants shall cease to hold office as the Statutory Auditors of the Company at the conclusion of this Annual General Meeting. As per Section 139 of the Companies Act, 2013, they are not eligible for reappointment.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at the Meeting held on August 14, 2017 has, subject to the approval of the Shareholders of the Company, appointed M/s. Guru & Ram, LLP, Chartered Accountants, Chennai (Firm Registration No.09723S/S200039), as the Statutory Auditors of the Company, for a term of five years from the conclusion of this Annual General Meeting until the conclusion of the 26th Annual General Meeting. M/s. Guru & Ram, LLP, a reputed Firm of Chartered Accountants, has extensive experience in providing audit and consultancy services to leading companies.

The Company has received consent from M/s. Guru & Ram for their appointment as the Statutory Auditors of the Company and the requisite Certificate, as required u/s 139 and 141 of the Companies Act, 2013, confirming their eligibility for being the Statutory Auditors of the Company.

Memorandum of interest

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

The Directors recommend the Resolution for approval by the Shareholders

Item No.4

Mr. V Thirupathi, a Non-Executive Independent Director of the Company has been appointed under Section 149 of the Companies Act, 2013 for a term of three consecutive years from September 29, 2014, being the date of the 18th Annual General Meeting (2014) till the date of the 21st Annual General Meeting (2017) of the Company. Accordingly, his term of office as Independent Director of the Company will expire on the date of the ensuing Annual General Meeting.

A notice has been received from a Member proposing Mr V Thirupathi for reappointment as an Independent Director of the Company. Mr V Thirupathi, as a finance professional, had held senior positions at ICICI Bank and has wide and varied experience. In the opinion of the Board of Directors of the Company, Mr V Thirupathi fulfills the conditions specified in the Companies Act, 2013 and the Rules prescribed thereunder for his reappointment as an Independent Director of the Company for the second term of five years.

Copy of the draft letter of appointment, setting out the terms and conditions, would be available for inspection by the Members at the Registered Office of the Company at any time during business hours on any working day. The Board considers that Mr V Thirupathi's continued association would be of immense value to the Company and accordingly recommends the Resolution for approval by the shareholders of the Company.

Memorandum of Interest

Mr V Thirupathi is interested in the resolution set out as item no.4 of the Notice with regard to his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested, financially or otherwise, in the resolution.

Dear Shareholders,

Your Directors present the 21st Annual Report on the working of the Company for the year ended March 31, 2017.

Financial Results

(₹ in millions)

	2016-17	2015-16
Profit before Interest & Depreciation	92.26	101.98
Less : Interest and Finance Charges	49.48	66.84
- Depreciation	28.20	27.57
Profit before Tax	14.58	7.57
Less : Provision for Taxation		
- Current Tax	2.76	1.50
- Deferred Tax (Net)	6.42	4.10
Profit after Tax	5.40	1.97
Add : Surplus from Previous Year	182.27	180.30
Profit available for appropriation	187.67	182.27
Balance carried to Balance Sheet	187.67	182.27

Dividend

In view of the inadequate profit reported for the year, no Dividend on Equity Shares is recommended.

Company Performance

During the year under report, the cogeneration plants at Tirumandankudi and A.Chittur together generated 58.44 million units of power, of which 26.76 million units were exported to the State Grid fetching gross revenue of ₹ 159.77 million.

The Company's performance continues to be affected by reduced availability of cane and consequently of bagasse at both sugar units of Thiru Arooran Sugars Limited, the sole supplier of bagasse fuel for the Company's power plants. Besides, the option of using imported coal as alternate fuel instead of bagasse is presently unviable at the prevailing landed cost of imported coal vis-à-vis the rate at which the Tamil Nadu Generation and Distribution Corporation Company Limited (TANGEDCO) is willing to buy such power, if at all, in the prevailing power surplus scenario. The appeal filed by the Company before the Appellate Tribunal for Electricity (APTEL), challenging the Order of the Tamil Nadu Electricity Regulatory Commission (TNERC) dated March 31, 2016 in regard to tariff determination for the period beyond March 31, 2010, is still pending disposal.

DIRECTORS:

Mrs Malathi Ram Tyagarajan, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for reappointment.

Mr V Thirupathi a Non-Executive Independent Director of the Company, appointed by the Shareholders u/s 149 of the Companies Act, 2013, will retire on the conclusion of the ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board of Directors have recommended for approval by the Shareholders for his reappointment as Independent Director of the Company, for a further period of five years at the ensuing Annual General Meeting.

The Company has received declaration from Mr V Thirupathi that he meets the criteria of independence as prescribed under u/s 149(6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL:

Pursuant to Section 203 of the Companies Act, 2013, the Board of Directors has, on the recommendation of the Nomination and Remuneration Committee appointed Mr C S Sathiyarayanan as the Chief Executive Officer (CEO) of the Company with effect from May 23, 2017. Mr Sathiyarayanan is a graduate in Commerce and a

Cost Accountant and has the requisite knowledge and experience for being the CEO of the Company.

Evaluation of the Board, Committees and Directors

In terms of Section 134 of the Companies Act, 2013, the Board has reviewed and evaluated its own performance from the perspective of Company performance, based on the evaluation criteria formulated by the Nomination and Remuneration Committee. The Board reviewed the performance of the Directors individually in respect of decision-making, quality of information and follow-up action and that of the Boards' Committees viz. Audit Committee and Nomination and Remuneration Committee. The performance evaluation has been done by the Board of Directors, excluding the Director being evaluated. The Board discussed, in detail, the recommendations of the Boards' Committees before approving them for implementation. The Board met four times during the year under review.

The Board has, on the recommendation of the Nomination and Remuneration Committee, formulated a policy for selection and appointment of Directors and Senior Management Executives and their remuneration. The policy contains the norms for determining qualifications, positive attributes and independence of Directors.

Directors' Responsibility Statement

Pursuant to Section 134(5), the Directors confirm:

- that in the preparation of the Annual Accounts for the Year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on March 31, 2017 and of the Profit of the Company for the year ended on that date;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors have prepared the annual accounts on a going concern basis;
- that the Directors have laid down internal financial controls to be followed by the Company and that the

said internal financial controls are adequate and were operating effectively; and

- that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS

Statutory Auditors:

M/s. S.N.S. Associates, Chartered Accountants, Chennai, (Firm Registration No.006297S) Statutory Auditors of the Company will cease to hold office at the conclusion of the ensuing Annual General Meeting pursuant to Section 139(2) of the Companies Act, 2013. The Board of Directors wish to place on record their appreciation of the services rendered by them during their tenure since 1999.

Pursuant to the recommendation of the Audit Committee, the Board of Directors has, subject to the approval of the Shareholders at the ensuing Annual General Meeting, appointed M/s. Guru & Ram, LLP Chartered Accountants, Chennai (Firm Registration No.09723S/S200039), as the Statutory Auditors of the Company, to hold office for a term of five years from the conclusion of 21st Annual General Meeting until the conclusion of 26th Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting, as provided under the Companies Act, 2013. M/s. Guru & Ram have conveyed their willingness for their appointment as Statutory Auditors of the Company and have provided the requisite certificate, under Section 141 of the Companies Act, 2013, confirming their eligibility for being the Statutory Auditors of the Company.

The Auditors' Report for the year ended March 31, 2017 does not contain any qualification or adverse remark and the same is attached with the Annual Report.

Cost Audit and Secretarial Audit:

As per the Companies (Cost Records and Audit) Rules, 2014, the requirement for Cost Audit for the Financial Year 2016-17, shall not apply since both the net worth and turnover of the Company for year ended March 31, 2016 are less than the threshold limit prescribed under the aforesaid Rules. Since the Company does not meet the criteria laid down in Section 204 of the Companies Act, 2013, it is not required to carry out Secretarial Audit as contemplated under the said Section of the Act.

Internal control and their adequacy

The Company has adequate internal control system to ensure that the assets of the Company are safeguarded,

all the transactions are authorised and accounted for, and all statutory obligations are complied with. The internal audit is carried out by one of the Senior Executives of the Company, who attends the meetings of the Audit Committee and his Reports are placed at regular intervals before the Audit Committee for its scrutiny.

DISCLOSURES:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo are given in **Annexure I** to this Report, pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

Corporate Social Responsibility

Section 135 of the Companies Act, 2013 has mandated companies having minimum net worth of ₹ 500 crores or turnover of ₹ 1000 crores or a net profit of ₹ 5 crores during any financial year to constitute a Corporate Social Responsibility Committee of the Board. As the Company does not meet any of the aforesaid stipulations, it remains outside the purview of Section 135 of the Companies Act, 2013 and accordingly, is not required to make any disclosure in terms of the aforesaid Section.

Annual Return

Extract of Annual Return in the prescribed form is given as **Annexure II** to this Report, as required under Section 134(3)(a) of the Companies Act, 2013 read with the Companies (Accounts) Rules 2014.

Employees' Remuneration

The Company does not have any employee drawing remuneration warranting disclosure under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

Details of Related Party Transactions

All Related Party Transactions (RPTs) entered into during the financial year were on arm's length basis and were in the ordinary course of business. All RPTs are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseeable and repetitive in nature. Particulars of contracts or arrangements with Related Party referred to in Section 188 (1) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are furnished in Form AOC - 2 (**Annexure - III**).

Vigil Mechanism

The Company has a Policy which provides a formal vigil mechanism for all the Directors, Employees and Stakeholders of the Company, to report to the Management genuine concerns and grievances about unethical behaviour and actual and suspected fraud. The Policy provides direct access to the Chairman of the Audit Committee and safeguards against victimisation of employees and Directors.

Audit Committee

The Audit Committee comprises Mr.V.Thirupathi, Chairman, Mr. R V Tyagarajan and Mrs. Malathi Ram, Members

Details of Loans / Guarantees / Investments made

During the Financial year under review, the Company has provided Corporate Guarantee in terms of Section 186 of the Companies Act, 2013, for ₹ 304.83 crores in favour of SBICAP Trustee Company Limited, Security Trustee for the Lenders of the Holding Company, Thiru Arooran Sugars Limited (TASL), as collateral Security for the credit facilities sanctioned to TASL.

Other disclosures:

The Company has not accepted any deposit from the public in terms of Section 73 of the Companies Act, 2013

read with Companies (Acceptance of Deposits) Rules, 2014.

There were 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.

There is no change in the nature of business of the Company during the year under review. There are no material changes and commitments in the business operations of the Company during the period from the close of the Financial Year 2016-17 to the date of this Report.

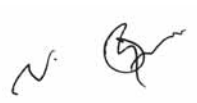
During the year under review, there were no complaints/cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibitions and Redressal) Act, 2013.

The Company has formulated the procedure for risk assessment and its mitigation through an internal Risk Committee. Key risks and its mitigation, based on the inputs from the Committee, are assessed and reported to the Audit Committee.

Acknowledgement:

Your Directors wish to place on record their sincere thanks and appreciation to the Shareholders, Employees, Bankers, Tamil Nadu Generation and Distribution Corporation Ltd, and also the Central and State Governments for their continued cooperation and support.

On behalf of the Board



V Thirupathi
Director



R V Tyagarajan
Director

Place : Chennai

Date : August 14, 2017

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS PER COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

- i) Steps taken or impact on conservation of energy
Installation of LED in place of incandescent lights
- ii) Steps taken for utilisation of alternate source of energy
The Company operates bagasse based cogeneration plants and the power generated meets captive needs, while surplus is exported to the State Grid
- iii) Capital Investment on Energy Conservation Equipments
No new investment plan is under consideration in view of the difficult liquidity position of the Company for the past four years.

B. TECHNOLOGY ABSORPTION

- i) The efforts made towards technology absorption and benefits derived:
NIL
- ii) In case on imported technology (imported during last three years reckoned from the beginning of the financial year 2013-14).
Details on technology imported - NIL
- iii) The expenditure incurred on Research and Development : NIL

C. Foreign Exchange Earnings and Outgo : Nil

Annexure - II to the Board's Report

Form No. MGT-9 EXTRACT OF ANNUAL RETURN

As of the Financial Year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS

CIN	U40105TN1995PLCO30420
Registration Date	March 08, 1995
Name of the Company	TERRA ENERGY LIMITED
Category/Sub-Category of the Company	Public Limited Company - Limited by Shares
Address of the Registered office and Contact details	'Eldorado' Building, 5 th Floor, 112 Uthamar Gandhi Salai, Nungambakkam, Chennai 600034 Ph: 044- 2827 6001 & 2827 0915
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	The Company has no Registrar and Transfer Agent

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Power	3510	89.32

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	M/s Thiru Arooran Sugars Ltd 'Eldorado', 5th Floor, 112, Nungambakkam High Road, Chennai 600034	L15421TN1954PLC002915	Holding	66.19	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year - As on 31 st March 2016				No. of Shares held at the end of the year - As on 31 st March 2017				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	-	740	740	0.00	-	740	740	-	-
b) Bodies Corp.	1,16,54,100	88,86,424	2,05,40,524	66.19	1,16,54,100	88,86,424	2,05,40,524	66.19	-
Sub Total (A1)	1,16,54,100	88,87,164	2,05,41,264	66.19	1,16,54,100	88,87,164	2,05,41,264	66.19	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year - As on 31 st March 2016				No. of Shares held at the end of the year - As on 31 st March 2017				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public									
1. Non-Institutions									
a) Bodies Corp.									
i) Indian	36,36,363	200	36,36,563	11.72	36,36,363	200	36,36,563	11.72	-
ii) Overseas	-	68,55,030	68,55,030	22.09	-	68,55,030	68,55,030	22.09	-
b) Individuals	-	60	60	0.00	-	60	60	0.00	-
Sub-Total (B1)	36,36,363	68,55,290	1,04,91,653	33.81	36,36,313	68,55,290	1,04,91,653	33.81	-
Total (A1) & (B1)	1,52,90,463	1,57,42,454	3,10,32,917	100.00	1,52,90,463	1,57,42,454	3,10,32,917	100.00	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,52,90,463	1,57,42,454	3,10,32,917	100.00	1,52,90,463	1,57,42,454	3,10,32,917	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered of total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered of total shares	
1	Mr R V Tyagarajan	440	0.00	Nil	440	0.00	Nil	Nil
2	Mrs Malathi Ram	300	0.00	Nil	300	0.00	Nil	Nil
3	M/s Thiru Arooran Sugars Ltd	2,05,40,524	66.19	NIL	2,05,40,524	66.19	NIL	Nil
	Total	2,05,41,264	66.19	NIL	2,05,41,264	66.19	NIL	Nil

iii) Change in Promoters' Shareholding: Nil

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

Sl. No	Name of Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding during the year	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Brompton Investments Ltd	68,55,030	22.09	-	Nil	-	68,55,030	22.09
2	KSK Energy Ventures Ltd	36,36,363	11.72	-	Nil	-	36,36,363	11.72
3	Shree Ambika Sugars Ltd	100	0.00	-	Nil	-	100	0.00
4	Mustang Trading & Investments Pvt Ltd	100	0.00	-	Nil	-	100	0.00
5	Mr R Palaniappan	20	0.00	-	Nil	-	20	0.00
6	Mr G Durai	20	0.00	-	Nil	-	20	0.00

v) Shareholding of Directors and Key Managerial Personnel

Sl. No	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mr R V Tyagarajan	440	0.00	440	0.00
2	Mrs Malathi Ram	300	0.00	300	0.00
3	Mr R R Karthikeyan	20	0.00	20	0.00

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	616.52	–	–	616.52
ii) Interest due but not paid	13.08	–	–	13.08
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	629.60	–	–	629.60
Change in Indebtedness during the financial year				
- Addition	21.74	–	–	21.74
- Reduction	64.76	–	–	64.76
Net Change	(43.02)	–	–	(43.02)
Indebtedness at the end of the financial year				
i) Principal Amount	551.76	–	–	551.76
ii) Interest due but not paid	34.82	–	–	34.82
iii) Interest accrued but not due	–	–	–	–
Total (i + ii + iii)	586.58	–	–	586.58

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director(s) and / or Manager: (in ₹)

Sl. No.	Particulars of Remuneration	
1.	Gross salary	
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Nil
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	Nil
	c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify...	Nil
5	Others, please specify Retiral Benefits	Nil
	Total(A)	Nil
	Ceiling as per the Act (Excludes contribution to retirement benefits exempt under the Income Tax Act, 1961)	–

B. Remuneration to other Directors:

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors	Mr V Thirupathi	
	Fee for attending Board / Committee Meetings	50,000	50,000
	Commission	–	–
	Others if any, specify	–	–
	Total (1)	50,000	50,000
2.	Other Non-Executive Directors	Mrs Malathi Ram	
	Fee for attending Board / Committee Meetings	50,000	50,000
	Commission	–	–
	Others if any, specify	–	–
	Total (2)	50,000	50,000
	Total (1+2)	1,00,000	1,00,000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		@

@ Only Sitting Fees for Directors.

C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole-time Director

(₹ lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Secretary [@]	Chief Financial Officer	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in Sec 17(1) of the Income Tax Act,1961	3.09	–	3.09
	(b) Value of perquisites u/s 17(2) of the Income-tax Act,1961	–	–	–
	(c) Profits in lieu of salary under Section17(3) Income tax Act,1961	–	–	–
2	Stock Option	–	–	
3	Sweat Equity	–	–	
4	Commission			
	- as % of profit - others, specify	–	–	
5	Others, please specify	–	–	
	Total	3.09	–	3.09

@ For part of the year from August 12, 2016

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NONE

Form No. AOC - 2

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. *Details of material contracts or arrangements or transactions not at arm's length basis:*

NIL

2. *Details of material contracts or arrangements or transactions at arm's length basis:*

a) *Name(s) of the Related Party and nature of relationship*

Thiru Arooran Sugars Ltd (TASL)

Holding Company holds more than 50% of the total Share Capital of the Company.

b) *Nature of the contracts / arrangements / transactions*

Purchase or sale of goods and services

This covers supply of Power and Steam in exchange for Bagasse.

c) *Duration of the contracts / arrangements / transactions*

All are ongoing contracts and open ended and terminable by mutual consent by either party.

d) *Salient terms of the contracts / arrangements / transactions*

As per the terms of arrangement, the Company supply Power and Steam in exchange for Bagasse. This arrangement has been in force since the date of transfer of the Power Plants by the Holding Company to the Company under the Scheme of Arrangement approved by the High Court of Madras.

e) *Date of approval by the Board, if any.*

Not Applicable

f) *Amount paid as advance, if any.*

As mutually agreed.

Independent Auditors' Report

To the Members of
Terra Energy Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TERRA ENERGY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017 the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Standalone 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 there under.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 of the state of affairs of the Company as at 31st March 2017;
- b) In the case of the Statement of Profit and Loss of its Profit for the year ended 31st March 2017; and
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year then ended.

Emphasis of the Matter

We draw attention to Note No.30 forming part of the Financial Statements relating to accounting of interest on amounts due from TANGEDCO and Note No.31

regarding the rate at which power billed to TANGEDCO has been accounted for pending settlement of the dispute relating to fixation of tariff, for the reasons stated in the said Notes.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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 (Standalone) 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 written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the

directors is disqualified as on March 31, 2017 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, refer to our separate Report in "**Annexure B**".
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26, 30,31, 32, and 34 to the Standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the Standalone Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 27 to the Standalone Financial Statements.

For S N S Associates,
Chartered Accountants,
Firm Registration No. 006297S



S Nagarajan
Partner

Membership No. 20899
Chennai, May 23, 2017

**"Annexure A" to the Independent Auditors' Report of even date on the
Standalone financial statements of Terra Energy Limited**

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the Management during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of the verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii) The Management has conducted physical verification of inventories at reasonable intervals and on the basis of information and explanations given to us and the records produced to us, no material discrepancies were noticed on such verification.
- 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 Companies Act, 2013. The trade deposit of Rs.50 million given to the Holding Company in the earlier years has been repaid by the Holding Company with applicable interest. In our opinion, the terms and conditions of such trade deposit are not prima facie prejudicial to the interests of the Company.
- iv) In our opinion and according to the information and explanations given to us, in respect of investments made by the Company and the guarantee given by the Company for the loans taken by the Holding Company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 as applicable.
- v) The Company has not accepted deposits from the public.
- vi) The Central Government has prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, and such records and accounts have maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund,

Employees' State Insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities, though there has been delay in the remittance of sales tax/value added tax in a few cases.

- (b) There are no dues of income tax, sales tax, value added tax, duty of customs, excise, service tax, cess or other statutory dues that have not been deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount Rs.	Forum where the dispute is pending
Tamilnadu General Sales tax Act, 1959	Sales tax	9,335	Assistant Commissioner, Commercial Taxes
Tamilnadu General Sales tax Act, 1959	Sales tax	79,978	Deputy Commissioner, Commercial Taxes
Customs Act, 1961	Customs duty and penalty	60,60,434	CESTAT

- viii) The Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders. However, delays had been noticed in payment of interest and repayment of principal.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). As per the records of the Company, the term loans availed during the year were applied for the purposes for which those are raised.
- x) As per the records of the Company and according to the information and explanations given to us, no frauds by the Company or its Officer or employees have been noticed or reported during the year.
- xi) As explained to us, the Company has not paid/provided any remuneration to its managerial personnel except sitting fees to Directors.
- xii) The Company is not a nidhi company.
- xiii) In our opinion, all transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details have been disclosed in the financial statements as required by the applicable Accounting Standard.
- xiv) Based upon the audit procedures performed and the information and explanations given to us by the Management, the Company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures during the year under review.

xv) Based on the audit procedures performed and the information and explanations given to us, the Company has not entered into any non-cash

transactions with the Directors or persons connected with the Directors.

xvi) In our opinion, the Company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934.

For S N S Associates,
Chartered Accountants,
Firm Registration No. 006297S



S Nagarajan
Partner

Membership No. 20899
Chennai, May 23, 2017

**"Annexure B" to the Independent Auditor's Report of even date on the
Standalone Financial Statements of TERRA ENERGY LIMITED**

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 TERRA ENERGY LIMITED ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone 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. 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 applicable to an audit of Internal Financial Controls and, 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 system 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 procedure selected depend on the auditor's judgment, including the assessment of the risk 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 holding company and its subsidiary company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial Controls over financial reporting were operating effectively as at March 31, 2017, 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 S N S Associates,
Chartered Accountants,
Firm Registration No. 006297S



S Nagarajan
Partner

Membership No. 20899
Chennai, May 23, 2017

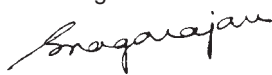
BALANCE SHEET

(₹ in million)

	Note No.	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' Funds			
a) Share Capital	2	310.33	310.33
b) Reserves and Surplus	3	572.69	512.13
2 Non-Current Liabilities			
a) Long Term Borrowings	4	387.01	450.07
b) Deferred Tax Liability (Net)	5	96.02	89.60
c) Long Term Provisions	6	0.87	0.99
3 Current Liabilities			
a) Short Term Borrowings	7	70.57	89.67
b) Trade Payables	8	125.95	97.78
c) Other Current Liabilities	9	142.92	103.90
d) Short Term Provisions	10	4.66	3.74
TOTAL		1,711.02	1,658.21
II ASSETS			
Non-Current Assets			
1 a) Fixed Assets			
i) Tangible Assets		725.55	695.22
ii) Intangible Assets		0.01	0.10
iii) Capital Work-in-progress		43.99	16.04
b) Non Current Investments	12	0.12	0.12
c) Long Term Loans and Advances	13	9.28	66.06
2 Current Assets			
a) Inventories	14	54.21	77.08
b) Trade Receivables	15	635.96	567.93
c) Cash and Cash Equivalentents	16	0.74	0.99
d) Short Term Loans and Advances	17	113.43	128.39
e) Other Current Assets	18	127.73	106.28
TOTAL		1,711.02	1,658.21
Significant Accounting Policies	1		
See accompanying Notes forming part of the Financial Statements			

Vide our Report of even date attached

For SNS Associates
Chartered Accountants
Firm Registration No. 006297S



S Nagarajan
Partner

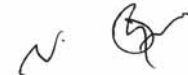
Membership No. 20899
Chennai, May 23, 2017



C S Sathiyarayanan
Chief Executive Officer



R R Karthikeyan
Chief Financial Officer



V Thirupathi
Director



R V Tyagarajan
Director

On behalf of the Board

STATEMENT OF PROFIT AND LOSS

(₹ in million)


	Note No.	For the Year ended March 31, 2017	For the Year ended March 31, 2016
CONTINUING OPERATIONS			
I. Revenue from Operations	19	191.52	182.67
II. Other Income	20	18.52	33.19
III. Total Revenue (I + II)		210.04	215.86
IV. Expenses:			
Cost of Materials consumed	21	26.18	44.25
Employee Benefits Expense	22	20.70	21.84
Finance Cost	23	49.48	66.84
Depreciation and Amortisation Expense		28.20	27.57
Other Expenses	24	70.90	47.79
Total Expenses		195.46	208.29
V. Profit Before Tax (III - IV)		14.58	7.57
VI. Tax Expenses:			
1) Current Tax		2.76	1.50
2) Deferred Tax		6.42	4.10
VII. Profit After Tax from Continuing Operations (V - VI)		5.40	1.97
VIII. Earnings per Equity Share (Refer Note No. 39)			
1) Basic & Diluted (₹)		0.17	0.06

See accompanying Notes forming part of the Financial Statements

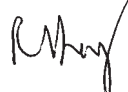
Vide our Report of even date attached

For SNS Associates
Chartered Accountants
Firm Registration No. 006297S

On behalf of the Board


S Nagarajan


C S Sathiyarayanan


R R Karthikeyan


V Thirupathi


R V Tyagarajan

Partner

Chief Executive Officer

Chief Financial Officer

Director

Director

Membership No. 20899
Chennai, May 23, 2017

I. Significant accounting policies

The following are the accounting policies adopted by the Company.

a) General

The accompanying Financial Statements have been prepared on the historical cost convention, except Land which has been revalued.

b) Fixed Assets

Fixed Assets other than are stated at cost. Land has been revalued as at April 01, 2016 based on the Market value / Guideline value as considered appropriate and the resultant increase is added to Revaluation Reserve.

Depreciation has been provided on Straight Line Method after considering the useful life of the assets as specified in Schedule II of the Companies Act, 2013 and after retaining 5% of the cost of the asset as residual value on all assets except Factory Buildings. In respect of Factory Buildings the useful life is estimated based on technical evaluation. Such useful life is longer than the useful life specified in Schedule II. In respect of Fixed Assets acquired upto March 31, 2014, the unamortised value of the assets as at March 31, 2014 has been depreciated over the remaining useful life of the asset.

c) Investments

Investments are stated at cost. The diminution in the market value of such investments is not recognised unless such diminution is considered permanent.

d) Valuation of Inventories

Stores and sundry stock, and Bought out Raw Materials are valued at cost or net realisable value whichever is lower.

e) Foreign Currency Transactions

Transactions denominated in Foreign Currency are recorded at the exchange rate prevailing on the date of transaction. All monetary assets and liabilities outstanding at the year end are restated using the closing rate. Resultant exchange difference is recognised as income or expenditure in that period.

f) Income and Expenditure recognition

Income is recognised and expenditure is accounted for on their accrual. Provision for Gratuity and Leave Encashment has been made on actuarial basis.

Under the barter agreement with the Holding Company, Thiru Arooran Sugars Limited, Steam and Power is supplied for the cane crushing operations of the Sugar Division in exchange for the Bagasse received from them. Consequently, no entries are passed in the Financial Books for the value of Bagasse received from them and Steam and Power supplied to them within the agreed norms for the Sugar Division pertaining to cane crushing operations. The transfer of steam and power more than agreed norms for cane crushing operations, or for any other activity of the Holding Company, Thiru Arooran Sugars Limited, is charged at cost, while Power is charged at applicable rate charged to TANGEDCO.

g) Borrowing Costs

Borrowing costs that are attributable to the acquisition of or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial time to get ready for its intended use. All other borrowing costs are charged to revenue.

h) Employee Benefits

i) Short Term Employee Benefits

Short term Employee benefits are charged at the undiscounted amount to Statement of Profit and Loss in the year in which related service is rendered.

ii) Defined Contribution Plan

Contribution to defined contribution schemes towards retirement benefit in the form of Provident Fund and Superannuation Fund for the year is charged to Statement of Profit and Loss as incurred.

iii) Defined Benefit Plan

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary using projected unit credit method as on the Balance Sheet date. Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.

Terminal benefits are recognised as expenses as and when incurred.

i) Impairment of Fixed Assets

Consideration is given at each Balance Sheet date to determine whether there is any indication of impairment on the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. Impairment loss is recognised whenever the carrying amount of an asset exceeds recoverable amount.

NOTES

Forming part of the Financial Statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
2. SHARE CAPITAL		
Authorised		
32,000,000 (P.Y.: 32,000,000) Equity Shares of ₹ 10/- each	320.00	320.00
1,800,000 (P.Y.: 1,800,000) Redeemable Preference Shares of ₹ 100/-each	180.00	180.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and Paid up		
31,032,917 (P.Y.: 31,032,917) Equity Shares of ₹ 10/-each fully paid up	310.33	310.33
Total	<u>310.33</u>	<u>310.33</u>

a) 22,840,000 (P.Y.: 22,840,000) Equity Shares were allotted as fully paid up pursuant to Scheme of Arrangement without payment being received in cash.

b) Reconciliation of the number of Shares:

Equity	As on March 31, 2017		As on March 31, 2016	
	No of shares	Amount	No of shares	Amount
Shares outstanding as on April 1, 2016	31,032,917	310.33	31,032,917	310.33
Shares outstanding as on March 31, 2017	31,032,917	310.33	31,032,917	310.33
	As on Mar 31, 2017		As on Mar 31, 2016	

c) Details of shares held by the Holding Company, Thiru Arooran Sugars Ltd.

	As on Mar 31, 2017	As on Mar 31, 2016
	20,540,524	20,540,524

d) List of Shareholders holding more than 5% of the total number of shares issued by the Company:

Name of the shareholder	As on March 31, 2017		As on March 31, 2016	
	No of Shares held	% of Shareholding	No of Shares held	% of Shareholding
Thiru Arooran Sugars Ltd	20,540,524	66.19	20,540,524	66.19
Brompton Investments Ltd	6,855,030	22.09	6,855,030	22.09
KSK Energy Ventures Ltd	3,636,363	11.72	3,636,363	11.72

Terms and Rights attached to Equity Shares:

The Equity shares have a par value of ₹ 10/- each. Each holder of Equity Share is entitled to one vote per share. The dividend when proposed by the Board of Directors, is subject to the approval of the Shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of Equity Shares held.

NOTES

Forming part of the Financial Statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
3. RESERVES AND SURPLUS		
a) Share Premium Account As per the last Balance Sheet	278.18	278.18
b) USAID Matching Grant As per the last Balance Sheet	27.00	27.00
c) General Reserve As per the last Balance Sheet	24.68	24.68
d) Revaluation Reserve Amount credited during the year on Revaluation of Land (See Note no.29)	55.16	–
e) Surplus		
Opening balance	182.27	180.30
Add: Net Profit for the year	5.40	1.97
Closing Balance	<u>187.67</u>	<u>182.27</u>
Total	<u>572.69</u>	<u>512.13</u>
	As at March 31, 2017	As at March 31, 2016
4. LONG TERM BORROWINGS		
Secured		
i) Term loans		
From State Bank of India	81.19	126.85
ii) Other Loans and Advances		
Tamil Nadu Newsprint and Papers Limited		
a) Interest bearing Loan	200.00	200.00
b) Interest Free Advances	<u>200.00</u>	<u>200.00</u>
	481.19	526.85
Less: Amount due within 12 months disclosed under Other Current Liabilities	<u>94.18</u>	<u>76.78</u>
Total	<u>387.01</u>	<u>450.07</u>

4.1 Term Loans of ₹ 81.19 million from State Bank of India as detailed below are secured by a charge on Fixed Assets excluding Movables and Current Assets of the Company.

4.2 Rate of interest and terms of repayment of the Term Loans from State Bank of India is as follows:

Name of the Bank	Amount outstanding as on 31.03.2017	Terms of Repayment and Rate of Interest
1. State Bank of India Term Loan - I	13.67	This loan carries interest at 3.60% above Bank's base rate (Present rate 14.25% p.a.) and is repayable in 54 monthly instalments commencing from October, 2013.
2. State Bank of India Corporate Loan - II	67.52	This loan carries interest at 3.15% above Bank's base rate (Present rate 14.35% p.a.) and is repayable in 72 monthly instalments commencing from April, 2014.
Total	<u>81.19</u>	

4.3 Interest bearing Advance of ₹ 200.00 million (P.Y.: ₹ 200.00 million) from Tamil Nadu Newsprint and Papers Ltd is secured by way of residuary charge, subservient to the charges created or to be created in favour of Lenders on the Fixed Assets of the Company. The loan carries interest at 9% p.a. and is repayable in 23 half yearly instalments of ₹ 8.70 million each commencing from September, 2015. Pending reconciliation of Accounts with TNPL, the repayment of Principal of ₹ 34.78 million and Interest of ₹ 28.34 million have not been made by the Company.

4.4 Interest free Advance of ₹ 200.00 million (P.Y.: ₹ 200.00 million) from Tamil Nadu Newsprint and Papers Ltd is secured by way of residuary charge, subservient to the charges created or to be created in favour of Lenders on the Fixed Assets of the Company. The said Advance is repayable on completion of Fuel Supply Agreement which is valid till September 30, 2026.

4.5 Terra Loans of ₹ 81.19 million are also guaranteed by Mr. R V Tyagarajan, Director.

NOTES

Forming part of the Financial Statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
5. TAX EFFECTS OF ITEMS CONSTITUTING DEFERRED TAX LIABILITIES (NET)		
On difference between Book balance and Tax balance of Fixed Assets	182.89	192.96
Unabsorbed Depreciation and Business Loss	(85.34)	(102.13)
Expenses disallowed u/s 43 B allowable on payment	(1.53)	(1.23)
Total	<u>96.02</u>	<u>89.60</u>
6. LONG TERM PROVISIONS		
Provision for Employee Benefits:		
Earned Leave	0.87	0.99
Total	<u>0.87</u>	<u>0.99</u>
7. SHORT TERM BORROWINGS		
Secured		
From Banks - Cash Credit	70.57	89.67
Total	<u>70.57</u>	<u>89.67</u>
7.1 Cash Credit facility is Secured by way of hypothecation of Current Assets viz., Stocks of Raw material, Consumables, Stores and Spares and charge on Book Debts and second charge on immovable assets of the Company and by Corporate Guarantee of the holding Company, Thiru Arooran Sugars Limited. Cash Credit Facility carries interest at 14.25% p.a. Cash Credit Facility is renewable every 12 months.		
8. TRADE PAYABLES		
a) Dues to Micro, Small and Medium Enterprises (Refer Note no. 28)	–	–
b) Trade Payables:		
Others	125.95	97.78
Total	<u>125.95</u>	<u>97.78</u>
9. OTHER CURRENT LIABILITIES		
a) Current maturities of Long Term Debt	94.18	76.78
b) Interest accrued and due on Borrowings	34.82	13.08
c) Other payables:		
i) Statutory dues	0.03	0.03
ii) Others	13.89	14.01
Total	<u>142.92</u>	<u>103.90</u>
Refer Note no. 4 for current maturities of Long Term Debts		
Refer Note no. 4.1 and 4.5 for details of Securities and Guarantee		
10. SHORT TERM PROVISIONS		
Provision for Employee Benefits:		
i) Contribution to Provident Fund	0.25	0.26
ii) Gratuity	3.23	2.60
iii) Superannuation Fund	0.15	–
iv) Earned Leave	0.12	0.12
v) Bonus	0.26	0.28
vi) Salaries and Wages	0.47	0.30
vii) Others	0.18	0.18
Total	<u>4.66</u>	<u>3.74</u>

NOTES

Forming part of the Financial Statements

11 FIXED ASSETS

(₹ in million)

Sl. No.	Description	Gross Block						Depreciation			Net Block	
		As at April 1, 2016	Addition on account of Revaluation (see Note no.29)	Other Additions	Sales/ adjustment	As at March 31, 2017	As at April 1, 2016	For the year	Withdrawn during the year	As at March 31, 2017	As at March 31, 2016	
a	Tangible Assets											
	Land - Freehold	10.56	55.16	-	-	65.72	-	-	-	65.72	10.56	
	Buildings	87.51	-	-	-	87.51	1.24	-	-	43.54	44.78	
	Plant and Equipment - Owned	1,744.200	-	1.83	-	1,746.03	25.71	-	-	613.94	637.82	
	Furniture & Fittings and Office Equipments - Owned	5.40	-	1.45	-	6.85	1.14	-	-	2.30	1.99	
	Vehicles	4.99	-	-	-	4.99	0.02	-	-	0.05	0.07	
	Sub-total (a)	1,852.66	55.16	3.28	-	1,911.10	28.11	-	-	725.55	695.22	
b	Intangible Assets											
	Computer Software	0.28	-	-	-	0.28	0.18	-	-	0.01	0.10	
	Total	0.28	-	-	-	0.28	0.18	-	-	0.01	0.10	
	Total (a+b)	1,852.94	55.16	3.28	-	1,911.38	1,157.62	-	-	725.56	695.32	
c	Capital Work-in-Progress	16.04	-	31.23	3.28	43.99	-	-	-	43.99	16.04	

NOTES

Forming part of the Financial Statements

(₹ in million)

	As at April 1 2016	Additions during the year	Realised during the year	As at March 31 2017
12. NON-CURRENT INVESTMENTS				
At Cost				
Non-Trade:				
In Equity Shares of the Company - Quoted				
1. 7,200 Equity Shares of ₹ 10/- each in Union Bank of India	0.12	–	–	0.12
Non-Trade:				
Investments in companies under the same Management - Unquoted				
2. 58 Equity Shares of ₹ 10/- each in Shree Ambika Sugars Limited	0.002	–	–	0.002
Total	0.12	–	–	0.12
Aggregate value of Quoted Investments (P.Y. ₹ 0.12 million)				0.12
Aggregate Market value of Quoted Investments (P. Y. ₹ 0.94 million)				1.12
		As at		As at
		March 31, 2017		March 31, 2016
13. LONG TERM LOANS AND ADVANCES				
(Unsecured and considered good)				
a) Trade Deposit with Holding Company - Thiru Arooran Sugars Ltd		–		50.00
b) Security Deposits		4.53		5.94
c) Advances for Capital Goods		1.66		5.65
d) Advance Tax (net of provision)		3.09		4.47
Total		9.28		66.06
14. INVENTORIES				
(Valued at Lower of cost or net realisable value)				
a) Raw Materials		7.99		24.61
b) Stores and Spares		46.22		52.47
Total		54.21		77.08
15. TRADE RECEIVABLES				
(Unsecured and considered good)				
a) Trade Receivables outstanding for a period exceeding six months		547.66		483.19
b) Other Debts		88.30		84.74
Total		635.96		567.93

NOTES

Forming part of the Financial Statements

(₹ in million)

	As at March 31, 2017	As at March 31, 2016
16. CASH AND CASH EQUIVALENTS		
a) Cash on hand	0.09	0.08
b) Balance with Banks:		
i) In Current Account	0.63	0.88
ii) In Earmarked Account	0.02	0.03
Total	<u>0.74</u>	<u>0.99</u>
17. SHORT TERM LOANS AND ADVANCES		
(Unsecured and considered good)		
a) Prepaid Expenses	1.80	1.64
b) Due from Holding Company - Thiru Arooran Sugars Ltd	16.93	30.44
c) Due by Officers of the Company	0.50	0.50
d) Others	94.20	95.81
Total	<u>113.43</u>	<u>128.39</u>
18. OTHER CURRENT ASSETS		
a) Interest accrued on Trade Receivables	104.52	93.54
b) Others	23.21	12.74
Total	<u>127.73</u>	<u>106.28</u>

NOTES

Forming part of the Financial Statements

(₹ in million)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
19. REVENUE FROM OPERATIONS		
a) Sale of Products		
Sale of Power	159.77	132.65
Sale of Power and Steam to Thiru Arooran Sugars Ltd	27.84	48.27
	<u>187.61</u>	<u>180.92</u>
b) Other Operating Revenues		
Scrap Sale	0.87	0.09
Sundry Receipts	3.04	1.66
	<u>3.91</u>	<u>1.75</u>
Total Revenue from Operations	<u>191.52</u>	<u>182.67</u>
20. OTHER INCOME		
a) Interest Income		
i) Interest from Bank Deposits	—	0.52
ii) Interest on Trade deposit with Holding Company	6.71	8.00
iii) Interest on overdue Trade Receivables	10.98	9.89
iv) Other Interest	0.66	14.70
b) Rent receipts	0.16	0.04
c) Dividend Income from Long Term Investments	0.01	0.04
Total	<u>18.52</u>	<u>33.19</u>
21. COST OF MATERIALS CONSUMED		
Opening Stock	24.61	33.23
Add: Purchases	9.56	35.63
	<u>34.17</u>	<u>68.86</u>
Less: Closing Stock	7.99	24.61
Cost of Materials Consumed	<u>26.18</u>	<u>44.25</u>
Material consumed comprises of		
Coal	25.70	43.44
Others	0.48	0.81
Total	<u>26.18</u>	<u>44.25</u>
22. EMPLOYEE BENEFITS EXPENSE		
a) Salaries and Wages	17.86	19.43
b) Contribution to Provident and other Funds	2.27	1.80
c) Staff Welfare Expenses	0.57	0.61
Total	<u>20.70</u>	<u>21.84</u>
23. FINANCE COST		
a) Interest Expense		
i) Term Loan	35.32	42.87
ii) Other Loans	13.66	20.68
b) Other Borrowing costs	0.50	3.29
Total	<u>49.48</u>	<u>66.84</u>

NOTES

Forming part of the Financial Statements

(₹ in million)

	For the Year ended March 31, 2017	For the Year ended March 31, 2016
24. OTHER EXPENSES		
Consumption of Chemicals and Lubricants	6.50	4.28
Power and Fuel	34.70	19.39
Rent	0.72	0.32
Insurance	1.38	1.38
Rates & Taxes	1.67	2.10
Repairs & Maintenance:		
- Plant & Machinery	14.84	12.01
- Buildings	0.16	0.08
- Others	2.84	1.80
Transport and Handling Charges	0.13	0.06
Auditors' Remuneration (Refer Note No.25)	0.34	0.30
Directors' Sitting Fees	0.12	0.14
Legal & Professional charges	3.23	1.58
Travelling and Conveyance	0.08	0.08
Donation	-	0.10
Printing and Stationery	0.07	0.03
Telephone and Telex	0.04	0.03
Vehicle Maintenance	0.12	0.24
Bank Charges	0.69	0.48
Security Expenses	2.97	3.00
Others	0.30	0.39
Total	70.90	47.79
25. AUDITOR'S REMUNERATION		
Statutory Audit:		
i) For Statutory Audit	0.20	0.20
ii) For Taxation matters	-	0.03
iii) For Other Services	0.14	0.06
iv) For Reimbursement of Expenses	-	0.01
Total	0.34	0.30

	As at March 31, 2017	As at March 31, 2016
26. CONTINGENT LIABILITIES IN RESPECT OF		
a) Estimated amount of contracts to be executed on Capital Accounts and not provided for (net of Advance)	5.24	8.36
b) Other Commitments -Purchase order given for items such as Raw Material, service etc.	2.60	1.74
c) Disputed Sales Tax Liabilities not Provided for	0.09	0.09
d) Disputed Customs Duty Liabilities not provided for	-	6.06
e) Claims against Company not acknowledged as debt and not provided for	33.01	22.46

NOTES

Forming part of the Financial Statements

27. Pursuant to the Notification dated 30th March 2017 of Ministry of Corporate Affairs, details of Specified Bank Notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016 are as follows:

(₹ in million)

	SBNs	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	0.30	0.06	0.36
(+) Permitted receipts	–	0.27	0.27
(-) Permitted payments	–	0.25	0.25
(-) Amount deposited in Banks	0.30	–	0.30
Closing cash in hand as on 30.12.2016	–	0.08	0.08

28. The Company has not received any intimation from the suppliers regarding status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure regarding:
- Amount due and outstanding to suppliers as at the end of the accounting year;
 - Interest paid during the accounting year;
 - Interest payable at the end of the accounting year and
 - Interest accrued and unpaid at the end of the accounting year, have not been provided.
29. The Lands of the Company has been revalued as at April 01, 2016 based on market / guidelines value as considered appropriate and a sum of ₹ 55.16 million has been added to the Book Value of the Land with corresponding credit to Revaluation Reserve.
30. In respect of Power exported by the Company to Tamil Nadu Generation and Distribution Corporation (TANGEDCO) Limited during the off-season, TANGEDCO has settled the purchase price of power at a lower rate since April 01, 2005 till March 31, 2010 as against the applicable tariff under the Power Purchase Agreement (PPA) entered into between the Company and the TANGEDCO. The differential amount due from TANGEDCO on this account is ₹ 109.78 million (P.Y.: ₹ 109.78 million). The Petition filed by the Company before the Tamil Nadu Electricity Regulatory Commission (TNERC) seeking direction to TANGEDCO to settle the arrears for the said period along with claim for interest is pending disposal. The interest claimed from TANGEDCO on the aforesaid arrears is ₹ 10.98 million (P.Y. ₹ 9.89 million) which is included in the 'Other Interest Income' under Item No.20.
31. As per the Power Purchase Agreement entered into between the Company and TANGEDCO, the tariff payable in respect of power exported by the Company is governed by TANGEDCO's Board Proceedings No 1 dated January 11, 2000 and No 93 dated May 16, 2000. Vide the aforesaid Board Proceedings, the tariff was fixed for a period of 10 years from April 01, 2000 to March 31, 2010 with a condition that it will be reviewed after this period. Upon expiry of the tariff period as aforesaid, since the power to determine tariff is vested by the Electricity Act, 2003 with the State Electricity Regulation Commission, TANGEDCO filed a Petition before TNERC for determination of the tariff effective from April 01, 2010. TNERC has vide its Order dated March 31, 2016, prescribed the tariff applicable to all cogeneration plants established prior to May 15, 2006. The Company has filed an appeal against the order of the TNERC and based on legal advice, the Company is confident of succeeding in the Appeal. Pending this, the Company has continued to raise invoice for power exported to TANGEDCO at rates arrived at as earlier after considering escalation of 5% annually. However in view of the uncertainty involved, the amount of escalation @ 5% amounting to ₹ 7.77 million is not considered as income for the year. Sale of power includes ₹ 63.72 million (P.Y.: ₹ 65.30 million) representing the excess of the invoiced amount over the rate at which invoices are being settled by TANGEDCO.
32. Company has filed an appeal before the Hon'ble Supreme Court of India against the Order of the High Court of Madras dismissing the Writ Petition filed by the Company, challenging the levy of Electricity Tax as per Tax on Consumption and Sale of Electricity Act, 2003 as amended by Act 38 of 2007. Pending disposal of the Appeal/ Special Leave Petition by the Supreme Court, no provision is considered necessary for ₹ 66.36 million (P.Y.: ₹ 64.11 million). Against this liability, demand has been raised for ₹ 31.32 million (P.Y.: ₹ 31.32 million) which includes interest of ₹ 11.68 million (P.Y.: ₹ 11.68 million) for sale of power through PTC which has been stayed by the High Court of Madras and demand of ₹ 75.95 million (P.Y.: ₹ 74.81 million) inclusive of interest of ₹ 31.93 million (P.Y.: ₹ 31.81 million) for consumption of power by sugar unit.
33. The Company has given Corporate Guarantee of ₹ 4,315.50 million (P.Y.: ₹ 4,315.50 million) to Banks for the Working Capital, Term Loan and Guarantee facilities sanctioned to its Holding Company. The total amount outstanding in respect of such Loans / Facilities as on March 31, 2017 is ₹ 2,716.68 million (P.Y.: ₹ 3,020.25 million)
34. Legal proceedings initiated by and against the Company have arisen in the ordinary course of business. The Management expects that these legal proceedings, when ultimately concluded and determined, will not have a material and adverse effect on the Company's financial position.

NOTES

Forming part of the Financial Statements

35. Disclosure as per Accounting Standard - 15 (Revised) - Employee Benefits.

1. Defined Contribution Plans

Contribution of ₹ 1.63 million (P.Y.: ₹ 1.64 million) to defined contribution plans is recognised as expense and included in the employee cost in the Statement of Profit and Loss.

2. Defined Benefit Plans

(₹ in million)

General description	Gratuity Funded Plan		Leave Encashment Non Funded Plan	
	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
a) Change in Defined Benefit Obligation				
Present Value - Opening Balance	8.31	8.49	1.12	1.02
Current Service Cost	0.65	0.69	0.19	0.21
Interest Cost	0.61	0.64	0.08	0.08
Actuarial (Gain) / Loss	(0.20)	(0.56)	(0.20)	(0.10)
Benefits Paid	1.05	0.95	0.16	0.09
Present Value - Closing Balance	8.32	8.31	1.03	1.12
b) Change in Fair Value of Plan Assets				
Opening Balance	5.72	5.88	–	–
Expected Return	0.40	0.46	–	–
Actuarial Gain / (Loss)	(0.02)	0.32	–	–
Contributions by Employer	–	–	0.16	0.09
Benefits Paid	1.05	0.95	0.16	0.09
Closing Balance	5.06	5.72	–	–
Actual Return	0.40	0.78	–	–
c) Amount recognised in the Balance Sheet (as at Year end)				
Present Value of Obligations	8.32	8.31	1.03	1.12
Fair Value of Plan Assets	5.06	5.72	–	–
Net assets / (liability) recognised	(3.26)	(2.59)	(1.03)	(1.12)
d) Expenses recognised in the Statement of Profit and Loss				
Current Service cost	0.65	0.69	0.19	0.21
Interest on obligation	0.61	0.64	0.08	0.08
Expected return on plan assets	0.40	0.46	–	–
Net actuarial (Gain) / Loss	(0.18)	(0.88)	(0.20)	(0.10)
Total Included in Employee Cost	0.68	(0.01)	0.07	0.19
e) Principal Actuarial Assumptions				
Discount rate (%)	7.50%	8.00%	7.50%	8.00%
Future Salary Increase (%)	4.00%	4.00%	4.00%	4.00%
f)	In the absence of detailed information regarding Plan assets which is funded with SBI Life Insurance Co Ltd, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of the plan assets has not been disclosed.			
g)	The Company expects to contribute ₹ 3.00 million (P.Y.: ₹ 2.00 million) to Gratuity Fund in 2017-18.			
h)	The estimates of future Salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.			

NOTES

Forming part of the Financial Statements

36. RELATED PARTY DISCLOSURES

- a) Name of the Related Parties
 1. Holding Company : Thiru Arooran Sugars Ltd.
 2. Associate Company : Shree Ambika Sugars Ltd.
- b) Key Managerial Personnel : R.V. Tyagarajan, Director
- c) Transactions with Holding and Associate Companies

(₹ in million)

	Year ended March 31, 2017		Year ended March 31, 2016	
	Holding Company	Associate Company	Holding Company	Associate Company
Sale of Materials	–	–	0.02	–
Purchase of Materials	–	–	0.07	–
Interest received on Trade Deposit	6.71	–	8.00	–
Sale of Steam & Power	27.84	–	48.27	–
Closing Balance Debit	16.93	–	30.44	–
Trade Deposit Outstanding	–	–	50.00	–
Investments made in :				
Equity shares				
Shree Ambika Sugars Ltd.,				
58 Equity Shares of ₹ 10/- each	–	0.002	–	0.002
Corporate Guarantees given as on				
March 31,2017	4,315.50	–	4,315.50	–
Corporate Guarantee received as on				
March 31,2017	200.00	–	200.00	–

- i) As per the terms of arrangement between Thiru Arooran Sugars Ltd and the Company 165,350 MTs (P.Y.: 158,597 Mts) of bagasse has been supplied by Thiru Arooran Sugars Ltd., in exchange for 270,022 MTs (P.Y.: 245,642 MTs) of Steam and 18,001,461 Units (P.Y.: 16,376,124 Units) of Power from the Company.
- ii) Sitting Fees to Directors excluding Service Tax ₹ 0.10 million (P.Y.: ₹ 0.12 million)

37. The Company operates only in one segment viz., Cogeneration of Power and hence there are no reportable segments as per Accounting Standard 17.

NOTES

Forming part of the Financial Statements

(₹ in million)

	Year ended March 31, 2017	Year ended March 31, 2016
38. VALUE OF IMPORTED / INDIGENOUS RAW MATERIAL / SPARES AND COMPONENTS CONSUMED		
1) Raw Materials		
a) Imported	—	—
b) Percentage	—	—
c) Indigenous	26.18	44.25
d) Percentage	100.00%	100.00%
2) Spares and Components		
a) Imported	0.56	0.004
b) Percentage	5.67%	0.05%
c) Indigenous	9.26	7.93
d) Percentage	94.33%	99.95%
3) Value of Imports Calculated on CIF Basis		
a) Raw Material	—	—
b) Components and Spare Parts	—	0.19
c) Capital items	—	—

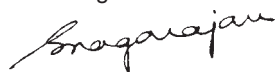
	Year ended March 31, 2017	Year ended March 31, 2016
39. EARNINGS PER SHARE		
Profit After Tax as per Statement of Profit & Loss	5.40	1.97
Weighted average number of Equity Shares of ₹ 10/- each outstanding during the year	31,032,917	31,032,917
Earnings per share (Annualised) - Basic and Diluted (₹)	0.17	0.06

40. Previous year figures have been regrouped wherever necessary to conform to current year's classification.

Vide our Report of even date attached

For SNS Associates
Chartered Accountants
Firm Registration No. 006297S

On behalf of the Board



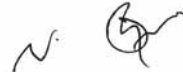
S Nagarajan
Partner



C S Sathiyarayanan
Chief Executive Officer



R R Karthikeyan
Chief Financial Officer



V Thirupathi
Director



R V Tyagarajan
Director

Membership No. 20899
Chennai, May 23, 2017

CASH FLOW STATEMENT

Forming part of the Financial Statements

(₹ in million)

	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Taxation	14.58	7.57
Adjustments for		
- Depreciation	28.20	27.57
- Interest expenses	49.48	66.84
- Income from Investments	(0.01)	(0.04)
- Other Income	(18.34)	(33.10)
Operating Profit Before Working Capital Changes (A)	73.91	68.84
Decrease / (Increase) in Current Assets		
- Inventories	22.87	6.89
- Receivables	(68.02)	(76.26)
- Loans & Advances	(43.24)	171.07
- Margin deposit for loans	-	5.32
Increase / (Decrease) in Current Liabilities	63.67	(29.68)
Increase / (Decrease) in Working Capital (B)	(24.73)	77.34
Cash Generated From Operations (A + B)	49.19	146.18
Income Tax Paid	(2.77)	(1.50)
Cash Flow before Extraordinary items	46.42	144.68
Extraordinary items	-	-
Net Cash From Operating Activities (C)	46.42	144.68
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets		
- Purchase of Fixed Assets	(31.24)	(20.42)
Interest Received	111.88	23.32
Dividend Received	0.01	0.04
Cash Flow From Investing Activities (D)	80.66	2.94
Net Cash Used in Investment Activities (C + D)	127.07	147.62

CASH FLOW STATEMENT

Forming part of the Financial Statements



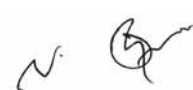

(₹ in million)

	Year ended March 31, 2017	Year ended March 31, 2016
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings-CC	(19.10)	(5.44)
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	(45.66)	(83.60)
Interest paid	(62.56)	(60.25)
Net Cash from Financing activities (E)	(127.32)	(149.29)
Net Increase in Cash (C + D + E)	(0.25)	(1.67)
Opening Balance	0.99	2.66
Closing Balance	0.74	0.99
Reconciliation of Cash & Cash Equivalents with the Balance Sheet		
Cash & Cash Equivalents as per Balance Sheet	0.74	0.99
Less : Margin Deposit not considered as Cash and Cash equivalents as defined in AS-3	-	-
Cash as per Cash Flow - Closing Balance	0.74	0.99

Note 1. Figures in brackets represent outflows.

2. Previous year figures have been regrouped to conform to current year's grouping.

On behalf of the Board

			
C S Sathiyarayanan <i>Chief Executive Officer</i>	R R Karthikeyan <i>Chief Financial Officer</i>	V Thirupathi <i>Director</i>	R V Tyagarajan <i>Director</i>

Auditors' Certificate

This is the Cash Flow Statement referred to in our Report of even date attached.

For SNS Associates
Chartered Accountants
Firm Registration No. 006297S



S Nagarajan,
Partner
Membership No. 20899
Chennai, May 23, 2017

TERRA ENERGY LIMITED

CIN:U40105TN1995PLC030420

Regd. Office: "Eldorado" - 5th Floor 112, Nungambakkam High Road, Chennai - 600 034
Phone: 044 - 28276001, 28270915, Fax: 044-28270470

Form No. MGT - 11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014)

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No./Client ID, DPID :

I/We, being the Member(s) of shares of Terra Energy Ltd, hereby appoint.

1. Name Address

E-mail ID Signature or failing him/ her

2. Name Address

E-mail ID Signature or failing him/ her

3. Name Address

E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held at 4.30 P.M. on Wednesday, September 27, 2017 at Apeejay Business Centre, 39/12 Haddows Road, Nungambakkam, Chennai - 600 034 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
	Ordinary Business
1	Adoption of Financial Statements for the year ended March 31, 2017 along with the Reports of the Board of Directors and Auditors
2	Reappointment of Mrs. Malathi Ram Tyagarajan (DIN 00938836)
3	Appointment of Statutory Auditors
4	Reappointment of Mr V Thirupathi as Independent Director of the Company

Signed this _____ day of _____ 2017

Signature of the Shareholder _____

Signature of the Proxy holder(s) _____

Affix
Revenue
stamp

Note : 1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. Please complete all details of the member(s) before submission.

