RAJSHREE
PEOPLE PASSION PROGRESS

August 1, 2018

Listing Compliance,
National Stock Exchange India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051.

Sirs

Sub: Annual General Meeting (AGM) and Book closure date – announcement – reg.

We would like to inform you that the 32nd Annual General Meeting (AGM) of the members of the Company is scheduled to be held on Friday, the 31st August 2018 at 10 AM at Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore 641 018. We are enclosing herewith the Notice of AGM and Annual report for the financial year 2017-18, for your reference and records.

The Register of Members and Share Transfer Books of the Company will remain closed from 25th August 2018 to 31st August 2018 (both days inclusive) for the purpose of Annual General Meeting. We have also submitted the intimation of book closure in the prescribed format separately as required vide your e-mail dated 25th April 2018.

Kindly take the same on record.

Thanking you

For and on behalf of
RAJSHREE SUGARS & CHEMICALS LIMITED

M PONRAJ
Company Secretary

Enc: As above

Rajshree Sugars & Chemicals Limited
The Uffizi, 338/8, Avanashi Road, Peelamedu, Coimbatore - 641004, TN, India.
T: +91 - 422 4226222, 2580981-82 F: +91 - 422 2577929 E: rscl@rajshreesugars.com W: www.rajshreesugars.com
CIN: L01542TZ1985PLC001706

RAJSHREE
SUGARS & CHEMICALS LTD

ANNUAL REPORT 2017-18

- SUGAR
- CO-GENERATION OF POWER
- ALCOHOL
- RESEARCH & DEVELOPMENT
- BIO PRODUCTS

RAJSHREE SUGARS & CHEMICALS LIMITED
Regd Office: 'The Uffizi', 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004.
Tel (0422) 4226222 Fax (0422) 2577929 CIN: L01542TZ1985PLC001706
E-Mail: rscl@rajshreesugars.com; Website: www.rajshreesugars.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 32nd Annual General Meeting (AGM) of the Members of Rajshree Sugars & Chemicals Limited will be held on Friday, the 31st August 2018 at 10.00 AM at the Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore 641 018 to transact the following business:

ORDINARY BUSINESS

1) Adoption of the audited financial statements of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that the audited financial statements of the Company for the financial year ended 31st March 2018 including Audited Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow & Changes in Equity for the year ended on that date, together with the Board's Report and the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

2) Adoption of the consolidated audited financial statements

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that the audited consolidated financial statements of the Company for the financial year ended 31st March 2018 including Audited Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow & Changes in Equity for the year ended on that date, together with the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

3) Reappointment of Director retiring by rotation

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that Mr.Raja M.J.Abdeen (DIN 00905319), 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."

4) Modification in the terms of Appointment of Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED that, in partial modification of the Ordinary Resolution passed at the 30th Annual General Meeting (AGM) held on 29th September 2016, appointing M/s.S.Krishnamoorthy & Co., as statutory auditors of the Company for a period of five financial years, subject to ratification at each AGM thereafter and in accordance with the amended Section 139 of the Companies Act, 2013 read with relevant rules made thereunder, the approval of the shareholders be and is hereby accorded to continue the appointment of M/s.S.Krishnamoorthy & Co., Chartered Accountants (Firm Registration No.001496S) as the Statutory Auditors of the Company till the conclusion of the 35th AGM to be held in the year 2021 at such remuneration as may be decided by the Board of Directors.

SPECIAL BUSINESS:

5) Remuneration for Cost Auditor

To consider and if thought fit, to pass, 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 approved by the Board of Directors on the recommendation of the Audit Committee, for M/s.S.Mahadevan & Co., Cost Accountants (Firm Registration No.000007) for conducting the audit of the cost records for the products sugar, cogeneration of power and industrial alcohol of the Company for the financial year ending March 31, 2019, as set out below exclusive of applicable taxes :

Product	Amount (₹ per annum)
Sugar	80,000
Co-generation of power	45,000
Industrial Alcohol	25,000

6) Continuation of Directorship of Mr.G.R.Karthikeyan as a Non-Executive Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, which will come into effect from 1st April 2019 (effective date) vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuing Mr.G.R.Karthikeyan (holding DIN:01587747), as a non-executive Independent Director till the end of his present tenure, despite his age of seventy five years or above as on the effective date."

7) Continuation of Directorship of Dr.K.Mohan Naidu as a Non-Executive Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, which will come into effect from 1st April 2019 (effective date) vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuing Dr.K.Mohan Naidu (holding DIN : 01774192), as a non-executive Independent Director till the end of his present tenure, despite his age of seventy five years or above as on the effective date."

8) Continuation of Directorship of Mr.R.C.H.Reddy as a Non-Executive Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, which will come into effect from 1st April 2019 (effective date) vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuing Mr.R.C.H.Reddy (holding DIN : 00006184), as a non-executive Independent Director till the end of his present tenure, despite his age of seventy five years or above as on the effective date."

9) Continuation of Directorship of Mr.G.S.V.Subba Rao as a Non-Executive Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, which will come into effect from 1st April 2019 (effective date) vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuing Mr.G.S.V.Subba Rao (holding DIN : 00001697), as a non-executive Independent Director till the end of his present tenure, despite his age of seventy five years or above as on the effective date."

10) Continuation of Directorship of Dr.P.Surulinarayanasami as a Non-Executive Non-Independent Director

To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

"RESOLVED that pursuant to Regulation 17(1A) of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, which will come into effect from 1st April 2019 (effective date) vide SEBI (Listing Obligation and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of the members be and is hereby accorded for continuing Dr.P.Surulinarayanasami (holding DIN: 01468527), as a Non-Executive Non-Independent Director till the end of his present tenure, despite his age of seventy five years or above as on the effective date."

By Order of the Board

Place : Coimbatore
Date : 5th July 2018

M.PONRAJ
Company Secretary

NOTE:

1) **The Register of Members of the Company will remain closed from 25th August 2018 to 31st August 2018 (both days inclusive).**

2) **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote instead of himself/herself and the Proxy need not be a Member.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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.

3) Members are requested to intimate the change in bank mandate/address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006.

4) Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.

5) The Company's equity shares are listed in the following stock exchanges at present.
   a. National Stock Exchange of India Limited, Mumbai
   b. BSE Limited, Mumbai

6) No dividend is pending for transfer to the Investor Education and Protection Fund (IEPF) except unpaid dividend of ₹ 39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per Court orders.

7) The details pertaining to Directors who are proposed to be appointed / reappointed, to be provided in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 is furnished in the annexure.

8) Members desirous of obtaining any information concerning the financial statements and operations of the company are requested to address their queries in writing atleast two weeks before the meeting, so that the information may be made available at the meeting.

9) Electronic copies of the Annual Report and AGM Notice are being sent to all the members whose e-mail ID is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their e-mail ID with the company or with the Depository Participants, physical copies of annual report and AGM notice are sent through the permitted mode separately.

10) Members who are holding shares in physical form and have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, notices, circulars etc., from the Company. The e-mail may be registered with the Registrar and Share Transfer Agents of the Company viz.,M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. (E-mail: info@skdc-consultants.com).

The members who are holding the shares in demat form are requested to update their email address with their deposit participant.

However, the company can send a physical copy of the Annual Report upon receipt of a requisition from the member of the Company. The Annual Report is available in the website of your company www.rajshreesugars.com and for inspection at the Registered Office of the company during office hours.

Members are requested to support this Green Initiative by registering / updating their e-mail addresses for receiving electronic communications.

11) E-Voting option is provided to members pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please read carefully the instructions for 'e-Voting Process' attached to this notice. Cut-off date for determining the eligibility to vote by electronic means is 24th August 2018.

The facility for voting, through polling paper shall be made available at the venue of meeting. The members attending the meeting who have not already cast their vote by remote e-voting will be able to exercise their vote through polling paper at the Annual General Meeting. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

12) 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, will be available for inspection by the members at the Annual General Meeting.

13) The Statement pursuant to section 102(1) of the Companies Act, 2013, in respect of special business is annexed hereunder.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

Item No.3: Reappointment of Mr.Raja M.J.Abdeen as Director

The following details are furnished as required under the SEBI (LODR) Regulations, 2015.

Mr. Raja M.J.Abdeen (DIN 00905319; Date of Birth: 19.6.1950), who retires by rotation and being eligible offers himself for reappointment. His brief profile is as follows:

He is Undergraduate in general education, is a non-resident Indian based in Singapore with interests in shipping, travel and real estate.

He has wide expertise in the field of administration, management and finance.

He holds Directorship and membership in Committees of other Companies as follows:

Directorship in other companies	Membership in Committees
Abdeen UK Ltd, London	Nil
Far Eastern Services P Ltd, Singapore	Nil
Straitsship Services P Ltd, Singapore	Nil
Straits Orient Agencies Pte Ltd	Nil
Rajnisha Textiles & Exports Pte Ltd	Nil
Straits Travel & Tours (Pte.) Ltd	Nil
Osjay Shipping & Forwarding (Sdn) Bhd, Malaysia	Nil
Straits Ship-Chandlers (1941) Pte Ltd.	Nil
Far Eastern Services (Malaysia) Sdn. Bhd	Nil
Eastern Straits Logistics Pte Ltd.	Nil

He holds membership in the following committees of the company:

Stakeholder Relationship Committee	Chairman
Audit Committee	Member
Nomination & Remuneration Committee	Member
CSR Committee	Member
Share Transfer Committee	Member
Compensation Committee	Member

He holds 10,10,000 (3.59%) equity shares in 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 Mr.Raja MJ Abdeen.

The Board recommends the Resolution furnished in agenda for approval of the shareholders.

Item No.5: Remuneration for Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s S.Mahadevan & Co. Cost Auditors to conduct the audit of the cost records of the Company in respect of the products sugar, cogeneration of power and industrial alcohol, for the financial year ending March 31, 2019 as per the following details:

Product	Amount (₹ per annum)
Sugar	80,000
Co-generation of power	45,000
Industrial Alcohol	25,000

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.

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 recommends the Resolution furnished in agenda for approval by the shareholders.

Item No.6 to 10: Continuation of Directorship of Non-Executive Directors

The Securities and Exchange Board of India (SEBI) vide notification dated 9th May 2018 has inserted a new regulation 17(1A) in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The new regulation will come into effect from 1st April 2019 (effective date).

The said regulation states that "no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person".

Details of the non-executive Directors of the Company and their present tenure as such are furnished hereunder:

S.No.	Name of the Director (DIN) and Designation	Age as on the effective date (In years)	End date of present tenure
1.	Mr.G.R.Karthikeyan DIN 01587747 Independent Director	76	28.8.2019 or the date of 33rd Annual General Meeting whichever is later
2.	Dr.K.Mohan Naidu DIN 01774192 Independent Director	81	
3.	Mr.R.C.H.Reddy DIN 00006184 Independent Director	83	
4.	Mr.G.S.V.Subba Rao DIN 00001697 Independent Director	76	
5.	Dr.P.Surulinarayanasami DIN 01468527 Non-Independent Non-Executive Director	81	Liable to retire by rotation at the Annual General Meeting to be held in the year 2020

As most of the above said Directors are in the Board for more than a decade and are having widespread knowledge in the field of management, technical expertise and are very instrumental in sharing their experience to the growth of the company and hence they can be continued in their present designation till the end of their present tenure.

The Nomination and Remuneration Committee and the Board of Directors have recommended the continuation of the Directorship of the said Non-Executive Directors till their present tenure.

The following details are furnished in respect of the aforesaid Directors, as required under the SEBI (LODR) Regulations, 2015.

i. Mr.G.R.Karthikeyan (DIN 01587747; Date of Birth 12.3.1943)

He has a Master degree in Business Administration and hails from the PSG family of Coimbatore. He has wide experience in the management of strategy and operations of large organizations and has been directly associated with the textile industry for more than 44 years. He is a motor sports enthusiast.

Other Directorships	Membership in Committees
Sri Karthikeya Spinning & Weaving Mills Pvt Ltd.	Nil
RND Softech Pvt Ltd.	Nil
Leap Green Energy Pvt Ltd.	Nil
Lotus Eye Hospital & Institute Ltd.	1
Coimbatore Auto Sports Club	Nil
Coral Ecopower Venture Private Ltd	Nil
Crimson Ecopower Venture Private Ltd	Nil
RND Optimizer Private Ltd.	Nil

He holds membership in the following committees of the Company.

Audit Committee	Member
Nomination & Remuneration Committee	Member
Compensation Committee	Member

He holds 1,040 shares in the Company.

ii. Dr.K.Mohan Naidu (DIN 01774192 ; Date of Birth 22.8.1937)

A Doctorate in Agriculture with specialization in crop physiology, he has vast experience in sugarcane varietal improvement. Dr.Naidu headed the prestigious Sugarcane Breeding Institute of Indian Council of Agricultural Research (ICAR) situated at Coimbatore.

In his long association of over a decade with this institute, he has pioneered research for many new varieties of sugarcane.

He has traveled widely in South & North America, Africa and Asia in various capacities and positions offering consultancy and advisory services with regard to sugarcane breeding & culture.

Some of his achievements include the release of improved sugarcane varieties to suit various agro-climatic zones, working out selection indices to develop sugarcane varieties resistant to moisture stress, establishment of four sugarcane research centres & sugarcane breeding institute, bio-technology, bio-control and seed technology laboratories and organisation of sugarcane seed programmes in tropical zones.

He pioneered the transfer of technology program to improve sugarcane production in several states of India and trained development workers for a P.G. Program in association with Tamilnadu Agricultural University.

He has also published about 49 research papers, 35 technical papers, 20 popular articles, published one book and 24 bulletins in his subject.

He has been elected as a Fellow of the National Academy of Agriculture Sciences, India. He has been actively involved in various scientific bodies like the Germ plasm Committee of the International Society of Sugarcane Technologists. He also served as Vice President of the Sugarcane Technologists Association of India and Editor of Indian Sugar Crops Journal.

Other Directorships	Membership in Committees
Sri Sarvaraya Sugars Ltd.	—

He holds membership in the following committees of the Company.

Compensation Committee	Chairman
CSR Committee	Member
Share Transfer Committee	Member

He holds 1,000 equity shares in the Company.

iii. Mr.G.S.V.Subba Rao (DIN 00001697; Date of Birth 19.8.1942)

Mr.G.S.V.Subba Rao, B.Com, MA, CAIIB (Certified Association of Indian Institute of Bankers), retired as Deputy General Manager of the State Bank of India after working in various capacities in the Bank. He has wide experience in handling various Corporate clients during his employment in the Bank.

He has wide expertise in the Banking sector, credit appraisal, finance and general administration.

He holds no Directorship / membership of committees in other Companies. He is the Chairman of Audit Committee of the company.

He does not hold any share in the Company.

iv. Mr.R.C.H.Reddy (DIN 00006184 ; Date of Birth 1.6.1935)

Mr.R.C.H.Reddy is an Engineering graduate in textile technology and holds post graduate diploma in business management from the University of Madras. He has more than four decades of experience in various companies in the field of engineering and business operations.

He has wide expertise in the fields of production, marketing, engineering, operations and administration.

Other Directorships	Membership in Committees
Lakshmi Precision Tools Ltd.,	—
Lakshmi Card Clothing Mfg.Co.Pvt Ltd	—
Harshni Textiles Ltd	2
Lakshmi Electrical Drives Ltd	1
Lakshmi Automatic Loom Works Ltd	3
Lakshmi Ring Travellers (Coimbatore) Ltd	2

He holds membership in the following committees of the Company.

Audit Committee	Member
Share Transfer Committee	Member
Nomination & Remuneration Committee	Member
Compensation Committee (w.e.f. 29.5.2017)	Member

He holds 832 equity shares in the Company.

v. Dr.P.Surulinarayanasami (DIN 01468527; Date of Birth: 15.1.1938)

He has completed his doctorate in Engineering (Ph. D) from Michigan State University, USA. He is a civil and structural engineer with interests in software development and fund management and Automotive Industry. He worked for Ford Motor Company in USA for 36 years in various management positions. He was in charge of CAE (Computer Aided Engineering) which reduced lead time of 72 months and 500 prototypes to 30 months with less number of Proto types.

Other Directorships	Membership in Committees
L.S.Property Developers Pvt. Ltd.	Nil

He holds 11,31,107 (equity shares in the Company.

By Order of the Board

Place : Coimbatore
Date : 5th July 2018

M.PONRAJ
Company Secretary

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Regulation 44 of the Listing Regulations read with section 108 of the Companies Act 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 32nd Annual General Meeting scheduled to be held on Friday, the 31st August 2018 at 10 AM and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

Details of persons to be contacted for issues relating to e-voting:
S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006
Telephone No.91-422-4958995, 2539835, 2539836 Fax : +91 422 2539837
Email ID : info@skdc-consultants.com
Website : www.skdc-consultants.com

The e-voting module shall be disabled for voting on 30th August 2018 at 5 PM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 24th August 2018 (cut-off date for determining the eligibility to vote through electronic mode).

Mr.B.Krishnamoorthi, FCA, Practicing Chartered Accountant has been appointed as the scrutinizer to ensure that the e-voting process is conducted in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the voting at the 32nd Annual General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any within two days of conclusion of the meeting, to the Chairperson of the meeting. The Chairperson or such other Director / person authorized by the Chairperson, shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.rajshreesugars.com, Company's notice Board at the Registered office of the Company, website of CDSL viz., www.evotingindia.com and communicated to the Stock Exchanges namely NSE & BSE, where the shares of the Company are listed immediately, after the Chairperson declares the result.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 28th August 2018 at 9.00 AM and ends on 30th August 2018 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th August 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number provided at the attendance slip enclosed herewith in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (IV).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN relevant to Rajshree Sugars & Chemicals Limited.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take printout of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

a. Non-Individual shareholders (i.e.other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

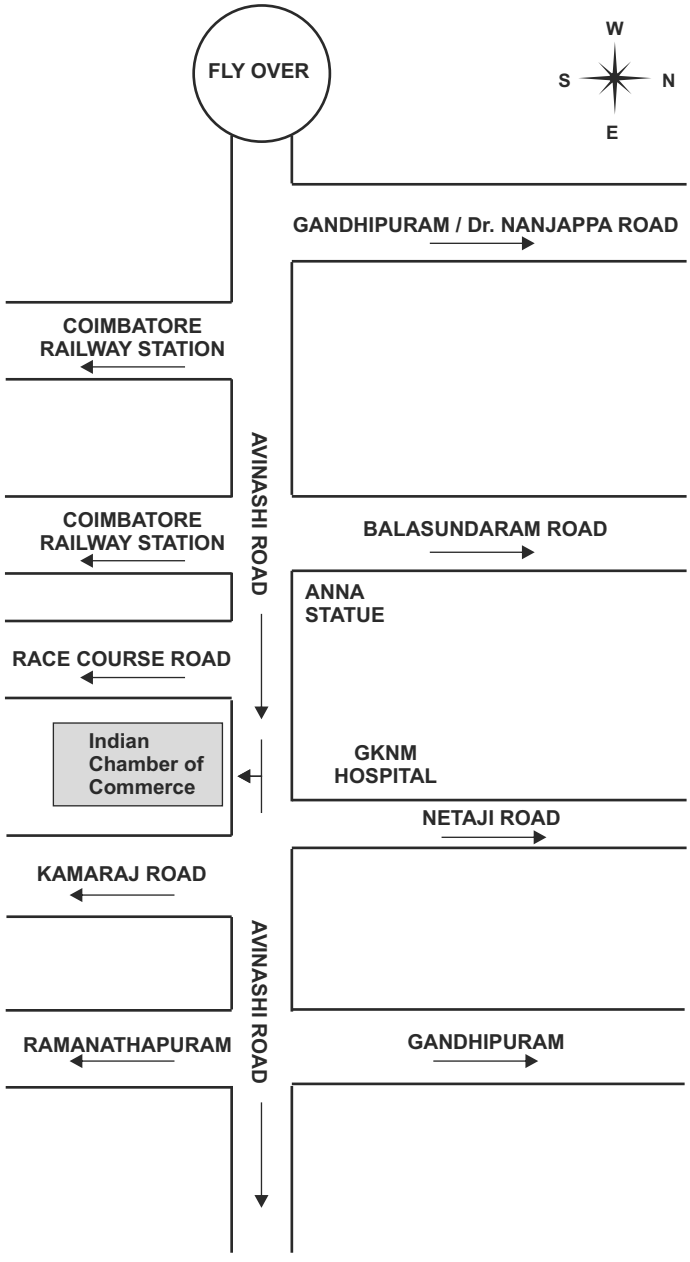
c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

"ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING"



BOARD OF DIRECTORS

Mr. RAJA M.J.ABDEEN (DIN 00905319)

Dr. P. SURULINARAYANASAMI (DIN 01468527)

Mr. G.R.KARTHIKEYAN (DIN 01587747)

Mr. G.S.V.SUBBA RAO (DIN 00001697)

Mr. R.C.H.REDDY (DIN 00006184)

Dr. K.MOHAN NAIDU (DIN 01774192)

Mr. R.VARADARAJAN (DIN 00001738)
Wholetime Director

Ms. RAJSHREE PATHY (DIN 00001614)
Chairperson

Mr. ADITYA KRISHNA PATHY (DIN 00062224)
Managing Director

Mr. SHEILENDRA BHANSALI (DIN 00595312)

Auditors

M/s.S.Krishnamoorthy & Co.,
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore 641 006

Chief Financial Officer

Mr. V.B. Gopal Krishnan

Company Secretary

Mr. M. Ponraj

Registrars & Share Transfer Agents

M/s SKDC Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore 641 006.

Registered Office

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

Factory Unit I
Sugar, Cogeneration & Distillery

Varadarajnagar P.O.
PIN 625 562
Periyakulam Taluk
Theni District

Factory Unit II
Sugar & Cogeneration

Mundiyampakkam PO
PIN 605 601.
Vikravandi Taluk
Villupuram District

Factory Unit III
Sugar, Cogeneration & Distillery

Semmedu Village
Gingee Taluk, PIN 604 153.
Villupuram District

Bankers

State Bank of India
UCO Bank
Bank of India
ICICI Bank Ltd.
Axis Bank Ltd.
Federal Bank Ltd.

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BOARD'S REPORT

Your Directors have pleasure in presenting the 32nd Annual Report on the business and operations of the company and the audited financial statements for the year ended 31st March 2018.

₹ in lakhs

	2017-18	*2016-17*
1) Financial Highlights		
Total Income	**56,402.02**	69,840.41
Profit before Finance Costs, Depreciation and exceptional items	**3,631.46**	14,401.24
Less: Finance Costs	**6,008.78**	7,200.69
Depreciation	**2,530.57**	2,613.88
Exceptional items (From Sale of Investment in Subsidiary)	**(2,201.20)**	--
Profit / (Loss) from ordinary activities before Tax	**(2,706.69)**	4,586.67
Tax Expenses	**1,448.91**	1,582.01
Profit / (Loss) after Tax	**(1,257.78)**	3,004.66
Other comprehensive income, net of income tax	**32.46**	(16.13)
Total comprehensive income for the period	**(1,225.32)**	2,988.53
Basic / Diluted earnings per share of ₹ 10/- each, before / after extraordinary items	**(4.47)**	10.76

2) Dividend

In view of the adverse financial results, your Directors have not recommended payment of dividend for the year 2017-18.

3) The Indian Accounting Standards (Ind As)

The Indian Accounting Standards prescribed under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016 are applicable to your company with effect from 1.4.2017 with a transition date of 1.4.2016. Your company has accordingly prepared the financial statements for the financial year ended 31.3.2018 by following the Ind-AS. The financial results for the financial year 2016-2017 are adjusted/ reconciled in accordance with Ind-AS.

4) Financial Performance

Your Company earned an income of ₹ 56,402.02 lakhs in the year 2017-18 as against ₹ 69,840.41 lakhs during the previous year. The Company has incurred a net loss of ₹ 1,225.32 lakhs as against the net profit of ₹ 2,988.53 lakhs earned during the previous year.

5) Optional Performance

a) Sugar Division

The key operational data of our sugar division for the year 2017-18 are as follows:

Particulars	2017-18	*2016-17*
Sugarcane crushed (Tons)	**7,56,525**	17,91,793
Recovery %	**8.84**	9.16
Sugar Produced (Tons)	**66,859**	1,64,118
Sugar Sold (Tons) - Domestic	**1,16,362**	1,40,409

The sugarcane crushing has dropped by 58% due to severe drought in the state of Tamilnadu during the last four years.

b) Cogeneration Division

During the year under review, the total power generated by all our Units was 1,052 lakh units as against 2,182 lakh units in the previous year. The company exported 638 lakh units during the year as against 1,417 lakh units in the previous year. Lower availability of cane has a cascading effect on the generation and export of power.

The Company has not received any carbon credits during the year.

c) Distillery Division

The distillery plant at Unit III has produced 192.03 lakh litres of Alcohol in 2017-18 as against 220.27 lakh litres of Alcohol in the previous year and sold 188.60 lakh litres of alcohol as against 216.98 lakh litres of alcohol in the previous year.

The Distillery plant at Unit I was not in operation since April 2014 due to non-availability of adequate molasses.

6) Default in the payment to the lenders

The Company is not in a position to make the payment of interest and principal (dues for March-April 2018) to the banks, due to poor financial performance.

The Company's financial position is stressed because of the lower availability of sugarcane in our mills caused due to severe drought in the state of Tamilnadu over the last 4 years. It may be noted that the sugar mills in Tamilnadu are working at around 25% of their installed capacity and the State is estimated to produce less than 6 lakh tons of sugar against its normal average of around 20 lakh tons per season.

The lower availability of sugarcane had a cascading effect on the cogeneration and industrial alcohol business of the Company, which has also resulted in the reduction of cash inflows.

The cash flows of the Company will become stable once the cane availability improves, which could happen during the new sugar season starting from November 2018 on the back of an expected normal monsoon.

The Company is also in discussion with the lenders for a resolution plan for restructuring its debt to align it with the projected cashflows.

7) Future Outlook

Sugarcane crushing for the year 2018-19 is likely to be marginally higher than for the year 2017-18 on account of better monsoon prospects.

8) Allotment

The Company has issued and allotted 980 equity shares of ₹ 10/- as per exercise of Employee Stock Options by the employees in accordance with Employee Stock Option Plan (ESOP)- 2012 of the Company.

9) Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

10) Auditors

Statutory Auditors : The shareholders, at the 30th Annual General Meeting held on 29th September 2016, have appointed M/s.S.Krishnamoorthy & Co., Chartered Accountants as Statutory Auditors for a term of five financial years from 2016-17 to 2020-21, who will hold office up to the conclusion of the 35th AGM to be held in the year 2021, subject to ratification of appointment by the shareholders at every AGM. However, as per the Companies (Amendment) Act, 2018 the requirement of ratification has been done away with, with effect from 7th May 2018. Hence, necessary resolution for modifying the resolution passed at the 30th AGM held on 29th September 2016, will be placed at the ensuing AGM for approval of the shareholders. M/s.S.Krishnamoorthy & Co., Chartered Accountants, the present auditors of the company, 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.

Cost Auditors: In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the products manufactured by the company viz. Sugar, Industrial Alcohol and Cogeneration of Power are covered under the ambit of mandatory cost audits. As per the recommendation of the Audit Committee, the Board of Directors had appointed M/s.S.Mahadevan & Co., Cost Accountants, as the Cost Auditor of the Company, to carry out the cost audit for the financial year 2018-19 and fixed their remuneration. The necessary resolutions will be placed before the ensuing Annual General Meeting for ratification of remuneration as per Section 148(3) of the Companies Act, 2013.

11) Conservation of energy, technology absorption, foreign exchange earnings and outgo

Annexed herewith as Annexure 1.

12) Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance (Annexure 2) as stipulated under the Listing Regulations forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

13) Details of Directors or Key Managerial Personnel Appointed / Resigned

Key Managerial Personnel appointed / resigned during the year is furnished below:

Name	Designation	Appointment / reappointment / Resignation	Effective from
Dr.P.Surulinarayanasami	Non-Independent Non-Executive Director	Retired by rotation and Reappointed	From 28th August 2017, liable to retire by rotation
Ms.Rajshree Pathy	Chairperson	Resigned as Managing Director and continues to be Chairperson and non-executive Director of the Board	From 30th June 2017
Mr.Aditya Krishna Pathy	Managing Director	Appointed as an Additional Director from 29th May 2017 and Managing Director from 30th June 2017	From 30th June 2017, liable to retire by rotation
Mr.Sheilendra Bhansali	Independent Director	Appointment	From 10th July 2017 for five years upto 9th July 2022
Mr.Raja M.J.Abdeen	Non-Independent Non-Executive Director	To be retired at the ensuing Annual General Meeting and being eligible offers himself for reappointment.	NA

14) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 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.

15) Number of Board meetings

During the year, 4 Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

16) Declaration given by Independent Directors

The Independent Directors of the Company have furnished declarations as required under Section 149(6) of the Companies Act 2013 & SEBI (LODR) Regulations, 2015.

17) Whistle Blower Policy ('Vigil Mechanism')

The Board has established a Vigil Mechanism, as required under the SEBI (LODR) Regulations, 2015, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud and violation of the company's code of conduct or ethics policy.

This mechanism also provides for adequate safeguard 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.

The said Policy is available on the website of the Company www.rajshreesugars.com.

18) 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.

19) Sexual Harassment

The company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the calendar year ended 31st December 2017, no complaint was received under the policy.

20) 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.

21) Material Changes & Commitments between end of financial year and this Report

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

22) Managerial Remuneration

The details of disclosures relating to Managerial Remuneration as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed (Annexure 3).

23) Remuneration Policy

The Board has, on the recommendation of Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management to fix their remuneration. The salient features of the policy are furnished hereunder:

The Nomination & Remuneration Policy (NR Policy) of the Company was formed in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations for nomination and remuneration of Directors, Key Managerial Personnel and Senior Management. The objectives of the policy inter alia are (1) to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (2) to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons (3) create competitive advantage of the Company and (4) to harmonize the aspirations of human resources consistent with the goals of the Company.

The policy empowers and regulates the Nomination & Remuneration Committee by providing detailed roles, guideline and duties. The policy also provides detailed regulation for appointment and remuneration of Wholetime / Managing Director and KMP. As per the policy the remuneration / compensation / commission etc. to the Directors including Managing / Wholetime 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.

The policy also provides for payment of remuneration by way of profit related commission to the Non-executive Directors of the Company, as per the provisions of the Companies Act, 2013.

The complete version of the policy is available at the Company's website www.rajshreesugars.com under Investor information / policies.

24) Industrial Relations

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

25) Internal control systems and their adequacy

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

26) Rajshree Sugars & Chemicals Limited (RSCL) Employees Stock Option Plan 2012

The details of Stock Options granted during the financial year ended as on 31st March 2018 and other particulars under the "RSCL Employees Stock Option Plan 2012" form part of this report, as Annexure 4.

27) Secretarial Audit

The Board has appointed Mr.G.Soundararajan (Membership No.13993 CP No.4993), a Company Secretary in Practice to undertake the Secretarial Audit of the Company as required under Section 204 of the Companies Act 2013. The Secretarial Audit report is annexed herewith as Annexure 5. The report does not contain any qualification, reservation or adverse remarks.

28) Extract of Annual Return

The extract of the Annual Return in the prescribed Form MGT 9 is annexed herewith as Annexure 6.

29) Transfer of Amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the IEPF. No dividend is pending as on date for transfer to the IEPF except unpaid dividend of ₹ 39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per court orders.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th August 2017 (date of last Annual General Meeting) on the website of the Company (www.rajshreesugars.com), and also on the website of Ministry of Corporate Affairs.

The company has also transferred the equity shares of the shareholders who have not claimed dividend for the 7 years continuously, to the credit of IEPF in Form IEPF-4 on 18th December 2017. The shareholder may claim the said shares and dividend by following the procedures laid down in the website of IEPF Authority viz., http://www.iepf.gov.in/IEPFA/refund.html

30) Directors' 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:

i) 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; if any;

ii) 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 profit / loss, if any of the Company for the year under review.

iii) 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.

iv) The directors have prepared the annual accounts / financial statements, on a going concern basis.

v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

31) Code of Conduct

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by Managing Director, as required under SEBI (LODR) Regulations 2015 forms part of Corporate Governance Report.

The Code of Conduct is available on the Company's website www.rajshreesugars.com

32) Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company, as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

33) Risk Management Policy

The Company has formulated a Risk Management Policy as required under SEBI (LODR) Regulations 2015. The Company has also formulated a specific policy viz., 'Forex and Interest Rate Risk Management Policy for Currency and Interest Rate Risk Management', which is also in effect.

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 in the 'Management Discussion & Analysis Report' (Annexure 7).

34) Significant & material orders passed by regulator or courts or tribunals impacting going concern status and companies operations in future

There have been no significant & material orders passed by regulator / courts / tribunals impacting going concern status and companies operations in future.

35) Acknowledgement

Your Directors thank the Banks and Financial Institutions for their valuable and timely 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

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

ANNEXURE 1
BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2018

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy;
At Unit-I, Varadarajnagar:

1. 137 ordinary lamps have been replaced with LED lamps, which resulted in the saving of 19,650 units of power for the financial year.
2. At raw water pumping station, two centrifugal pump operations reduced to one submersible pump, which resulted in saving of 1,70,600 units for the financial year.
3. Drinking water distribution to employee quarters has been streamlined and the pump operation hours reduced, which resulted in saving of 42,300 units of power for the financial year.

At Unit-II, Mundiampakkam

1. Raw water bore well pump directed to reservoir which leads to elimination of Booster pump, resulted in energy saving of 168 units per day and for the financial year 61,320 units.
2. Off-season power consumption is reduced by eliminating, unwanted lights, changing of LED lights (1,410 watts) in place of sodium vapour & mercury lamps (4,590 watts) and equipment trail taken in planned and controlled manner, resulted in reduction of 1,000 units per day.
3. Implementation of cooling water circulation by gravity which leads to elimination of V-XLR cooling tower circulation water pump, resulted in energy saving of 720 units & for the financial year 72,000 units.
4. Installation of 5.5 kw submersible pump along with Tank level control automation in place of 15 kw pump for the supply of service water, resulted in energy saving of 109 units per day & for the financial year 40,030 units.
5. Implementation of sugar melter automation resulted in elimination of 9 ATA, which resulted in energy saving of 73,984 units for the financial year.
6. Eliminated 9 ATA steam usage for molasses conditioner by 1st vapour, resulted in elimination of 9 ATA and energy saving of 45,560 units for the financial year.

At Unit-III, Semmedu

1. TNEB supply provision for CO2 plant operation to minimize 3MW load thereby reducing steam venting from 3 MW exhaust, which resulted in saving of 3.0 tons of 3 ATA Steam per hour.
2. TG Exhaust steam auto control vent valve maintained zero % and steam diverted to Sugar plant operation. This resulted in savings of 12T of 3 ATA Steam /day.
3. VFD introduced for Ash Granulator for reducing the speed, minimizing the wastage, meeting out the production requirement and power saving envisaged with this installation accounted to the tune of 3 Units / Hour.
4. Additional 3.7KW Tube settler Feed pump motor connected in Biogas engine from 8.9.2017, which resulted in power saving of 3 Units / Hour and 12,000 Units for the Financial year.

ii) The steps taken by the company for utilising alternate sources of energy; Nil

iii) The capital investment on energy conservation equipment (₹ in lakhs)
1) At Unit-I - 2.20
2) At Unit-II - 6.23
3) At Unit-III - 9.36

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption;

1) New variety Co 11015 was identified for large scale evaluation from Sweet Bloom varietal evaluation project, a collaborative study between SISMA and ICAR Sugarcane Breeding Institute, Coimbatore. This variety recorded highest juice quality from 8th month onwards and recorded higher cane yield than existing ruling variety Co 86032. Rapid multiplication of this variety through tissue culture and chip bud seedling is under progress for large scale suitability study.

2) New variety VSI 08121 was identified from All India Co-ordinated Research Project based on better performance in terms of yield and quality and advanced to multi location trial testing.

3) The promising new varieties viz., Co 0212 and Co 06030 breeder seed material were obtained from Sugarcane Breeding Institute, Coimbatore and planted for large scale evaluation under different soils and climatic conditions and its performance under Big Mill Test.

4) Seed material for two new promising varieties viz., VSI 08005 and MS 10001 were obtained from Vasantdada Sugar Institute, Pune and multiplied for taking up of large scale suitability studies for its yield and juice quality.

5) 25 new All India Co-ordinated Research Project sugarcane clones were obtained from ICAR Sugarcane Breeding Institute, Coimbatore and taken the new set of varietal evaluation trials at Varadaraj Nagar and Mundiyampakkam cane farms.

6) Research evaluation of more than 200 clones obtained from Sugarcane Breeding Institute, Coimbatore and Sadhana Agri Tech, Bangalore in the past years resulted in the identification of 10 promising clones faring better than the predominant variety, Co 86032 in terms of both yield and quality. Final evaluation with the selected varieties are under progress.

7) Produced and supplied 1.61 lakhs Tissue culture sugarcane seedlings during 2017-18 financial year which is the highest ever production since inception of Tissue culture lab. Also produced 7208 new variety tissue culture seedlings which is also the highest in a financial year. This quality seed nursery production initiative by the company was widely lauded by other sugar mills and Sugarcane Breeding Institute, Coimbatore during their surveys / field visits.

8) The promising clones identified from R&D trials are being multiplied through Tissue Culture for rapid introduction of new varieties to bestow prime mover advantage to the company in terms of enabling realization of better profits by farmers and higher sugar recoveries by our company.

9) Varietal purity for higher sugar recovery is being ensured through an exclusive R&D breeder seed nursery farm operational at Varadaraj Nagar and Mundiyampakkam and catering to the nursery seed requirement of farmers of all our Units.

10) Cotesia parasitoid pilot scale production study initiated for sugarcane inter node borer management. Initial results are encouraging and planning to mass produce and supply in the ensuing year.

11) New model of Extension Wing was introduced in four divisions (2 each at Mundiyampakkam and Gingee) to improve the cane yield through “Village Adoption Concept” by implementing the technologies in the adopted villages. Cane Development Assistants were placed and introduced individual plot wise monitoring through field card system to ensure the yield improvement.

12) Trained the cane team and also conducted series of field demonstrations for promotion of deep ploughing through chisel plough and reversible mould board plough / disc plough and organized for the purchase of the implements to the entrepreneurs so as to improve the average cane yield and net income of the farmers.

13) 2600 soil samples in Unit III were analyzed for fertility mapping. Need based fertilizer prescription to farmers through soil analysis is under progress so as to reduce the cost of fertilizers and better productivity. Leaflet on “Importance of soil test based fertilizer application” was printed and circulated to all units.

14) Application of bio APK increased the soil microbial load compared to the initial level. Also application of Bio APK, VAM and Humic with 100% recommended NPK recorded an yield increase of 3.30 t/ac over control plot with 0.20 % higher in CCS %.

15) Novel concept of customized fertilizers application based on specific and balanced nutrient application study revealed the yield advantage of 5 tonnes / acre. Initial juice quality analysis also revealed 0.40% CCS improvement over control plot. Measures are being taken to adopt the technology on large scale.

16) Application of Samartha liquid, an organic growth promoter manufactured by M/s Rajshree Biosolutions LLP, @ 6 lit/ac recorded higher CCS of 10.90 % and comparable yield increase of 8.40 t /ac over control. Large scale suitability and conformation study is under progress.

17) Soil analysis of trash mulching / shredding field results revealed that improvement in soil organic carbon, available N, P, K and MN status. 0.20 % OC increased over trash burning plot due to trash incorporation over a period of time

18) New product field evaluation studies with Potash (organic potash), Vardhan (microbial bio mixture) and chelated zinc for sugarcane yield and quality improvement initiated. Also the Bio D (decomposition culture) for quick trash decomposition in ratoon crop is under progress.

19) Pilot scale evaluation of new “Sticky Pheromone Trap” developed by M/s Rajshree Biosolutions LLP, for management of sugarcane early shoot borer and internode borer successfully completed and supplied to farmers for large scale adoption. It was well received and appreciated by the farmers and cane team for its simplicity and effectiveness in controlling the borer moths.

20) Presented six research articles in National and International symposium. Received Gold Medal Award for Best Paper presentation on “Integrated Biocontrol Technologies for Successful Management of Internode borer (Chilo sacchariphagus indicus) pest incidence in Rajshree Sugars, Theni Sugarcane area” in the SISSTA 47th annual convention held at Tirupati and Best Paper Poster Award for "Management of sugarcane borer pests through sticky triangular pheromone trap” in SUCROSYM international symposium held at Coimbatore.

21) “World Soil Day” was celebrated on December 5th, 2017 along with cane growers in all three units to create awareness on importance of soil analysis, soil fertility improvement and deep land preparation.

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

1) Developed a “Drip Video” with its importance, laying and maintenance activities. The same was launched on 23rd October 2017 and being showed to farmers through AV Van programme for promotion of drip irrigation

2) The company's efforts in introduction of rain guns to water scarce areas and drought prone crops has created lot of awareness and resulted in adoption of raingun based irrigation by many farmers. This has helped them to save the crop to some extent in drought prone and water scarcity areas.

3) Large scale and targeted adoption of a specific drought management practice of potash and micronutrient foliar spray through entrepreneurs resulted in mitigating crop moisture stress and preventing crop perishals.

4) Continual technology up-gradation of in-house R&D biological control agent production facilities, and, in farmer- entrepreneur units resulted in coverage of 35 to 40 % of cane area across all units with eco-friendly biological control agents and significant reduction in pest incidence and better cost benefit to farmers.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); Not Applicable.

iv) The expenditure incurred on Research and Development: ₹ 144.22 lakhs (₹150.39 lakhs)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows (₹ in lakhs)

		2017-18	*2016-17*
Foreign exchange earned	:	Nil	Nil
Foreign exchange outgo	:	1790.90	46.74

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

ANNEXURE 2

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2018

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of Governance

The Company believes that good corporate governance is essential to achieve long term corporate goals and enhance shareholder value. The company is committed to produce sugar and value added by-products of good quality and strive for continuous improvement in all spheres of its activities to create value that can be sustained over a long term for all its shareholders, employees, customers, government and lenders. The Company endeavours to ensure that high standards of ethical conduct are maintained throughout the organization.

2. Board of Directors

a) The Board of Directors of the Company is comprised of;

- 1 Promoter Executive Director	Mr. Aditya Krishna Pathy
- 1 Promoter Non-Executive Director	Ms.Rajshree Pathy
- 1 Non promoter Executive Director	Mr. R.Varadarajan
- 2 Non-Independent Non-Executive Directors	Mr. Raja M.J.Abdeen Dr. P.Surulinarayanasami
- 5 Independent Directors	Mr. G.R.Karthikeyan Mr. R.C.H.Reddy Mr. G.S.V.Subba Rao Dr. K.Mohan Naidu Mr. Sheilendra Bhansali

Note : Ms.Rajshree Pathy had resigned from the position of Managing Director with effect from the closing hours of 29th June 2017 and continues as Chairperson of the Board. Mr.Aditya Krishna Pathy was appointed as Managing Director with effect from 30th June 2017.

b) During the year, 4 Board Meetings were held respectively on 29th May 2017, 28th August 2017, 24th November 2017 & 5th February 2018.

c) The details relating to attendance, directorships, memberships and chairmanships are furnished below:

Name of Director	No. of Board Meetings attended	Last AGM attended	In Board of other Companies		In Committee of other Companies	
			Membership	Chairmanship	Membership	Chairmanship
Ms.Rajshree Pathy	4	Yes	10	—	1	1
Mr.R.Varadarajan	4	Yes	4	—	1	—
Mr.G.R.Karthikeyan	4	Yes	9	—	1	—
Dr.P.Surulinarayanasami	4	Yes	1	—	—	—
Mr.Raja M.J.Abdeen	4	Yes	12	—	—	—
Mr.R.C.H. Reddy	4	Yes	6	—	5	3
Mr.G.S.V.Subba Rao	4	Yes	—	—	—	—
Dr.K.Mohan Naidu	4	Yes	1	—	—	—
Mr.Aditya Krishna Pathy	3	Yes	8	—	1	—
Mr.Sheilendra Bhansali	2	Yes	4	—	—	—

There is no interse relationship among the directors except that Mr.Aditya Krishna Pathy, who is son of Ms.Rajshree Pathy, Chairperson. For the purpose of membership / chairmanship in committees, only the Audit Committee & Stakeholders' Relationship Committee are considered.

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members and during the year, four meetings were held respectively on 29th May 2017, 28th August 2017, 24th November 2017 and 5th February 2018.

Name of Member	Category	No. of Audit Committee meetings attended
Mr.G.S.V.Subba Rao, Chairman	Independent Directors	4
Mr.G.R.Karthikeyan		4
Mr.R.C.H.Reddy		4
Dr.K.Mohan Naidu (till 29.5.2017)		1
Mr.Sheilendra Bhansali (from 28.8.2017)		2
Mr.Raja M.J.Abdeen	Non-Executive and Non-Independent Director	4

Mr.M.Ponraj, Company Secretary is the secretary of the Audit Committee.

The terms of reference of Audit Committee includes matters specified in Section 147 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The brief description of terms of reference are as follows:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company
- Approval of payment to statutory auditors for any other services rendered
- Review of accounting and financial policies and practices
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Evaluation of internal financial controls and risk management systems
- Reviewing with the management, the quarterly / annual financial statements and Auditors' Report before submission to the Board for approval
- Approval or any subsequent modification of related party transactions
- Other terms of reference included from time to time based on provisions of SEBI (LODR) Regulations, 2015.

4. Nomination and Remuneration Committee (NR Committee)

The NR Committee consists of the following Directors as members :

Mr.G.R.Karthikeyan, Chairman	Independent Director
Mr.R.C.H.Reddy	Independent Director
Mr.Raja M.J.Abdeen	Non-Executive and Non-Independent Director

Terms of reference:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
- To formulate the criteria for evaluation of Independent Directors and the Board
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

During the year, three meetings of the NR Committee were held on 29th May 2017, 28th August 2017 and 5th February 2018 and all the Members attended all the meetings.

The performance evaluation criteria for Independent Directors are (1) Awareness on general and business environment (2) Awareness on sector specific environment (3) Contribution to the discussions at the meeting (4) Awareness of the roles, duties and responsibilities of a Director (5) Contribution to strategic thinking and direction for the future growth of the Company (6) Whether the Director is independent from the entity and the other Directors and if there is no conflict of interest (7) Whether the Director exercises his own judgment and voices opinion freely. The grading scale has been fixed as 1 = Average, 2 = Good and 3 = Excellent.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is headed by Mr.Raja M.J.Abdeen, Non-Executive Director, Ms.Rajshree Pathy (till 29th May 2017), Mr.R.Varadarajan and Mr.Aditya Krishna Pathy (w.e.f. 29th May 2017) are the other members. Mr.M.Ponraj, Company Secretary is the Compliance Officer. Two (2) complaints were received from the shareholders during the year under review and it was resolved in full to the satisfaction of the shareholders. As of 31st March 2018, there are no complaints/queries/ pending reply. An exclusive email ID for addressing shareholders grievances, viz., investor@rajshreesugars.com is already available.

During the year, four meetings of the Committee were held respectively on 29th May 2017, 28th August 2017, 24th November 2017 and 5th February 2018. All the members have attended all the meetings during their tenure.

6. Corporate Social Responsibility Committee ('CSR Committee')

The CSR Committee consists of the following Directors as members:

Dr.K.Mohan Naidu, Chairman	Independent Director
Mr.Raja M.J.Abdeen	Non-executive & Non-Independent Director
Mr.R.Varadarajan	Executive Director

The broad terms of reference of the CSR Committee is furnished hereunder:

a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;

b) To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;

c) To monitor the CSR policy of the company from time to time.

The Company was not required to incur any expenditure during the year on CSR in terms of Section 135 of the Act. No meeting was held during the year.

7. Share Transfer Committee

The Share Transfer Committee consists of the following officials as members:

1. Ms.Rajshree Pathy	Member (till 29th May 2017)
2. Mr.R.Varadarajan	Chairman
3. Mr.Raja M.J.Abdeen	Member
4. Mr.R.C.H.Reddy	Member
5. Mr.Aditya Krishna Pathy	Member (w.e.f. 29th May 2017)
6. Dr.K.Mohan Naidu	Member (w.e.f. 29th May 2017)
7. Mr.M.Ponraj	Company Secretary
8. Mr.K.Narendra	Representative of SKDC Consultants Ltd.-RTA
9. Mrs.Viyalakshmi Narendra	Representative of SKDC Consultants Ltd.-RTA

The broad terms of reference of the Share Transfer Committee are to transfer / transmission / sub-division / consolidation etc., of shares of the Company.

During the year, 27 meetings were held respectively on 22.4.2017, 6.5.2017, 18.5.2017, 3.6.2017, 10.6.2017, 30.6.2017, 15.7.2017, 5.8.2017, 12.8.2017, 19.8.2017, 2.9.2017, 9.9.2017, 16.9.2017, 27.9.2017, 12.10.2017, 26.10.2017, 31.10.2017, 11.11.2017, 2.12.2017, 15.12.2017, 23.12.2017, 30.12.2017, 13.1.2018, 20.1.2018, 10.3.2018, 17.3.2018 and 24.3.2018.

8. Compensation Committee

The Compensation Committee consists of the following Directors as members:

Dr. K. Mohan Naidu, Chairman	Independent Director
Mr.G.R.Karthikeyan	Independent Director
Mr.R.C.H.Reddy	Independent Director
Mr.Raja M.J.Abdeen	Non-Executive and Non-Independent Director

The Committee was formed on 29th May 2017 to administer and superintendence of the Employee Stock Option Plan (ESOP) of the company. One meeting held on 24th November 2017 and all the members attended.

9. Independent Directors' meeting

During the year one meeting of the Independent Directors was held on 5th February 2018 without the attendance of non-independent directors and members of management. All the independent directors attended the meeting.

The Independent Directors, at the meeting,

a) reviewed the performance of non-independent directors and the board of directors as a whole;

b) reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

c) assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

10. Remuneration of Directors

The remuneration paid to Executive Directors for the year 2017-18 were as follows (₹ in lakhs.)

Managerial Remuneration	Mr.Aditya Krishna Pathy (from 30.6.2017)	Ms.Rajshree Pathy (upto 29.6.2017)	Mr.R.Varadarajan
Salary	131.96	525.29*	73.84
Commission	--	--	--
Perquisites	--	0.10	6.86
Sitting Fees	1.50	2.00	2.00
Total	**133.46**	**527.39**	**82.70**

*Includes benefits paid on retirement

Mr.R.Varadarajan has been granted 1,01,088 Stock Options under the Company's Employee Stock Option Plan 2012 (ESOP 2012) at an exercise price of ₹ 55.40 per stock option, in the year 2012. The stock options were not issued at discount. The exercise period would be a maximum of 4 years from the date of vesting of options. No other Directors have been granted stock options.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

The number of shares held by the non-executive Directors are as follows:

Name of the Director	No. of Shares held	% to the total share capital of the company
Ms.Rajshree Pathy	1,13,17,313	40.178
Dr.P.Surulinarayanasami	11,31,107	4.016
Mr.Raja M.J.Abdeen	10,10,000	3.585
Mr.G.R.Karthikeyan	1,040	0.004
Mr.R.C.H.Reddy	832	0.003
Dr.K.Mohan Naidu	1,000	0.004
Mr.G.S.V.Subba Rao	--	--
Mr.Sheilendra Bhansali	--	--

11. A statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Director

Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft paramaterialized feed-back forms for evaluation of the Board, Independent Directors, various Committees and Chairperson.

Independent Directors at a meeting without the attendance of non-independent directors and anyone from the management, considered/evaluated the Board's performance, performance of the Chairperson and individual Director.

The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director).

12. General Body meetings

Location and time for the last three Annual General Meetings :

Year	Location	Date	Time	No. of special resolutions passed
2015	Chamber Hall, Indian Chamber of Commerce & Industry, Coimbatore.	10.08.2015	10.00 AM	--
2016		29.09.2016	10.00 AM	--
2017		28.08.2017	10.00 AM	7

No Postal ballot process has been conducted during the year under review.

13. Means of Communication

The company is publishing audited financial results / quarterly unaudited financial results and notice advertisements in Business Standard (in English) and Dinamani (in Tamil), normally. The company has also posted the corporate governance report, quarterly/annual results, shareholding pattern, and such other details as required under the Listing Regulations / Companies Act, 2013, in the Company's Website www.rajshreesugars.com and in the website of stock exchanges viz., www.nseindia.com and www.bseindia.com.

The Company has not made any presentations to institutional investors or to the analysts, during the financial year.

14. General shareholder information

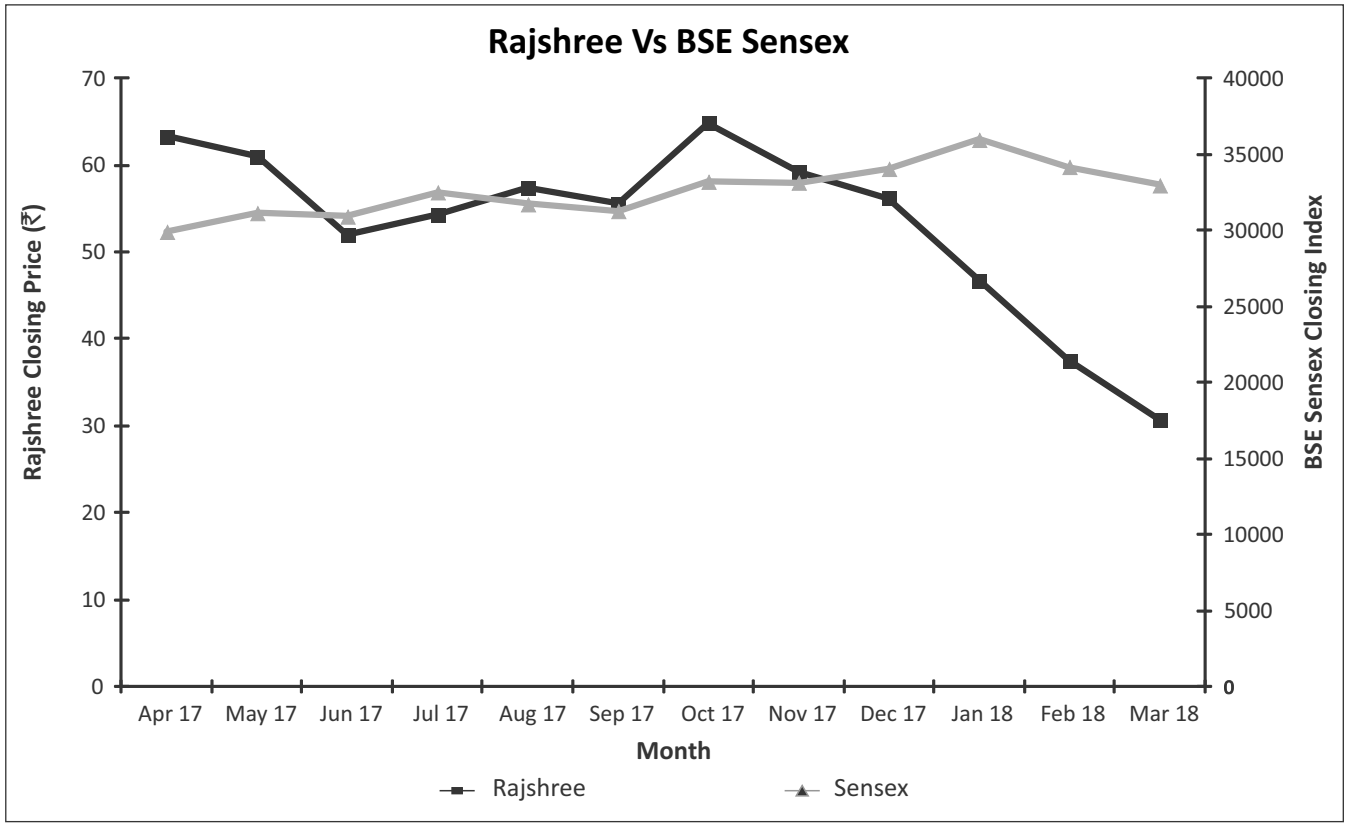
i.	AGM - Date, time and venue	31st August 2018 at 10.00 AM Chamber Hall, Indian Chamber of Commerce and Industry, Avanashi Road, Coimbatore 641 018.
ii.	Financial year	12 Months ending 31st March
iii.	Financial calendar 2018-19 First quarterly results Second quarterly results Third quarterly results Fourth quarterly and Audited yearly results	 Before 14th August 2018 Before 14th November 2018 Before 14th February 2019 Before 30th May 2019
iv.	Book Closure Date for AGM	25th August 2018 to 31st August 2018
v.	Name and address of stock exchanges.	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai - 400 051 The company has paid listing fees for the financial year 2018-19.
vi.	Stock Code	500354 (BSE) RAJSREESUG (NSE)

vii. Market Price Data – High/Low during each month of the Financial Year 2017-18

Amount in ₹

Month	BSE		NSE	
	High	Low	High	Low
April 2017	69.95	57.50	69.40	56.50
May	68.00	55.35	68.25	56.60
June	61.75	50.10	61.65	49.75
July	59.75	51.00	60.00	49.45
August	62.95	50.50	63.20	49.50
September	60.75	49.00	60.50	53.20
October	69.70	54.95	69.60	55.05
November	74.80	57.45	74.80	56.45
December	61.20	50.50	61.15	50.50
January 2018	59.25	46.40	58.90	46.30
February	47.25	36.70	47.40	36.30
March	38.00	28.50	37.95	28.20

viii. Performance in comparison to BSE Sensex:



ix.	Registrars and Share Transfer Agents (for physical & demat shares)	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006.
x.	Share transfer system	Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects, by the Committee which meets regularly.

xi. Distribution of shareholding as on 31st March 2018

No. of equity shares held	No. of Folios	No. of shares held	% of shareholding
Upto 5000	18,372	54,62,952	19.39
5001 to 10000	94	7,13,224	2.53
10001 to 20000	55	7,95,507	2.82
20001 to 30000	17	4,27,369	1.52
30001 to 40000	8	2,82,690	1.00
40001 to 50000	6	2,57,605	0.92
50001 to 100000	9	6,13,553	2.18
100001 and above	20	1,96,14,780	69.64
Total	**18,581**	**2,81,67,680**	**100.00**

xii. Shareholding pattern as on 31st March 2018

Category	No. of Folios	No. of shares held	% of shareholding
Promoters and Promoters Group **	4	1,34,73,621	47.83
Directors & Relatives (incl. NRI Directors)	12	29,55,666	10.49
Mutual funds and UTI	4	4,900	0.02
Banks, Financial institutions and insurance companies	7	10,173	0.04
Corporate bodies	297	19,16,290	6.80
Indian public	18,139	91,87,448	32.62
NRIs and OCBs	117	1,30,674	0.46
IEPF Authority	1	4,88,908	1.74
GDRs	-	-	-
Total	**18,581**	**2,81,67,680**	**100.00**

** Pledge has been created in respect of the entire holdings of 1,34,73,621 equity shares with voting rights of Promoter and Promoter Group in favour of M/s. SBICAP Trustee Company Ltd, who is holding the pledge on behalf of lenders of RAJSHREE SUGARS & CHEMICALS LTD, as per the final letter of approval dated 24th March 2014 from Corporate Debt Restructuring Cell, Mumbai.

xiii.	Dematerialization of shareholding and liquidity	91.853% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xiv.	Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and impact on equity	NIL
xv.	Plant locations	Unit I - Sugar, Cogeneration & Distillery Varadarajnagar PO, PIN 625 562. Periakulam Taluk, Theni District Unit II - Sugar & Cogeneration Mundiampakkam PO, PIN 605 601. Vikravandi Taluk, Villpuram District Unit III - Sugar, Cogeneration & Distillery Semmedu Village,Gingee Taluk, PIN 604 153, Villupuram District
xvi.	Address for correspondence	*"The Uffizi",* 338/8 Avanashi Road Peelamedu, Coimbatore 641 004. Email ID: investor@rajshreesugars.com rscl@rajshreesugars.com

xvii. No dividend is pending as on date for transfer to the Investor Education and Protection Fund (IEPF) except unpaid dividend of ₹ 39,729/- for the financial year 2009-10 consequent to stay orders issued by the Courts.

xviii) Commodity Price Risk or foreign exchanges risk and hedging activities

Sugar being a commodity is exposed to cycles and price risk. To mitigate commodity risks, the company enters into forward sales contract with the reputed institutional buyers for a reasonable quantity.

The company hedges its foreign currency fluctuation risks for underlying assets / liabilities as per the company's policy.

15. Various Policies of the Company

The following policies are available in the Company website www.rajshreesugars.com vide link http://rajshreesugars.com/the-company/policies/

a) Policy on Related Party Transaction
b) Whistle Blower Policy. Access to the Audit Committee has not been denied to any personnel.
c) Nomination and Remuneration Policy
d) Policy on disclosure of material events
e) CSR Policy
f) Policy on Archival of documents

16. Familiarization Program for Independent Directors

The Company has formulated a Familiarization Program for its Independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.,

The details of such familiarization programmes are disclosed on the company's website vide web link http://www.rajshreesugars.com/images/stories/ Familiarisation_Program_for_Independent_Directors.pdf

17. Other Disclosures

a) There are no material related party transactions that may have potential conflict with the interests of the Company at large.
b) The company has complied with all requirements and no penalty or strictures have been imposed / made on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
c) The Company has complied with all the mandatory requirements of the various Regulations of SEBI (LODR) Regulations, 2015.
d) Investor complaints of non-receipt of dividends, non-receipt of annual reports, etc. forwarded by SEBI are periodically resolved and uploaded into SCORES (SEBI Complaints Redressal System) website and no complaints were pending during the year under review.
e) The Company has fulfilled non-mandatory requirement, namely, the Financial Statements are unqualified.
f) Disclosure with respect to demat suspense account / unclaimed suspense account.

The following are the details of unclaimed shares pertaining to Public Issue / Rights Issue of the company.

Particulars	Number of shareholders	Number of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	23	3,182
(ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL	NIL
(iii) Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	23	3,182

The voting rights on these shares as on 31.3.2018 shall remain frozen till the rightful owner of such shares claims the shares.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company as required under the SEBI (Prohibition of Insider Trading) Regulations 2015.

CEO/CFO Certification

The certification as per Regulation 17(8) of the SEBI (LODR) Regulations 2015 has been submitted by the CEO and CFO of the Company to the Board of Directors.

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

APPENDIX – 1

Declaration under Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations by the Managing Director

The Shareholders,

I, Aditya Krishna Pathy, Managing Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Board of Directors and Senior Management personnel of Rajshree Sugars & Chemicals Limited.

For and behalf of the Board

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

APPENDIX – 2

CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Rajshree Sugars & Chemicals Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements of the company for the financial year ended 31st March 2018, and that to the best of our knowledge and belief, we state that:
   i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:
   i. significant changes, if any, in internal control over financial reporting during the year;
   ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

V.B. GOPAL KRISHNAN
Chief Financial Officer

Place : Coimbatore
Date : 14th May 2018

APPENDIX – 3

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of M/s. RAJSHREE SUGARS & CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Rajshree Sugars & Chemicals Limited ('the Company'), for the year ended 31st March 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with National Stock Exchange of (India) Limited and BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has compiled with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.001496S

K. RAGHU
Membership No.011178
Partner, Auditor

Place : Coimbatore
Date : 14th May 2018

ANNEXURE 3

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

SN	Name of Officials	Ratio
1	Ms.Rajshree Pathy, Chairperson & Managing Director (till 29.6.17)	24.64
2	Mr. Aditya Krishna Pathy, Managing Director (wef 30.6.17)	54.68
3	Mr.R.Varadarajan, Wholetime Director	33.44

Note: For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

2) The percentage increase in remuneration of each director, Chief Financial Officer, Managing Director & Wholetime Director, Company Secretary in the financial year;

SN	Name of Director / Official	% increase
1	Ms.Rajshree Pathy, Chairperson & Managing Director (till 29.6.17)	NA
2	Mr. Aditya Krishna Pathy, Managing Director (wef 30.6.17)	NA
3	Mr.R.Varadarajan, Wholetime Director	30%
4	Mr.V.B.Gopal Krishnan, Chief Financial Officer	11%
5	Mr.M.Ponraj, Company Secretary	23%

3) The percentage decrease in the median remuneration of employees in the financial year; 0.30%

4) The number of permanent employees on the rolls of Company as on 31st March 2018 : 908

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

   Long-term wage settlement for a period of 4 years from 1.10.2014 to 30.9.2018 was entered into with the Joint Action Council of Recognised Trade Unions by South Indian Sugar Mills Association representing all the private sugar factories in Tamil Nadu and the same was implemented during the financial year. The average increase in remuneration to sugar wage board employees were given as per terms of the settlement above and variable dearness allowance as notified by the Government linked to cost of inflation index. The term of office of Mr. R. Varadarajan expired on 4th June 2017 and reappointed for further period of three years wef 5th June 2017. For other employees including managerial personnel, increase in remuneration was given as per the remuneration policy and market norms on case to case basis.

6) If remuneration is as per the remuneration policy of the Company; Yes

7) Information as per Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014

Name / (Age)	Designation of the Employee / Duties	Remuneration ₹	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Aditya Krishna Pathy-32	Managing Director	1,31,95,967	Gratuate in Business and Management from the University of Exeter, UK - 13 Years	30-Jun-17	Lakshmi Mills Company Ltd.,
Varadarajan R-60	Wholetime Director	80,69,867	Master's Degree in Business Management and English Literature - 38 Years	05-Jun-03	PSG Institutions
Sathiyamoorthi G-55	President	44,71,985	B.Sc., ADSI - 33 yrs	05-Nov-90	Sirugappa Sugars & Chemicals Ltd.
Gopal Krishnan VB-42	Chief Financial Officer	43,39,784	B.Com (Hons), ACA, Dip IFRS (ACCA-UK) - 22 yrs	22-Jan-10	Uttam Sucrotech International limited
Narayan R K-49	Sr.vice President - Sales & Marketing	42,11,940	B.Com., PGDBA - 24 yrs	26-May-10	EID Parry (I) Ltd

Name / (Age)	Designation of the Employee / Duties	Remuneration ₹	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Mathiyalagan D - 57	Sr. Vice President - Operations	41,31,091	BE Mechanical - 31 yrs	14-Dec-11	EID Parry (I) Ltd
Ramesh S M - 48	Vice President - Mundiyampakkam	35,89,843	BE Mechanical, BOE - 21 yrs	11-Dec-09	GMR Industries
Subramanian K - 46	Vice President - Finance & Taxation	35,71,731	B.Sc., ACA - 22 yrs	21-Jan-10	Perfetti Confectioneries
Karthikeyan M - 50	Vice President - Semmedu	30,91,542	BE (Mechanical), ANSI, BOE -28 yrs	09-Oct-00	South India Sugars
Aishwarya Pathy -36	Chief Operating Officer	28,01,093	UG from Wheaton College, USA -2 yrs	01-Jun-16	Trident Sugars Ltd
Kathiravan - 56	GM - Cane	22,70,691	BSc Agriculture- 33 yrs	25-Nov -83	South India Sugars

Notes:

(1) The nature of employment of Mr.Aditya Krishna Pathy, Managing Director and Mr.R.Varadarajan, Wholetime Director are contractual. Mr.Aditya Krishna Pathy is son of Ms.Rajshree Pathy, Chairperson. Ms.Aishwarya Pathy is daughter of Chairperson & Sister of Managing Director. Other employees are not related to any Director of the Company

(2) The employment of all others is non-contractual and terminable by notice on either side.

(3) None of the employees are covered under Rule 5(2)(ii) and 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

ANNEXURE 4

BOARD'S REPORT FOR THE YEAR ENDED 31st MARCH 2018

Statement as at March 31, 2018, pursuant to (Disclosure in the Directors' Report) SEBI (Share Based Employee Benefits) Regulations, 2014

A. Summary of Status of ESOPs Granted
The position of the existing schemes is summarized as under -

S.No.	Particulars	"RSCL Employee Stock Option Plan 2012"
1	Date of Shareholder's Approval	10th October 2012
2	Total Number of Options approved under ESOPs	11,89,585
3	Vesting requirement	"(i) 50% of options due for vesting on each vesting date shall vest on the basis of time i.e.mere continuance of employment as on date of vesting; and(ii) 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls."
4	Exercise Price or Pricing Formula	-
5	Maximum term of Options granted	8 years
6	Source of shares	Primary
7	Variation in terms of ESOP	No Variation
8	Method used to account for ESOP	Fair Value Method

B. Option Movement during the year 2017-18

S.No.	Particulars	Numbers	Wt. Avg Exercise price
1	Options outstanding at the beginning of the year	6,05,262	55.40
2	Number of options granted during the year	-	-
3	Options Forfeited / Surrendered during the year	1,78,968	55.40
4	Options Vested during the year	-	-
5	Options Exercised during the year	980	55.40
6	Options Lapsed during the year	-	-
7	Total number of shares arising as a result of exercise of options	980	55.40
8	Money realised by exercise of options (₹ In Lakhs)	57,351	-
9	Options outstanding at the end of the year	4,25,314	55.40
10	Options exercisable at the end of the year	4,25,314	55.40

C. Employee-wise details of options granted during the financial year 2017-18 :
No options granted during the year.

D. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 : ₹ 10.76 .

E. Weighted average exercise price / fair value of Options granted during the year : No options granted during the year

F.

The weighted average market price of options exercised during the year	67.45

G.

Weighted average remaining contractual life	
Exercise Price Range (₹)	Years
0-100	2.03
100-200	Nil
200-300	Nil

H. Net Income

Particulars	₹
Net Income as reported	(12,25,32,053)
Less: Fair Value Compensation Cost	-
Net Income	(12,25,32,053)

I. Method and assumptions used to estimate fair value of options granted during the year:
No option granted during the year

For and behalf of the Board

Place : Coimbatore
Date : 14th May 2018

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

ANNEXURE 5

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2018

SECRETARIAL AUDIT REPORT

(Form No.MR-3)

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2018

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

To

The Members,
M/s. RAJSHREE SUGARS & CHEMICALS LIMITED
Coimbatore.

I have conducted the SECRETARIAL AUDIT of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. RAJSHREE SUGARS & CHEMICALS LIMITED (CIN – L01542TZ1985PLC001706) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March,2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;

v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') wherever applicable) viz. :-

   1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   2) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   3) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;

   4) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended up-to-date)

vi) and the following Acts and Rules specifically applicable to a Sugar Industry viz.,

   1. Agricultural and Processed Food Products Act,1985

   2. Acts and Rules prescribed under prevention and control of pollution, environmental protection and energy conservation.

   3. Essential Commodities Act,1955,

4. Export (Quality Control and Inspection) Act, 1963
5. Food Safety and Standards Act, 2006 and Rules, 2011
6. Indian Electricity Act, 2003
7. The Indian Boilers Act, 1923
8. Levy Sugar Price Equalization Fund Act, 1976
9. Sugar Development Fund Act, 1982
10. Sugar Cess Act, 1982
11. Sugarcane (Control) Order,1966
12. The Sugar (Control) Order, 1966
13. The Sugar (Packing & Marking) Order, 1970
14. The Tamil Nadu Molasses Control and Regulation Rules, 1958
15. The Tamil Nadu Distillery Rules,1981
16. Other local laws as applicable to various plants and offices.

The company was not required to comply with the following laws/regulations/ guidelines as these were not applicable during the financial year.

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended up-to-date)

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended up-to-date)

I have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

Majority decision is carried through unanimously and recorded in the minutes.

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

I further report that during the audit period there were no specific instances other than item d) :

a) Public /Rights /Debentures/Sweat Equity
b) Redemption/Buy Back of Securities
c) Foreign Technical Collaboration
d) Major decisions taken by measures in pursuance of section 180 of the Companies Act, 2013

The company has divested its entire equity share investment in Trident Sugars Limited, a wholly owned subsidiary on 3.4.2017.

Place : Coimbatore
Date : 14th May 2018

G. SOUNDARRAJAN
Practicing Company Secretary
ACS-13993-C.P. No. 4993

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

'Annexure A'

To

The Members
M/s. RAJSHREE SUGARS & CHEMICALS LIMITED
Coimbatore

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. The Company has maintained Legal Management System which takes care of regular Compliance of applicable laws and the amendments are updated then and there by the Company. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore
Date : 14th May 2018

G. SOUNDARRAJAN
Practicing Company Secretary
ACS-13993-C.P. No. 4993

ANNEXURE 6

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2018

Form No.MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended 31st March 2018

[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	L01542TZ1985PLC001706
ii)	Registration Date	13/12/1985
iii)	Name of the Company	RAJSHREE SUGARS & CHEMICALS 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	YES
vii)	Name, Address and contact details of Registrar and Transfer Agents	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. Phone: 0422-4958995, 2539835-36 Fax : 0422-2539837

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:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	White Crystal Sugar	1072	73
2.	Co-generation of Power	35106	10
3.	Industrial Alcohol	1101	17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

NIL

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

(i). Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				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	
A. PROMOTERS									
(1) Indian									
a. Individual/HUF **	1,20,23,490	Nil	1,20,23,490	42.687	1,20,24,290	Nil	1,20,24,290	42.688	0.001
b. Bodies Corporates	14,49,331	Nil	14,49,331	5.146	14,49,331	Nil	14,49,331	5.145	(0.001)
Sub-Total (A) (1)	**1,34,72,821**	**Nil**	**1,34,72,821**	**47.833**	**1,34,72,821**	**Nil**	**1,34,73,621**	**47.833**	**Nil**
(2) Foreign (A) (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**1,34,72,821**	**Nil**	**1,34,72,821**	**47.833**	**1,34,72,821**	**Nil**	**1,34,73,621**	**47.833**	**Nil**
B. Public Shareholding									
a. Mutual Funds / UTI	1,130	8,880	10,010	0.036	100	4,800	4,900	0.017	(0.019)
b. Financial Institutions / Banks	977	1,230	2,207	0.008	8,973	1,200	10,173	0.036	0.028
Sub-Total (B) (1)	**2,107**	**10,110**	**12,217**	**0.044**	**9,073**	**6,000**	**15,073**	**0.053**	**0.009**
2. Non-Institutions									
a. Bodies Corporates- Indian	18,83,912	1,24,434	20,08,346	7.130	14,91,758	1,13,197	16,04,955	5.698	(1.432)
b. Individual shareholders holding nominal share capital upto ₹ 1 lakh	43,78,808	15,81,354	59,60,162	21.160	44,51,359	10,96,526	55,47,885	19.696	(1.464)
c. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30,27,319	30,000	30,57,319	10.854	33,52,249	30,000	33,82,249	12.008	1.154
d. Others									
i) Directors & relatives	7,81,519	3,040	7,84,559	2.785	7,81,519	3,040	7,84,559	2.785	Nil
ii) Non Resident Indians	2,03,659	6,563	2,10,222	0.746	1,24,511	6,163	1,30,674	0.464	(0.282)
iii) Clearing Members	2,40,814	Nil	2,40,814	0.855	3,11,335	Nil	3,11,335	1.105	0.250
iv) Hindu Undivided families	2,49,133	Nil	2,49,133	0.884	2,57,314	Nil	2,57,314	0.914	0.030
v) NRI Directors	11,31,107	10,10,000	21,41,107	7.602	11,31,107	10,10,000	21,41,107	7.601	(0.001)
vi) NRI Directors' relatives	Nil	30,000	30,000	0.107	Nil	30,000	30,000	0.107	Nil
vii) IEPF Authority	Nil	Nil	Nil	Nil	4,88,908	Nil	4,88,908	1.736	1.736
Sub-Total (B) (2)	**1,18,96,271**	**27,85,391**	**1,46,81,662**	**52.123**	**1,23,90,060**	**22,88,926**	**1,46,78,986**	**52.114**	**(0.009)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**1,18,98,378**	**27,95,501**	**1,46,93,879**	**52.167**	**1,23,99,133**	**22,94,926**	**1,46,94,059**	**52.167**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**2,53,71,199**	**27,95,501**	**2,81,66,700**	**100.000**	**2,58,72,754**	**22,94,926**	**2,81,67,680**	**100.000**	**Nil**

** The Company has received a letter dated 6.4.2018 from Ms.Rajshree Pathy (holding 1,13,17,313 shares), belonging to the Promoter and Promoter Group of the Company, intimating that she had become Non Resident Indian from the Financial Year 2017-18, as per Section 6 of the Income Tax Act, 1961 and Section 2(w) read with Section 2(v) of the Foreign Exchange Management Act, 1999. Out of 1,13,17,313 shares, 28,48,976 shares held by her in dematerialized form are yet to be classified under NRI Category by the Depositories.

(ii). Shareholding of Promoters

Sl. No.	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 Pathy	1,13,17,313	40.180	100.000	1,13,17,313	40.178	100.000	(0.002)
2.	Aishwarya Pathy	2,17,874	0.774	100.000	2,18,674	0.776	100.000	0.002
3.	Aditya Krishna Pathy	4,88,303	1.734	100.000	4,88,303	1.734	100.000	--
4.	RSCL Properties Pvt. Ltd.	14,49,331	5.146	100.000	14,49,331	5.145	100.000	(0.001)
	Total	**1,34,72,821**	**47.834**	**88.234**	**1,34,73,621**	**47.833**	**100.000**	**(0.001)**

** Pledge has been created in respect of the entire holdings of 1,34,73,621 equity shares with voting rights of Promoter and Promoter Group in favour of M/s. SBICAP Trustee Company Ltd, who is holding the pledge on behalf of lenders of RAJSHREE SUGARS & CHEMICALS LTD, as per the final letter of approval dated 24th March 2014 from Corporate Debt Restructuring Cell, Mumbai.

(iii) Change in Promoters' shareholding

During the year under review, Ms.Aishwarya Pathy, one of the Promoter, had purchased 800 equity shares of the company from open market.

(iv) Shareholding Pattern for top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of company	No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	K.Mohan	9,25,677	3.286	6,82,624	2.423	(2,43,053)	(0.863)
2.	Jaishree Varadaraj	7,68,462	2.729	7,68,462	2.728	-	-
3.	G Nagarajan	2,29,979	0.816	2,29,979	0.816	-	-
4.	Elgi Equipments Limited	2,29,000	0.813	2,29,000	0.813	-	-
5.	The Lakshmi Mills Company Limited	2,20,000	0.781	2,20,000	0.781	-	-
6.	Spatial Services (P) Ltd.	1,93,123	0.686	-	-	(1,93,123)	(0.686)
7.	Anvar Jay Varadaraj	1,46,200	0.519	1,46,200	0.519	-	-
8.	Maya Jay Varadaraj	1,40,200	0.498	1,40,200	0.498	-	-
9.	Varun Jay Varadaraj	1,40,000	0.497	1,40,000	0.497	-	-
10.	Lakshmi Card Clothing Mfg. Co. Limited	1,00,000	0.355	1,00,000	0.355	-	-
11.	Hitesh Ramji Javeri	101	-	2,75,112	0.977	2,75,011	0.976
12.	Harsha Hitesh Javeri	-	-	2,75,000	0.976	2,75,000	0.976
13.	Santosh Sitaram Goenka	13,940	0.049	1,77,159	0.629	1,63,219	0.579
14.	Investor Education and Protection Fund (IEPF)	-	-	4,88,908	1.736	4,88,908	1.736

Note : Since the shares are traded on a daily basis, date wise increase / decrease is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of company	No. of shares	% of total shares of company	No. of shares	% of total shares of company
1	Ms.Rajshree Pathy	1,13,17,313	40.180	1,13,17,313	40.178	--	(0.002)
2	Dr.K. Mohan Naidu	1,000	0.004	1,000	0.004	--	--
3	Mr.G.R.Karthikeyan	1,040	0.004	1,040	0.004	--	--
4	Dr.P.Surulinarayanasami	11,31,107	4.016	11,31,107	4.016	--	--
5	Mr.Raja M.J.Abdeen	10,10,000	3.586	10,10,000	3.586	--	--
6	Mr.R.C.H.Reddy	832	0.003	832	0.003	--	--
7	Mr.V.B.Gopal Krishnan	2,390	0.008	2,390	0.008	--	--

Note: Mr.G.S.V.Subba Rao, Mr.R.Varadarajan and Mr.Sheilendra Bhansali, Directors and Mr.M.Ponraj, Company Secretary are holding Nil shares at the beginning and end of the year.

V. INDEBTEDNESS

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

(₹. in lakhs)

	Secured Loans	Unsecured Loans	Total
Indebtedness at the beginning of the financial year			
i) Principal Amount	59,913	1,594	61,507
ii) Interest due but not paid	1,322	-	1,322
iii) Interest accrued but not due	49	-	49
Total (i+ii+iii)	**61,284**	**1,594**	**62,878**
Change in Indebtedness during the financial year			
Addition	-	-	-
Reduction	15,526	153	15,679
Net change Indebtedness	**(15,526)**	**(153)**	**(15,679)**
At the end of the financial year			
i) Principal Amount	44,387	1,441	45,828
ii) Interest due but not paid	1,489	-	1,489
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	**45,877**	**1,441**	**47,317**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL

A. Remuneration to Managing Director, Wholetime Director and/or Manager (₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
		Ms.Rajshree Pathy	Mr.Aditya Krishna Pathy	Mr.R.Varadarajan	
1.	Gross Salary				
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	525.29*	131.96	73.84	731.09
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.10	--	6.86	6.96
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--	--
2.	Fee for attending Board meetings	2.00	1.50	2.00	5.50
3.	Others, if any	--	--	--	--
	Total	**527.39**	**133.46**	**82.70**	**743.55**
	Ceiling as per the Act	₹ 240 lakhs per annum	₹ 180.82 lakhs per annum	₹ 240.00 lakhs per annum	--

*Includes benefits paid on retirement

B. Remuneration to other Directors (₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Dr.P. Surulinara-yanasami	Mr.G.R. Karthikeyan	Mr.R.C.H Reddy	Mr.G.S.V. Subba Rao	Mr.Raja MJ Abdeen	Dr.K.Mohan Naidu	Mr.Sheilendra Bhansali	
1.	Independent Directors - Fee for attending Board / Committee Meetings	NA	2.80	2.80	2.80	NA	2.20	1.40	12.00
	Others	NA	Nil	Nil	Nil	NA	Nil	Nil	Nil
	Total (1)	**NA**	**2.80**	**2.80**	**2.80**	**NA**	**2.20**	**1.40**	**12.00**
2.	Other Non-Executive Directors - Fee for attending Board / Committee Meetings	2.00	NA	NA	NA	2.80	NA	NA	4.80
	Others	Nil	NA	NA	NA	Nil	NA	NA	Nil
	Total (2)	**2.00**	**NA**	**NA**	**NA**	**2.80**	**NA**	**NA**	**4.80**
	Total (1+2)	**2.00**	**2.80**	**2.80**	**2.80**	**2.80**	**2.20**	**1.40**	**16.80**
	Overall Ceiling as per the Act	11% on the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors, subject to a maximum of ₹ 1 lakh per meeting.							

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr.V.B.Gopal Krishnan CFO	Mr.M.Ponraj Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	43.18	9.02	52.20
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	--	--	--
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.21	--	0.21
	2. Others	--	--	--
	Total	**43.39**	**9.02**	**52.41**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

For and behalf of the Board

Place : Coimbatore
Date : 14th May 2018

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

ANNEXURE 7

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Development

Global Sugar Outlook

Global sugar production is estimated at 180 million tons for year 2017-18 as against the consumption of 184 million tons. The initial estimates of production and consumption for year 2018-19 is 174 and 175 million tons respectively.

Sugar Sector in India

As estimated for the sugar season 2017-18, the sugar production is likely to be over 31 million tons an increase of around 53% from 20.3 million tons of production in the previous year. This has been driven principally by a recovery in production in Maharashtra, North Karnataka and Uttar Pradesh (UP). Maharashtra recorded a production of 10.7 million tons which is 2.5 times of the 4.2 million tons of production in the previous year. Uttar Pradesh also recorded an elevated production of 11.5 million tons which is 32% more than its last year production. With the consumption estimate of 25 million tons the closing stock is expected to be in the range of 10 million tons. It remains to be seen how much exports would get materialized considering the lack of parity between the global and domestic prices. Due to bumper harvest in major sugar producing states UP and Maharashtra the sugar prices plummeted by over 25-30% in last 5 months and currently lower than the cost of production.

Government Announcements

The Government had announced slew of measures to revive the sugar industry.

In February' 18 the Government of India (GOI) has increased the import duty on sugar from 50% to 100%, and in the wake of falling sugar prices the Government announced stock holding limits on sugar mills restricting the quantity of sugar that the mills can release in the market in February and March' 18.

Later in the month of March' 18 GOI scraped 20% export duty on sugar to trim the surplus. Also the Ministry of Food and Consumer Affairs has allowed for sugar exports of 2 million MT under the Minimum Indicative Export Quota (MIEQ) scheme during sugar year 2018. Under this scheme the export quota has been fixed, taking into account the average production of mills achieved in the last two years and upto February of this marketing year. The Government has also allowed the export of white sugar till September 2018 under the Duty Free Import Authorization (DFIA) scheme, whereby exporters are allowed to import sugar at zero duty within three years. But this has not supported the domestic market as the international prices are very low at a discount of 30% to domestic price, making the scheme unviable.

All the above measures failed to arrest the steep fall in the sugar price which continued to drop and hovering at ₹ 26-27/- per kg in May 2018 and led to mounting of the sugarcane dues which stood at ₹ 21,000 crore on all India basis.

The Government in May'18 has announced a subsidy of ₹ 5.50 per quintal of cane crushed which will be paid directly to the sugar cane farmers to clear the FRP dues for the season 2017-18. However, the subsidy fails to fully bridge the huge deficit between the cane price and sugar realization.

Opportunities & Threats

Sugar business is cyclical and is highly dependent upon the monsoon. Price of the sugar cane is beyond the control of the sugar mill and is announced by Central Government. The sugar price realizations are also subject to market sentiments inconsistent with the fundamentals of actual demand and supply.

Delays in the collection of cogeneration dues also pose a challenge to the management of cash flows.

Sugarcane Price

Tamil Nadu (TN) also announced in its recent budget in March'18 that the state would forthwith adopt the Rangarajan Committee formula for cane price even from this current season 2017-18.

Therefore, going forward TN will not announce a SAP for cane which would be a positive factor as there would not be an arbitrary additional cane price beyond the FRP. As a matter of closing the past issue of SAP over 4 years, your company is in negotiation with the farmers to seek a closure. Upon agreement with the farmers on the amount to be paid the same would be provided for in the books of account.

Ethanol

The National Policy on Bio-fuels has set a target of 20 per cent blending of biofuels, both for bio-diesel and bio-ethanol. India can save precious foreign exchange to the tune of $6.12 billion from its oil import bill by 2021-22 if it achieves the targeted 20 percent ethanol mix in transportation fuel as per the scheduled timeline.

There has been a consistent shortfall in supply of ethanol in the past, mainly on account of the cyclical nature of the sugarcane harvests in the country.

Also achieving the EBP (Ethanol Blending Programme) target may not be easy for mills in the State of Tamil Nadu, given that limits placed by the Government of Tamil Nadu on the production of ethanol are far too low to meet the target of the EBP.

Outlook

Due to the production at the record levels and huge closing stocks, the sugar prices are expected to be suppressed during the full of next year. However, monsoon and Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming years. Under the current situation, the industry has proposed measure like diversion of sugar into ethanol, creation of buffer stock and cane farmers' welfare reserve to fund the gap between the FRP and what the industry can pay.

Risks and concerns

Your company continues to review and manage the risks emanating from such a dynamic environment at periodic intervals.

The major risks faced by the industry include sugarcane availability, price realization and regulatory control by Government and financial liquidity amongst others.

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, sugarcane price, and availability of attractive competitive / alternate crops will have a direct impact on cane availability and affect our business.

Risk mitigation: The Company has mitigated this risk by following:

- Continuous yield improvement activities to obtain a better quality cane leading to a better recovery.
- Close monitoring of cane development activities, which includes supply of good quality seeds, fertilizers and manure, among others.
- Promoting drip irrigation.
- Testing new improved varieties of cane.
- Careful monitoring of cane planting and harvesting schedule.
- Introduction of mechanical harvesters.
- Maintaining good relationship with them.

Sugar price realization risk

Sugar being a commodity, the sugar price remains volatile and realizations get adversely affected during a downturn. Coupled with this, higher cane price too affects profitability.

Risk mitigation: To address the challenge of cyclicality in the sugar business, the Company has adopted an integrated business model manufacturing sugar and also producing alcohol and cogenerating power from the sugarcane residue viz., molasses and bagasse. The Power and Alcohol business enhances the profitability of the company and de-risks the business from the adverse movements of sugar price.

The Company is also focusing on improving direct sales to institutional buyers to lock down on prices, thereby balancing the volatility of the market.

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.

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.

Risk mitigation

The Company was under Corporate Debt Restructuring (CDR) package since April 2014 and was ongoing.

In February 2018, the Reserve Bank of India (RBI) has, vide its circular, withdrawn all existing restructuring mechanisms including CDR and no further guidelines for mid-sized loans has been announced by RBI. The Company will take cognizance of fresh guidelines as they are announced and act appropriately.

The Company has hived off 100% stake in its subsidiary Trident Sugars Limited and net sale proceeds is utilized in reducing the long term loans thus managing the interest cost at better level.

However, the sugarcane availability and sugar price risk continue to have significant impact on the financial liquidity of the Company

Internal control systems and their adequacy

The Company has a well-established internal control systems in the form of well-documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures, to ensure proper functioning of operations. Moreover there exists an effective internal audit system, commensurate with the requirements of the company.

The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditors and take corrective action, wherever necessary. Moreover the Audit Committee periodically interacts with Statutory Auditors and makes continuous assessments of the adequacy and effectiveness of the internal control systems.

Human Performance

The Management Staff Strength as on 31st March 2018 is 226. The Non-Management Staff strength as on 31st March 2018 is 682. Industrial Relations are cordial and no significant development.

Financial performance with respect to operational performance

Operational Performance

Particulars	Year ended		% Increase (Decrease)
	31.3.2018	**31.3.2017**	
Cane Crushed (MT)	**7,56,525**	17,91,793	(57.78)
Recovery %	**8.84**	9.16	(0.32*)
Sugar Production (MT)	**66,859**	164,118	(59.26)
Sugar Sales (MT)	**1,16,362**	140,409	(17.13)
Power Production (Lakh Kwh)	**1,052**	2,182	(51.78)
Power Export to Grid (Lakh Kwh)	**638**	1,417	(54.98)
Alcohol Production (Lakh Litres)	**192.03**	220.27	(12.82)

* Absolute change

Financial Performance- Segment Wise

The company is engaged in three segments, namely sugar, Cogeneration and Distillery

Particulars	Year ended (₹ in Lakhs)	
	31.3.2018	31.3.2017
Sales Turnover		
Sugar	**42,950**	55,486
Co-generation	**5,633**	9,087
Distillery	**10,179**	10,263
Less: Inter Segment revenue	**2,591**	5,329
Net Sales / Income from Operations	**56,171**	69,507
Profit / (Loss) before tax		
Sugar	**(2,477)**	2,917
Co-generation	**1,570**	5,554
Distillery	**4,153**	4,878
Less: i. Interest	**6,009**	7,201
ii. Other un-allocable expenditure	**2,145**	1,561
Add: Exceptional Income	**2,201**	--
Profit /(Loss) before tax	**(2,707)**	4,587

Cautionary statement

Statements in this Report describing the Company's objectives, estimates and expectations may constitute “forward looking statements” within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 00001738

ADITYA KRISHNA PATHY
Managing Director
DIN 00062224

Place : Coimbatore
Date : 14th May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Rajshree Sugars & Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rajshree Sugars & Chemicals Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity 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 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including Other Comprehensive income , cash flows and Changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ins AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its loss, total comprehensive income, the changes in equity and its 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the relevant Rules issued thereunder.

   (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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, as amended,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 Standalone Ind AS financial statements – Refer Note No. 44(10) to the standalone Ind AS financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except unpaid dividend of ₹ 39,729/- for the financial year 2009-10 as per the stay orders issued by the Court.

For S. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.004009S

K.Raghu
Partner, Auditor
Membership No.011178

Place : Coimbatore
Date : 14th May 2018

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) The 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 all the immovable properties of land and building which are freehold, are held in the name of the company as at the Balance Sheet date. In respect of building that has been taken on lease and disclosed as fixed assets in the Standalone Ind AS financial statements, the lease Agreements are 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.

(v) The Company has not accepted any deposits from the public. Therefore the provisions of clause(v) of para 3 of the order are not applicable to the company.

(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of manufacture of sugar and alcohol as well as generation and transmission of electricity 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, goods and 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 2018 for a period of more than six months from the date they became payable.

(b) The details of disputed statutory dues which have not been deposited by the Company are as given below:

Name of the Statute	Nature of Demand	Amount (₹ in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Central Excise	Excise Duty	550.50	April 2013- March 2014	CESTAT
		476.55	January 2012- December 2014	Commissioner of Central Excise
TNVAT	Tax	56.89	2011-12 & 2012-13	Asst. Commissioner Appeals

(viii) The Company has not borrowed from any financial institution and has not issued any debentures till date. In respect of borrowings from Banks and Sugar development fund, the details of default in repayment is as given in Note No. 44(1) of notes to financial statements.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any new term loans during the year.

(x) According to the information and explanations given to us, 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) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act.

(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 sections 177 and 188 of the Act and details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3 clause (xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into non-cash transactions with directors or persons connected with the directors and hence provisions of section 192 of the Act is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.004009S

K.Raghu
Partner, Auditor
Membership No.011178

Place : Coimbatore
Date : 14th May 2018

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 Rajshree Sugars & Chemicals Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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 to the best of our information and according to the explanation given to us, 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 2018, 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. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.004009S

K.Raghu
Partner, Auditor
Membership No.011178

Place : Coimbatore
Date : 14th May 2018

BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017	1.4.2016
Non-current assets				
Property, plant and equipment	2	**52,740.82**	55,026.70	57,357.69
Capital work in progress		**186.96**	183.86	130.30
Investment properties	3	**13.06**	13.06	13.06
Other intangible assets	2	**24.17**	24.17	53.10
Financial assets				
i. Loans	4	**106.97**	129.39	121.21
ii. Other financial assets	5	**54.15**	5.00	-
Non Current tax assets (Net)	6	**490.22**	523.63	560.20
Deferred Tax Assets (Net)	21	**799.46**	-	-
Other non-current assets	7	**489.60**	553.34	538.30
Total non-current assets		**54,905.41**	56,459.15	58,773.86
Current assets				
Inventories	8	**13,990.41**	31,298.24	21,685.33
Financial assets				
i. Trade receivables	9	**4,758.29**	5,716.75	5,400.81
ii. Cash and cash equivalents	10	**276.99**	5,690.47	214.15
iii. Bank balances other than cash and cash equivalents	11	**0.40**	19.66	61.58
iv. Loans	12	**-**	-	531.73
v. Other financial assets	13	**608.37**	695.43	741.94
Other current assets	14	**1,452.60**	1,585.76	1,273.62
Assets Classified as held for sale	15	**-**	7,439.11	6,739.11
Total current assets		**21,087.06**	52,445.42	36,648.27
Total Assets		**75,992.47**	1,08,904.57	95,422.13

(Continued...)

BALANCE SHEET AS AT 31ST MARCH 2018 (Continued)

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017	1.4.2016
Equity and liabilities				
Equity				
Equity share capital	16	**2,816.77**	2,816.67	2,497.17
Instruments entirely equity in nature	17	**-**	-	894.60
Other Equity				
Reserves and Surplus	18	**10,314.56**	11,539.44	7,975.80
Other reserves	19	**32.31**	32.31	28.04
Total equity		**13,163.64**	14,388.42	11,395.61
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	20	**28,498.44**	35,196.16	43,614.28
Deferred tax liabilities (net)	21	**-**	634.89	167.11
Total non-current liabilities		**28,498.44**	35,831.05	43,781.39
Current liabilities				
Financial liabilities				
i. Borrowings	22	**8,284.21**	14,395.34	14,339.98
ii. Trade payables	23	**12,822.18**	17,236.15	10,447.49
iii. Other financial liabilities	24	**10,535.59**	21,374.92	13,026.72
Provisions	25	**254.68**	304.31	207.16
Current tax liabilities	36	**-**	1,107.02	-
Other current liabilities	26	**2,433.73**	4,267.36	2,223.78
Total current liabilities		**34,330.39**	58,685.10	40,245.13
Total liabilities		**62,828.83**	94,516.15	84,026.52
Total equity and liabilities		**75,992.47**	1,08,904.57	95,422.13

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017
Income			
Revenue from operations	27	**56,170.71**	69,506.74
Other income	28	**231.31**	333.67
Total income		**56,402.02**	69,840.41
Expenses			
Cost of materials consumed	29	**23,740.00**	47,238.31
Purchase of Trading Goods	30	**-**	1,587.58
Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	31	**15,949.63**	(8,760.51)
Excise duty		**943.32**	2,846.28
Employee benefit expenses	32	**3,703.11**	3,619.51
Depreciation and amortisation expense	33	**2,530.57**	2,613.88
Other expenses	34	**8,434.50**	8,908.00
Finance costs	35	**6,008.78**	7,200.69
Total expenses		**61,309.91**	65,253.74
Profit/(loss) before exceptional items and tax		**(4,907.89)**	4,586.67
Exceptional items			
Gain from sale of investment in subsidiary	44 (13)	**2,201.20**	
Profit/(loss) before tax		**(2,706.69)**	4,586.67
Income tax expense/(benefit)			
Current tax	36	**-**	1,107.02
Deferred tax		**(1,448.91)**	474.99
Income tax expense/(benefit)		**(1,448.91)**	1,582.01
Profit/(Loss) for the year		**(1,257.78)**	3,004.66
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**47.01**	(23.35)
Income tax relating to these items		**(14.55)**	7.22
Other comprehensive income/(loss) for the year, net of tax		**32.46**	(16.13)
Total comprehensive income/(loss) for the year		**(1,225.32)**	2,988.53
Earnings per equity of ₹ 10/- each (Amount in ₹)			
Basic earnings/(loss) per share	42	**(4.47)**	10.76
Diluted earnings/(loss) per share	42	**(4.47)**	10.76

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

₹ in Lakhs

PARTICULARS	March 31, 2018	March 31, 2017
Profit/(loss) before income tax	**(2,706.69)**	4,586.67
Adjustments for		
Depreciation and amortisation expense	**2,530.57**	2,613.88
(Gain)/loss on disposal of property, plant and equipment	**(16.44)**	(1.06)
(Gain)/loss on disposal of subsidiary	**(2,201.20)**	-
Finance costs	**6,008.78**	7,200.69
ESOP expenses	**-**	4.27
Change in operating assets and liabilities		
Increase/Decrease in trade receivables	**958.45**	(315.93)
Increase in inventories	**17,307.84**	(9,612.91)
Increase in trade payables	**(4,413.97)**	6,788.66
Increase in other financial assets	**38.16**	76.27
(Increase)/decrease in other non-current assets	**3.08**	3.08
(Increase)/decrease in other current assets	**132.32**	(312.15)
Increase/(decrease) in provisions	**(2.51)**	73.80
Increase/(decrease) in security deposits	**22.42**	(8.18)
Increase in other current liabilities	**(1,833.63)**	2,045.30
Cash generated from operations	**15,827.18**	13,142.39
Income taxes paid	**(1,073.61)**	36.57
Net cash inflow from operating activities	**14,753.57**	13,178.96
Cash flows from investing activities		
Payments for property, plant and equipment	**(559.17)**	(271.77)
Proceeds from sale of subsidiary	**1,863.31**	-
Investment in subsidiary	**-**	(700.00)
Advance towards sale of investment in subsidiary	**-**	7,777.00
Proceeds from sale of property, plant and equipment	**96.54**	7.95
Repayment of loans by subsidiaries	**-**	531.73
Net cash outflow from investing activities	**1,400.68**	7,344.91
Cash flows from financing activities		
Proceeds from Issue of Share Capital	**0.10**	-
Securities premium on such issue	**0.44**	-
Proceeds from Borrowings	**(15,727.66)**	(8,270.36)
Interest paid	**(5,841.62)**	(6,775.48)
Net cash inflow (outflow) from financing activities	**(21,568.74)**	(15,045.84)
Net increase (decrease) in cash and cash equivalents	**(5,414.49)**	5,478.03
Cash and cash equivalents at the beginning of the financial year	**5,690.47**	214.15
Cash and cash equivalents at end of the year	**275.98**	5,692.18

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018 (₹ in Lakhs)

i) Equity Share Capital

Particulars	Notes	Amounts
Balance as at April 1, 2016		2,497.17
Changes in equity share capital during the year	16	319.50
Balance as at March 31, 2017		2,816.67
Changes in equity share capital during the year	16	0.10
Balance as at March 31, 2018		**2,816.77**

ii) Instruments entirely equity in nature

Particulars	Notes	Amounts
Balance as at April 1, 2016		894.60
Changes	17	(894.60)
Balance as at March 31, 2017		
Changes		-
Balance as at March 31, 2018		**-**

iii) Other Equity

			Reserves and Surplus		Other Reserves		
Particulars	Notes	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Share Option Outstanding Reserve	Total
Balance as at April 1, 2016		784.40	7,575.90	158.70	(543.20)	28.04	8,003.84
Profit\(Loss) for the period	18	-	-	-	3,004.66	-	3,004.66
Other comprehensive income	18	-	-	-	(16.13)	-	(16.13)
Transaction in the capacity as owners							-
Issue of Shares	18	575.10	-	-	-	-	575.10
Addition on account of ESOP	41	-	-	-	-	4.27	4.27
Balance as at March 31, 2017		1,359.50	7,575.90	158.70	2,445.33	32.31	11,571.74
Profit/loss for the period	18	-	-	-	(1,257.78)	-	(1,257.78)
Other comprehensive income	18	-	-	-	32.46	-	32.46
Transaction in the capacity as owners							-
Issue of Shares		0.44	-	-	-	-	0.44
Balance as at March 31, 2018		**1,359.94**	**7,575.90**	**158.70**	**1,220.01**	**32.31**	**10,346.86**

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
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Aditya Krishna Pathy
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R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Company overview

RAJSHREE SUGARS AND CHEMICALS LIMITED ('the Company') is a public limited company incorporated in India. The company's equity shares are listed on BSE and NSE. The registered office is located at 338/8, Avinashi Road, Peelamedu Coimbatore - 641 004, Tamilnadu, India.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These are Company's first Ind AS based financial statements. The date of transition to Ind AS is 1st April, 2016. Company has opted certain exemptions while first-time adoption of Ind AS based Financial statements (refer transition note in Financial Statements)

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Going concern

The Board of Directors have considered the financial position of the Company at 31 March 2018 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The Board of Directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.5 Revenue recognition

The Company recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

1.5.1 Sale of goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Tax and Sales Tax.

1.5.2 Income from service

Income from services is accounted over the period of rendering of services.

1.6 Foreign currencies

1.6.1. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the company's functional and presentation currency.

1.6.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

1.7 Employee Benefits

1.7.1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1.7.2. Other long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

1.7.3. Post-employment obligation

The Company operates the following post-employment schemes:

a)Defined benefit plans such as gratuity for its eligible employees, and

b)Defined contribution plans such as provident fund.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan:

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company. The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

1.7.4. Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation

1.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.8.1. Current tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted.

1.8.2. Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

1.8.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

1.9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Transition to Ind AS

On transition to Ind AS, the Company has elected adopt fair value as its deemed cost for the land and apply Ind-AS 16 retrospectively for other class of assets as at 1st April 2016.

Depreciation methods, estimated useful lives and residual value.

Depreciation is calculated using the straight-line method on a prorata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Company has ascertained and adopted the useful life of the asset as mentioned in the Schedule II of Companies Act, 2013

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

1.9.1. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

1.9.1.1. Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

1.10.1.Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.12. Inventories

Inventories are valued at the lower of cost and net realizable value.

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity. Raw materials are valued at first in first out. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non- production inventory (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption.

1.13 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.15 Financial assets

All purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.15.1. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

1.15.2. Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit and loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss.

1.15.3. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.15.4. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

1.15.5. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.15.6. Income recognition

Interest Income: Interest income from debt instruments is recognised using the effective interest rate method.

1.16 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

1.16.1. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

1.16.2. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.16.3. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.18. Leases

Leases of property, plant and equipment where the Company, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.19. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.20. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

1.21. Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive

1.22. Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office Equipment	Electrical Equipment	Tools & Equipment	Lab Equipment	Total	SAP Software	Total of PPE and Intangible Assets
Year ended March 31, 2017												
Gross carrying amount												
Cost as at April 1, 2016	9,185.42	14,504.35	60,110.56	194.60	859.62	165.46	496.13	97.22	136.72	85,750.08	483.34	86,233.42
Additions	-	12.80	240.99	1.09		3.01	2.60	-	0.36	260.85	-	260.85
Disposal	-	-	4.85	-	26.19	-	-	0.17	-	31.21	-	31.21
Closing gross carrying amount	**9,185.42**	**14,517.15**	**60,346.70**	**195.69**	**833.43**	**168.47**	**498.73**	**97.05**	**137.08**	**85,979.72**	**483.34**	**86,463.06**
Accumulated depreciation	**-**	**3,922.08**	**23,059.09**	**107.55**	**578.77**	**139.54**	**436.93**	**75.30**	**73.12**	**28,392.38**	**430.24**	**28,822.62**
Depreciation charged during the year	-	511.05	1,943.34	16.12	79.35	7.86	10.40	4.97	11.86	2,584.95	28.93	2,613.88
Disposals	-	-	4.78	-	19.46	-	-	0.07	-	24.31	-	24.31
Closing Accumulated depreciation	**-**	**4,433.13**	**24,997.65**	**123.67**	**638.66**	**147.40**	**447.33**	**80.19**	**84.98**	**30,953.02**	**459.17**	**31,412.19**
Net carrying amount - 31.03.2017	**9,185.42**	**10,084.02**	**35,349.05**	**72.02**	**194.77**	**21.07**	**51.40**	**16.85**	**52.10**	**55,026.70**	**24.17**	**55,050.87**
Year ended March 31, 2018												
Gross carrying amount												
Cost as at April 1, 2017	9,185.42	14,517.15	60,346.70	195.69	833.43	168.47	498.73	97.05	137.08	85,979.71	483.34	86,463.05
Additions	-	28.29	128.27	1.78	152.99	10.44	2.42	0.59	-	324.79	-	324.79
Disposal	0.04	-	3.95	1.71	283.02	2.57	-	-	-	291.30	-	291.30
Closing gross carrying amount	**9,185.37**	**14,545.44**	**60,471.03**	**195.76**	**703.40**	**176.34**	**501.15**	**97.63**	**137.08**	**86,013.20**	**483.34**	**86,496.54**
Accumulated depreciation												
Opening accumulated depreciation	-	4,433.13	24,998.32	123.67	638.66	147.40	446.66	80.19	84.98	30,953.02	459.17	31,412.19
Depreciation charge during the year	-	476.90	1,947.52	15.41	60.18	6.93	8.44	3.66	11.54	2,530.57	-	2,530.57
Disposals	-	-	3.78	1.54	203.42	2.46	-	-	-	211.20	-	211.20
Closing Accumulated depreciation	**-**	**4,910.04**	**26,942.05**	**137.53**	**495.42**	**151.87**	**455.10**	**83.85**	**96.52**	**33,272.38**	**459.17**	**33,731.55**
Net carrying amount - 31.03.2018	**9,185.37**	**9,635.40**	**33,528.97**	**58.23**	**207.97**	**24.47**	**46.06**	**13.78**	**40.56**	**52,740.82**	**24.17**	**52,764.99**

Refer note : 43 A.1.2 for transition related exemption
Refer note : 44(3) for Capital Commitments
Refer note : 44(1) for securities provided for borrowings

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

3. Investment Property

Particulars	31.3.2018	31.3.2017
Gross carrying amount		
Opening gross carrying amount / Deemed cost	**13.06**	13.06
Additions	**-**	-
Closing gross carrying amount	**13.06**	13.06
Net carrying amount	**13.06**	13.06

(i) Amounts recognised in profit or loss for investment properties

Particulars	31.3.2018	31.3.2017
Gross carrying amount		
Rental income	**30.00**	30.00
Profit from investment properties before depreciation	**30.00**	30.00
Depreciation	**-**	-
Profit from investment property	**30.00**	30.00

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Particulars	31.3.2018	31.3.2017	1.4.2016
Within one year	**33.00**	30.00	30.00
Later than one year but not later than 5 years	**132.00**	120.00	120.00
	165.00	150.00	150.00

(iii) Fair Value

Particulars	31.3.2018	31.3.2017	1.4.2016
Investment property	**13.06**	13.06	13.06

Estimation of fair value

The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located adjusted for the depreciated value of buildings.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	31.3.2018	31.3.2017	1.4.2016
4	**Loans'**			
	Unsecured and considered good			
	Security Deposits	**106.97**	129.39	121.21
	Total loans	**106.97**	129.39	121.21
5	**Other financial asset**			
	Deposit - maturity more than 12 months	**54.15**	5.00	-
	Total Other financial assets	**54.15**	5.00	-
6	**Non Current Tax Assets (Net)**			
	Income tax asset	**490.22**	523.63	560.20
	Total Non Current Tax Assets (Net)	**490.22**	523.63	560.20
7	**Other non-current assets**			
	"Capital advances "	**-**	60.66	42.54
	Land Purchase Advance	**465.00**	465.00	465.00
	Prepaid Rent	**24.60**	27.68	30.76
	Total other non-current assets	**489.60**	553.34	538.30
8	**Inventories**			
	Work-in-progress at cost	**259.65**	408.37	648.33
	Finished Goods-at Cost / Net Realisable Value	**11,726.98**	29,044.52	19,278.01
	Stock In Trade - Properties at Cost	**540.89**	540.89	540.89
	Stock In Trade - Others at Cost	**182.03**	182.98	115.64
	Stores & Spares at cost	**1,280.86**	1,121.48	1,102.46
	Total Inventories	**13,990.41**	31,298.24	21,685.33
9	**Trade receivables**			
	Unsecured and considered good			
	Trade receivables	**4,758.29**	5,716.75	5,400.81
	Total receivables	**4,758.29**	5,716.75	5,400.81
10	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	**241.21**	5,676.87	187.34
	Cash on hand	**35.78**	13.60	26.81
	Total cash and cash equivalents	**276.99**	5,690.47	214.15
11	**Bank Balances other than above**			
	Unpaid Dividend accounts	**0.40**	19.41	26.58
	Guarantee Margin Account	**-**	0.25	35.00
	Total bank balances other than above	**0.40**	19.66	61.58
12	**Loans**			
	Unsecured, considered good			
	Loans to Subsidary company *(M/s. Trident Sugars Limited)*	**-**	-	531.73
	Total Loans	**-**	-	531.73

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
13 Other financial assets			
Unsecured, considered good			
Income receivable	**252.09**	268.91	250.41
Interest receivable on Excise Duty Loan	**356.28**	426.52	491.53
Total Other financial assets	**608.37**	695.43	741.94
14 Other current assets			
Staff and other advance	**40.92**	88.33	66.03
Advance to suppliers	**323.91**	371.40	356.55
Advance Sales Tax	**20.17**	18.97	18.97
Balance with indirect tax authorities	**844.74**	857.86	665.81
Prepaid Expenses	**222.86**	249.20	166.26
Total other current assets	**1,452.60**	1,585.76	1,273.62
15 Assets Classified as held for sale			
Investment in Equity Instruments:			
Subsidaries:			
M/s. Trident Sugars Limited	**-**	7,439.11	6,739.11
Total assets classified as held for sale	**-**	7,439.11	6,739.11

16 Equity share capital

Authorised equity share capital	**Number of shares**	**₹ in Lakhs**
As at 1 April 2016	2,49,71,700	2,497.17
Increase during the year	31,95,000	319.50
As at 31 March 2017	**2,81,66,700**	**2,816.67**
Increase during the year	980	0.10
As at 31 March 2018	**2,81,67,680**	**2,816.77**

(i) Movements in equity share capital	***Number of shares***	***Equity share capital (par value)***
As at 1 April 2016	2,49,71,700	2,497.17
Increase during the year	31,95,000	319.50
As at 31 March 2017	**2,81,66,700**	**2,816.67**
Increase during the year	980	0.10
As at 31 March 2018	**2,81,67,680**	**2,816.77**

Terms and rights attached to equity shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding for dividend as well as for assets, in case of liquidation.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	**31.3.2018**	31.3.2017	1.4.2016

(ii) Details of shareholders holding more than 5% shares in the company

	March 31, 2018	
Number of shares	**% holding**	
Ms. Rajshree Pathy	**1,13,17,313**	40%
M/s RSCL Properties Pvt Limited	**14,49,331**	5%
	1,27,66,644	**45%**

	March 31, 2017	
Number of shares	**% holding**	
Ms. Rajshree Pathy	**1,13,17,313**	40%
M/s RSCL Properties Pvt Limited	**14,49,331**	5%
	1,27,66,644	**45%**

	April 1, 2016	
Number of shares	**% holding**	
Ms. Rajshree Pathy	**95,50,884**	38%
	95,50,884	**38%**

17 Instruments entirely equity in nature	**March 31, 2018**	March 31, 2017	April 1, 2016
Convertible loan from promoters	**-**	-	894.60
	-	-	894.60

"As there is no obligation to deliver cash or another financial asset (FA) or to exchange financial assets or financial liability (FL) the loan from promoters has been classified as instrument entirely equity in nature"

18 Reserves and surplus			
Securities premium reserves	**1,359.95**	1,359.50	784.40
General reserve	**7,575.90**	7,575.90	7,575.90
Capital reserve	**158.70**	158.70	158.70
Retained earnings	**1,220.01**	2,445.33	(543.20)
Total reserves and surplus	**10,314.56**	11,539.44	7,975.80
a) Securities premium reserves			
Opening balance	**1,359.50**	784.40	
Additions during the year	**0.44**	575.10	
Deductions/Adjustments during the year	**-**	-	
Closing balance	**1,359.94**	1,359.50	
b) Capital reserves			
Opening balance	**158.70**	158.70	158.70
Additions during the year	**-**	-	-
Deductions/Adjustments during the year	**-**	-	-
Closing balance	**158.70**	158.70	158.70

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
c) General reserve			
Opening balance	**7,575.90**	7,575.90	7,575.90
Additions during the year	**-**	-	-
Deductions/Adjustments during the year	**-**	-	-
Closing balance	**7,575.90**	7,575.90	7,575.90
d) Retained earnings			
Opening balance	**2,445.33**	(543.20)	918.33
Net profit/(loss) for the year	**(1,257.78)**	3,004.66	(1,433.49)
Items of other comprehensive income/(loss) recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	**32.46**	(16.13)	(28.04)
Appropriations	**-**	-	-
Closing balance	**1,220.01**	2,445.33	(543.20)

19 Other Reserve	**Share option outstanding reserve**
As at 1st April 2016	**28.04**
Addition during the year	**4.27**
As at 31st March 2017	**32.31**
Addition during the year	**-**
As at 31st March 2018	**32.31**

i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erstwhile Companies Act, 1956.

This is available for distribution to share holders.

ii) Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.

iii) Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

iv) Capital Reserve: Comparies of amount forfeited on lapse of share warrents, the same is not available for distribution

v) Share option outstanding: The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee Stock Option Plan.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
20 Borrowings			
Secured			
Term Loans			
From Banks	**27,057.80**	33,602.50	41,002.30
From Other parties :			
Sugar Development Fund	**-**	-	1,022.27
Refer Note No. 44 for terms of the borrowings			
Unsecured			
Lease Payable and effective interest rate measurement	**1,440.64**	1,593.66	1,589.71
Total other non-current financial liabilities	**28,498.44**	35,196.16	43,614.28
21 Deferred tax liabilities/(assets)			
The balance comprises temporary differences attributable to:			
Depreciation	**9,488.87**	9,665.71	9,736.51
Total deferred tax liabilities	**9,488.87**	9,665.71	9,736.51
Set-off of deferred tax assets pursuant to set-off provisions			
Unabsorbed Depreciation and losses	**(7,237.34)**	(6,034.37)	(7,605.48)
Others including Disallowance u/s 43B	**(340.08)**	(590.78)	(536.57)
"Minimum Alternate tax credit -(MAT) entitlement"	**(2,710.91)**	(2,405.67)	(1,427.35)
Total deferred tax assets	**(10,288.33)**	(9,030.82)	(9,569.40)
Net deferred tax liabilities/(assets)	**(799.46)**	634.89	167.11

Particulars	Depreciation	Unabsorbed Depreciation and Losses	Others including Disallowance u/s 43B	Minimum Alternate Tax credit - (MAT)	Total
At April 1, 2016	9,736.51	(7,605.48)	(536.57)	(1,427.35)	167.11
Charged/(credited):					
- to profit or loss	(70.80)	1,571.11	(47.00)	(978.32)	474.99
- to other comprehensive income	-	-	(7.22)	-	(7.22)
At March 31, 2017	9,665.71	(6,034.37)	(590.79)	(2,405.67)	634.89
Charged/(credited):					
- to profit or loss	(176.84)	(1,202.97)	236.14	(305.24)	(1,448.91)
- to other comprehensive income			14.56		14.56
At March 31, 2018	**9,488.87**	**(7,237.34)**	**(340.10)**	**(2,710.91)**	**(799.46)**

22 Borrowings			
Loans repayable on demand			
Unsecured			
From Banks			
Cash Credit Account	**8,284.21**	14,395.34	14,339.98
Refer note no. 44 for terms of the borrowing			
Total borrowings	**8,284.21**	14,395.34	14,339.98

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
23 Trade payables			
Current			
Due to Micro & Small Enterprises	**-**	-	-
Due to Others includes related parties Refer Note No.44 (14)	**12,822.18**	17,236.15	10,447.49
Total trade payables	**12,822.18**	17,236.15	10,447.49
24 Other financial liabilities			
Current maturities of long term debt	**9,045.91**	11,915.67	11,836.02
Interest accured but not due on Loans	**-**	49.04	36.31
Interest Accrued & Due on Loans	**1,489.28**	1,322.13	896.91
Unpaid Dividend	**0.40**	19.41	26.58
Creditors for capital expenditure		291.67	230.90
Advance received for sale of investments	**-**	7,777.00	-
Total other current financial liabilities	**10,535.59**	21,374.92	13,026.72
25 Provisions			
Provision for employee benefits			
Leave Encashment	**49.99**	42.69	32.13
Gratuity Contribution	**204.69**	261.62	175.03
Total Provisions	**254.68**	304.31	207.16
26 Other current liabilities			
Advance received from Customers	**1,799.25**	2,089.98	585.81
Statutory dues payables	**634.48**	2,177.38	1,637.97
Total other current liabilities	**2,433.73**	4,267.36	2,223.78
27 Revenue from operations			
Sale of products (including excise duty)	**56,070.45**	69,412.45	
Other operating revenue	**100.26**	94.29	
Total revenue from operations	**56,170.71**	69,506.74	
28 Other income			
Rental Income	**41.95**	37.98	
Interest income	**102.19**	215.17	
Profit on Sale of Assets	**16.44**	1.06	
Miscellaneous income	**70.73**	79.46	
Total other income	**231.31**	333.67	
29 Cost of Materials Consumed			
Raw Materials at the beginning of the year	**-**	-	
Add: Purchases	**23,740.00**	47,238.31	
Less: Raw Materials at the end of the year	**-**	-	
Total Cost of Materials Consumed	**23,740.00**	47,238.31	

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	31.3.2018	31.3.2017	1.4.2016
30	**Purchase of Trading Goods**			
	Purchases - Sugar trading	-	1,587.58	
	Total Purchase of Trading Goods	-	1,587.58	
31	**Changes in inventories of work-in-progress, Stock-in -Trade and finished goods**			
	Opening Balance			
	Work-In-Progess	**408.37**	648.33	
	Finished Goods	**29,044.52**	19,265.24	
	Traded Goods	**540.89**	540.89	
	Total Opening Balance	**29,993.78**	20,454.46	
	Closing Balance			
	Work-In-Progess	**259.65**	408.37	
	Finished Goods	**11,726.98**	29,044.52	
	Traded Goods	**540.89**	540.89	
	Total Closing Balance	**12,527.52**	29,993.78	
	Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	**1,516.63**	(778.81)	
	Total Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	**15,949.63**	(8,760.51)	
32	**Employee benefit expense**			
	Salaries, wages and bonus	**3,069.76**	2,965.00	
	Contribution to provident and other funds	**267.13**	296.51	
	Staff welfare expenses	**366.22**	358.00	
	Total employee benefit expense	**3,703.11**	3,619.51	
33	**Depreciation and amortisation expense**			
	Depreciation of property, plant and equipment and Amortisation of intangible assets	**2,530.57**	2,613.88	
	Total depreciation and amortisation expense	**2,530.57**	2,613.88	
34	**Other expenses**			
	Cosumption of Stores and Spares	**610.60**	1,484.29	
	Consumption of Packing Materials	**362.22**	740.82	
	Power & Fuel	**1,667.27**	1,203.56	
	Building rent	**66.14**	66.71	
	Repairs & Maintenance :			
	Building	**117.47**	124.09	
	Machinery	**1,419.98**	2,103.27	
	Insurance Premium	**146.91**	140.32	
	Licence Fees & Tax	**145.50**	153.95	
	Cartage & Freight	**1,252.82**	965.44	
	Payment to Auditor's	**15.81**	18.80	
	Cost Audit fees	**1.76**	1.78	
	Managerial Remuneration	**750.78**	173.74	
	Miscellaneous Expenses	**1,877.24**	1,731.23	
	Total other expenses	**8,434.50**	8,908.00	

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
Details of payment to auditors			
Payment to auditors			
As auditor:			
Audit fee	**7.00**	6.00	
In other capacities			
Taxation matters	**0.50**	3.35	
Company law matters	**7.50**	7.50	
Certification fees	**0.81**	1.95	
Total payment to auditors	**15.81**	18.80	
35 Finance Cost			
Interest expense	**5,919.01**	7,112.76	
Other borrowing costs	**89.77**	87.93	
Total other expenses	**6,008.78**	7,200.69	
36 Income tax expense			
(a) Income tax expense			
Current tax			
Current tax on profits for the year	**-**	1,107.02	
Adjustments for current tax of prior periods	**-**	-	
Total current tax expense	**-**	1,107.02	
Deferred tax			
Decrease (increase) in deferred tax assets	**(1,272.07)**	545.79	
(Decrease) increase in deferred tax liabilities	**(176.84)**	(70.80)	
Total deferred tax expense/(benefit)	**(1,448.91)**	474.99	
Income tax expense	**(1,448.91)**	1,582.01	
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
Profit / (Loss) before income tax expense	**(2,705.68)**	4,586.67	
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	**(936.38)**	1,587.36	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Long Term capital gain tax at lesser rate	**(512.37)**	-	
Other items	**-**	(5.35)	
Income tax expense	**(1,448.75)**	1,582.01	

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016

37 Notes to Financial Statements - Employee benefit obligations

Employee benefit obligations		March 31, 2018	
	Current	**Non-current**	**Total**
Leave Encashment	**49.99**	-	49.99
Gratuity Contribution	**204.69**	-	204.69
Total employee benefit obligations	**254.68**	-	**254.68**
		March 31, 2017	
Leave Encashment	**42.69**	-	42.69
Gratuity Contribution	**261.62**	-	261.62
Total employee benefit obligations	**304.31**	-	304.31
		1-Apr-16	
	Current	Non-current	**Total**
Leave Encashment	**32.13**	-	32.13
Gratuity Contribution	**175.03**	-	175.03
Total employee benefit obligations	**207.16**	-	**207.16**

(i) Gratuity

The company extends defined benefit plans in the form of gratuity to employees. The Company has formed "RSCL Gratuity Trust" with Life Insurance Corporation of India (LIC) and HDFC Standard Life Insurance Co Ltd. Contribution to gratuity is made to LIC in accordance with the scheme framed by the corporation.The Company has made contribution towards Gratuity based on the actuarial valuation.

(ii) Defined contribution plans

Contribution to provident fund is in the nature of defined contribution plan and are made to provident fund account maintained by the Government on its account.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
(iii) GRATUITY	**Present value of obligation**	Fair value of plan assets	Net amount
Position as at 'April 1, 2016 (A)	**716.53**	518.22	198.31
Current service cost	**64.19**	-	64.19
Interest expense/(income)	**57.04**	41.25	15.79
Total amount recognised in profit or loss (B)	**121.23**	41.25	79.98
Remeasurements			-
(Gain)/loss from change in financial assumptions	**33.44**	-	33.44
Experience (gains)/losses	**23.14**	33.23	(10.10)
Total amount recognised in other comprehensive income (C)	**56.58**	33.23	23.34
Employer contributions	**-**	40.00	(40.00)
Benefit payments	**(52.36)**	(52.36)	-
Total cash flow (D)	**(52.36)**	(12.36)	(40.00)
March 31, 2017 (A)+(B)+(C)+(D)	**841.98**	580.34	261.64
Position as at March 31, 2017 (A)	**841.97**	580.34	261.62
Current service cost	**45.42**	-	45.42
Interest expense/(income)	**61.21**	42.19	19.02
Total amount recognised in profit or loss (B)	**106.63**	42.19	64.44
Remeasurements			
(Gain)/loss from change in financial assumptions	**(26.55)**	-	(26.55)
Experience (gains)/losses	**(20.07)**	0.01	(20.08)
Total amount recognised in other comprehensive income (C)	**(46.63)**	0.01	(46.61)
Employer contributions	**-**	75.00	(75.00)
Benefit payments	**(62.23)**	(62.23)	-
Total cash flow (D)	**(62.23)**	12.77	(75.00)
March 31, 2018 (A)+(B)+(C)+(D)	**839.75**	635.30	204.45
The net liability disclosed above relates to funded and unfunded plans are as follows:			
Present value of funded obligations	**839.75**	841.98	716.53
Fair value of plan assets	**635.30**	580.34	518.22
Deficit of funded plan	**204.45**	261.64	198.31

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
(iv) Post-Employment benefits			
Significant estimates: actuarial assumptions and sensitivity			
The significant actuarial assumptions were as follows:			
Discount rate	**7.7%**	7.3%	7.3%
Salary growth rate	**4.0%**	4.0%	4.0%
Attrition rate	**2.0%**	2.0%	2.0%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 60.

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:
Impact on defined benefit obligation

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	**1.00%**	-6%	7%
Salary growth rate	**1.00%**	7%	-7%

The sensitivity of the defined benefit obligation to other assumption are insignificant

(vi) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Changes in bond yields
A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Major category of plan assets as a % of total plan assets:

Funds managed by LIC & HDFC Life	**100.00%**	100.00%	100.00%
The following payments are expected contributions to the defined benefit plan in future years:			
Between 2 & 5 Years	**374.53**		
Beyond 5 years	**1,249.38**		
Total	**1,623.91**		

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
38 Fair value measurements			
Financial instruments by category		**Amortised Cost**	
Financial assets			
Security deposits	**106.97**	129.39	121.21
Loans - Deposits of more than 12 months	**54.15**	5.00	-
Trade Receivables	**4,758.29**	5,716.75	5,400.81
Cash and cash equivalents and other bank balances	**277.39**	5,710.14	275.73
Loans to Subsidary company	**-**	-	531.73
Other financial assets	**608.37**	695.43	741.94
Total financial assets	**5,805.17**	12,256.71	7,071.42
Financial liabilities		**Amortised Cost**	
Borrowings	**47,317.85**	62,878.35	70,723.49
Trade payables	**12,822.18**	17,236.15	10,447.49
Capital creditors	**-**	291.67	230.90
Other financial liabilities	**0.40**	7,796.42	26.58
Total financial liabilities	**60,140.43**	88,202.59	81,428.46

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Fair value of assets carried at amortised cost

The carrying amounts of trade receivables, trade payables, loans, deposits, advances, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

39 Financial Risk Management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

(A) Credit risk

Credit risk on deposit is mitigated by the depositing the funds in reputed private sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date, 31st March 2017 and 31st March 2018 company had no significant credit risk.

(B) Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of The company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements

(i) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
31 March 2018						
Non-derivatives						
Long term loans	9,963.97	4,372.19	9,197.17	22,917.29	2,624.92	49,075.54
Short Borrowings	8,284.21	-	-	-	-	8,284.21
Trade payables	12,822.18	-	-	-	-	12,822.18
Other financial liabilities	0.40	-	-	-	-	0.40
Total non-derivative liabilities	**31,070.75**	**4,372.20**	**9,197.17**	**22,917.29**	**2,624.92**	**70,182.33**

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Contd.)

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
31 March 2017						
Non-derivatives						
Long term loans	11,478.90	6,317.54	10,129.46	26,795.96	8,198.22	62,920.08
Short Borrowings	14,395.34	-	-	-	-	14,395.34
Trade payables	17,236.15	-	-	-	-	17,236.15
Other financial liabilities	8,088.08	-	-	-	-	8,088.08
Total non-derivative liabilities	**51,198.47**	**6,317.54**	**10,129.46**	**26,795.96**	**8,198.22**	**1,02,639.65**
31 March 2016						
Non-derivatives						
Long term loans	11,838.23	6,599.25	13,135.53	28,870.43	15,731.11	76,174.55
Borrowings	14,339.98	-	-	-	-	14,339.98
Trade payables	10,447.49	-	-	-	-	10,447.49
Other financial liabilities	257.48	-	-	-	-	257.48
Total non-derivative liabilities	**36,883.18**	**6,599.25**	**13,135.53**	**28,870.43**	**15,731.11**	**1,01,219.50**

40 Capital management

(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2018	March 31, 2017	March 31, 2016
Net debt	45,828.56	61,556.22	69,826.58
Total equity	13,164.24	14,388.42	11,397.33
Net debt to equity ratio	**3.48**	**4.28**	**6.13**

(b) Dividends

The company has not declared any dividends during the current year and the previous year.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

41. Share based payments

(a) Employee option plan

i) 50% of options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on date of vesting; and (ii) 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls.

ii) Summary of options granted under plan :

	March 31, 2018		March 31, 2017			April 1, 2016
	Avg exercise price per share option	**Number of options**	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	**55.40**	**6,05,262**	55.40	7,27,130	55.40	9,69,902
Granted during the year	**-**	**-**	-	-	-	-
Exercised during the year	**55.40**	**(980)**	-	-	-	-
Forfeited during the year	**55.40**	**(1,78,968)**	55.40	(1,21,868)	55.40	(2,42,772)
		4,25,314		6,05,262		7,27,130

iii) Share options outstanding at the end of year have following expiry date and exercise prices

				Share Options		
	Grant Date	**Expiry Date**	**Exercise Price**	**March 31, 2018**	**March 31 2017**	**April 1, 2016**
RSCL Employees Stock Option Plan 2012	10th October 2012	10th October 2017 to 10th October 2021	55.4	4,25,314	6,05,262	7,27,130
				4,25,314	6,05,262	7,27,130

(b) Expense arising from share based payment transaction

	March 31, 2018	March 31, 2017
RSCL Employees Stock Option Plan 2012	**-**	4.27
Total expense recorded as part of employee cost	**-**	4.27

42. Earnings per equity share of ₹ 10 each

	31 March 2018	31 March, 2017
(a) Basic earnings per share		
Basic earnings/(loss) per share attributable to the equity holders of the Company (Amount in ₹)	**(4.47)**	10.76
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	**(1,257.78)**	3,004.66
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**2,81,66,800**	2,79,21,600

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

(b) Diluted earnings per share

Diluted earnings/(loss) per share attributable to the equity holders of the Company (Amount in ₹)	**(4.47)**	10.76
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	**(1,257.78)**	3,004.66
Adjustments		
Used in calculating diluted earnings per share	**-**	-
Profit attributable to equity holders of the company used in calculating diluted earnings per share	**(1,257.78)**	**3,004.66**
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**2,81,66,800**	2,79,21,600

43. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The group has applied same exemption for investment in associates and joint ventures.

A.1.2 Deemed cost

The Company has elected to restate retrospectively all its property, plant and equipment as per the Ind AS 16, except for freehold land, which have been accounted at fair value as deemed cost on transition date (as at 1st April, 2016).

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: Impairment of financial assets based on expected credit loss model.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.4 Soft Loans

Below market interest rate benefits for loans existing at the date of transition has not recognised the as government grant in line with para B10 mandatory exemption

C: Notes to first-time adoption:

Note 1: Investment in Subsidiaries

Investment in subsidiary has been treated as asset held for sale as the conditions outlined under Ind-AS 105 are met.

Note 2: Fair valuation of Land and Retrospective application of Ind AS 16

Company has adopted fair value of as it deemed cost for the land and retrospectively applied Ind AS 16 for other class of assets, Due to the above the equity increased by ₹ 7,447.15 lakhs as at 31st March 2017 (April 1, 2016 ₹ 7,470.49 lakhs) and profit for FY 16-17 decreased by ₹ 23.34 lakhs.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Note 3: Instruments entirely in the nature of equity

Under previous GAAP, loans given by promoter were classified as loans, Under Ind-AS based on the substance of the agreement same has been classified as equity, due to this the equity as at April 1, 2016 increased by ₹ 894.60 Lakhs.

Note 4: Loans at amortised cost

Under previous GAAP, loans are recognised at nominal value, interest rate of the loans has been recomputed at Effective interest rate (EIR) basis as per Ind-AS 109, due to this the equity as at March 31, 2017 decreased by ₹ 843.61 Lakhs (April 1, 2016 ₹ 915.59 Lakhs). Profit for FY 16-17 increased ₹ 71.98 Lakhs.

Note 5: Finance lease classification

Certain arrangement as been classified as finance lease under Ind AS 109 as at transition date, due to this the equity as at March 31, 2017 and Profit for FY 16-17 decreased by ₹ 56.00 Lakhs.

Note 6: Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ 32.07 lakhs as at 31 March 2017 (1 April 2016 - ₹ 28.04 lakhs). The profit for the year ended 31 March 2016 decreased by ₹ 4.27 lakhs. There is no impact on total equity.

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by ₹ 23.35 lakhs. There is no impact on the total equity as at 31 March 2017.

Note 8: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 9: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹ 2846.27 lakhs. There is no impact on the total equity and profit.

Note 10: Others

Under previous GAAP security deposit were carried at its nominal value and under Ind-AS the same were fair valued under transition date and subsequent amortisation prepaid rent. All these adjustments had marginal impact on equity and profit.

Note 11: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

RECONCILIATIONS BETWEEN PREVIOUS GAAP AND IND AS

I) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

PARTICULARS	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**7,544.94**	**3,656.69**
Adjustments			
Instruments entirely equity in nature	1	-	894.60
Loan at amortised cost	4	(843.61)	(915.59)
Lease Classification	5	(56.00)	-
Fair valuation of freehold land	2	7,467.63	7,467.63
Restrospective application of Ind-AS 16	2	(20.47)	2.86
Others	10	(4.27)	0.55
Deferred tax impact on above adjustments	11	300.20	290.59
Total adjustments		**6,843.48**	**7,740.64**
Total equity as per Ind AS		**14,388.42**	**11,397.33**

II) Reconciliation of total comprehensive income for the year ended March 31, 2017

Profit after tax as per previous GAAP		2,993.65	-
Adjustments			
Loan at amortised cost	4	71.98	-
Remeasurment of employee benefit obligation	7	23.35	-
Lease Classification	5	(56.00)	-
Restrospective application of Ind-AS 16	2	(23.33)	(29.02)
Others	10	(3.96)	-
Deferred tax impact on above adjustments	11	(1.03)	-
Total adjustments		**11.01**	**(29.02)**
Profit after tax as per Ind AS		3,004.66	-
Other comprehensive income	7 &10	(16.13)	-
Total comprehensive income as per Ind AS		**2,988.53**	**(29.02)**

III) Impact of Ind AS adoption on cash flow

There is no change in Cash flow

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

44 OTHER ADDITIONAL INFORMATION

1) Rate of Interest and Maturity Profile of long term/short term borrowings :
(Forming part of note for Long-term borrowings & Short term borrowings)

	Loans under CDR Scheme			Total
	SEFASU Loan	SOFT Loan	Restructured Loan	
	***2%**	**12% /12.5%**	**11% /12% /12.5%**	
2018-19	805.44	834.35	3,973.49	5,613.28
Total	**805.44**	**834.35**	**3,973.49**	**5,613.28**
2019-20	-	834.60	5,260.45	6,095.05
2020-21	-	768.90	5,715.61	6,484.51
2021-22	-	786.20	6,353.84	7,140.04
2022-23	-	393.17	4,470.11	4,863.28
2023-24	-	-	2,477.83	2,477.83
Total	**-**	**2,782.86**	**24,277.84**	**27,060.70**

Net of interest subvention of 12% from Govt. of India as per Scheme for Extending Financial Assistance to Sugar Undertakings 2014 (SEFASU)

Interest Rate for Restructured Loans	
Financial Year	**Rate of Interest**
April 2014 - Mar 2016	11.00%
April 2016 - Mar 2017	12.00%
Apr 2017 onwards	12.50%

Security details for long term borrowings:

1) The term loans aggregating to ₹ 29,747.42 lakhs (31.03.2017 ₹ 37,189.47 lakhs) (01.4.2016 ₹ 44,948.60 lakhs) under Corporate Debt Restructuring Scheme (CDR) are secured as detailed below:
   a) First pari-passu charge on the fixed assets of the company except the following:
      i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to State Bank of India and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to Sugar Development Fund (SDF), Government of India and State Bank of India.
      ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
      iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
      iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
   b) Second pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from Sugar Development Fund.
   c) First pari-passu charge over the cogeneration receivables of Unit-II & III.
   d) Second pari-passu charge over the remaining current assets of the company.
   e) First Paripassu charge on the additional securities, as briefed below, provided by the company for CDR package:
      i. 80 Cents of vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat.

iii. Residential Flat No 2 at Door No 9 Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.

f) The loans of ₹ 880.39 lakhs availed during the year has been fully settled on 29th March 2018 and charge closure procedures are under process.

g) The Cogeneration receivables of Unit- II & III, previously charged exclusively to State Bank of India, will be pooled into the Trust and Retention Account for all lenders under Corporate Debt Restructuring (CDR) Package.

h) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.

i) The mortgages, charges and pledges referred to above shall rank pari passu with the mortgages, charges and pledges created and/or to be created in favour of the Acceding Lenders.

2) Term loans (SDF) aggregating to ₹ 2,661.17 lakhs (31.03.2017 ₹ 3,683.45 lakhs) (01.4.2016 ₹ 3,894.44 lakhs) are secured by 1st paripassu charge on the fixed/immovable assets of Unit-III (Sugar, Cogeneration & Distillery).

3) The soft loans aggregating to ₹ 3,695.11 lakhs (31.03.2017 ₹ 4,330.97 lakhs) (01.4.2016 ₹ 4,388.98 Lakhs) is secured by (a) First charge over the current assets of the Borrower on pari passu basis with other Working Capital Lenders (b) First pari passu charge on the fixed assets of the Borrower except the exclusively charged assets.(c) First pari passu charge on the additional securities provided by the Borrower for CDR package (d) Second pari passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security for (SDF). Bank of India needs to modify hypothecation charge to align to this security structure.

4) The loans aggregating to ₹ 33,442.53 lakhs (31.03.2017 ₹ 41,834.71 lakhs) (01.4.2016 ₹ 49,966.15 Lakhs) guaranteed by the Chairperson.

5) Term loans Guaranteed by others is Nil.

6) Period and amount of continuing default in respect of the aforesaid loans is as detailed below :

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund - Cogen	211.00	From Jun 2016	The Company has requested for restructuring of the loan.
-do-	211.00	From Dec 2016	-do-
-do-	211.00	From June 2017	-do-
Sugar Development Fund - Distillery	405.64	From March 2016	-do-
-do-	405.64	From Sept 2016	-do-
-do-	405.64	From March 2017	-do-
-do-	405.64	From Sept 2017	-do-
-do-	405.64	From March 2018	-do-
TOTAL	**2,661.20**		
Axis Bank Limited	66.90	From March 2018	The company is in discussion with the banks for the resolution of debt
State Bank of India (SBI)	154.21	-do-	-do-
Federal Bank Ltd.,	72.29	-do-	-do-
ICICI Bank Ltd.,	222.99	-do-	-do-
State Bank of Hyderabad (Now SBI)	21.80	-do-	-do-
Bank of India	202.00	-do-	-do-
State Bank of Mysore (Now SBI)	28.35	-do-	-do-
TOTAL	**768.54**		

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Name of the Lender	Amount of Default (Interest)	Period of default	Remarks
Sugar Development Fund	1137.03	From Sep 2015 to Mar 2018	The Company has requested for restructuring of the loan.
Total (a)	**1137.03**		
Axis Bank Ltd.,	19.89	From Mar 2018	The company is in discussion with the banks for the resolution of debt
Federal Bank Ltd.,	23.10	-do-	-do-
ICICI Bank Ltd.,	69.46	-do-	-do-
State Bank of India	167.51	-do-	-do-
State Bank of Hyderabad (Now SBI)	21.92	-do-	-do-
Bank of India	28.78	-do-	-do-
UCO Bank	5.26	-do-	-do-
State Bank of Mysore (Now SBI)	16.33	-do-	-do-
Total (b)	**352.25**		
Grand Total (a+b)	**1,489.28**		

Security Details for short term borrowings:

1) The Working Capital facilities aggregating to ₹ 8,284 lakhs (31.03.2017 ₹ 14,395 lakhs) (01.4.2016 ₹ 14,340 Lakhs) under the CDR are secured as detailed below:
   a) First pari-passu charge over the current assets of the company.
   b) Second pari-passu charge on the fixed assets of the company except the following:
      i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
      ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
      iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
      iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
   c) Second pari-passu charge on the additional securities, as briefed below, provided by the company for CDR package.
      i. 80 cents of vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation.
      ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk Theni District, Gullapuram Panchayat.
      iii. Residential Flat No 2 at Door No 9, Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.
   d) First pari-passu charge over the cogeneration receivables of Unit-II & III.
   e) Third pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from SDF.
   f) The Cogeneration receivables of Unit- II & III, presently charged exclusively to SBI, will be pooled into the Trust and Retention Account for all lenders under CDR Package.
   g) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

h) The mortgages/charges and pledges referred to above shall rank pari passu with the mortgages/charges and pledges created and/or to be created in favour of the Acceding Lenders.

2) Working Capital facilities aggregating to ₹ 8,284 lakhs (31.03.2017 ₹ 14,395 lakhs) (01.4.2016 ₹ 14,340 lakhs) guaranteed by the Chairperson.

3) Short term loans Guaranteed by others is Nil.

4) Period and amount of default in respect of the aforesaid loans is Nil.

	31.3.2018	31.3.2017
2) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under :		
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) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	**7.60**	6.72
4) The company held five properties (building) on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	**38.27**	40.87
b) Later than 1 year and not later than 5 years	**8.13**	51.02
c) Later than 5 years	**-**	-
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	**40.88**	36.70
5) The company held one machinery on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	**12.00**	12.00
b) Later than 1 year and not later than 5 years	**48.00**	48.00
c) Later than 5 years	**24.00**	36.00
d) Lease payments recognized in the Statement of Profit & Loss.	**12.00**	12.00
6) The company leased out thirteen properties and the future minimum lease rentals receivables are as under:		
a) Not later than one year	**47.27**	36.58
b) Later than 1 year and not later than 5 years	**190.35**	163.45
c) Later than 5 years	**47.92**	-
d) Lease receipts recognized in the Statement of Profit & Loss	**41.91**	36.58
7) Borrowing costs capitalized	**0.91**	7.65
8) Borrowing costs included in Capital Work in progress	**2.60**	3.53

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

9) Provision towards Gratuity and superannuation schemes has been made upto date as per the demands received from Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited based on actuarial valuation. Provision for leave encashment benefit has been made for the entire amount due and payable as at the close of the year.

10) Contingent Liabilities not provided for

a) Claims against the company not acknowledged as debt:

S. No.	Particulars	31.3.2018	31.3.2017	1.4.2016
1	Central Excise Demand	**3,668.32**	2,793.41	2,256.58
2	VAT Demand	**75.85**	75.85	75.85

I) CESTAT had set aside the central excise demand of ₹ 397.78 Lakhs with interest and penalty for the period Apr'12 to Mar'13 and passed orders in favour of the Company in the matter of eligibility of exemption on molasses captively consumed and eligibility of cenvat credit availed on molasses procured from other Units in case of Unit III. The department has filed an appeal against this order in the Supreme Court of India and the decision is awaited. On the same issue for the period from Apr'13 to Mar'14, the Commissioner of Central Excise, Pondicherry has confirmed demand of ₹ 550.40 Lakhs with interest and penalty of ₹ 10.00 Lakhs against which the company has preferred an appeal before CESTAT. The department has further issued notices for demand of ₹ 1,197.71 Lakhs (Apr'14 to Mar'16), ₹ 80.38 Lakhs (Apr'12 to Jun'12) and ₹ 896.83 Lakhs (Apr'16 to Jun'17) which are yet to be adjudicated by the department. The department has also issued a notice for demand of ₹ 456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.

ii) In case of Unit I, a demand of ₹ 27.80 Lakhs on the same issue of eligibility of exemption on molasses captively consumed for the period April'10 to Feb'11 was set aside by the CESTAT, Chennai and the department of Excise has preferred an appeal against this decision in the Supreme Court of India. For the subsequent periods (Jan'12 to Dec'14), demand of ₹ 476.55 Lakhs with interest and penalty is also being contested by the Company. In view of the CESTAT order, the Company feels that they have a strong case and hence have not provided for these contingent liabilities in the account.

iii) VAT (Assessment year 2011-12 & 2012-13) Appeal is pending before the Assistant Commissioner Commercial Taxes, in respect of a demand raised by the department, due to wrong classification of the product code. The total demand raised is ₹ 75.85 lakhs and the amount paid is ₹18.96 lakhs, towards initial payment for the appeal. Appeal has closed in favour of the Company and the order is awaited from the Assessment Circle.

iv) The South Indian Sugar Mills Association, of which the company is a member, has filed W.P. No. 7872/2015 before the Hon'ble Madras High Court against Union of India and Director of Sugar, Tamil Nadu challenging the very jurisdictional basis of fixing additional cane price for the Sugar years 2004-05 to 2008-09 in the absence of any statutory power to do so. The said writ petition is pending before the said Court along with other connected writ petitions. In the said writ on 19/3/15 there is a direction to respondents that they shall not initiate any coercive proceedings to recover any amount pursuant to impugned order.

The Union of India and Director of Sugar have filed their counter affidavit. Connected writs filed by various parties are also pending. On 19.04.2018 the High Court directed to post all the connected writs for hearing during second week of June 2018.

No provision is made to the alleged cane dues pursuant to the above direction of the Court. The amount is indeterminate at this juncture.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

v) Recompense amount payable as per Corporate Debt Restructuring (CDR) scheme as at the close of the year is ₹ 4,767 lakhs (₹ 3,777 Lakhs).

b) Guarantees

Particulars	31.3.2018	31.3.2017	1.4.2016
Company has provided a corporate guarantee to the banks in respect of Term loans and cash credit facilities sanctioned to the erstwhile subsidiary company Trident Sugars Limited	NA	3,340.92	3,340.92

c) The Government of Tamilnadu notified the State Advised Price (SAP) of ₹ 2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and ₹ 2,850/- for sugar season 2015-16 & 2016-17. The company has accounted the cane purchase at the rate of ₹ 2,350/- per MT (for the cane procured during Apr 2014 to Sep 2014) and at the rate of ₹ 2,400/- per MT (for the cane procured during the period October 2014 - Sep 2016) For the sugar season 2016-17, the company has paid ₹ 2,425/- per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is ₹ 17,790 Lakhs (₹ 17,131 lakhs)

11) Income Tax assessments have been completed up to Assessment year 2015-16. Disallowances made in the order of assessment in some of the years, purely technical in nature, have been disputed in appeal before the appellate authorities. No provision has been made therefor since there are no tax demands for the present.

12) In terms of Ind AS-36, the company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its Fixed assets. The exercise has not revealed any impairment of assets during the year 2016-17 save and except the following:

The Tamil Nadu Government has issued a G.O. dated 31.08.2010 as directed by the Hon'ble Madras High Court, notifying the elephant corridor in the Nilgiris District, which includes company's land of 7.83 acres in Masinagudi Village Nilgiris District. The GO has now been disputed before the Hon'ble Supreme Court by the Company in SLP (C) 16898/2011 and interim stay has been granted and the petition is still pending. The carrying value of the said land in the books is ₹ 35.57 lakhs (31.03.2017 ₹ 35.57 lakhs, 01.04.2016 Carrying value ₹ 35.57 lakhs)

13) The exceptional item of ₹ 2,201.20 lakhs represents the gain from Sale of investment in Subsidiary Company Trident Sugars Limited, on 3rd April 2017.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

14) Transactions with Related Parties

Particulars	Subsidiaries	KMP	Relatives of KMP	Other Related Parties
Remuneration paid				
Ms.Rajshree Pathy		*527.39(121.60)		
Mr.Aditya Krishna Pathy		133.46(-)		
Mr.R.Varadarajan		82.70(53.60)		
Mr.V.B.Gopal Krishnan		43.39 (38.96)		
Mr.M.Ponraj		9.02 (7.36)		
Ms.Aishwarya Pathy			28.12(22.50)	
Purchase of Goods				
Ms.Aishwarya Pathy			- (4.31)	
Mr.Aditya Krishna Pathy		3.22(13.13)		
RSCL Properties (P) Ltd.,				1.31(12.14)
Greenplus Manures LLP				1.54 (3.43)
Rajshree Spinning Mills Ltd.,				-(11.63)
Sri Krishna Potable Products (P) Ltd.,				4.75(0.73)
Trident Sugars Ltd.,	-(1,666.90)			
Sale of goods				
Trident Sugars Ltd.,	-(1,509.90)			
Lavik Foodworks LLP				2,124.11 (2,064.81)
Rajshree Biosolutions LLP				0.92 (-)
Purchase of Assets/ Accessories				
CAI Industries (P) Ltd.,				0.03 (0.92)
Rajshree Automotive (P) Ltd.,				- (0.22)
Rajshree Autos (P) Ltd.,				14.32(-)
Receiving of Services				
CAI Industries (P) Ltd.,				0.06 (0.17)
Aloha Tours & Travels (India) (P) Ltd.,				0.78 (0.54)
Rajshree Automotive (P) Ltd.,				0.05 (0.11)
Major Corporate Services (India) LLP				357.35 (458.71)
Equity Contribution Made				
Trident Sugars Ltd.,	- (700)			
Issue of Equity shares				
Rajshree Pathy		- (494.60)		
RSCL Properties (P) Ltd.,				- (399.99)
Interest received				
Trident Sugars Ltd.,	- (122.35)			
Guarantee given				
Trident Sugars Ltd.,	- (3,340.92)			

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Transactions with Related Parties (Contd...)

Particulars	Subsidiaries	KMP	Relatives of KMP	Other Related Parties
Lease rent received				
Rajshree Biosolutions LLP				42.21(41.39)
Major Corporate Services India LLP				0.68(0.66)
Rajshree Spinning Mills Ltd.,				0.18(-)
Lavik Foodworks LLP				0.56(-)
Lavik Estates Ltd.,				2.12(-)
COCCA Art & Design Institute (P) Ltd.,				0.18(-)
Argead Enterprises (P) Ltd.,				0.18(-)
Lavik Holdings (P) Ltd.,				0.18(-)
Petal Home LLP				0.06(-)
Raj Fabrics & Accessories Cbe Ltd.,				0.06(-)
Security Deposit paid				
Lavik Estates Ltd.,				-(26.25)
Lease rent paid				
Lavik Estates Ltd.,				129.57 (120.94)
Rajnisha Textiles & Exports Pvt Ltd.,				4.41 (3.50)
Bio-fertiliser received for supply to farmers of the company				
Rajshree Biosolutions LLP				91.14 (213.01)
Purchase of uniform cloth materials				
The Lakshmi Mills Company Ltd.,				7.14 (7.13)
Payable 2017-18 (2016-17)	- (-)	0.65 (-)	2.83 (3.83)	111.79 (72.26)
Payable as at 1.4.2016	-	535	6.02	152.74
Receivable 2017-18(2016-17)	- (-)	- (465.00)	- (-)	28.05 (0.06)
Receivable as at 1.4.2016	531.73	-	-	6.91

* Including benefits paid on retirement

Notes :

Names of Related parties and description of relationship

1. Holding Companies: None
2. Subsidiaries: Trident Sugars Limited (till 3rd April 2017)
3. Fellow Subsidiaries: None
4. Associates: None
5. Key Management Personnel (KMP)
   - a) Ms.Rajshree Pathy, Chairperson (Managing Director till 29.6.2017)
   - b) Mr.Aditya Krishna Pathy, Managing Director (w.e.f.30.6.2017)
   - c) Mr.R.Varadarajan, Wholetime Director
   - d) Mr.V.B.Gopal Krishnan, Chief Financial Officer
   - e) Mr.M.Ponraj, Company Secretary

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

6. Relatives of KMP :

   Ms.Aishwarya Pathy (Daughter of Chairperson & Sister of Managing Director)

7. Enterprises over which KMP or their relatives are able to exercise significant influence:

   i) RSCL Properties Pvt Ltd.,
   ii) Lavik Holdings Pvt Ltd.,
   iii) Argead Enterprises Pvt Ltd.,
   iv) CAI Industries Pvt Ltd.,
   v) COCCA Art & Design Institute (P) Ltd.,
   vi) Rajshree Automotive Pvt Ltd.
   vii) Aloha Tours & Travels (India) Pvt Ltd.,
   viii) Rajshree Spinning Mills Ltd.,
   ix) Raj Fabrics and Accessories (Cbe) Ltd.,
   x) Greenplus Manures LLP
   xi) Major Corporate Services (India) LLP
   xii) Lavik Foodworks LLP
   xiii) Rajshree Autos (P) Ltd.,
   xiv) Rajshree Biosolutions LLP
   xv) Lakshmi Mills Company Ltd.,
   xvi) Lavik Estates Limited
   xvii) Sri Krishna Potable Products Pvt Ltd.,
   xviii) Rajnisha Textiles & Exports Pvt Ltd.,
   xix) Petal Home LLP

15) Previous year figures have been regrouped wherever necessary to conform to current years classification.

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Rajshree Sugars & Chemicals Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying standalone financial statements of Rajshree Sugars & Chemicals Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including Other Comprehensive Income), the Statement of Changes in Equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

We have audited the accompanying consolidated Ind As financial statements of Rajshree Sugars & Chemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group") , comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flow and the consolidated statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 consolidated Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated financial position of the Group, as at 31 March 2018 and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other Matters

The subsidiary M/s Trident Sugars Limited was sold on 03.04.2017. There were no transactions between 01.04.2017 and the date of loss of control.

Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" 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 Auditor's) 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 Consolidated Ind AS financial statements - Refer Note No. 45 (10) to the Consolidated Ind AS financial statements;

      ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except unpaid dividend of ₹ 39,729/- for the financial year 2009-10 as per the stay order issued by the Court.

For S. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.004009S

K.Raghu
Partner, Auditor
Membership No.011178

Place : Coimbatore
Date : 14th May 2018

ANNEXURE - A 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 Rajshree Sugars & Chemicals Limited ("the Holding Company") as of 31 March 2018 and its subsidiary company as of 3 April 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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") issued by ICAI 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 Ind AS 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 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 2018, 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. KRISHNAMOORTHY& CO.
Chartered Accountants
Regn.No.004009S

K.Raghu
Partner, Auditor
Membership No.011178

Place : Coimbatore
Date : 14th May 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017	1.4.2016
Non-current assets				
Property, plant and equipment	2	**52,740.82**	55,026.70	57,357.69
Capital work in progress		**186.96**	183.86	130.30
Investment properties	3	**13.06**	13.06	13.06
Other intangible assets	2	**24.17**	24.17	53.10
Financial assets				
i. Loans	4	**106.97**	129.39	121.21
ii. Other financial assets	5	**54.15**	5.00	-
Non Current tax assets (Net)	6	**490.22**	523.63	560.20
Deferred Tax Assets (Net)	21	**799.46**	-	-
Other non-current assets	7	**489.60**	553.34	538.30
Total non-current assets		**54,905.41**	56,459.15	58,773.86
Current assets				
Inventories	8	**13,990.41**	31,298.24	21,685.33
Financial assets				
i. Trade receivables	9	**4,758.29**	5,716.75	5,400.81
ii. Cash and cash equivalents	10	**276.99**	5,690.47	214.15
iii. Bank balances other than cash and cash equivalents	11	**0.40**	19.66	61.58
iv. Loans	12	**-**	-	-
v. Other financial assets	13	**608.37**	695.43	741.94
Other current assets	14	**1,452.60**	1,585.76	1,273.62
Assets Classified as held for sale	15	**-**	9,777.29	15,388.56
Total current assets		**21,087.06**	54,783.60	44,765.99
Total Assets		**75,992.47**	1,11,242.74	1,03,539.85

(Continued...)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018 (Contd.,)

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017	1.4.2016
Equity and liabilities				
Equity				
Equity share capital	16	**2,816.77**	2,816.67	2,497.17
Instruments entirely equity in nature	17	**-**	-	894.60
Other Equity				
Reserves and Surplus	18	**10,314.56**	7,628.17	4,144.59
Other reserves	19	**32.31**	32.31	28.04
Total equity		**13,163.64**	10,477.15	7,564.40
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	20	**28,498.44**	35,196.16	43,614.28
Deferred tax liabilities (net)	21	**-**	634.89	167.11
Total non-current liabilities		**28,498.44**	35,831.05	43,781.39
Current liabilities				
Financial liabilities				
i. Borrowings	22	**8,284.21**	14,395.34	14,339.98
ii. Trade payables	23	**12,822.18**	17,236.15	10,447.49
iii. Other financial liabilities	24	**10,535.59**	21,374.92	13,026.72
Provisions	25	**254.68**	304.31	207.16
Current tax liabilities	36	**-**	1,107.02	-
Other current liabilities	26	**2,433.73**	4,267.36	2,223.78
Liabilities relating to assets held for sale	15		6,249.44	11,948.93
Total current liabilities		**34,330.39**	64,934.54	52,194.06
Total liabilities		**62,828.83**	1,00,765.59	95,975.45
Total equity and liabilities		**75,992.47**	1,11,242.74	1,03,539.85

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

CONSOLIDATED OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017
Income			
Revenue from operations	27	**56,170.71**	69,506.74
Other income	28	**231.31**	333.67
Total income		**56,402.02**	69,840.41
Expenses			
Cost of materials consumed	29	**23,740.00**	47,238.31
Purchase of Trading Goods	30	**-**	1,587.58
Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	31	**15,949.63**	(8,760.51)
Excise duty		**943.32**	2,846.28
Employee benefit expenses	32	**3,703.11**	3,619.51
Depreciation and amortisation expense	33	**2,530.57**	2,613.88
Other expenses	34	**8,434.50**	8,908.00
Finance costs	35	**6,008.78**	7,200.69
Total expenses		**61,309.91**	65,253.74
Profit/(loss) before exceptional items and tax from continuing operations for the year		**(4,907.89)**	4,586.67
Income tax expense/(benefit)			
Current tax	36	**-**	1,107.02
Deferred tax		(1,44**8.91)**	474.99
Income tax expense/(benefit)		**(1,448.91)**	1,582.01
Profit/(Loss) from continuing operations for the year attributable to equity holders of the company		**(3,458.98)**	3,004.66
Profit/(loss) from discontinued operations		**6,112.47**	(284.47)
Tax expense/(benefit) of discontinued operations		**-**	(226.99)
Profit/(loss) from Discontinued operations (after tax) to equity holders of the company		**6,112.47**	(57.48)

(Continued...)

CONSOLIDATED OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2018 (Contd.,)

(₹ in Lakhs)

PARTICULARS	Note	31.3.2018	31.3.2017
Profit/(Loss) for the year to equity holders of the company		**2,653.49**	2,947.18
Other comprehensive income/(expenses)			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		**47.01**	(23.35)
Income tax relating to these items		**(14.55)**	7.22
Other comprehensive income/(expenses) relating to discounting operations			**(22.57)**
Other comprehensive income/(loss) for the year, net of tax to equity holders of the company		**32.46**	**(38.70)**
Total comprehensive income/(loss) for the year to equity holders of the company		**2,685.94**	**2,908.48**
Earnings per equity share of ₹ 10/- each (Amount in ₹)			
Earnings per equity share for continuing operation			
Basic earnings/(loss) per share	42	**(12.28)**	10.76
Diluted earnings/(loss) per share	42	**(12.28)**	10.76
Earnings per equity share for discontinuing operation			
Basic earnings/(loss) per share	42	**21.70**	(0.21)
Diluted earnings/(loss) per share	42	**21.70**	(0.21)
Earnings per equity share(for discontinued& continuing operations)			
Basic earnings/(loss) per share	42	**9.42**	10.56
Diluted earnings/(loss) per share	42	**9.42**	10.56

Significant Accounting Policies Note No. 1
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Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lakhs)

PARTICULARS	March 31, 2018	March 31, 2017
Profit before income tax		
Continuing operations	**(4,907.89)**	4,586.67
Discontinued operations	**6,112.47**	(284.47)
Adjustments for		
Depreciation and amortisation expense	**2,530.57**	2,613.88
(Gain)/loss on disposal of property, plant and equipment	**(16.44)**	(1.06)
Finance costs	**6,008.78**	7,200.69
Interest received	**(102.19)**	(215.17)
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	**958.45**	(315.93)
Increase in inventories	**17,307.84**	(9,612.91)
Increase in trade payables	**(4,413.97)**	6,788.66
Increase in other financial assets	**87.06**	46.52
(Increase)/decrease in other non-current assets	**3.08**	3.08
(Increase)/decrease in other current assets	**132.32**	(312.15)
Increase/(decrease) in provisions	**(2.51)**	51.23
Increase/(decrease) in security deposits	**(26.73)**	(13.18)
Increase/(decrease) in other bank balances	**0.25**	34.75
Increase in other current liabilities	**(1,833.63)**	2,045.30
Increase in other financial liabilities	**(7,826.04)**	7,789.74
Cash generated from operations	**14,011.42**	20,405.65
Income taxes paid	**(1,073.61)**	36.57
Net cash inflow from operating activities	**12,937.81**	20,442.22
Cash flows from investing activities		
Payments for property, plant and equipment	**(559.17)**	(271.77)
Proceeds from sale of subsidiary	**3,527.84**	-
Net investments in discontined operations	**-**	138.77
Proceeds from sale of property, plant and equipment	**96.54**	7.95
Interest received	**102.19**	215.17
Net cash outflow from investing activities	**3,167.40**	**90.12**
Cash flows from financing activities		
Proceeds from Issue of Share Capital	**9,800.00**	-
Securities premium on such issue	**44,492.00**	-
Proceeds from Borrowings	**(15,510.92)**	(7,857.88)
Proceeds from issue of Share options	**-**	4.27
Borrowing Costs	**(6,008.78)**	(7,200.69)
Net cash inflow (outflow) from financing activities	**(21,519.69)**	(15,054.30)
Net increase (decrease) in cash and cash equivalents	**(5,414.19)**	5,478.03
Cash and cash equivalents at the beginning of the financial year	**5,690.47**	214.15
Cash and cash equivalents at end of the year	**275.98**	5,692.18

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

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Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018 (₹ in lakhs)

i) Equity Share Capital

Particulars	Notes	Amounts
Balance as at April 1, 2016		2,497.17
Changes in equity share capital during the year	16	319.50
Balance as at March 31, 2017		2,816.67
Changes in equity share capital during the year	16	0.10
Balance as at March 31, 2018		**2,816.77**

ii) Instruments entirely equity in nature

Particulars	Notes	Amounts
Balance as at April 1, 2016		894.60
Changes	17	(894.60)
Balance as at March 31, 2017		
Changes		-
Balance as at March 31, 2018		**-**

iii) Other Equity

			Reserves and Surplus		Other Reserves		
Particulars	Notes	Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Share Option Outstanding Reserve	Total
Balance as at April 1, 2016		784.40	7,573.07	158.70	(4,371.58)	28.04	4,172.63
Profit for the period	18	-	-	-	2,947.18	-	2,947.18
Other comprehensive income	18	-	-	-	(38.70)	-	(38.70)
Transaction in the capacity as owners							-
Issue of Shares	18	575.10	-	-	-	-	575.10
Addition on account ESOP	41	-	-	-	-	4.27	4.27
Balance as at March 31, 2017		1,359.50	7,573.07	158.70	(1,463.10)	32.31	7,660.48
Profit for the period	18	-	-	-	2,653.49	-	2,653.49
Other comprehensive income	18	-	-	-	32.46	-	32.46
Transaction in the capacity as owners							-
Issue of Shares		0.44	-	-	-	-	0.44
Balance as at March 31, 2018		**1,359.94**	**7,573.07**	**158.70**	**(1,222.84)**	**32.31**	**10,346.87**

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
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Aditya Krishna Pathy
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R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Group overview

RAJSHREE SUGARS AND CHEMICALS LIMITED is a public limited Company incorporated in India. The Company's equity shares are listed on BSE and NSE. The registered office is located at 338/8, Avinashi Road, Peelamedu Coimbatore - 641 004, Tamilnadu, India.

TRIDENT SUGARS LIMITED is an unlisted public limited Company incorporated in India. Both Rajshree Sugars & Chemicals Limited and Trident Sugars Limited hereinafter called as the ('the Group').

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Upto the year ended 31st March, 2017, the Group prepared financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These are Group's first Ind AS based financial statements. The date of transition to Ind AS is 1st April, 2016. Group has opted certain exemptions while first-time adoption of Ind As based Financial statement (refer transition note in Financial Statement).

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current or noncurrent according to the Group's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

Basis of Consolidation:

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Entities controlled by the Company are consolidated from the date of control commences until the date of control ceases.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The group has the intention to dispose off its interest in Trident Sugars as on April 1, 2016 accordingly classified the Assets and liabilities of the subsidiary as assets held for sale and liabilities towards to assets held for sale respectively as on April 1, 2016 and March 31, 2017.

The subsidiary Company was hived-off as on 3rd April 2017. The figures in the consolidated statement as on 31st March 2018 therefore is exclusive of the erstwhile subsidiary Company and is given as a matter of statutory requirement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

1.3 Going concern

The board of directors have considered the financial position of the Group at 31 March 2018 and projected cash flows and financial performance of the Group for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The board of directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Group's operations.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected.

1.5 Revenue recognition

The Group recognizes revenue when the amount of revenue and its related cost can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria in relation to significant risk.

1.5.1 Sale of goods

Revenue from sale of products is recognised when the products are delivered to the dealer / customer or when delivered to the carrier, when risks and rewards of ownership pass to the dealer / customer, as per terms of contract.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates. It includes excise duty but excludes Value Added Tax and Sales Tax.

1.5.2 Income from service

Income from services is accounted over the period of rendering of services.

1.6 Foreign currencies

1.6.1. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the Group's functional and presentation currency.

1.6.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

1.7 Employee Benefits

1.7.1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

1.7.2. Other long term employee benefit

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

1.7.3. Post-employment obligation

The Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, and

b) Defined contribution plans such as provident fund.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan :

The Grouphas a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Group has funded this with Life Insurance Corporation of India ('LIC'). The contributions made to the LIC are treated as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

1.7.4. Bonus plans

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation

1.8. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1.8.1. Current tax

The income tax expenses or credit is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted.

1.8.2. Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

1.8.3. Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity respectively.

1.9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Transition to Ind AS

On transition to Ind AS, the Group has elected adopt fair value as its deemed cost for the land and apply Ind-AS 16 retrospectively for other class of assets as at 1st April 2016,

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method on a prorata basis from the month in which each asset is put to use to allocate their cost, net of their residual values, over their estimated useful lives.

Group has ascertained and adopted the useful life of the asset as mentioned in the schedule II of Companies Act, 2013

The assets' residual values, estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are credited / debited to profit or loss.

1.9.1. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

1.9.1.1. Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment propertyrecognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

1.10.1. Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.12. Inventories

Inventories are valued at the lower of cost and net realizable value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expendituresare being allocated on the basis of normal operating capacity. Raw materials are valued at first in first out. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non- production inventory (other than those supplied along with main plant and machinery, which are capitalised and depreciated accordingly) are charged to profit or loss on consumption.

1.13 Provisions and contingencies

Provisions: Provisions are recognised when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

1.15 Financial assets

All purchases or sales of financial assets are recognized and de-recognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.15.1. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortised cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Group's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

1.15.2. Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified at fair value through profit or loss, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets that do not meet the amortised cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortised cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognising the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit and loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on re measurement recognized in profit or loss.

1.15.3. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

1.15.4. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Book overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

1.15.5. Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortised cost
- financial assets measured at fair value through other comprehensive income

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.15.6. Income recognition

Interest Income: Interest income from debt instruments is recognised using the effective interest rate method.

1.16 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at fair value through profit or loss.

1.16.1. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

1.16.2. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.16.3. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit or loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the exchange rate at the end of the reporting period. For financial liabilities that are measured as at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

1.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

1.18. Leases

Leases of property, plant and equipment where the Group, as a lessee has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

1.19. Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

1.20. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

1.21. Earning Per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

1.22. Dividends

Final dividends on shares are recorded on the date of approval by the shareholders of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Land	Building	Plant & Equipment	Furniture and fixtures	Vehicles	Office Equipment	Electrical Equipment	Tools & Equipment	Lab Equipment	Total	SAP Software	Total of PPE and Intangible Assets
Year ended March 31, 2017												
Gross carrying amount												
Cost as at April 1, 2016	9,185.42	14,504.35	60,110.56	194.60	859.62	165.46	496.13	97.22	136.72	85,750.08	483.34	86,233.42
Additions	-	12.80	240.99	1.09		3.01	2.60	-	0.36	260.85	-	260.85
Disposal	-	-	4.85	-	26.19	-	-	0.17	-	31.21	-	31.21
Closing gross carrying amount	**9,185.42**	**14,517.15**	**60,346.70**	**195.69**	**833.43**	**168.47**	**498.73**	**97.05**	**137.08**	**85,979.72**	**483.34**	**86,463.06**
Accumulated depreciation	-	3,922.08	23,059.09	107.55	578.77	139.54	436.93	75.30	73.12	28,392.38	430.24	28,822.62
Depreciation charge during the year	-	511.05	1,943.34	16.12	79.35	7.86	10.40	4.97	11.86	2,584.95	28.93	2,613.88
Disposals	-	-	4.78	-	19.46	-	-	0.07	-	24.31	-	24.31
Closing Accumulated depreciation	**-**	**4,433.13**	**24,997.65**	**123.67**	**638.66**	**147.40**	**447.33**	**80.19**	**84.98**	**30,953.02**	**459.17**	**31,412.19**
Net carrying amount - 31.03.2017	**9,185.42**	**10,084.02**	**35,349.05**	**72.02**	**194.77**	**21.07**	**51.40**	**16.85**	**52.10**	**55,026.70**	**24.17**	**55,050.86**
Year ended March 31, 2018												
Gross carrying amount												
Cost as at April 1, 2017	9,185.42	14,517.15	60,346.70	195.69	833.43	168.47	498.73	97.05	137.08	85,979.71	483.34	86,463.05
Additions	-	28.29	128.27	1.78	152.99	10.44	2.42	0.59	-	324.79	-	324.79
Disposals	0.04	-	3.95	1.71	283.02	2.57	-	-	-	291.30	-	291.30
Closing gross carrying amount	**9,185.37**	**14,545.44**	**60,471.03**	**195.76**	**703.40**	**176.34**	**501.15**	**97.63**	**137.08**	**86,013.20**	**483.34**	**86,496.54**
Accumulated depreciation												
Opening accumulated depreciation	-	4,433.13	24,998.32	123.67	638.66	147.40	446.66	80.19	84.98	30,953.02	459.17	31,412.19
Depreciation charge during the year	-	476.90	1,947.52	15.41	60.18	6.93	8.44	3.66	11.54	2,530.57	-	2,530.57
Disposals	-	-	3.78	1.54	203.42	2.46	-	-	-	211.20	-	211.20
Closing Accumulated depreciation	**-**	**4,910.04**	**26,942.05**	**137.53**	**495.42**	**151.87**	**455.10**	**83.85**	**96.52**	**33,272.38**	**459.17**	**33,731.55**
Net carrying amount - 31.03.2018	**9,185.37**	**9,635.40**	**33,528.97**	**58.23**	**207.97**	**24.47**	**46.06**	**13.78**	**40.56**	**52,740.82**	**24.17**	**52,764.99**

Refer note : 44 A.1.2 for transition related exemption
Refer note : 45(3) for Capital Commitments
Refer note : 45(1) for securities provided for borrowings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

3. Investment Property

Particulars	31.3.2018	31.3.2017
Gross carrying amount		
Opening gross carrying amount / Deemed cost	**13.06**	13.06
Additions	**-**	-
Closing gross carrying amount	**13.06**	13.06
Net carrying amount	**13.06**	13.06

(i) Amounts recognised in profit or loss for investment properties

Particulars	31.3.2018	31.3.2017
Gross carrying amount		
Rental income	**30.00**	30.00
Profit from investment properties before depreciation	**30.00**	30.00
Depreciation	**-**	-
Profit from investment property	**30.00**	30.00

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Particulars	31.3.2018	31.3.2017	1.4.2016
Within one year	**33.00**	30.00	30.00
Later than one year but not later than 5 years	**132.00**	120.00	120.00
	165.00	150.00	150.00

(iii) Fair Value

Particulars	31.3.2018	31.3.2017	1.4.2016
Investment property	**13.06**	13.06	13.06

Estimation of fair value

The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located adjusted for the depreciated value of buildings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	31.3.2018	31.3.2017	1.4.2016
4	**Loans'**			
	Unsecured and considered good			
	Security Deposits	**106.97**	129.39	121.21
	Total loans	**106.97**	129.39	121.21
5	**Other financial asset**			
	Deposit - maturity more than 12 months	**54.15**	5.00	-
	Total Other financial assets	**54.15**	5.00	-
6	**Non Current Tax Assets (Net)**			
	Income tax asset	**490.22**	523.63	560.20
	Total Non Current Tax Assets (Net)	**490.22**	523.63	560.20
7	**Other non-current assets**			
	"Capital advances "	**-**	60.66	42.54
	Land Purchase Advance	**465.00**	465.00	465.00
	Prepaid Rent	**24.60**	27.68	30.76
	Total other non-current assets	**489.60**	553.34	538.30
8	**Inventories**			
	Work-in-progress at cost	**259.65**	408.37	648.33
	Finished Goods-at Cost / Net Realisable Value	**11,726.98**	29,044.52	19,278.01
	Stock In Trade - Properties at Cost	**540.89**	540.89	540.89
	Stock In Trade - Others at Cost	**182.03**	182.98	115.64
	Stores & Spares at cost	**1,280.86**	1,121.48	1,102.46
	Total Inventories	**13,990.41**	31,298.24	21,685.33
9	**Trade receivables**			
	Unsecured and considered good			
	Trade receivables	**4,758.29**	5,716.75	5,400.81
	Total receivables	**4,758.29**	5,716.75	5,400.81
10	**Cash and cash equivalents**			
	Balances with banks			
	- in current accounts	**241.21**	5,676.87	187.34
	Cash on hand	**35.78**	13.60	26.81
	Total cash and cash equivalents	**276.99**	5,690.47	214.15
11	**Bank Balances other than above**			
	Unpaid Dividend accounts	**0.40**	19.41	26.58
	Guarantee Margin Account	**-**	0.25	35.00
	Total bank balances other than above	**0.40**	19.66	61.58
12	**Loans**			
	Unsecured, considered good			
	Loans to Subsidary company *(M/s. Trident Sugars Limited)*	**-**	-	-
	Total Loans	**-**	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
13 Other financial assets			
Unsecured, considered good			
Income receivable	**252.09**	268.91	250.41
Interest receivable on Excise Duty Loan	**356.28**	426.52	491.53
Total Other financial assets	**608.37**	695.43	741.94
14 Other current assets			
Staff and other advance	**40.92**	88.33	66.03
Advance to suppliers	**323.91**	371.40	356.55
Advance Sales Tax	**20.17**	18.97	18.97
Balance with indirect tax authorities	**844.74**	857.86	665.81
Prepaid Expenses	**222.86**	249.20	166.26
Total other current assets	**1,452.60**	1,585.76	1,273.62
15 Assets Classified as held for sale	**-**	9,777.29	15,388.56
Total assets classified as held for sale	**-**	9,777.29	15,388.56
Refer note no 43(d) for disclosure relating to discounting operation			
Liabilities relating to asset held for sale	**-**	6,249.44	11,948.93
Total liabilities relating to asset held for sale	**-**	6,249.44	11,948.93
Refer note no 43(d) for disclosure relating to discounting operation			

16 Equity share capital

Authorised equity share capital	Number of shares	Amount
As at 1 April 2016	2,49,71,700	2,497.17
Increase during the year	31,95,000	319.50
As at 31 March 2017	2,81,66,700	2,816.67
Increase during the year	980	0.10
As at 31 March 2018	**2,81,67,680**	**2,816.77**

(i) Movements in equity share capital	*Number of shares*	*Equity share capital (par value)*
As at 1 April 2016	2,49,71,700	2,497.17
Increase during the year	31,95,000	319.50
As at 31 March 2017	2,81,66,700	2,816.67
Increase during the year	980	0.10
As at 31 March 2018	**2,81,67,680**	**2,816.77**

Terms and rights attached to equity shares

Equity Shares: The Company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding for dividend as well as for assets, in case of liquidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016

(ii) Details of shareholders holding more than 5% shares in the company

	March 31, 2018	
Number of shares	**% holding**	
Ms. Rajshree Pathy	1,13,17,313	40%
M/s RSCL Properties Pvt Limited	14,49,331	5%
	1,27,66,644	**45%**

	March 31, 2017	
Number of shares	**% holding**	
Ms. Rajshree Pathy	1,13,17,313	40%
M/s RSCL Properties Pvt Limited	14,49,331	5%
	1,27,66,644	**45%**

	April 1, 2016	
Number of shares	**% holding**	
Ms. Rajshree Pathy	95,50,884	38%
	95,50,884	**38%**

17 Instruments entirely equity in nature	**March 31, 2018**	March 31, 2017	April 1, 2016
Convertible loan from promoters	-	-	894.60
	-	-	894.60

As there is no obligation to deliver cash or another financial asset (FA) or to exchange financial assets or financial liability (FL) the loan from promoters has been classified as instrument entirely equity in nature

18 Reserves and surplus			
Securities premium reserves	**1,359.94**	1,359.50	784.40
General reserve	**7,573.07**	7,573.07	7,573.07
Capital reserve	**158.70**	158.70	158.70
Retained earnings	**1,222.84**	(1,463.10)	(4,371.58)
Total reserves and surplus	**10,314.56**	7,628.17	4,144.59
a) Securities premium reserves			
Opening balance	**1,359.50**	784.40	-
Additions during the year	**0.44**	575.10	-
Deductions/Adjustments during the year	**-**	-	-
Closing balance	**1,359.94**	1,359.50	-
b) Capital reserves			
Opening balance	**158.70**	158.70	158.70
Additions during the year	**-**	-	-
Deductions/Adjustments during the year	**-**	-	-
Closing balance	**158.70**	158.70	158.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
c) General reserve			
Opening balance	**7,573.07**	7,573.07	7,573.07
Additions during the year	-	-	-
Deductions/Adjustments during the year	-	-	-
Closing balance	**7,573.07**	7,573.07	7,573.07
d) Retained earnings			
Opening balance	**(1,463.10)**	(4,371.58)	(2,413.14)
Net profit/(loss) for the year	**2,653.49**	2,947.18	(1,930.42)
Items of other comprehensive income/(loss) recognised directly in retained earnings			
- Remeasurements of post-employment benefit obligation, net of tax	**32.46**	(38.70)	(28.04)
Appropriations	**-**	-	-
Closing balance	**1,222.84**	(1,463.10)	(4,371.58)

19 Other Reserve	**Share option outstanding reserve**
As at 1st April 2016	28.04
Addition during the year	4.27
As at 31st March 2017	32.31
Addition during the year	-
As at 31st March 2018	**32.31**

i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erst while Companies Act, 1956.

This is available for distribution to share holders.

ii) Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve

iii) Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

iv) Capital Reserve: Comparies of amount forfeited on lapse of share warrents, the same is not available for distribution.

v) Share option outstanding: The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
20 Borrowings			
Secured			
Term Loans			
From Banks	**27,057.80**	33,602.50	41,002.30
From Other parties :			
Sugar Development Fund	**-**	-	1,022.27
Refer Note No. 45 for terms of the borrowing			
Unsecured			
Lease Payable and effective interest rate measurement	**1,440.64**	1,593.66	1,589.71
Total other non-current financial liabilities	**28,498.44**	35,196.16	43,614.28
21 Deferred tax liabilities/(assets)			
The balance comprises temporary differences attributable to:			
Depreciation	**9,488.87**	9,665.71	9,736.51
Total deferred tax liabilities	**9,488.87**	9,665.71	9,736.51
Set-off of deferred tax assets pursuant to set-off provisions			
Unabsorbed Depreciation and losses	**(7,237.34)**	(6,034.37)	(7,605.48)
Others including Disallowance u/s 43B	**(340.08)**	(590.78)	(536.57)
Minimum Alternate tax credit -(MAT) entitlement	**(2,710.91)**	(2,405.67)	(1,427.35)
Total deferred tax assets	**(10,288.33)**	(9,030.82)	(9,569.40)
Net deferred tax liabilities/(assets)	**(799.46)**	634.89	167.11

Particulars	Depreciation	Unabsorbed Depreciation and Losses	Others including Disallowance u/s 43B	Minimum Alternate Tax credit - (MAT)	Total
At April 1, 2016	9,736.51	(7,605.48)	(536.57)	(1,427.35)	167.11
Charged/(credited):					
- to profit or loss	(70.80)	1,571.11	(47.00)	(978.32)	474.99
- to other comprehensive income	-	-	(7.22)	-	(7.22)
At March 31, 2017	9,665.71	(6,034.37)	(590.79)	(2,405.67)	634.88
Charged/(credited):					
- to profit or loss	(176.84)	(1,202.97)	236.14	(305.24)	(1,448.91)
- to other comprehensive income			14.56	-	14.56
At March 31, 2018	**9,488.87**	**(7,237.34)**	**(340.10)**	**(2,710.91)**	**(799.46)**

22 Borrowings	**31.3.2018**	31.3.2017	1.4.2016
Loans repayable on demand			
Unsecured			
From Banks			
Cash Credit Account	**8,284.21**	14,395.34	14,339.98
Refer Note No. 45 for terms of the borrowing			
Total borrowings	**8,284.21**	14,395.34	14,339.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
23 Trade payables			
Current			
Due to Micro & Small Enterprises	**-**	-	-
Due to Others includes related parties Refer Note No. 45 (13)	**12,822.18**	17,236.15	10,447.49
Total trade payables	**12,822.18**	17,236.15	10,447.49
24 Other financial liabilities			
Current maturities of long term debt	**9,045.91**	11,915.67	11,836.02
Interest accured but not due on Loans	**-**	49.04	36.31
Interest Accrued & Due on Loans	**1,489.28**	1,322.13	896.91
Unpaid Dividend	**0.40**	19.41	26.58
Creditors for capital expenditure		291.67	230.90
Advance received for sale of investments	**-**	7,777.00	-
Total other current financial liabilities	**10,535.59**	21,374.92	13,026.72
25 Provisions			
Provision for employee benefits			
Leave Encashment	**49.99**	42.69	32.13
Gratuity Contribution	**204.69**	261.62	175.03
Total Provisions	**254.68**	304.31	207.16
26 Other current liabilities			
Advance received from Customers	**1,799.25**	2,089.98	585.81
Statutory dues payables	**634.48**	2,177.38	1,637.97
Total other current liabilities	**2,433.73**	4,267.36	2,223.78
27 Revenue from operations			
Sale of products (including excise duty)	**56,070.45**	69,412.45	
Other operating revenue	**100.26**	94.29	
Total revenue from operations	**56,170.71**	69,506.74	
28 Other income			
Rental Income	**41.95**	37.98	
Interest income	**102.19**	215.17	
Profit on Sale of Assets	**16.44**	1.06	
Miscellaneous income	**70.73**	79.46	
Total other income	**231.31**	333.67	
29 Cost of Materials Consumed			
Raw Materials at the beginning of the year	**-**	-	
Add: Purchases	**23,740.00**	47,238.31	
Less: Raw Materials at the end of the year	**-**	-	
Total Cost of Materials Consumed	**23,740.00**	47,238.31	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

	PARTICULARS	31.3.2018	31.3.2017	1.4.2016
30	**Purchase of Trading Goods**			
	Purchases - Sugar trading	-	1,587.58	
	Total Purchase of Trading Goods	-	1,587.58	
31	**Changes in inventories of work-in-progress, Stock-in -Trade and finished goods**			
	Opening Balance			
	Work-In-Progess	**408.37**	648.33	
	Finished Goods	**29,044.52**	19,265.24	
	Traded Goods	**540.89**	540.89	
	Total Opening Balance	**29,993.78**	20,454.46	
	Closing Balance			
	Work-In-Progess	**259.65**	408.37	
	Finished Goods	**11,726.98**	29,044.52	
	Traded Goods	**540.89**	540.89	
	Total Closing Balance	**12,527.52**	29,993.78	
	Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	**1,516.63**	(778.81)	
	Total Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	**15,949.63**	(8,760.51)	
32	**Employee benefit expense**			
	Salaries, wages and bonus	**3,069.76**	2,965.00	
	Contribution to provident and other funds	**267.13**	296.51	
	Staff welfare expenses	**366.22**	358.00	
	Total employee benefit expense	**3,703.11**	3,619.51	
33	**Depreciation and amortisation expense**			
	Depreciation of property, plant and equipment and Amortisation of intangible assets	**2,530.57**	2,613.88	
	Total depreciation and amortisation expense	**2,530.57**	2,613.88	
34	**Other expenses**			
	Cosumption of Stores and Spares	**610.60**	1,484.29	
	Consumption of Packing Materials	**362.22**	740.82	
	Power & Fuel	**1,667.27**	1,203.56	
	Building rent	**66.14**	66.71	
	Repairs & Maintenance :			
	Building	**117.47**	124.09	
	Machinery	**1,419.98**	2,103.27	
	Insurance Premium	**146.91**	140.32	
	Licence Fees & Tax	**145.50**	153.95	
	Cartage & Freight	**1,252.82**	965.44	
	Payment to Auditor's	**15.81**	18.80	
	Cost Audit fees	**1.76**	1.78	
	Managerial Remuneration	**750.78**	173.74	
	Miscellaneous Expenses	**1,877.24**	1,731.23	
	Total other expenses	**8,434.50**	8,908.00	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
Details of payment to auditors			
As auditor:			
Audit fee	**7.00**	6.00	
In other capacities			
Taxation matters	**0.50**	3.35	
Company law matters	**7.50**	7.50	
Certification fees	**0.81**	1.95	
Total payment to auditors	**15.81**	18.80	
35 Finance Cost			
Interest expense	**5,919.01**	7,112.76	
Other borrowing costs	**89.77**	87.93	
Total other expenses	**6,008.78**	7,200.69	
36 Income tax expense			
(a) Income tax expense			
Current tax			
Current tax on profits for the year	**-**	1,107.02	
Adjustments for current tax of prior periods	**-**	-	
Total current tax expense	**-**	1,107.02	
Deferred tax			
Decrease (increase) in deferred tax assets	**(1,272.07)**	545.79	
(Decrease) increase in deferred tax liabilities	**(176.84)**	(70.80)	
Total deferred tax expense/(benefit)	**(1,448.91)**	474.99	
Income tax expense	**(1,448.91)**	1,582.01	
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
Profit / (loss) before income tax expense of continuing and discontinuing operations	**1,204.58**	4,302.20	
Tax at the Indian tax rate of 34.608% (2015-2016 – 34.608%)	**416.88**	1,488.91	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Profit/(loss) of disposal group held taxed at different rate	**(1,865.63)**	(133.89)	
Income tax expense continuing and discounting operation	**(1,448.75)**	1,355.02	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016

37 Notes to Financial Statements - Employee benefit obligations

Employee benefit obligations		**March 31, 2018**	
	Current	**Non-current**	**Total**
Leave Encashment	**49.99**	**-**	**49.99**
Gratuity Contribution	**204.69**	**-**	**204.69**
Total employee benefit obligations	**254.68**	**-**	**254.68**
		March 31, 2017	
	Current	Non-current	Total
Leave Encashment	42.69	-	42.69
Gratuity Contribution	261.62	-	261.62
Total employee benefit obligations	**304.31**	**-**	**304.31**
		01-Apr-16	
	Current	Non-current	Total
Leave Encashment	32.13	-	32.13
Gratuity Contribution	175.03	-	175.03
Total employee benefit obligations	**207.16**	**-**	**207.16**

(i) Gratuity

The company extends defined benefit plans in the form of gratuity to employees. The Company has formed "RSCL Gratuity Trust" with Life Insurance Corporation of India (LIC) and HDFC Standard Life Insurance Company Ltd., Contribution to gratuity is made to LIC in accordance with the scheme framed by the corporation. The Company has made contribution towards Gratuity based on the actuarial valuation.

(ii) Defined contribution plans

Contribution to provident fund is in the nature of defined contribution plan and are made to provident fund account maintained by the Government on its account.

(iii) GRATUITY	**Present value of obligation**	**Fair value of plan assets**	**Net amount**
Position as at 'April 1, 2016 (A)	**716.53**	518.22	198.31
Current service cost	**64.19**	-	64.19
Interest expense/(income)	**57.04**	41.25	15.79
Total amount recognised in profit or loss (B)	**121.23**	**41.25**	**79.98**
Remeasurements			-
(Gain)/loss from change in financial assumptions	**33.44**	-	33.44
Experience (gains)/losses	**23.14**	33.23	(10.10)
Total amount recognised in other comprehensive income (C)	**56.58**	**33.23**	**23.35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016
Employer contributions	-	40.00	(40.00)
Benefit payments	(52.36)	(52.36)	-
Total cash flow (D)	**(52.36)**	(12.36)	(40.00)
March 31, 2017 (A)+(B)+(C)+(D)	**841.98**	580.34	261.64
Position as at March 31, 2017 (A)	**841.97**	580.35	261.62
Current service cost	**45.42**	-	45.42
Interest expense/(income)	**61.21**	42.19	19.02
Total amount recognised in profit or loss (B)	**106.63**	42.19	64.44
Remeasurements			
(Gain)/loss from change in financial assumptions	**(26.55)**	-	(26.55)
Experience (gains)/losses	**(20.07)**	0.01	(20.08)
Total amount recognised in other comprehensive income (C)	**(46.63)**	0.01	(46.61)
Employer contributions	-	75.00	(75.00)
Benefit payments	**(62.23)**	(62.23)	-
Total cash flow (D)	**(62.23)**	12.77	(75.00)
March 31, 2018 (A)+(B)+(C)+(D)	**839.75**	635.30	204.45
The net liability disclosed above relates to funded and unfunded plans are as follows:			
Present value of funded obligations	**839.75**	841.98	716.53
Fair value of plan assets	**635.30**	580.34	518.22
Deficit of funded plan	**204.45**	261.64	198.31

(iv) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Discount rate	**7.7%**	7.3%	7.3%
Salary growth rate	**4.0%**	4.0%	4.0%
Attrition rate	**2.0%**	2.0%	2.0%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age of 60

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

	Change in assumption March 31, 2018	Increase in assumption March 31, 2017	Decrease in assumption March 31, 2017
Discount rate	**1.00%**	-6%	7%
Salary growth rate	**1.00%**	7%	-7%

The sensitivity of the defined benefit obligation to other assumption are insignificant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2018	31.3.2017	1.4.2016

(vi) Risk exposure

Through its defined benefit plans, The company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Major category of plan assets as a % of total plan assets:

Funds managed by LIC	**100.00%**	100.00%	100.00%
The following payments are expected contributions to the defined benefit plan in future years:			
Between 2 & 5 years	**374.53**		
Beyond 5 years	**1,249.38**		
Total	**1,623.91**		

38 Fair value measurements

Financial instruments by category		**Amortised Cost**	
Financial assets			
Security deposits	**106.97**	129.39	121.21
Loans - Deposits of more than 12 months	**54.15**	5.00	-
Trade Receivables	**4,758.29**	5,716.75	5,400.81
Cash and cash equivalents and other bank balances	**277.39**	5,710.14	275.73
Loans to Subsidary company	**-**	-	-
Other financial assets	**608.37**	695.43	741.94
Total financial assets	**5,805.17**	12,256.71	6,539.71
Financial liabilities		**Amortised Cost**	
Borrowings	**47,317.85**	62,878.35	70,723.49
Trade payables	**12,822.18**	17,236.15	10,447.49
Capital creditors	**-**	291.67	230.90
Other financial liabilities	**0.40**	7,796.42	26.58
Total financial liabilities	**60,140.43**	88,202.59	81,428.46

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Fair value of assets carried at amortised cost

The carrying amounts of trade receivables, trade payables, loans, deposits, advances, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

39. Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

A. Credit risk

Credit risk on deposit is mitigated by the depositing the funds in reputed private sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date, 31st March 2017 and 31st March 2018 company had no significant credit risk.

B. Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of The company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

(i) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Contractual maturities of financial liabilities:

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
31 March 2018						
Non-derivatives						
Long term loans	**9,963.97**	**4,372.19**	**9,197.17**	**22,917.29**	**2,624.92**	**49,075.54**
Short Borrowings	**8,284.21**	**-**	**-**	**-**	**-**	**8,284.21**
Trade payables	**12,822.18**	**-**	**-**	**-**	**-**	**12,822.18**
Other financial liabilities	**0.40**	**-**	**-**	**-**	**-**	**0.40**
Total non-derivative liabilities	**31,070.75**	**4,372.19**	**9,197.17**	**22,917.29**	**2,624.92**	**70,182.33**
31 March 2017						
Non-derivatives						
Long term loans	11,478.90	6,317.54	10,129.46	26,795.96	8,198.22	62,920.08
Short Borrowings	14,395.34	-	-	-	-	14,395.34
Trade payables	17,236.15	-	-	-	-	17,236.15
Other financial liabilities	8,088.08	-	-	-	-	8,088.08
Total non-derivative liabilities	51,198.47	6,317.54	10,129.46	26,795.96	8,198.22	1,02,639.65
31 March 2016						
Non-derivatives						
Long term loans	11,838.23	6,599.25	13,135.53	28,870.43	15,731.11	76,174.55
Borrowings	14,339.98	-	-	-	-	14,339.98
Trade payables	10,447.49	-	-	-	-	10,447.49
Other financial liabilities	257.48	-	-	-	-	257.48
Total non-derivative liabilities	36,883.18	6,599.25	13,135.53	28,870.43	15,731.11	1,01,219.50

40 Capital management

(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2018	March 31, 2017	March 31, 2016
Net debt	45,828.56	61,556.22	69,826.58
Total equity	13,164.24	10,477.15	7,566.12
Net debt to equity ratio	**3.48**	**5.88**	**9.23**

(b) Dividends

The company has not declared any dividends during the current year and the previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

41 Share based payments

(a) Employee option plan

i) 50% of options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on date of vesting; and (ii) 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls.

ii) Summary of options granted under plan :

	March 31, 2018		March 31, 2017		April 1, 2016	
	Avg exercise price per share option	**Number of options**	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	**55.40**	**6,05,262**	55.40	7,27,130	55.40	9,69,902
Granted during the year	**-**	**-**	-	-	-	-
Exercised during the year	**55.40**	**(980)**	-	-	-	-
Forfeited during the year	**55.40**	**(1,78,968)**	55.40	(1,21,868)	55.40	(2,42,772)
	-	**4,25,314**	-	6,05,262	-	7,27,130

iii) Share options outstanding at the end of year have following expiry date and exercise prices

				Share Options		
Plan	**Grant Date**	**Expiry Date**	**Exercise Price**	**March 31, 2018**	March 31 2017	April 1, 2016
RSCL Employees Stock Option Plan 2012	10th October 2012	10th October 2017 to 10th October 2021	55.4	**4,25,314**	6,05,262	7,27,130
				4,25,314	6,05,262	7,27,130

(b) Expense arising from share based payment transaction

	March 31, 2018	March 31, 2017
RSCL Employees Stock Option Plan 2012	**-**	4.27
Total expense recorded as part of employee cost	**-**	4.27

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

42 Earnings per equity share of ₹ 10/- each	31 March 2018	31 March, 2017
(a) Basic earnings per share		
Basic earnings/(loss) per share attributable to the equity holders of the Company		
From Continued operation (Amount in ₹)	**(12.28)**	10.76
From discontinued operation (Amount in ₹)	**21.70**	(0.21)
Total basic earnings per share attributable to the equity holders of the Company (Amount in ₹)	**9.42**	10.56
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share from continued operation	**(3,458.98)**	3,004.66
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share from discontinued operation	**6,112.47**	(57.48)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**2,81,66,800**	2,79,21,600
(b) Diluted earnings per share		
Diluted earnings/(loss) per share attributable to the equity holders of the Company (Amount in ₹)	**(4.47)**	10.76
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	**(1,257.78)**	3,004.66
Adjustments		
Used in calculating diluted earnings per share	**-**	-
Profit attributable to equity holders of the company used in calculating diluted earnings per share	**(1,257.78)**	3,004.66
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	**2,81,66,800**	2,79,21,600

43. Discontinued Operation

(a) Description

On 30 March 2016, the group announced its intention to exit its subsidiary Trident Sugars and initiated an active program to locate a buyer. The associated assets and liabilities were consequently presented as held for sale in financial statements for the year ended 31 March 2016.

(₹ in Lakhs)

(b) Financial performance and cash flow information	March 31, 2018	March 31, 2017
Total Income	**-**	11,629.38
Expenses	**-**	11,913.85
Profit/(loss) before income tax	**-**	(284.47)
Income Tax Expense/(benefit)	**-**	(226.99)
Profit/(loss) after income tax	**-**	(57.48)
Gain on sale of the subsidiary after income tax	**6,112.47**	
Profit/(loss) discontinued operation	**6,112.47**	(57.48)
Other comprehensive income/expenses from discontinued operation		(22.57)
Net cash inflow (outflow) from operating activities		3,634.92
Net cash inflow (outflow) from investing activities	**9,640.31**	13.19
Net cash (outflow) from financing activities		(3,631.47)
Net increase in cash generated from discontinued operation	**9,640.31**	16.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

(c) Details of the sale of the subsidiary	**March 31, 2018**
Consideration received:	
Cash	**9,640.31**
Carrying amount of net assets sold	**3,527.84**
Gain on sale before income tax	**6,112.47**
Income Tax on Sale	**-**
Gain on sale after income tax	**6,112.47**

The carrying amounts of assets and liabilities as at the date of sale (3rd April 2017) were as follows:	April 3, 2017
Property, plant and equipment	3,870.40
Capital work-in-progress	24.88
Goodwill	3,247.39
Deferred tax asset	1,488.25
Other non-current asset	103.69
Trade receivables	17.39
Other current assets	1,025.28
Total Assets	**9,777.28**
Borrowings	4,616.69
Trade payables	134.49
Other current liabilities	1,498.26
Total liabilities	**6,249.44**
Net Assets	**3,527.84**

(d) Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 1st April 2016 and 31st March 2017:

	March 31, 2017	April 1, 2016
Property, plant and equipment	**3,870.40**	4,071.19
Capital work-in-progress	**24.88**	24.88
Goodwill	**3,247.39**	3,247.39
Deferred tax asset	**1,488.25**	1,431.44
Other non-current asset	**103.69**	230.66
Trade receivables	**17.39**	39.55
Other current assets	**1,025.28**	6,343.43
Total Assets	**9,777.28**	**15,388.54**
Borrowings	**4,616.69**	8,029.04
Trade payables	**134.49**	1,931.16
Other current liabilities	**1,498.26**	1,988.73
Total liabilities	**6,249.44**	**11,948.93**
Net Assets	**3,527.84**	**3,439.61**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

44. Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (The company's date of transition). In preparing its opening Ind AS balance sheet, The company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous GAAP to Ind AS has affected The company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The group has applied same exemption for investment in associates and joint ventures.

A.1.2 Deemed cost

The Company has elected to restate retrospectively all its property, plant and equipment as per the Ind AS 16, except for freehold land, which have been accounted at fair value as deemed cost on transition date (as at 1st April, 2016).

A.1.3 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The company has elected to apply this exemption for such contracts/arrangements.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

-Impairment of financial assets based on expected credit loss model.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.4 Soft Loans

Below market interest rate benefits for loans existing at the date of transition has not recognised the as government grant in line with para B10 mandatory exemption

C: Notes to first-time adoption:

Note 1: Investment in Subsidiaries

Investment in subsidiary has been treated as asset held for sale as the conditions outlined under Ind-AS 105 are met.

Note 2: Fair valuation of Land and Retrospective application of Ind AS 16

Company has adopted fair value of as it deemed cost for the land and retrospectively applied Ind AS 16 for other class of assets, Due to the above the equity increased by ₹ 7,447.15 lakhs as at 31st March 2017 (April 1, 2016 Rs.7,470.49 lakhs) and profit for FY 16-17 decreased by ₹ 23.34 lakhs.

Note 3: Instruments entirely in the nature of equity

Under previous GAAP, loans given by promoter were classified as loans, Under Ind-AS based on the substance of the agreement same has been classified as equity, due to this the equity as at April 1, 2016 increased by ₹ 894.60 lakhs.

Note 4: Loans at amortised cost

Under previous GAAP, loans are recognised at nominal value, interest rate of the loans has been recomputed at Effective interest rate (EIR) basis as per Ind-AS 109, due to this the equity as at March 31, 2017 decreased by ₹ 843.61 lakhs (April 1, 2016 ₹ 915.59 lakhs). Profit for FY 16-17 increased ₹ 71.98 lakhs.

Note 5: Finance lease classification

Certain arrangement as been classified as finance lease under Ind AS 109 as at transition date, due to this the equity as at March 31, 2017 and Profit for FY 16-17 decreased by ₹ 56.00 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Note 6: Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share option outstanding account increased by ₹ 32.07 lakhs as at 31 March 2017 (1 April 2016- ₹ 28.04 lakhs). The profit for the year ended 31 March 2016 decreased by ₹ 4.27 lakhs. There is no impact on total equity.

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by ₹ 23.35 lakhs. There is no impact on the total equity as at 31 March 2017.

Note 8: Investment property

Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 9: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by ₹ 2,846.27 lakhs. There is no impact on the total equity and profit.

Note 10: Others

Under previous GAAP security deposit were carried at its nominal value and under Ind-AS the same were fair valued under transition date and subsequent amortisation prepaid rent. All these adjustments had marginal impact on equity and profit.

Note 11: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

i) Reconciliation of total equity as at March 31, 2017 and April 1, 2016

PARTICULARS	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**3,633.67**	**(174.53)**
Adjustments			
Instruments entirely equity in nature	1	-	894.60
Loan at amortised cost	4	(843.61)	(915.59)
Lease Classification	5	(56.00)	-
Fair valuation of freehold land	2	7,467.63	7,467.63
Restrospective application of Ind-AS 16	2	(20.47)	2.86
Others	10	(4.27)	0.55
Deferred tax impact on above adjustments	11	300.20	290.59
Total adjustments		**6,843.48**	**7,740.64**
Total equity as per Ind AS		**10,477.15**	**7,566.11**

ii) Reconciliation of total comprehensive income for the year ended March 31, 2017

Profit after tax as per previous GAAP		2,913.60
Adjustments		
Loan at amortised cost	4	71.98
Remeasurment of employee benefit obligation	7	23.35
Lease Classification	5	(56.00)
Restrospective application of Ind-AS 16	2	(23.33)
Others	10	(3.96)
Deferred tax impact on above adjustments	11	(1.03)
Total adjustments		**11.01**
Profit after tax as per Ind AS		2,924.61
Other comprehensive income	7 &10	(16.13)
Total comprehensive income as per Ind AS		**2,908.48**

iii) Impact of Ind AS adoption on cash flow

There is no change in Cash flow

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

45 OTHER ADDITIONAL INFORMATION

1) Rate of Interest and Maturity Profile of long term/short term borrowings :
(Forming part of note for Long-term borrowings & Short term borrowings)

	Loans under CDR Scheme			Total
	SEFASU Loan	SOFT Loan	Restructured Loan	
	***2%**	**12% /12.5%**	**11% /12% /12.5%**	
2018-19	805.44	834.35	3,973.49	5,613.28
Total	**805.44**	**834.35**	**3,973.49**	**5,613.28**
2019-20	-	834.60	5,260.45	6,095.05
2020-21	-	768.90	5,715.61	6,484.51
2021-22	-	786.20	6,353.84	7,140.04
2022-23	-	393.17	4,470.11	4,863.28
2023-24	-	-	2,477.83	2,477.83
Total	**-**	**2,782.86**	**24,277.84**	**27,060.70**

Net of interest subvention of 12% from Govt. of India as per Scheme for Extending Financial Assistance to Sugar Undertakings 2014 (SEFASU)

Interest Rate for Restructured Loans	
Financial Year	**Rate of Interest**
April 2014 - Mar 2016	11.00%
April 2016 - Mar 2017	12.00%
Apr 2017 onwards	12.50%

Security details for long term borrowings:

1) The term loans aggregating to ₹ 29,747.42 lakhs (31.03.2017 ₹ 37,189.47 lakhs) (01.4.2016 ₹ 44,948.60 lakhs) under Corporate Debt Restructuring Scheme (CDR) are secured as detailed below:
   a) First pari-passu charge on the fixed assets of the company except the following:
      i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to State Bank of India and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to Sugar Development Fund (SDF), Government of India and State Bank of India.
      ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
      iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
      iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
   b) Second pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from Sugar Development Fund.
   c) First pari-passu charge over the cogeneration receivables of Unit-II & III.
   d) Second pari-passu charge over the remaining current assets of the company.
   e) First Paripassu charge on the additional securities, as briefed below, provided by the company for CDR package:
      i. 80 Cents of vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat.

iii. Residential Flat No 2 at Door No 9 Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.

f) The loans of ₹ 880.39 lakhs availed during the year has been fully settled on 29th March 2018 and charge closure procedures are under process.

g) The Cogeneration receivables of Unit- II & III, previously charged exclusively to State Bank of India, will be pooled into the Trust and Retention Account for all lenders under Corporate Debt Restructuring (CDR) Package.

h) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.

i) The mortgages, charges and pledges referred to above shall rank pari passu with the mortgages, charges and pledges created and/or to be created in favour of the Acceding Lenders.

2) Term loans (SDF) aggregating to ₹ 2,661.17 lakhs (31.03.2017 ₹ 3,683.45 lakhs) (01.4.2016 ₹ 3,894.44 lakhs) are secured by 1st paripassu charge on the fixed/immovable assets of Unit-III (Sugar, Cogeneration & Distillery).

3) The soft loans aggregating to ₹ 3,695.11 lakhs (31.03.2017 ₹ 4,330.97 lakhs) (01.4.2016 ₹ 4,388.98 Lakhs) is secured by (a) First charge over the current assets of the Borrower on pari passu basis with other WC Lenders (b) First pari passu charge on the fixed assets of the Borrower except the exclusively charged assets.(c) First pari passu charge on the additional securities provided by the Borrower for CDR package (d) Second pari passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security for (SDF). Bank of India needs to modify hypothecation charge to align to this security structure.

4) The loans aggregating to ₹ 33,442.53 lakhs (31.03.2017 ₹ 41,834.71 lakhs) (01.4.2016 ₹ 49,966.15 Lakhs) guaranteed by the Chairperson.

5) Term loans Guaranteed by others is Nil.

6) Period and amount of continuing default in respect of the aforesaid loans is as detailed below :

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund - Cogen	211.00	From Jun 2016	The Company has requested for restructuring of the loan.
-do-	211.00	From Dec 2016	-do-
-do-	211.00	From June 2017	-do-
Sugar Development Fund - Distillery	405.64	From March 2016	-do-
-do-	405.64	From Sept 2016	-do-
-do-	405.64	From March 2017	-do-
-do-	405.64	From Sept 2017	-do-
-do-	405.64	From March 2018	-do-
TOTAL	**2,661.20**		
Axis Bank Limited	66.90	From March 2018	The company is in discussion with the banks for the resolution of debt
State Bank of India	154.21	-do-	-do-
Federal Bank Ltd	72.29	-do-	-do-
ICICI Bank Ltd.,	222.99	-do-	-do-
State Bank of Hyderabad (Now SBI)	21.80	-do-	-do-
Bank of India	202.00	-do-	-do-
State Bank of Mysore (Now SBI)	28.35	-do-	-do-
TOTAL	**768.54**		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Name of the Lender	Amount of Default (Interest)	Period of default	Remarks
Sugar Development Fund	1,137.03	From Sep 2015 to Mar 2018	The Company has requested for restructuring of the loan.
Total (a)	**1,137.03**		
Axis Bank Ltd.,	19.89	From Mar 2018	The company is in discussion with the banks for the resolution of debt
Federal Bank Ltd.,	23.10	-do-	-do-
ICICI Bank Ltd.,	69.46	-do-	-do-
State Bank of India	167.51	-do-	-do-
State Bank of Hyderabad (SBI)	21.92	-do-	-do-
Bank of India	28.78	-do-	-do-
UCO Bank	5.26	-do-	-do-
State Bank of Mysore (SBI)	16.33	-do-	-do-
Total (b)	**352.25**		
Grand Total (a+b)	**1,489.28**		

Security Details for short term borrowings:

1) The Working Capital facilities aggregating to ₹ 8,284 lakhs (31.03.2017 ₹ 14,395 lakhs) (01.4.2016 ₹ 14,340 Lakhs) under the CDR are secured as detailed below:
   a) First pari-passu charge over the current assets of the company.
   b) Second pari-passu charge on the fixed assets of the company except the following:
      i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
      ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
      iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
      iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
   c) Second pari-passu charge on the additional securities, as briefed below, provided by the company for CDR package.
      i. 80 cents of vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation.
      ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk Theni District, Gullapuram Panchayat.
      iii. Residential Flat No 2 at Door No 9, Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.
   d) First pari-passu charge over the cogeneration receivables of Unit-II & III.
   e) Third pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from SDF.
   f) The Cogeneration receivables of Unit- II & III, presently charged exclusively to SBI, will be pooled into the Trust and Retention Account for all lenders under CDR Package.
   g) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

h) The mortgages/charges and pledges referred to above shall rank pari passu with the mortgages/charges and pledges created and/or to be created in favour of the Acceding Lenders.

2) Working Capital facilities aggregating to ₹ 8,284 lakhs (31.03.2017 ₹ 14,395 lakhs) (01.4.2016 ₹ 14,340 Lakhs) guaranteed by the Chairperson.

3) Short term loans Guaranteed by others is Nil.

4) Period and amount of default in respect of the aforesaid loans is Nil.

	31.03.2018	31.03.2017
2) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under :		
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) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	**7.60**	6.72
4) The company held five properties (building) on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	**38.27**	40.87
b) Later than 1 year and not later than 5 years	**8.13**	51.02
c) Later than 5 years	**-**	-
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	**40.88**	36.70
5) The company held one machinery on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	**12.00**	12.00
b) Later than 1 year and not later than 5 years	**48.00**	48.00
c) Later than 5 years	**24.00**	36.00
d) Lease payments recognized in the Statement of Profit & Loss.	**12.00**	12.00
6) The company leased out thirteen properties and the future minimum lease rentals receivables are as under:		
a) Not later than one year	**47.27**	36.58
b) Later than 1 year and not later than 5 years	**190.35**	163.45
c) Later than 5 years	**47.92**	-
d) Lease receipts recognized in the Statement of Profit & Loss	**41.91**	36.58
7) Borrowing costs capitalized	**0.91**	7.65
8) Borrowing costs included in Capital Work in progress	**2.60**	3.53

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

9) Provision towards Gratuity and superannuation schemes has been made upto date as per the demands received from Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited based on actuarial valuation. Provision for leave encashment benefit has been made for the entire amount due and payable as at the close of the year.

10) Contingent Liabilities not provided for

a) Claims against the company not acknowledged as debt:

S. No.	Particulars	31.03.2018	31.03.2017	01.04.2016
1	Central Excise Demand	**3,668.32**	2,793.41	2,256.58
2	VAT Demand	**75.85**	75.85	75.85

i) CESTAT had set aside the central excise demand of ₹ 397.78 Lakhs with interest and penalty for the period Apr'12 to Mar'13 and passed orders in favour of the Company in the matter of eligibility of exemption on molasses captively consumed and eligibility of cenvat credit availed on molasses procured from other Units in case of Unit III. The department has filed an appeal against this order in the Supreme Court of India and the decision is awaited. On the same issue for the period from Apr'13 to Mar'14, the Commissioner of Central Excise, Pondicherry has confirmed demand of ₹ 550.40 Lakhs with interest and penalty of ₹ 10.00 Lakhs against which the company has preferred an appeal before CESTAT. The department has further issued notices for demand of ₹ 1,197.71 Lakhs (Apr'14 to Mar'16), ₹ 80.38 Lakhs (Apr'12 to Jun'12) and ₹ 896.83 Lakhs (Apr'16 to Jun'17) which are yet to be adjudicated by the department. The department has also issued a notice for demand of ₹ 456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.

ii) In case of Unit I, a demand of ₹ 27.80 Lakhs on the same issue of eligibility of exemption on molasses captively consumed for the period April'10 to Feb'11 was set aside by the CESTAT, Chennai and the department of Excise has preferred an appeal against this decision in the Supreme Court of India. For the subsequent periods (Jan'12 to Dec'14), demand of ₹ 476.55 Lakhs with interest and penalty is also being contested by the Company. In view of the CESTAT order, the Company feels that they have a strong case and hence have not provided for these contingent liabilities in the account.

iii) VAT (Assessment year 2011-12 & 2012-13) Appeal is pending before the Assistant Commissioner Commercial Taxes, in respect of a demand raised by the department, due to wrong classification of the product code. The total demand raised is ₹ 75.85 lakhs and the amount paid is ₹18.96 lakhs, towards initial payment for the appeal. Appeal has closed in favour of the Company and the order is awaited from the Assessment Circle.

iv) The South India Sugar Mills Association, of which the company is a member, has filed W.P. No. 7872/2015 before the Hon'ble Madras High Court against Union of India and Director of Sugar, Tamil Nadu challenging the very jurisdictional basis of fixing additional cane price for the Sugar years 2004-05 to 2008-09 in the absence of any statutory power to do so. The said writ petition is pending before the said Court along with other connected writ petitions. In the said writ on 19/3/15 there is a direction to respondents that they shall not initiate any coercive proceedings to recover any amount pursuant to impugned order.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

The Union of India and Director of Sugar have filed their counter affidavit. Connected writs filed by various parties are also pending. On 19.04.2018 the High Court directed to post all the connected writs for hearing during second week of June 2018.

No provision is made to the alleged cane dues pursuant to the above direction of the Court. The amount is indeterminate at this juncture.

v) Recompense amount payable as per Corporate Debt Restructuring (CDR) scheme as at the close of the year is ₹ 4,767 lakhs (₹ 3,777 Lakhs).

b) The Government of Tamilnadu notified the State Advised Price (SAP) of ₹ 2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and ₹ 2,850/- for sugar season 2015-16 & 2016-17. The company has accounted the cane purchase at the rate of ₹ 2,350/- per MT (for the cane procured during Apr 2014 to Sep 2014) and at the rate of ₹ 2,400/- per MT (for the cane procured during the period October 2014 - Sep 2016) For the sugar season 2016-17, the company has paid ₹ 2,425/- per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is ₹ 17,790 Lakhs (₹ 17,131 lakhs).

11) Income Tax assessments have been completed up to Assessment year 2015-16. Disallowances made in the order of assessment in some of the years, purely technical in nature, have been disputed in appeal before the appellate authorities. No provision has been made therefor since there are no tax demands for the present.

12) In terms of Ind AS-36, the company has carried out an exercise to ascertain the impairment, if any, in the carrying values of its Fixed assets. The exercise has not revealed any impairment of assets during the year 2016-17 save and except the following:

The Tamil Nadu Government has issued a G.O. dated 31.08.2010 as directed by the Hon'ble Madras High Court, notifying the elephant corridor in the Nilgiris District, which includes company's land of 7.83 acres in Masinagudi Village Nilgiris District. The GO has now been disputed before the Hon'ble Supreme Court by the Company in SLP (C) 16898/2011 and interim stay has been granted and the petition is still pending. The carrying value of the said land in the books is ₹ 35.57 lakhs (31.03.2017 ₹ 35.57 lakhs, 01.04.2016 Carrying value ₹ 35.57 lakhs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

13) Transactions with Related Parties

Particulars	KMP	Relatives of KMP	Other Related Parties
Remuneration paid			
Ms.Rajshree Pathy	*527.39(121.60)		
Mr.Aditya Krishna Pathy	133.46(-)		
Mr.R.Varadarajan	82.70(53.60)		
Mr.V.B.Gopal Krishnan	43.39 (38.96)		
Mr.M.Ponraj	9.02 (7.36)		
Ms.Aishwarya Pathy		28.12(22.50)	
Purchase of Goods			
Ms.Aishwarya Pathy		- (4.31)	
Mr.Aditya Krishna Pathy	3.22(13.13)		
RSCL Properties (P) Ltd.,			1.31(12.14)
Greenplus Manures LLP			1.54 (3.43)
Rajshree Spinning Mills Ltd.,			-(11.63)
Sri Krishna Potable Products (P) Ltd.,			4.75(0.73)
Sale of goods			
Lavik Foodworks LLP			2,124.11 (2,064.81)
Rajshree Biosolutions LLP			0.92 (-)
Purchase of Assets/ Accessories			
CAI Industries (P) Ltd.,			0.03 (0.92)
Rajshree Automotive (P) Ltd.,			- (0.22)
Rajshree Autos (P) Ltd.,			14.32(-)
Receiving of Services			
CAI Industries (P) Ltd.,			0.06 (0.17)
Aloha Tours & Travels (India) (P) Ltd.,			0.78 (0.54)
Rajshree Automotive (P) Ltd.,			0.05 (0.11)
Major Corporate Services (India) LLP			357.35 (458.71)
Issue of Equity shares			
Rajshree Pathy	- (494.60)		
RSCL Properties (P) Ltd.,			- (399.99)
Lease rent received			
Rajshree Biosolutions LLP			42.21(41.39)
Major Corporate Services India LLP			0.68(0.66)
Rajshree Spinning Mills Ltd.,			0.18(-)
Lavik Foodworks LLP			0.56(-)
Lavik Estates Ltd.,			2.12(-)
COCCA Art & Design Institute (P) Ltd.,			0.18(-)
Argead Enterprises (P) Ltd.,			0.18(-)
Lavik Holdings (P) Ltd.,			0.18(-)
Petal Home LLP			0.06(-)
Raj Fabrics & Accessories Cbe Ltd.,			0.06(-)
Security Deposit paid			
Lavik Estates Ltd.,			-(26.25)
Lease rent paid			
Lavik Estates Ltd.,			129.57 (120.94)
Rajnisha Textiles & Exports Pvt Ltd.,			4.41 (3.50)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

Transactions with Related Parties

Particulars	KMP	Relatives of KMP	Other Related Parties
Bio-fertiliser received for supply to farmers of the company			
Rajshree Biosolutions LLP			91.14 (213.01)
Purchase of uniform cloth materials			
The Lakshmi Mills Company Ltd.,			7.14 (7.13)
Payable 2017-18 (2016-17)	0.65 (-)	2.83 (3.83)	111.79 (72.26)
Payable as at 1.4.2016	535	6.02	152.74
Receivable 2017-18(2016-17)	- (465.00)	- (-)	28.05 (0.06)
Receivable as at 1.4.2016	-	-	6.91

* Including benefits paid on retirement

Notes :

Names of Related parties and description of relationship

1. Holding Companies: None
2. Subsidiaries: NA
3. Fellow Subsidiaries: NA
4. Associates: None
5. Key Management Personnel (KMP)
   a) Ms.Rajshree Pathy, Chairperson (Managing Director till 29.6.2017)
   b) Mr.Aditya Krishna Pathy, Managing Director (w.e.f.30.6.2017)
   c) Mr.R.Varadarajan, Wholetime Director
   d) Mr.V.B.Gopal Krishnan, Chief Financial Officer
   e) Mr.M.Ponraj, Company Secretary
6. Relatives of KMP :
   Ms.Aishwarya Pathy (Daughter of Chairperson & Sister of Managing Director)
7. Enterprises over which KMP or their relatives are able to exercise significant influence:
   i) RSCL Properties Pvt Ltd.,
   ii) Lavik Holdings Pvt Ltd.,
   iii) Argead Enterprises Pvt Ltd.,
   iv) CAI Industries Pvt Ltd.,
   v) COCCA Art & Design Institute (P) Ltd.,
   vi) Rajshree Automotive Pvt Ltd.
   vii) Aloha Tours & Travels (India) Pvt Ltd.,
   viii) Rajshree Spinning Mills Ltd.,
   ix) Raj Fabrics and Accessories (Cbe) Ltd.,
   x) Greenplus Manures LLP
   xi) Major Corporate Services (India) LLP
   xii) Lavik Foodworks LLP
   xiii) Rajshree Autos (P) Ltd.,
   xiv) Rajshree Biosolutions LLP
   xv) Lakshmi Mills Company Ltd.,
   xvi) Lavik Estates Limited
   xvii) Sri Krishna Potable Products Pvt Ltd.,
   xviii) Rajnisha Textiles & Exports Pvt Ltd.,
   xix) Petal Home LLP

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (₹ in Lakhs)

14) Information about segment: Primary segment – Business segments.

Particulars	31.3.2018				31.3.2017				1.4.2016			
	Sugar	**Cogen**	**Distillery**	**Total**	Sugar	Cogen	Distillery	Total	Sugar	Cogen	Distillery	Total
REVENUE												
External Sales	**43,286.00**	**2,706.00**	**10,179.00**	**56,171.00**	50,156.75	9,087.00	10,263.00	69,506.75	-	-	-	-
Inter-segment Sales	**1,128.00**	**1,463.00**	**-**	**2,591.00**	2,360.47	2,968.00	0.47	5,328.94	-	-	-	-
Total Revenue	**44,414.00**	**4,169.00**	**10,179.00**	**58,762.00**	52,517.22	12,055.00	10,263.47	74,835.69	-	-	-	-
RESULT												
Segment result	**(2,430.00)**	**1,570.00**	**4,153.00**	**3,293.00**	2,820.54	5,553.61	4,878.02	13,252.17	-	-	-	-
Unallocated corporate exps.				**2,145.00**	-	-	-	1,560.99	-	-	-	-
Operating Profit				**1,148.00**	-	-	-	11,691.18	-	-	-	-
Interest Expenses				**6,009.00**	-	-	-	7,200.69	-	-	-	-
Interest Income				**-**	-	-	-	-	-	-	-	-
Income Taxes / Deferred tax				**(1,435.00)**	*-	-	-	1,582.01	-	-	-	-
Profit from ordinary activities				**(3,426.00)**	-	-	-	2,908.48	-	-	-	-
Extraordinary loss / profit - Net				**2,201.00**	-	-	-	-	-	-	-	-
Net Profit				**(1,225.00)**	-	-	-	2,908.48	-	-	-	-
OTHER INFORMATION												
Segment assets	**46,636.58**	**15,930.00**	**12,885.00**	**75,451.58**	68,930.57	19,347.00	12,647.00	1,00,924.57	61,996.37	14,383.25	11,762.51	88,142.13
Unallocated corporate assets				**540.89**	-	-	-	7,980.00	-	-	-	7,280.00
Total Assets				**75,992.47**	-	-	-	1,08,904.57	-	-	-	95,422.13
Segment liabilities	**52,105.83**	**3,276.00**	**7,447.00**	**62,828.83**	84,268.15	3,397.00	6,851.00	94,516.15	71,000.59	5,619.22	7,405.00	84,024.80
Unallocated corporate liabilities				**-**	-	-	-	-	-	-	-	-
Total Liabilities				**62,828.83**	-	-	-	94,516.15	-	-	-	84,024.80
Capital Expenditure				**-**	-	-	-	-	-	-	-	-
Depreciation	**1,196.58**	**786.12**	**547.86**	**2,530.56**	1,313.96	756.76	543.16	2,613.88	1,300.56	755.92	542.01	2,598.49
Non-cash expenses other than depreciation				**2,530.56**	-	-	-	-	-	-	-	-

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

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner

Aditya Krishna Pathy
Managing Director
DIN : 00062224

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 14th May 2018

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

Rajshree Sugars & Chemicals Limited, The Uffizi, 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004, TN,India.

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