RAJSHREE
PEOPLE PASSION PROGRESS

3rd September 2016

National Stock Exchange of India Limited
Bandra Kurla Complex
Bandra East
Mumbai – 400 051

BSE Limited
P.J.Towers
Dalal Street
Mumbai – 400 001

Sirs

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

We would like to inform you that the 30th Annual General Meeting of the members of the Company is scheduled to be held on Thursday, the 29th September 2016 at Coimbatore. We are also enclosing herewith the Annual report for the financial year 2015-16, for your reference and records.

The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2016 to 29th September 2016 (both days inclusive) for the purpose of Annual General Meeting.

Kindly take the same on record.

Thanking you

For and on behalf of
RAJSHREE SUGARS & CHEMICALS LIMITED

M PONRAJ
Company Secretary

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

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

ANNUAL REPORT 2015-16

RAJSHREE SUGARS & CHEMICALS LIMITED
CIN L01542TZ1985PLC001706
Regd. Office: "*The Uffizi*", 338/8, Avanashi Road, Peelamedu, Coimbatore - 641 004

NOTICE TO THE MEMBERS

Notice is hereby given that the 30th Annual General Meeting of the Members of Rajshree Sugars & Chemicals Limited will be held on **Thursday,** the **29th September, 2016 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 standalone audited financial statements

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

"**RESOLVED** that the audited Standalone Financial Statements of the Company for the year ended 31st March 2016 including Audited Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Boards' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

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

3) Retirement of Director by rotation

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

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

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

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

"**RESOLVED** that pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s SRIKISHEN & CO., Chartered Accountants (Firm Registration No. 004009S), be and are hereby appointed as the Joint Statutory Auditors of the Company for the financial year 2016-17, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s.S.KRISHNAMOORTHY & CO., Chartered Accountants (Firm Registration No.001496S) the other statutory Auditors".

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

5) Appointment of M/s.S.Krishnamoorthy & Co., as Statutory Auditors

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

"RESOLVED that pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s S.KRISHNAMOORTHY & CO., Chartered Accountants (Firm Registration No. 001496S), be and are hereby appointed as Statutory Auditors of the Company for a term of five financial years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company, subject to ratification of appointment by the shareholders at every Annual General Meeting after this Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors of the Company and shall be jointly and severally responsible with M/s SRIKISHEN & CO., Chartered Accountants (Firm Registration No. 004009S) for the financial year 2016-17".

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

SPECIAL BUSINESS:

6) 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, 2017, as set out below:"

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

By Order of the Board

Place : Coimbatore
Date : 28th May 2016

M. PONRAJ
Company Secretary

NOTE:

1) **The Register of Members of the Company will remain closed from 22nd September 2016 to 29th September 2016 (both days inclusive).**

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

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 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

The Company has paid the Annual listing fees in respect of the above stock exchanges. The Annual custodian fees has been paid to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for the financial year 2016-17.

6) The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
23.09.2009	2008-2009	22.09.2016	22.10.2016
20.09.2010	2009-2010	19.09.2017	19.10.2017

It may be noted that no claim of the shareholders will be entertained by the company for the unclaimed / unpaid dividends after their credit to the Investors Education & Protection Fund.

In view of the above, the shareholders are advised to send their unencashed dividend warrants to the Registered Office of the Company for revalidation and encash them before the due date for credit to the IEPF.

7) The details pertaining to Mr.R.Varadarajan, the retiring director to be provided in terms of Regulation 36 of the SEBI Listing Regulations 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, physical copies of annual report and AGM notice for the year 2015-16 are sent through the permitted mode separately.

10) Members who 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 ID 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).

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 **22nd September 2016.**

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.06 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, 2017 as per the following details:

Product	Amount (Rs.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. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No.06 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

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

The Board commends the resolution for approval by the shareholders.

Details of the Director/s seeking appointment/re-appointment at the Annual General Meeting in pursuance of Regulation 36 of the SEBI Listing Regulations.

Mr.R.Varadarajan (DIN 00001738 : Date of Birth 22.4.1958)

Mr.R.Varadarajan, who has a Masters' Degree in Business Management, has been associated with the Company since its inception and is currently the Wholetime Director of the organization.

He has had a brief stint as Head, Faculty of Management studies of the PSG College of Arts & Science, Coimbatore where he had undertaken a special assignment in designing and implementing a three year undergraduate management programme to groom future Chief Executive Officers of Family Owned Business.

He leads a team, which handles Project Management, Strategic planning, legal affairs and general administration of all group companies. He has spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products

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

Directorship in other companies	Membership in Committees
Sri Krishna Potable Products Pvt Ltd	Nil
Trident Sugars Ltd	3
COCCA Art & Design Institute Pvt. Ltd.	Nil
Petal Hotels Pvt. Ltd.	Nil
Lakshmi Automatic Loom Works Ltd.	1
Major Corporate Services (India) Ltd.	1

He holds membership in the following committees of the Company.

Stakeholder Relationship Committee Member

He does not hold any share in the Company. He is not a relative to any director of the Company.

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 30th Annual General Meeting scheduled to be held on Thursday, the 29th September 2016 at 10.00 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.91-422-6549995, 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 **28th September 2016 at 5:00 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 **22nd September 2016** (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 30th 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 26th September 2016 at 9 AM and ends on 28th September 2016 at 5 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 22nd September 2016, 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 (4).

(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 also to be 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**

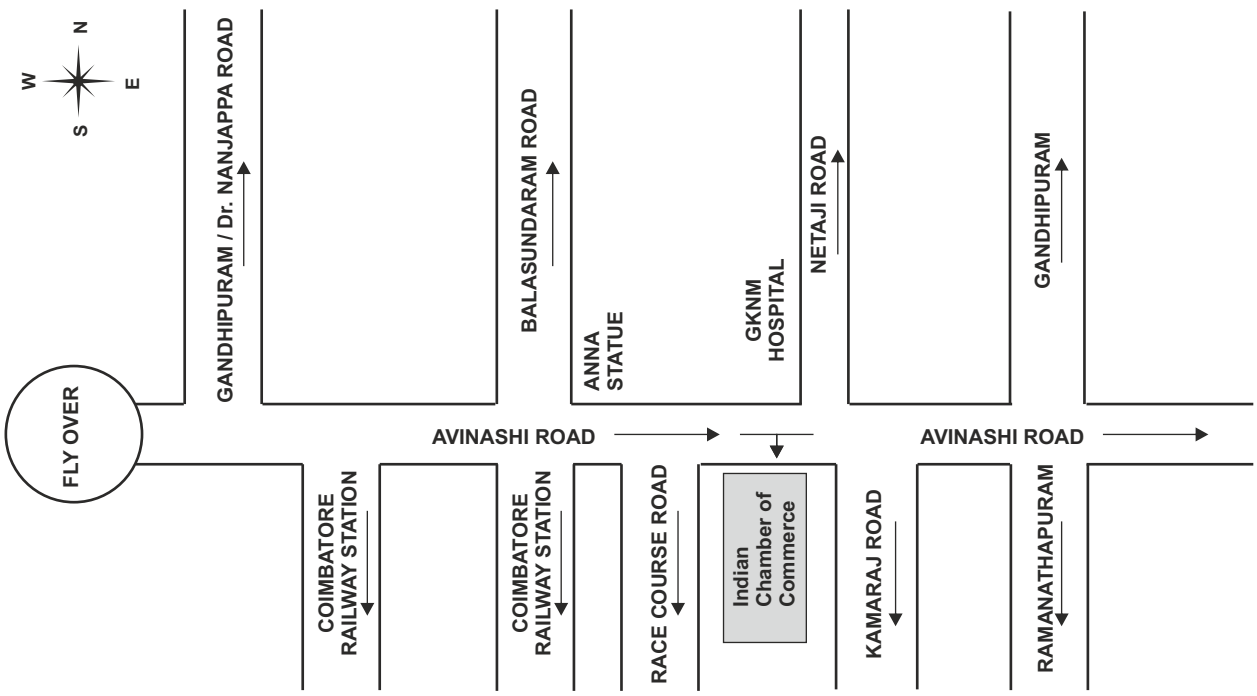
c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

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 and Managing Director

Auditors

M/s Srikishen & 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
State Bank of Mysore
State Bank of Hyderabad
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 30th Annual Report on the business and operations of the company and the audited financial statements for the year ended 31st March 2016

₹ in lakhs

	2015-16	2014-15
1) FINANCIAL HIGHLIGHTS		
Total Income	**57,428.49**	*58,356.91*
Profit before Finance Costs, Depreciation and exceptional items	**4,238.04**	*1,807.36*
Less: Finance Costs	**6,476.49**	*6,473.96*
Depreciation	**2,598.49**	*2,968.48*
Exceptional items	**(2,762.42)**	*--*
Profit / (Loss) before Tax	**(2,074.52)**	*(7,635.08)*
Deferred Tax Liability / (Asset) provided	**(641.02)**	*(2,359.24)*
Profit / (Loss) after Tax	**(1,433.49)**	*(5,275.84)*
Basic / Diluted Earnings Per Share of ₹ 10/- each before / after extraordinary items	**(5.98)**	*(22.18)*
Diluted Earnings Per Share of ₹ 10/- each before / after extraordinary items (after considering allotment of 31,95,000 equity shares)	**(5.09)**	*(22.18)*

2) DIVIDEND

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

3) FINANCIAL PERFORMANCE

Your Company earned an income of ₹ 57,428.49 lakhs in the year 2015-16 as against ₹ 58,356.91 lakhs during the previous year. The Company has incurred a net loss of ₹ 1,433.49 lakhs as against the net loss of ₹ 5,275.84 lakhs incurred during the previous year.

Tamil Nadu Electricity Regulatory Commission (TNERC) passed an order during the year re-fixing power tariff for the Surplus Power evacuated to TANGEDCO grid. The Company has accounted an additional revenue to the tune of ₹ 20.22 Crores for the financial year 2015-16.

4) OPERATIONAL PERFORMANCE

a) Sugar Division

The sugarcane crushing in the financial year 2015-16 has increased substantially (12.43%) over the previous financial year on account of adequate sugarcane planting in the command area. The average recovery of sugar was 8.98% as against 9.14% in the previous year.

The Company produced 1.60 lakh tons of sugar as against 1.45 lakh tons in the previous year. The Company sold 1.69 lakh tons (including exports) as against 1.49 lakh tons in the previous year.

The key operational data of our sugar division for the year 2015-16 are as follows:

Sugar Division - at a glance	2015-16	2014-15
Sugarcane crushed (Tons)	**1,781,191**	*1,584,231*
Recovery %	**8.98**	*9.14*
Sugar Produced (Tons)	**159,977**	*144,789*
Sugar Sold (Tons)		
- Domestic (including Levy)	**151,166**	*138,959*
- Exports	**18,040**	*10,000*

b) Cogeneration Division

The operations of cogeneration division across all the Units were satisfactory. During the year under review, the total power generated by all our Units was 2,224 lakh units as against 1,918 lakh units in the previous year. The company exported 1,477 lakh units during the year as against 1,252 lakh units in the previous year.

The Company has not received any units of carbon credits during the year ended 31st March 2016, as against 73,568 units in the previous year.

c) Distillery Division

The distillery plant at Unit III has produced 200.15 lakh litres of Alcohol in 2015-16 as against 193.82 lakh litres of Alcohol in the previous year and sold 188.40 lakh litres of alcohol as against 193.68 lakh litres of alcohol in the previous year.

The Distillery plant at Unit I was not operational during the year under review due to non-availability of adequate molasses.

d) Operations of subsidiary Company, M/s Trident Sugars Limited

Your wholly owned subsidiary Company, Trident Sugars Limited, has crushed 3.40 lakh tons of sugarcane during the financial year 2015-16 as against 5.04 lakh tons in the previous year. The company produced 37,439 tons of sugar and sold 53,867 tons of sugar during the financial year as against 55,334 tons of production and 47,973 tons of sales in the previous year. The lower production was on account of severe drought in the region.

In terms of the CDR Scheme, sale of the wholly owned subsidiary of the Company, having sugar plant in Telangana, is being considered.

5) ACCOUNTS OF SUBSIDIARY

As per sub-section 3 of Section 129 of the Companies Act 2013, the consolidated financial statements are also being given in addition to the standalone financial statements of the Company. The financial statements of the subsidiary will however be made available to those members who request the same. A separate statement containing the salient features of the financial statements of the subsidiary in the prescribed Form AOC-1 is furnished in the notes to consolidated financial statements.

6) FUTURE OUTLOOK

Sugarcane crushing for the year 2016-17 is likely to be marginally lower than the crushing for the year 2015-16 on account of lower cane planting.

Your company expects that sugar prices to increase in the next financial year on account of drop in the overall sugar production in the country. Increasing trend of sugar prices is expected to support the company's financials and cash flow.

7) 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.

8) AUDITORS

M/s.Srikishen & Co., Chartered Accountants, the present auditors of the company, retires at the ensuing Annual General Meeting and proposed for reappointment. They have furnished necessary certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014.

As the transition period under Companies Act, 2013, for rotation of the auditor expires on 31st March 2017, it is also proposed to appoint M/s.S.Krishnamoorthy & Co., Chartered Accountants as Statutory Auditors of the company to hold office from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting. They have furnished necessary certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014.

9) MISAPPROPRIATION AT FACTORY

There had been a fraud perpetrated in Unit III, Gingee by a few employees working as weighment clerks with the connivance of cane yard receptionist, Cane Assistant and the help of some cane farmers. Investigation revealed that bogus weighment of incoming cane was recorded and passed on as genuine transactions for processing of payment to a specific group of farmers. The money so defrauded was shared amongst all these perpetrators.

Initial enquiry by factory authorities revealed that the total amount so defrauded may be approximately ₹ 78 lakhs. FIR has been registered against the perpetrators and the police department is investigating the case. At present, ₹ 6,14,900/- has been recovered from the accused.

10) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Annexed herewith as ***Annexure 1.***

11) 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.

12) DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED.

The following table shows the Directors or Key Managerial Personnel appointed / resigned during the year.

Name	Designation	Appointment / reappointment / Resignation	Effective from
Mr.Raja M.J.Abdeen	Director	Reappointment	From 10th August 2015, liable to retire by rotation
Mr.V.B.Gopal Krishnan	Chief Financial Officer	Appointment	11th August 2015
Mr.A.Sathyamurthy	Chief Financial Officer	Resignation	10th August 2015

13) BOARD EVALUATION

Pursuant to the provisions of the companies Act, 2013 and SEBI Listing Regulation the Board has carried out an annual performance evaluation of its own performance, the directions 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.

14) NUMBER OF MEETINGS

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

15) 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 & Listing Regulations.

16) WHISTLE BLOWER POLICY ('VIGIL MECHANISM')

The Board has established a Vigil Mechanism, as required under the Listing Regulations, 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 in the website of the Company www.rajshreesugars.com

17) 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 except investment in a wholly owned subsidiary Company viz., Trident Sugars Limited. Please refer Note Nos. J & O to financial statements.

18) 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 financial year 2015-16, no complaint was received under the policy.

19) RELATED PARTY TRANSACTIONS

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

20) MATERIAL CHANGES & COMMITMENTS BETWEEN END OF FINANCIAL YEAR AND THIS REPORT

Preferential issue of equity shares: In terms of the CDR Scheme, the funds brought-in by the promoters as contribution has been fully converted into 43,75,000 equity shares of ₹ 28/- each (including a premium of ₹ 18/- each.)

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

21) 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)***.

22) INDUSTRIAL RELATIONS

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

23) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has internal control systems which is commensurate with its nature and volume of operations, which are being further strengthened.

24) 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 2016 and other particulars under the "RSCL Employees Stock Option Plan 2012" form part of this report, as ***Annexure 4***.

25) 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.

26) EXTRACT OF ANNUAL RETURN

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

27) NOMINATION & REMUNERATION POLICY

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

The Nomination & Remuneration Policy is furnished as ***Annexure 7.***

28) TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

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 Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 10th August 2015 (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.

29) 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;

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 loss 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.

30) 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 Listing Regulations forms part of Corporate Governance Report.

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

31) 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.

32) RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy as required under SEBI Listing Regulations. 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 is furnished in the 'Management Discussion & Analysis Report' ***(Annexure 8).***

33) 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.

34) ACKNOWLEDGMENT

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

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 1

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy;

At Unit-I, Varadarajnagar:

a) Two 50 HP FD fans were in operation during last financial year. By improving the boiler efficiency, One 50 HP FD fan motor Stopped.

b) Boiler feed water control valve calibration settings corrected and even load of motor and operation of one pump ensured during low crushing rate.

The above measures resulted in savings 800 to 1000 units of power per day from February 2016.

At Unit-II, Mundiampakkam

c) Air ingress in 120 TPH boiler minimized by replacing damaged bellows in flue duct. As a result the Aux power consumption reduced to 8.22 % as against 8.52%, and 3.52 Lac units were saved.

d) No vapour Absorption system sulphar burner installed, which resulted in saving of 6.75 MT of 9 ata steam per day and 1317 MT of 9 ata steam saved annually.

e) Installed bagasse spreader and vapour extractor, which resulted in reduction of moisture% in bagasse by 0.28% thereby increase in steam fuel ratio by 0.012.

f) Revamping and extended days of operation of Bio gas plant for canteen was implemented, which resulted in saving consumption of LPG cylinder per day.

At Unit-III, Semmedu

g) Pan & Evaporator condensers barometric height reduced from 15 meter to 12.5 meter level, thereby power saving achieved to 0.7 units per ton of cane.

h) Vapour Absorption system is extended for syrup side sulphur burner also thereby saving 2.5 MT of 9 ata steam per day resulting in saving of 63,000 kwh per annum.

i) Continuous Centrifugals Auto feed control for maximizing the load and to run the machine with optimum efficiency saving power to the tune of 0.20 units per ton of cane.

j) Old plate heat exchanger reconditioned and installed in II body condensate cooling tower inlet line thereby reduced water temperature by 10 deg.C which resulted in elimination of MSDH cooling tower recirculation pump operation. This has resulted in a power saving of 48,000 kwh per annum.

k) Eliminated the dense phase additional air compressor (37 kw) operation by changing the conveying air flow nozzles in all the three systems. Thereby 25 units of power saved per hour.

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

iii) **The capital investment on energy conservation equipment (₹in lakhs)**

At Unit-3:

a) Condenser modification	- 6.35
b) Waste heat recovery Sulphur Burner	- 0.45
c) Continuous Centrifugals Auto feed control	- 0.30
d) Heat exchanger reconditioning expenses	- 0.20

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption;

1) A new variety SI 309 was developed to cover 20 to 30 % of the total cane area in all units after R&D trials and the variety recorded consistently better recovery than the existing variety in Big Mill Tests. Six new varieties are in evaluation for Multi location testing in farmer's fields.

2) Research evaluation of 70 new clones obtained from Sugarcane Breeding Institute, Coimbatore resulted in the identification of 19 non flowering clones which hold good promise in terms of both yield and quality and shorter duration. The varieties are further being evaluated in R&D farms.

3) Tissue culture for supply of disease free quality seed material ensured crop yield loss mitigation for farmer and crop harvested for mill was free from major diseases like red rot, smut, wilt and viral diseases. This initiative by the company and quality of seed cane was widely lauded by other sugar mills during their visits and Sugarcane Breeding Institute, Coimbatore.

4) An exclusive breeder seed nursery farm was developed at Unit-II to cater to the nursery seed requirement of Unit-II farmers and Unit-III, Semmedu farmers.

5) A state of the art soil testing laboratory was commenced in Unit-I, for soil testing, mapping and need based fertiliser prescription for farmers. Soil health cards were provided to farmers for improved nutrient management and productivity enhancement.

6) Sustained technology up-gradation in biological control agent production in both In-house R&D facility in all units and in farmer- entrepreneur units enabled coverage of 40% of area with eco-friendly biological control agents and significant reduction in pest incidence.

7) The new biocontrol facility in Unit-III recorded the highest production of 33,000 packets of bioagents to cover 3,000 acres in the very first year of inception. The eight farmer entrepreneur bio-control units also functioned as profitable village centric business enterprises.

8) Pioneering concept of "Drip financial literacy training" was introduced in collaboration with National Skill Foundation of India and sponsored by International Finance Corporation (A World Bank body). 155 programs covering 5,700 farmers with novel training tools created a tremendous impact on financial monitoring and decision making by farmers .

9) A pioneering two day training program on "New technologies in sugarcane cultivation for yield improvement" was organized at Sugarcane Breeding Institute, Coimbatore for farmers of all units and cane department team with financial support of Solidaridad Regional Expertise Center. 300 farmers underwent the training leading to successful implementation of technologies in the field.

10) The concept of Mobile Village Theatre (MVT), which is a first of its kind initiative in the sugar industry continued to evoke tremendous response from farmers and 10,000 farmers were trained in their villages using the facility in 750 programs.

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

1) Significant increase in adoption of technologies through R&D efforts and extension services lead to near sustenance of sugarcane area and productivity in spite of drought during most period of early crop growth in the financial year.

2) Introduction of new variety and technology adoption resulted average cane yield increase to the tune of 3 to 4 tonnes in Unit I, Varadaraj Nagar and Unit III, Semmedu.

3) Awareness creation, training and adoption of good ratoon management practices by farmers entailed promotion of multi ratoons with better yield and profitability. This initiative enabled sustenance of sugarcane area leading to adequate sugarcane supply to the factories.

4) Noteworthy increase in area coverage with Micronutrient Mixture, Eco friendly Bio-products and Bio control agents entailed soil health improvement and reduction in pest incidence, which resulted in supply of quality sugarcane to the mills and loss mitigation to the farmers also.

5) Pioneering training modules and farmer training concept with wider dissemination of technology and with special focus on technology empowerment of women farmers and financial literacy resulted in good implementation of improved sugarcane cultivation practices

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: ₹ 105.02 lakhs (₹ 154.08 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)

		2015-16	*2014-15*
Foreign exchange earned	:	**2,595.67**	*1,331.37*
Foreign exchange outgo	:	**6.42**	*1,280.56*

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 2

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

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	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
- 4 Independent Directors	Mr. G.R.Karthikeyan
	Mr. R.C.H.Reddy
	Mr. G.S.V.Subba Rao
	Dr. K.Mohan Naidu

b) During the year, 4 Board meetings were held respectively on 27th May 2015, 10th August 2015, 5th November 2015 and 10th February 2016.

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	11	--	--	--
Mr. R.Varadarajan	4	Yes	6	--	2	--
Mr. G.R.Karthikeyan	4	Yes	4	--	--	--
Dr. P.Surulinarayanasami	3	Yes	1	--	--	--
Mr. Raja M.J.Abdeen	4	Yes	14	--	--	--
Mr. R.C.H. Reddy	4	Yes	7	--	4	--
Mr. G.S.V.Subba Rao	4	Yes	--	--	--	--
Dr. K.Mohan Naidu	4	Yes	2	--	--	--

d) The has been no *inter se* relationship among the directors

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members.

Mr.G.S.V.Subba Rao, Chairman	Independent Director
Mr.G.R.Karthikeyan	Independent Director
Mr.R.C.H.Reddy	Independent Director
Mr.Raja M.J.Abdeen	Non-Executive & Non-Independent Director
Dr.K.Mohan Naidu	Independent Director

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 Listing Regulations

During the year, four meetings were held respectively on 27th May 2015, 10th August 2015, 5th November 2015 and 10th February 2016. All the members have attended all the meetings held during the year.

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.

The Nomination & Remuneration Policy is annexed with Board's report.

During the year, three meetings of the NR Committee were held on 10th August 2015, 5th November 2015 and 10th February 2016 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. The grading scale has been fixed as 1 = Below Average, 2 = Average and 3 = Good.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is headed by Mr.Raja M.J.Abdeen, Non-Executive Director and Ms.Rajshree Pathy and Mr.R.Varadarajan are the other members. Mr.M.Ponraj, Company Secretary is the Compliance Officer. No complaints were received from the shareholders during the year under review. As of 31st March 2016, 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 27th May 2015, 10th August 2015, 5th November 2015 and 10th February 2016. All the members have attended all the meetings.

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

The Company is not required to constitute a CSR Committee u/s 135(1) of the Companies Act, 2013. However, the Company has voluntarily constituted a CSR Committee 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 on CSR u/s 135 of the Act. During the year, one meeting was held on 5th November 2015. All the members attended the same.

7. Independent Directors' meeting

During the year, one meeting of the Independent Directors was held on 10th February 2016 without the attendance of non-independent directors and members of management. All the independent directors have 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 listed entity and the board of directors that is necessary for the board to effectively and reasonably perform their duties.

8. Remuneration of Directors

The remuneration paid to Executive Directors for the year 2015-2016 was as follows (in ₹ in lakhs.):

Managerial remuneration	Ms. Rajshree Pathy	Mr. R.Varadarajan
Salary	120.00	48.00
Commission	--	--
Perquisites	0.40	0.40
Sitting Fees	0.80	0.80
Total	**121.20**	**49.20**

Mr.R.Varadarajan has been granted 101,088 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 is as follows:

Name of Director	No. of shares held	% to the total share capital of the company
Dr.P.Surulinarayanasami	1,131,107	4.530
Mr.Raja M.J.Abdeen	1,010,000	4.045
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	--	--

9. 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 directors

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

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

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

10. General Body meetings

Location and time for the last three Annual General Meetings:

Year	Location	Date	Time	No. of special resolutions passed
2013	Chamber Hall, Indian Chamber of Commerce & Industry, Coimbatore.	12.08.2013	11.00 AM	--
2014		08.09.2014	10.00 AM	4
2015		10.08.2015	10.00 AM	--

No special resolutions were passed last year through Postal Ballot.

The Company has conducted postal ballot process vide postal ballot notice dated 18th March 2016, for obtaining the approval of the shareholders for the (1) CDR Scheme of the Company and (2) Preferential issue of 3,195,000 equity shares to the promoters by converting the money received earlier as promoters contribution under CDR Scheme and accounted by the Company as unsecured loan. Mr.B.Krishnamoorthi, Chartered Accountant, Coimbatore, the Scrutinizer, has conducted the postal ballot process (including e-voting). The results were announced on 27th April 2016 as detailed below:

Voting pattern - Approval of Corporate Debt Restructuring (CDR) Scheme

Mode	Votes FOR	Votes AGAINST	Invalid Votes	Results
E-Voting	5,578	160	-	Resolution passed as special resolutions
Postal Ballot Form	1,55,75,494	2,677	7,130	
Total	**1,55,81,072**	**2,837**	**7,130**	

Voting pattern - Preferential issue of 31,95,000 equity shares

Mode	Votes FOR	Votes AGAINST	Invalid Votes	Results
E-Voting	5,278	460	--	Resolution passed as special resolutions
Postal Ballot Form	53,04,261	6,950	7,130	
Total	**53,09,539**	**7,410**	**7,130**	

11. 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.

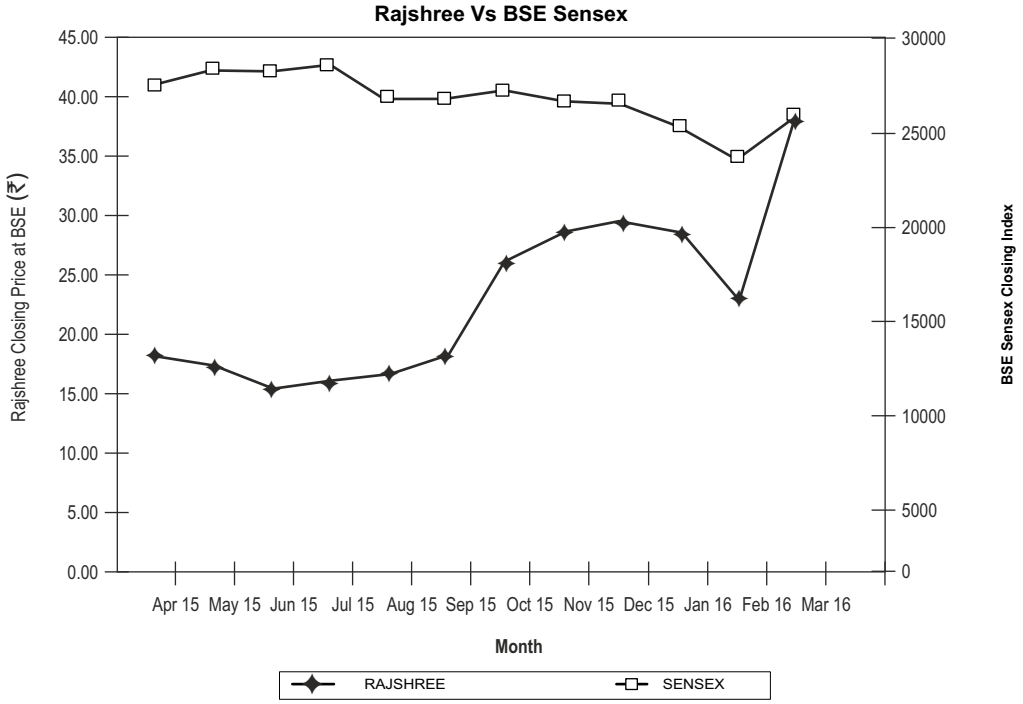
12. General shareholder information

i. AGM Date, time and venue	29th September 2016 at 10 AM. Chamber Hall, Indian Chamber of Commerce and Industry, Avanashi Road, Coimbatore 641 018.
ii. Financial year	12 Months ending 31st March
iii. Financial calender 2016-17 First quarterly results Second quarterly results Third quarterly results Audited yearly results	 Before 15th August 2016 Before 15th November 2016 Before 15th February 2017 Before end of May 2017
iv. Book Closure Date	22nd September 2016 to 29th September 2016
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
vi. Stock Code	500354 (BSE); RAJSREESUG (NSE)

vii. Market Price Data – High/Low during each month of the Financial Year 2015-16

Month	Amount in ₹			
	BSE		NSE	
	High	Low	High	Low
April, 2015	21.75	17.50	22.85	17.70
May	21.00	17.15	20.00	16.10
June	17.50	14.50	17.90	14.40
July	17.00	14.40	17.20	14.30
August	20.00	15.50	21.80	15.05
September	20.00	15.50	19.95	14.40
October	31.00	18.40	30.40	18.10
November	39.50	24.00	39.60	23.25
December	31.50	26.00	31.00	25.90
January, 2016	38.50	26.00	38.75	26.65
February	31.30	19.70	31.90	19.30
March	42.45	24.05	43.50	24.00

viii.Performance in comparison to broad based indices such as BSE Sensex, CRISIL index, etc.



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 every week.

xi. Distribution of shareholding as on 31st March 2016

No. of equity shares held	No. of Folios	No. of shares held	% of shareholding
1 to 5000	22,378	5,929,617	23.75
5001 to 10000	116	880,272	3.53
10001 to 20000	45	640,526	2.56
20001 to 30000	27	677,833	2.71
30001 to 40000	16	545,659	2.18
40001 to 50000	4	184,395	0.74
50001 to 100000	8	624,034	2.50
100001 and above	14	15,489,364	62.03
Total	**22,608**	**24,971,700**	**100.00**

xii. Shareholding pattern as on 31st March 2016

Category	No. of Folios	No. of shares held	% of shareholding
Promoters & Promoters Group**	4	10,262,877	41.10
Directors and Relatives	14	3,395,666	13.60
Mutual funds and UTI	13	8,980	0.04
Banks, Financial institutions and insurance companies	6	1,630	0.01
Corporate bodies	324	1,988,760	7.96
Indian public	22,142	9,187,359	36.79
NRIs and OCBs	105	126,428	0.50
GDRs	-	-	-
Total	**22,608**	**24,971,700**	**100.00**

** Pledge has been created in respect of the entire holdings of 10,262,877 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. Dematerialisation of shareholding and liquidity	88.627% 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, Villupuram 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. The following are the details of dividends declared by the Company and the respective due dates for transfer of unclaimed / unpaid dividend to the Investor Education and Protection Fund (IEPF).

Date of declaration of dividend	Dividend for the financial year	Due date of credit to the Central Government	Due date of transfer to the Central Government
23.09.2009 20.09.2010	2008-2009 2009-2010	22.09.2016 19.09.2017	22.10.2016 19.10.2017

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.

13. Various Policies of the Company

a) The Company has a policy on Related Party Transaction and the same has been displayed on the website of the Company vide link http://www.rajshreesugars.com/images/stories/policy1.pdf

b) The Company has a policy on material subsidiaries and the same has been displayed on the website of the Company vide link http://www.rajshreesugars.com/images/stories/Policy_on_Material_Subsidiaries-NEW.pdf

c) The Company has formulated the Whistle Blower Policy. Access to the Audit Committee has not been denied to any personnel. The policy is available at the website of the Company under the link http://www.rajshreesugars.com/images/stories/Whistle_Blower_Policy_Vigil_Mechanism.pdf

14. 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

15. Other Disclosures

a) There are no materially related party transactions that may have potential conflict with the interests of the Company at large.

b) The company has not done any non-compliance and no penalty or strictures have been imposed 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 Listing 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 is 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	3182
(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	3182

The voting rights on these shares as on 31.3.2016 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

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

APPENDIX - 1

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

The Shareholders,

I, Rajshree Pathy, Chairperson and 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 of Rajshree Sugars & Chemicals Limited.

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

APPENDIX - 2

CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Chairperson & 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 financial statements and the cash flow statement for the financial year ended 31st March 2016, 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.

RAJSHREE PATHY
Chairperson and Managing Director

V.B. GOPAL KRISHNAN
Chief Financial Officer

Place : Coimbatore
Date : 28th May 2016

APPENDIX - 3

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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 on 31st March 2016, 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 of the said 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 SRIKISHEN & CO.
Regn.No.004009 S
Chartered Accountants

K. Murali Mohan
Auditor, Proprietor
Membership No:14328

Place: Coimbatore
Date : 28th May 2016

ANNEXURE 3

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

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 Director	Ratio
1.	Ms.Rajshree Pathy, Chairperson & Managing Director	54.39
2.	Mr.R.Varadarajan, Wholetime Director	21.86

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, Chief Executive Officer, Company Secretary in the financial year;

SN	Name of Director	% increase
1	Ms.Rajshree Pathy, Chairperson & Managing Director	NIL
2	Mr.R.Varadarajan, Wholetime Director	NIL
3	Mr.A.Sathyamurthy, President & Chief Financial Officer (upto 10.8.2015)	NIL
4	Mr.V.B.Gopal Krishnan, Chief Financial Officer (from 11.8.2015 till 31.3.2016)	23.5
5	Mr.M.Ponraj, Company Secretary	33.75

3) The percentage decrease in the median remuneration of employees in the financial year; 1.73%

4) The number of permanent employees on the rolls of Company as on 31st March 2016; 846

5) The explanation on the relationship between average increase in remuneration and company performance;

Increase in remuneration to sugar wage board employees were given as per terms of the settlement and variable dearness allowance as notified by the Government linked to cost of inflation index. For other employees, nominal increase in remuneration was given as per the remuneration policy.

6) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Sugar industry has been going through tough phase owing to policy issues and mismatch between cane price and sugar selling price. In view of the same, increase of remuneration has been considered for Key Managerial Personnel on case to case basis.

7) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.

Date	Issued Capital (Shares)	Closing Market Price Per share Rs	EPS	PE Ratio	Market Capitalisation (Rs in lakhs)
31.3.2015	23,791,700	18.90	(22.18)	NA	4,496.63
31.3.2016	24,971,700	38.65	(5.09)	NA	9,651.56
Increase / (Decrease)	1,180,000	19.75	17.09	NA	5,154.93
% of Increase/(Decrease)	4.96	104.50	77.05	NA	114.64
Issue Price of the share at the last Pubic Offer (IPO)	-	10.00	-	-	-
Increase in market price as on 31.3.2016 as compared to Issue Price of IPO	-	28.65	-	-	-
Increase in %	-	286.50	-	-	-

8) 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. For other employees, nominal increase in remuneration was given as per the remuneration policy.

9) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the company;

Name	Designation	Remuneration ₹	% Increase	Company's Performance
Mr.A.Sathyamurthy	President & Chief Financial Officer (from 1.4.2015-10.8.2015)	28.56	NIL	Loss after tax for the Financial year: ₹14.33 Crores as against Loss after tax of ₹ 52.76 Crores in the previous year
Mr.V.B.Gopal Krishnan	Chief Financial Officer	30.13	23.50	
Mr.M.Ponraj	Company Secretary	6.35	33.75	

10) The key parameters for any variable component of remuneration availed by the directors;

Except for Ms.Rajshree Pathy, Chairperson & Managing Director and Mr.R.Varadarajan, Wholetime Director, no directors have been paid any remuneration as only Sitting Fees are paid to them. Ms.Rajshree Pathy and Mr.R.Varadarajan are not paid any variable remuneration.

11) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; NIL

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

13) Particulars of Employees

a) Details of employees, employed throughout the financial year, was in receipt of remuneration for that financial year, in the aggregate, was not less than ₹60 lakhs

Name & Designation	Date of joining	Qualification & Experience	Age	Remuneration ₹ in lakhs	Last employment
Ms.Rajshree Pathy Chairperson & Managing Director	16.3.1989	B.Com 41 years	60 years	121.20	General Manager, Ganga Textiles Ltd

Note:

1. Nature of Employment is contractual
2. Remuneration shown above includes Salary, Company's contribution towards Provident Fund, Superannuation fund, sitting fees, monetary value of perquisites as per Income Tax rules.
3. None of the above employee is relative of any Director of the Company.

b) Details of employees, employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month; NIL

c) Details of employees, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company ; NIL

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 4

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

Statement as at 31st March 2016 pursuant to SEBI (Share based Employee Benefits) Regulations, 2014

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under

Sl.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	Intrinsic Value Method

B. Option Movement during the year 2015-16

Sl.No.	Particulars	Numbers	Wt. Avg Exercise price
1	Options outstanding at the beginning of the year	969,902	55.40
2	Number of options granted during the year	-	-
3	Options Forfeited / Surrendered during the year	308,307	55.40
4	Options Vested during the year	102,930	55.40
5	Options Exercised during the year	-	-
6	Options Lapsed during the year	-	-
7	Total number of shares arising as a result of exercise of options	-	-
8	Money realised by exercise of options (₹ In Lakhs)	-	-
9	Options outstanding at the end of the year	727,130	55.40
10	Options exercisable at the end of the year	481,911	55.40

C. Employee-wise details of options granted during the financial year 2015-16 to:

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 (5.09)

E. Weighted average exercise price of Options granted during the year whose : Not applicable

Weighted average fair value of options granted during the year whose : Not applicable

F. The stock-based compensation cost calculated as per the

Proforma Adjusted Net Income and Earning Per Share

Particulars	₹
Net Income as reported	(143,349,146)
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	(844,883)
Adjusted Proforma Net Income	(142,504,263)
Earning Per Share: Basic	
As Reported	(5.98)
Adjusted Proforma	(5.95)
Earning Per Share: Diluted	
As Reported	(5.09)
Adjusted Proforma	(5.06)

G. Method and Assumptions used to estimate the fair value of options granted during the year:
No options granted during the year

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 5

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

(**Form No.MR-3**)

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st March 2016

[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*** (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, 2016 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, 2016 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. :-

   (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 (Prohibition of Insider Trading) Regulations, 2015;

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

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

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

   (f) 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.,

- Agricultural and Processed Food Products Export Act, 1985
- Acts and Rules prescribed under prevention and control of pollution, environmental protection and energy conservation.
- Essential Commodities Act,1955
- Export (Quality Control and Inspection) Act, 1963
- Food Safety And Standards Act, 2006 and Rules, 2011
- Indian Electricity Act, 2003
- Levy Sugar Price Equalisation Fund Act, 1976
- Sugar Development Fund Act, 1982
- Sugar Cess Act, 1982
- Sugarcane (Control) Order,1966
- The Sugar (Packing & Marking) Order, 1970
- The Tamil Nadu Molasses Control and Regulation Rules, 1958
- The Tamil Nadu Distillery Rules,1981
- Other local laws as applicable to various plants and offices.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and

(iii) 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 while the dissenting members' views are captured and recorded as part of 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 instances of:

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

PREFERENTIAL ISSUE :11,80,000 Equity Shares of ₹ 28/- each (including a premium of ₹ 18/-) were allotted on conversion of Loan of ₹ 330.40 lakhs brought in by the promoters under Corporate Debt Restructuring Scheme during the audit period.

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

Place : Coimbatore
Date : 28th May 2016

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

'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.

SOUNDARARAJAN. G
Practicing Company Secretary
M.No.13993, CP No.4993

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 6

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

FORM MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March 2016

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	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. Phone: 0422-4226222, Fax: 0422-2577929
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: 0422-6549995, 2539836. 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 here under:

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	71%
2.	Co-generation of Power	35106	16%
3.	Industrial Alcohol	1101	13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
Trident Sugars Limited *'The Uffizi'* 338/8 Avanashi Road, Peelamedu, Coimbatore 641 004	U15424TZ2002PLC013368	Subsidiary	100%	2(87)

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	9,034,644	Nil	9,034,644	37.974	10,242,117	Nil	10,242,117	41.015	3.04
d. Bodies Corporates	20,760	Nil	20,760	0.087	20,760	Nil	20,760	0.083	Nil
f. Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (1)	**9,055,404**	**Nil**	**9,055,404**	**38.061**	**10,262,877**	**Nil**	**10,262,877**	**41.098**	**3.04**
2. Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**9,055,404**	**Nil**	**9,055,404**	**38.061**	**10,262,877**	**Nil**	**10,262,877**	**41.098**	**3.04**
B. PUBLIC SHAREHOLDING									
1. Institutions									
a. Mutual Funds / UTI	100	8,880	8,980	0.038	100	8,880	8,980	0.036	(0.002)
b. Financial Institutions / Banks	400	1,230	1,630	0.007	400	1,230	1,630	0.007	Nil
i. Others (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B) (1)	**500**	**10,110**	**10,610**	**0.045**	**500**	**10,110**	**10,610**	**0.043**	**(0.002)**
2. Non-Institutions									
a. Bodies Corporates - Indian	1,864,664	124,642	1,989,306	8.361	1,864,326	124,434	1,988,760	7.964	(0.397)
b. Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,523,212	1,667,087	6,190,299	26.018	4,409,598	1,625,908	6,035,506	24.170	(1.848)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,733,546	30,000	2,763,546	11.616	2,756,065	30,000	2,786,065	11.157	(0.459)
c. Others (specify)									
Directors & relatives	1,221,519	3,040	1,224,559	5.147	1,221,519	3,040	1,224,559	4.904	(0.243)
Non Resident Indians	114,243	6,563	120,806	0.508	119,865	6,563	126,428	0.506	(0.002)
Clearing Members	17,998	Nil	17,998	0.076	100,238	Nil	100,238	0.401	0.325
Hindu Undivided families	248,065	Nil	248,065	1.043	265,550	Nil	265,550	1.063	0.020
NRI Directors	1,131,107	1,010,000	2,141,107	8.999	1,131,107	1,010,000	2,141,107	8.574	(0.425)
NRI Directors' relatives	Nil	30,000	30,000	0.126	Nil	30,000	30,000	0.120	(0.006)
Sub-Total (B) (2)	**11,854,354**	**2,871,332**	**14,725,686**	**61.894**	**11,868,268**	**2,829,945**	**14,698,213**	**58.859**	**(3.035)**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**11,854,854**	**2,881,442**	**14,736,296**	**61.939**	**11,868,768**	**2,840,055**	**14,708,823**	**58.902**	**(3.037)**
C. Shares held by Custodian for GDRs & ADRs	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Grand Total (A+B+C)	**20,910,258**	**2,881,442**	**23,791,700**	**100.000**	**22,131,645**	**2,840,055**	**24,971,700**	**100.000**	**Nil**

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	8,370,884	35.184	100%	9,550,884	38.247	87.645	3.063
2	Aishwarya Pathy	217,874	0.916	100%	217,874	0.872	100.000	(0.044)
3	Aditya Krishna Pathy	445,886	1.874	100%	473,359	1.896	100.000	0.022
4	RSCL Properties Pvt. Ltd.	20,760	0.087	100%	20,760	0.083	100.000	(0.004)
	Total	**9,055,404**	**38.061**	**100%**	**10,262,877**	**41.098**	**88.234**	**3.037**

**Pledge has been created in respect of the entire holdings of 10,262,877 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

As per the conditions of Corporate Debt Restructuring Scheme, the promoters had to bring in their contribution of ₹12.25 crores in the form of Equity Shares. Ms.Rajshree Pathy, Chairperson and Managing Director contributed ₹ 8.25 crores and M/s RSCL Properties Private Limited contributed ₹ 4 crores during March 2014. However, in the interest of speedy implementation of the CDR scheme, the promoters brought in this money as non-interest bearing unsecured loan.

The shareholders at the 1st Extraordinary General Meeting held on 10th February 2016 have approved by way of special resolution, the issue and allotment of 1,180,000 equity shares (upto 5% cap on paidup share capital), on preferential basis to Ms.Rajshree Pathy, at a price of ₹ 28/- each (including a premium of ₹18/-). Based on the shareholders' approval, the Board of Directors has, at its meeting held on 10th February 2016, allotted the said shares to Ms.Rajshree Pathy by converting a part of unsecured loan of ₹ 3,30,40,000/- received from her.

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.	Jaishree Varadaraj	1,188,462	4.995	1,188,462	4.759	--	(0.236)
2.	K. Mohan (2 Folios)	1,072,550	4.508	1,072,550	4.295	--	(0.213)
3.	G Nagarajan (2 Folios)	229,979	0.967	229,979	0.921	--	(0.046)
4.	Elgi Equipments Ltd	229,000	0.963	229,000	0.917	--	(0.046)
5.	The Lakshmi Mills Co Ltd	220,000	0.925	220,000	0.881	--	(0.044)
6.	Spatial Services (P) Ltd	193,123	0.812	193,123	0.773	--	(0.039)
7.	Lakshmi Card Clothing Mfg. Co. Ltd.	100,000	0.420	100,000	0.400	--	(0.020)
8.	Lakshmi Machine Works Ltd.	100,000	0.420	100,000	0.400	--	(0.020)
9.	B Raghurama Kamath	100,000	0.420	100,000	0.400	--	(0.020)
10.	Gaylord Sales (P) Ltd (2 Folios)	92,680	0.390	81,798	0.328	(10,882)	(0.063)

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	8,370,884	35.184	9,550,884	38.247	1,180,000	3.063
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	1,131,107	4.754	1,131,107	4.529	--	(0.225)
5	Mr.Raja M.J.Abdeen	1,010,000	4.245	1,010,000	4.045	--	(0.200)
6	Mr.R.C.H.Reddy	832	0.003	832	0.003	--	--
7	Mr.V.B.Gopal Krishnan	360	0.002	2,360	0.009	2,000	0.007
8	Mr. A.Sathyamurthy*	27,400	0.115	--	--	--	--

* Mr. A.Sathyamurthy has resigned on 10.8.2015

Note: Mr.G.S.V.Subba Rao and Mr. R.Varadarajan, 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
Indebtedness at the beginning of the financial year			
i) Principal Amount	66,299	1,225	67,524
ii) Interest due but not paid	119	-	119
iii) Interest accrued but not due	24	-	24
Total (i+ii+iii)	**66,442**	**1,225**	**67,667**
Change in Indebtedness during the financial year			
Addition	4,814	-	4,814
Reduction	2,912	330	3,243
Net change Indebtedness	1,901	(330)	1,571
At the end of the financial year			
i) Principal Amount	68,201	895	69,095
ii) Interest due but not paid	897	-	897
iii) Interest accrued but not due	36	-	36
Total (i+ii+iii)	**69,134**	**895**	**70,028**

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. R. Varadarajan	
1.	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	120.00	48.00	168.00
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.40	0.40	0.80
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2.	Fee for attending Board meetings	0.80	0.80	1.60
3.	Others, if any	--	--	--
	Total	**121.20**	**49.20**	**170.40**
	Ceiling as per the Act	₹ 121.20 lakhs per annum	₹ 49.20 lakhs per annum	

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. SubbaRao	Mr.Raja MJ Abdeen	Dr.K. Mohan Naidu	
1.	Independent Directors - Fee for attending Board / Committee Meetings	NA	1.80	1.80	1.60	NA	1.60	6.80
	Others	NA	Nil	Nil	Nil	NA	Nil	Nil
	Total (1)	**NA**	**1.80**	**1.80**	**1.60**	**NA**	**1.60**	**6.80**
2.	Other Non-Executive Directors - Fee for attending Board / Committee Meetings	0.60	NA	NA	NA	1.80	NA	2.40
	Others	Nil	NA	NA	NA	Nil	NA	Nil
	Total (2)	**0.60**	**NA**	**NA**	**NA**	**1.80**	**NA**	**2.40**
	Total (1+2)	**0.60**	**1.80**	**1.80**	**1.60**	**1.80**	**1.60**	**9.20**
	Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors. The Board has fixed ₹20,000/- as sitting fees for Board / Committee meetings.						

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.A.Sathyamurthy President & CFO (till 10.8.2015)	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	28.41	29.77	6.35	64.53
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.14	0.36	-	0.50
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2.	Others	-	-	-	-
	Total	**28.55**	**30.13**	**6.35**	**65.03**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 7

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

NOMINATION & REMUNERATION POLICY

Introduction

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

Objective and purpose of the Policy

The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and clause 49 under the Listing Agreement.

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the sugar industry.
- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 24th July 2014.

Effective Date

This policy shall be effective from 1st April 2014.

Constitution of the Nomination and Remuneration Committee

The Board has changed the nomenclature of Remuneration Committee constituted earlier by renaming it as Nomination and Remuneration Committee on 14th May 2014. The Nomination and Remuneration Committee comprises of the following Non-Executive Directors:

1. Sri G.R.Karthikeyan, Chairman (Independent)
2. Sri R.C.H.Reddy, Member (Independent)
3. Sri Raja MJ Abdeen, Member (Non-Independent)

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

Definitions

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Independent Director means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel (KMP) means –**
  (i) Executive Chairman and / or Managing Director;
  (ii) Wholetime Director;
  (iii) Chief Financial Officer;
  (iv) Company Secretary;
  (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

Senior Management Personnel – means personnel of the Company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

This Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

- This Policy is divided in three parts : Part A covers the matters to be dealt with and recommended by the Committee to the Board, Part B covers the appointment and nomination and Part C covers remuneration and perquisites, etc.
- The key features of this Company's policy shall be included in the Board's Report.

Role of Committee

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

a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.

b) to recommend to the Board the appointment and removal of Senior Management.

c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.

d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive.

e) to make recommendations to the Board concerning any matters relating to the continuation in office or any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

f) ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

g) to devise a policy on Board diversity;

h) to develop a succession plan for the Board and to regularly review the plan;

Membership

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

Chairman

a) Chairman of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.

c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency of Meetings

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

Committee Members' Interests

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Secretary

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

Nomination Duties

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

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

Remuneration Duties

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

- to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;
- to delegate any of its powers to one or more of its members or the Secretary of the Committee to consider any other matters as may be requested by the Board;
- Professional indemnity and liability insurance for Directors and senior management.

PART- A

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

The Committee shall:

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

PART- B

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

- **Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification / expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Wholetime Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure**

1. Managing Director / Whole-time Director

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

2. Independent Director

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

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director; Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Wholetime Director of a listed company.

- **Evaluation**

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

- **Removal**

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

- **Retirement**

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

PART- C

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

- **General**

1. The remuneration / compensation / commission etc. to the 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.

2. The remuneration and commission to be paid to the Wholetime Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

4. Where any insurance is taken by the Company on behalf of its Wholetime Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration;

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

1. Fixed pay

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

2. Minimum Remuneration

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

3. Provisions for excess remuneration

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

- **Remuneration to Non- Executive / Independent Director**

Sitting Fees

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

Minutes of Committee Meeting

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

For and behalf of the Board

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

ANNEXURE 8

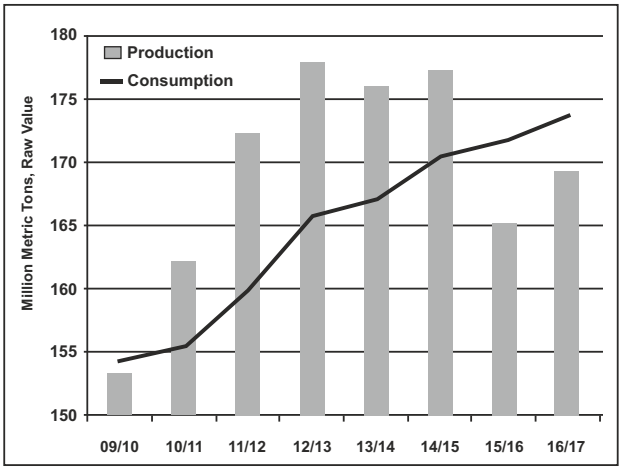
TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2016

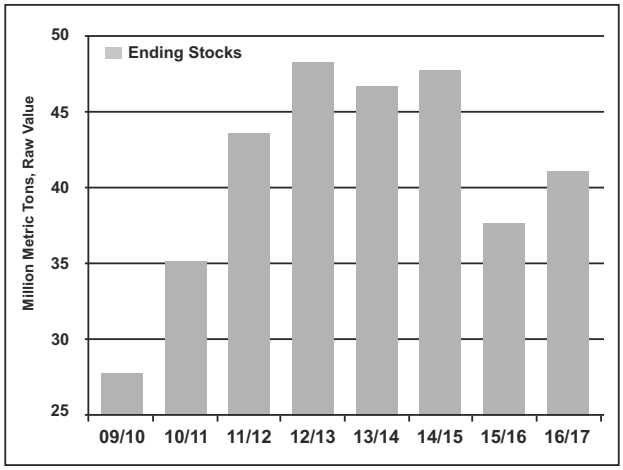
MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Development

Global Sugar Outlook

Global consumption for 2016/17 is forecast at a record 174 million metric tons (raw value), exceeding production and drawing stocks down to the lowest level since 2010/11. Production is up 4 million tons to 169 million as gains in Brazil and the European Union more than offset a decline in India. With growing demand, imports are forecast up 1.2 million tons. The rising pace of global consumption has been sustained by drawing down stock levels in recent years. Consequently, stocks are approaching what appear to be historically low levels. In fact, world raw sugar prices, after falling for over a year and bottoming at less than 11 cents per pound in August 2015, are trending higher to near 17 cents in May 2016. As prices react to high demand and as the Brazilian Real struggles to find equilibrium against the US Dollar, higher market returns are needed to provide incentives for producers to catch up with demand.





Source: United states Department of Agriculture

Sugar Sector in India

India, the world's second- largest sugar producer, may harvest the smallest crop in seven years after drought hit cane production. Sugar production in India is likely to fall to about 25 million tonnes in the ongoing 2015-16 sugar season (October- September) from 28.3 million tonnes in the previous year. The decline in Indian output coincides with a shortfall in Thai and Chinese production, setting the stage for first global deficit in six years.

ISMA estimates that the sugar production for the year 2016-17 likely to decline by 7.3% to 23.2 million tons on account of severe fall expected in Maharashtra. Rainfall is forecast to return to above- normal levels this year after recording shortfall of 14 Percent and 12 percent in the previous two years, according to the Indian Meteorological Department.

Sugar prices

Sugar prices internationally and domestically is on the path of recovery after analysts have slashed their production estimates for most sugar producing regions, including India, Thailand, EU and north-east Brazil. Another contributor to the rise in sugar prices has been Brazil's appreciating currency. The South American country is the world's top producer and exporter of sugar and if its output falls, supplies will shrink, leading to a spike in world prices. A weak Real is good for Brazil's exporters. But during this year Brazil's currency appreciated by 15 percent so far against the US dollar - and that has made all the difference. Sugar exports from the country became uncompetitive. Therefore, there was a shortfall in supply. Political turmoil in Brazil, has also enabled the sweet commodity continue to rally in world trade.

Back home, the first back to back shortfall in monsoon rainfall in three decades has left vast tracts of India reeling under severe drought, prompting farmers to reduce cane planting to conserve water for drinking. Maharashtra is staring at a

drastic drop in sugarcane planting for the 2016-17 season. With water levels depleting at an alarming rate in the state dams, plantation for the season is likely to be hit by up to 30%. Mills in Marathwada, Solapur and Ahmednagar are badly affected and may not report even 25% production in the 2016-17 sugar season. In Karnataka also, the drought has destroyed 30% of the sugar cane crop leaving lakhs of farmers in a precarious situation. As per ISMA, based on the satellite images of June 2016, the total acreage under sugarcane in the country is estimated to be around 49.91 lakh hectares in 2016-17, down by 5.5% compared to 2014-15 sugar season's cane area of around 52.84 lac ha."

The past 10 months saw a big rally in sugar stocks as realizations improved. Retail prices in India have gone up almost 40 per cent in six months, stabilizing at realistic level from ₹ 26-27 a kg to ₹ 38-40 a kg. The government has asked states to impose stock limits as prices tend to rise sharply when the season is midway. Production subsidy has been withdrawn with effect from 19-May-2016. The mills have exported about 1.4 mt of sugar so far and are likely to ship only 1.5 mt by the end of September.

As estimated by ISMA, there are sufficient sugar stocks in the country for the current and even next year. The closing stock of sugar for the sugar season 2015-16 is estimated in the range of 7-7.5 million tons. The total availability of sugar in the season 2016-17 is estimated to be over 31 million tons, while pegging the domestic consumption at 26 million tons the closing sugar stock is estimated to be around 5 million tons which is sufficient for 2-3 months consumption.

Government Announcements

The central Government in September 2015 notified the mandatory export of 4 million tons of sugar for the 2015-16 season. To improve the physical exports, the Central Government in November 2015 announced a subsidy of ₹ 45 per ton of cane to be paid directly to the farmers on behalf of the mills which have compulsorily exported 80% of their allocated quota. The amount so paid directly shall be adjusted against the cane price payable to the farmers towards FRP. If the sugar mill has a distillery unit attached to it, in addition to the compulsory export, it has to achieve 80 percent of the ethanol production target mandated by the center.

The Production subsidy scheme was withdrawn in May 2016. As the production subsidy scheme was withdrawn before time, the Government extended the subsidy to the sugar mills which have exported at least 50% of their export target (80% of MIEQ) and in case of mills having distillation capacity have supplied ethanol as per revised schedule. However, production subsidy on actual cane crushing would be provided to sugar mills proportionate to their achievement on export and ethanol supply targets with equal weightage.

In June 2016, the Government has imposed 20 per cent customs duty on sugar exports to boost domestic supply and check prices and also imposed stock holding limits on sugar of 1000 MT for Kolkata and 500 MT for the rest of the country.

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 disbursal of cogeneration dues and recurring disputes on power tariff also pose a challenge to the management of cash flows.

Sugarcane Price

Government has retained the Fair and Remunerative Price (FRP) of ₹ 230 per quintal for 2016-17 season. The FRP will be linked to a basic recovery rate of 9.5 per cent, subject to a premium of ₹ 1.46 per quintal for every 0.1 percentage point increase in recovery above that level. For the sugar year 2015-16, FRP was ₹ 230/- per quintal linked to basic recovery rate of 9.5% subject to a premium of ₹ 2.32 per quintal for every 0.1 percent increase in recovery.

Tamil Nadu fixed a State Advised Price (SAP) ₹ 2,850 a tonne of sugarcane linked to 9.5 per cent sugar recovery for the 2015-16 sugar season (October-September), which the mills have declined to pay. This was ₹ 550 a tonne more than the mandatory Fair and Remunerative Price of ₹ 2,300 a tonne fixed by the Centre's Commission for Agricultural Costs and Prices (CACP).

Ethanol

After three years of formally mandating five per cent of petrol blended with ethanol, the country is set to achieve this target for the first time during the current sugarcane crushing season, i.e by the end of September.

In order to meet 10% blending, the Government needs atleast 260 crore litre every year. Another 80 crore litre is required for use in chemical industry and about 120 crore litres is needed for the IMFL industry. The annual availability is only 250 crore litre. Governement is expected to come out with a new ethanol policy focusing on producing more ethanol.

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 Tamil Nadu Government on the production of ethanol are far too low to meet the target of the EBP. Sugar mills in the State are currently permitted to sell no more than 50 lakh litres of ethanol, which is barely eight days' production.

At the same time, Tamil Nadu's taxation regime has rendered its sugar mills uncompetitive - a double whammy. A VAT of 14.5 per cent on alcohol in Tamil Nadu has resulted in higher imports of cheaper alcohol from sugar mills in Karnataka. As a result, sugar mills in Tamil Nadu are drowning with an unsold stock of alcohol.

Power Price

TNERC passed orders on 23/2/2016 and re-fixed the variable cost tariff for the surplus power evacuated to TANGEDCO grid by co-generation plants commissioned on or after 19/9/2008 with effect from 1.8.2012.The Gingee plant was commissioned on 9/10/2008. Fixed cost payable by TANGEDCO is calculated with respect to the date of commissioning and the variable cost is applicable for the financial year. The tariff for Gingee plant for the financial years 2016-17 and 2017-18 is as follows up to 55% PLF.

Period	Fixed cost ₹ Per unit	Variable cost ₹ per unit	Total Rate ₹ per unit
1/04/2016 to 9/10/2016	2.16	2.76	4.92
9/10/2016 to 31/03/2017	2.10	2.76	4.86
1/04/2017 to 9/10/2017	2.10	2.89	4.99
9/10/2017 to 31/03/2018	2.05	2.89	4.94

It is to be noted that if the plant operates beyond 55% PLF the price payable by TANGEDCO would be ₹ 0.25 per unit as incentive plus variable cost for that financial year. There is no season and off-season classification for this Gingee Plant.

Our two units in Theni and Mundiyambakkam which were commissioned prior to 2006 were getting a rate of ₹ 3.15 during season and ₹ 3.01 during off season. The rates were up for revision since 2010.

TNERC passed order in P.P.A.P No. 8 of 2011 on 31.3.2016 and refixed the tariff effective from 21.11.2011. In the said order TNERC implemented two part tariff ie fixed cost and variable cost. By the said order TNERC arrived fixed cost as ₹1.23 for 20 years of operation from the date of commissioning and ₹ 0.84 from 21st year onwards till the useful life of the plant.

TNERC in its comprehensive Tariff order No. 4 dated 31.3.2016 fixed the variable cost for the financial year 2016-17 and 2017-18 at ₹ 2.76 per unit and ₹ 2.89 per unit respectively.

Our unit in Theni is entitled to a tariff of ₹ 3.60 per unit and ₹ 3.73 per unit for the season 2016-17 and 2017-18 respectively. Our unit in Mundiayambakkam is entitled to a tariff of ₹ 3.99 per unit and ₹ 4.12 per unit for season 2016-17 and 2017-18 respectively. For the offseason 90% of season rates are payable.

Outlook

The growth in sugar consumption and the bleak production patterns suggest a beginning of a deficit era in sugar industry globally and prices have started rising. The global availability of sugar for season 2016/17 and the policy decision in India will have a bearing on the prospects of the industry in the subsequent years.

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, lower sugarcane price, 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, fertilisers 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 farmers.

Sugar price realization risk

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

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. While Unit I (Varadarajnagar) is already an integrated complex, we have now made Unit II (Mundiyampakkam) and Unit III (Semmedu) also integrated complexes with the commissioning of a state of the art multi-pressure alcohol distillation plant.

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 had already undertaken a debt restructuring exercise under the Corporate Debt Restructuring (CDR) mechanism duly approved by CDR Empowered Group.

With the active support of our secured lenders, the approved CDR Proposal was put into implementation as a result of which the risks associated with repayment obligations of principal debts and interest has been deferred. This measure gives your company to have more disposable liquidity, during the moratorium period, for improving its performance and reducing risk associated with credit repayment.

Consequent to implementation of CDR Proposal, risks associated with interest rate fluctuation has been substantially mitigated with reduction of interest rate and fixing the interest rate regime on the term debts for a longer period. However, the CDR lenders would have a right of recompense for their sacrifices, at the time of Company's exit from CDR.

Internal control systems and their adequacy

The Company has a well-established internal control system 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.

Manpower

The Management staff strength as on 31st March 2016 is 217. The Non - Management staff strength as on 31st March 2016 is 671. The Sugar Wage Board Settlement signed on 08.10.2014 is valid up to 30.09.2018. Industrial Relations are cordial and healthy.

Financial performance with respect to operational performance

Operational Performance

Particulars	Year ended		% Increase (Decrease)
	31.03.2016	31.3.2015	
Cane Crushed (MT)	17,81,191	15,84,231	12.4
Recovery %	8.98	9.14	(0.16)*
Sugar Production (MT)	1,59,997	1,44,789	10.5
Sugar Sales (MT)	1,69,206	1,48,959	13.6
Power Production (Lakh Kwh)	2,224	1,918	16.0
Power Export to Grid (Lakh Kwh)	1,477	1,252	18.0
Alcohol Production (Lakh Litres)	200.15	193.82	3.3

* Absolute change

Financial Performance- Segment Wise

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

(₹ in lakhs)

Particulars	31.03.2016	*31.03.2015*
Sales Turnover		
Sugar	**44,201**	*45,767*
Co-generation	**9,869**	*7,255*
Distillery	**7,899**	*9,135*
Less: Inter Segment revenue	**4,841**	*4,455*
Net Sales / Income from Operations	**57,128**	*57,702*
Profit / (Loss) before tax		
Sugar	**(4,332)**	*(8,105)*
Co-generation	**6,361**	*3,847*
Distillery	**3,798**	*4,710*
Less: i. Interest	**6,476**	*6,474*
ii. Other un-allocable expenditure	**1,425**	*1,613*
Profit /(Loss) before tax	**(2,075)**	*(7,635)*

The company has performed much better in terms of all the operational parameters compared to last year with better cane crushed, sugar production, sugar sales, Power Generation and Alcohol Production.

The company's net sales dropped marginally, with much better performance in the sugar and Cogeneration segment the company reported the Net Loss of Rs 20.75 Crore as against Rs 76.35 crore during the previous year.

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

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

Place : Coimbatore
Date : 28th May 2016

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 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance sheet, the statement of Profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, separate report has been given in "Annexure B"; and

   (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.Y 16 to the financial statements;

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

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

K.Murali Mohan
Auditor, Proprietor
Membership No.14328

Place : Coimbatore
Date : 28.05.2016

ANNEXURE 'A' TO AUDITOR'S REPORT

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 the company shown under the Fixed Assets schedule are held in the name of the company.

(ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, excepting to its wholly owned subsidiary company.

In respect of loan given to Subsidiary company, in our opinion,

A) The terms and conditions of the grant of such loans are not prejudicial to the company's interest.

B) No schedule of repayment of principal and payment of interest has been stipulated. However, interest is being received regularly.

C) No amount is overdue warranting taking steps for recovery of principal and interest.

(iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.

The loan given to subsidiary company and investment made in the capital of the subsidiary company is within the overall limit prescribed under section186 of the Act.

(v) The Company has not accepted any deposits.

(vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of 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, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

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

(b) The 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 disputed (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
Service Tax	Penalty	21.92	2006-2007	Commissioner (Appeals)
Central Excise	Excise duty Excise duty	550.50 476.55	April 2013- March 2014 January 2012 - December 2014	CESTAT 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. Y (1)(7) 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 raised Term loan during the year from banks and the same has been utilized for the purpose for which it was availed.

(x) No fraud by the Company has been reported during the year. However, there has been a fraud on the company in respect of cane purchases which had been identified / detected by the management and was reported to the Audit Committee.

(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 financial statements as required by the applicable accounting standards.

(xiv) The Company has made preferential allotment of shares during the year to one of the promoters. The allotment of such shares to Smt. Rajshree Pathy, by conversion of part of Promoters contribution under CDR Scheme in terms of the resolution passed at the EGM held on 10.02.2016 is in compliance with the provisions of the Act. The funds received during the year 31.03.2014 were utilized as specified under the CDR Scheme (Approval letter – CDR(SSA)No.1181/2013-14 dated 24.03.2014).

(xv) The Company has not entered into non-cash transactions with directors or persons connected with him.

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

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

K.Murali Mohan
Auditor, Proprietor
Membership No.14328

Place : Coimbatore
Date : 28.05.2016

ANNEXURE - B TO THE AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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

K.Murali Mohan
Auditor, Proprietor
Membership No.14328

Place : Coimbatore
Date : 28.05.2016

BALANCE SHEET AS AT 31st MARCH 2016

(₹ in Lakhs)

PARTICULARS	Note	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	**2,497.17**	2,379.17
(b) Reserves and surplus	B	**1,159.52**	2,380.61
		3,656.69	4,759.78
2 Non-current liabilities			
(a) Long-term borrowings	C	**42,919.17**	46,985.74
(b) Deferred tax liabilities (Net)	D	**457.70**	1,098.73
		43,376.87	48,084.47
3 Current liabilities			
(a) Short-term borrowings	E	**14,339.98**	13,915.22
(b) Trade payables	F	**10,447.49**	11,354.99
(c) Other current liabilities	G	**15,249.05**	8,374.95
(d) Short-term provisions	H	**207.16**	259.46
		40,243.68	33,904.62
TOTAL		**87,277.24**	86,748.87
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	I		
(i) Tangible assets		**48,845.48**	51,229.13
(ii) Intangible assets		**53.10**	91.64
(iii) Capital work-in-progress		**130.30**	146.48
(b) Non-current investments	J	**6,739.11**	6,739.28
(c) Long-term loans and advances	K	**659.51**	649.26
		56,427.50	58,855.79
2 Current assets			
(a) Inventories	L	**21,884.24**	19,579.54
(b) Trade receivables	M	**5,406.53**	3,420.87
(c) Cash and cash equivalents	N	**275.73**	426.40
(d) Short-term loans and advances	O	**2,541.30**	3,553.22
(e) Other current assets	P	**741.94**	913.05
		30,849.74	27,893.08
TOTAL		**87,277.24**	86,748.87

See accompanying notes to the financial statements

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

V.B. Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

(₹ in Lakhs)

PARTICULARS	Note	31.03.2016	31.03.2015
Income:			
I. Revenue from operations	Q	**56,989.57**	*57,401.89*
II. Other income	R	**438.92**	*955.02*
III. Total Revenue (I + II)		**57,428.49**	*58,356.91*
IV. Expenses:			
Cost of materials consumed	S	**43,388.19**	*39,235.29*
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	T	**(1,839.35)**	*5,560.93*
Employee benefits expenses	U	**3,414.58**	*3,484.82*
Finance costs	V	**6,476.49**	*6,473.96*
Depreciation and amortization expense	I	**2,598.49**	*2,968.48*
Other expenses	W	**8,227.02**	*8,268.51*
Total expenses		**62,265.42**	*65,991.99*
V. Profit before exceptional and extraordinary items and tax (III-IV)		**(4,836.93)**	*(7,635.08)*
VI. Exceptional items		**(2,762.41)**	-
VII. Profit/(Loss) before extraordinary items and tax (V-VI)		**(2,074.52)**	*(7,635.08)*
VIII. Extraordinary Items		**-**	-
IX. Profit/(Loss) before tax (VII-VIII)		**(2,074.52)**	*(7,635.08)*
X. Tax expense:			
(1) Current tax		**-**	-
(2) Deferred tax liability / (reversed) provided		**(641.03)**	*(2,359.24)*
XI. Profit / (Loss) for the period from continuing operations (IX-X)		**(1,433.49)**	*(5,275.84)*
XII. Profit / (Loss) from Discontinuing operations (after tax)		**-**	-
XIII. Profit / (Loss) for the period (XI + XII)		**(1,433.49)**	*(5,275.84)*
XIV. Earnings per equity share:			
(1) Basic		**(5.98)**	*(22.18)*
(2) Diluted		**(5.09)**	*(22.18)*

See accompanying notes to the financial statements

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

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Chief Financial Officer

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Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
A. SHARE CAPITAL				
AUTHORISED				
30,000,000 Equity Shares of ₹ 10/- each		**3,000.00**		*3,000.00*
ISSUED SUBSCRIBED & PAID UP:				
24,971,700 Equity Shares of ₹10/- each fully paid-up in cash *(Previous year 23,791,700 Equity Shares ₹10/- each)*		**2,497.17**		*2,379.17*
11,80,000 equity shares of ₹ 10/- each issued for consideration other than cash by conversion of promoter contribution under CDR (part) into equity shares on 10.2.2016				
i) No of Equity Shares outstanding at the beginning of the year	**23,791,700**		*23,791,700*	
Add / (Less) : Additions during the year	**1,180,000**		*-*	
At the end of the year	**24,971,700**		*23,791,700*	
ii) Shareholder holding more than 5 percent shares: Ms. Rajshree Pathy	**9,550,884**		*8,370,884*	
B. RESERVES & SURPLUS				
RESERVES				
i) General Reserve				
Opening Balance	**7,575.90**		*8,000.00*	
Adjustment during the year	**-**		*(424.10)*	
Closing Balance		**7,575.90**		*7,575.90*
ii) Securities Premium Reserve				
Opening Balance	**572.00**		*572.00*	
Additions during the year	**212.40**		*-*	
Closing Balance		**784.40**		*572.00*
iii) Other Reserves ref. Note No.Y18		**158.70**		*158.70*
SURPLUS				
iv) Balance in Profit & Loss statement:				
Opening Balance	**(5,925.99)**		*(650.15)*	
Add: Profit / (Loss) after tax	**(1,433.49)**		*(5,275.84)*	
Closing Balance		**(7,359.48)**		*(5,925.99)*
TOTAL		**1,159.52**		*2,380.61*
C LONG - TERM BORROWINGS				
SECURED LOANS				
Term Loans				
a) From Banks		**41,002.30**		*43,505.20*
b) From Other parties :				
Sugar Development Fund		**1,022.27**		*2,255.54*

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
UNSECURED LOANS				
Promotors contribution - under CDR	1,225.00		1,225.00	
Less: Converted into equity shares	330.40	894.60	-	1,225.00
		42,919.17		46,985.74
In terms of CDR Scheme entered into by the company and repayable after satisfactory compliance of terms of Lenders under the scheme. Rate of interest - Nil				
Please refer Note No. Y(1) for rate of interest, maturity profile, security details etc.,				
D DEFERRED TAX LIABILITIES:				
Opening Balance	1,098.73		3,457.97	
Add/(Less) : Provided/(Reversed) during the year	(641.03)	457.70	(2,359.24)	1,098.73
E SHORT - TERM BORROWINGS				
SECURED LOANS				
Loans repaybale on demand from Banks:				
Cash Credit Account		14,339.98		13,915.22
Note : Please refer note number Y(1) for rate of interest, maturity profile, security details etc.,				
F TRADE PAYABLES				
Due to Micro,Small & Medium Enterprises		-		-
Due to Others		10,447.49		11,354.99
G OTHER CURRENT LIABILITIES				
i) Current maturities of long term debt		11,836.02		6,623.35
ii) Interest accured but not due on borrowings		36.31		23.75
iii) Interest accured & Due on Loans		896.91		118.79
iv) Unpaid Dividend*		26.58		26.83
** The figures reflect the position as at March 31,2016. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates*				
v) Other Payables :				
Advance received from Customers	584.09		239.87	
Statutory dues payables	1,638.24		1,111.21	
Creditors for capital expenditure	230.90	2,453.23	231.15	1,582.23
		15,249.05		8,374.95
H SHORT- TERM PROVISIONS				
i) Provisions for employee benefits:				
Leave Salary entitlement	32.13		36.82	
Gratuity contribution	175.03	207.16	221.04	257.86
ii) Others				
Provisions for Wealth Tax		-		1.59
		207.16		259.45

NOTES TO THE FINANCIAL STATEMENTS

I FIXED ASSETS (₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 31.3.2015	Additions For the Period	Deletions For the Period	As on 31.3.2016	*Upto to 31.3.2015*	For the year	Adjusted to General Reserve	Written Back	Upto 31.3.2016	As on 31.3.2016	*As on 31.3.2015*
Tangible Assets											
Land	*918.08*	-	-	918.08	-	-	-	-	-	918.08	*918.08*
Buildings	*14,465.12*	2.13	-	14,467.26	*3,420.17*	501.91	-	-	*3,922.08*	10,545.17	*11,044.95*
Plant & Equipment	*59,602.47*	174.25	1.40	59,775.32	*21,022.19*	1,909.44	-	-	*22,931.64*	36,843.69	*38,580.28*
Furniture & Fixtures	*194.60*	-	-	194.60	*90.79*	16.76	-	-	*107.55*	87.05	*103.81*
Vehicles	*892.68*	-	33.06	859.62	*519.74*	87.59	-	28.56	*578.77*	280.85	*372.94*
Office Equipments	*165.77*	3.61	3.92	165.46	*132.66*	10.61	-	3.72	*139.54*	25.92	*33.11*
Electrical Equipments	*497.02*	2.17	3.07	496.13	*424.36*	15.48	-	2.92	*436.93*	59.20	*72.66*
Tools & Equipment	*97.22*	-	-	97.22	*69.11*	6.18	-	-	*75.30*	21.92	*28.10*
Lab Equipments	*136.33*	0.39	-	136.72	*61.13*	11.98	-	-	*73.12*	63.60	*75.20*
Total	*76,969.30*	182.55	41.45	77,110.40	*25,740.16*	2,559.95	-	35.20	*28,264.92*	48,845.48	*51,229.13*
Intangible Assets											
SAP Software	*483.34*	-	-	483.34	*391.70*	38.54	-	-	*430.24*	53.10	*91.64*
Grand Total	***77,452.63***	**182.55**	**41.45**	**77,593.74**	***26,131.86***	**2,598.49**	-	**35.20**	***28,695.16***	**48,898.58**	***51,320.77***
Capital work in Progress										130.30	*146.48*
2014 - 2015	***77,192.91***	**285.56**	**25.84**	**77,452.63**	***22,762.01***	**2,968.48**	**424.10**	**22.73**	***26,131.86***	**51,320.77**	***54,430.89***

(₹ in Lakhs)

PARTICULARS	31.03.2016	*31.03.2015*
J NON-CURRENT INVESTMENTS		
Unquoted Non - trade		
i) Investment in Equity Instruments of body corporates: Subsidaries:		
a) M/s. Trident Sugars Limited - 26,494,924 Equity shares of ₹ 10/- each at cost (Previous year 26,494,924 shares)	**6,739.11**	*6,739.11*
ii) Other non-current investments Investment in Post office	**-**	*0.17*
	6,739.11	*6,739.28*
K LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
i) Capital Advance	**42.54**	*45.03*
ii) Security Deposits	**151.97**	*139.23*
iii) Loans & Advances due by Director Land purchase advance	**465.00**	*465.00*
	659.51	*649.26*

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
L INVENTORIES				
Work-in-progress at cost	**648.33**		*467.98*	
Finished Goods - at Cost / Net Realisable value	**19,272.00**		*16,853.32*	
Stock In Trade - Properties at Cost	**540.89**		*540.89*	
Stock In Trade - Other at Cost	**115.64**		*31.36*	
Stores & Spares at cost	**1,307.39**		*1,685.99*	
		21,884.24		*19,579.54*
M TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months.	**159.72**		*984.19*	
Others	**5,246.81**		*2,436.68*	
		5,406.53		*3,420.87*
N CASH AND CASH EQUIVALENTS				
Cash on hand	**26.82**		*18.49*	
Balance with Banks				
In Current Account	**187.33**		*331.23*	
Guarantee Margin Account	**35.00**		*49.85*	
Dividend account	**26.58**		*26.83*	
		275.73		*426.40*
O SHORT TERM LOANS AND ADVANCES				
(Unsecured, considered good)				
i) Loans & Advances to Wholly owned Subsidary company				
M/s. Trident Sugars Limited		**531.73**		*1,498.38*
ii) Others				
Staff and other advance	**66.03**		*68.42*	
Advance to suppliers	**356.55**		*291.11*	
Advance Sales Tax	**18.97**		*3.78*	
Advance Income - Tax	**560.20**		*535.00*	
Excise Duty Deposits	**665.81**		*752.36*	
Prepaid Expenses	**342.01**		*404.17*	
		2,009.57		*2,054.84*
		2,541.30		*3,553.22*
P OTHER CURRENT ASSETS				
Income receivable	**250.41**		*252.88*	
Interest receivable on Excise Duty Loan	**491.53**		*660.17*	
		741.94		*913.05*

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
Q Revenue from Operations				
i) Sale of products	**58,558.69**		*58,439.42*	
ii) Other operating revenue				
Sale of scrap	**79.07**		*84.97*	
Export incentives	**35.63**		*362.58*	
	58,673.39		*58,886.97*	
LESS: Excise duty	**1,683.82**		*1,485.08*	
Total		**56,989.57**		*57,401.89*
R OTHER INCOME				
i) Interest Income - Others	**301.21**		*767.88*	
ii) Other non- operating Income				
Rental Income	**37.98**		*27.94*	
Other Miscellaneous Income	**75.02**		*105.66*	
Net gain on foreign exchange fluctuations	**23.72**		*50.11*	
Profit on sale of assets	**0.99**		*3.43*	
		438.92		*955.02*
S COST OF MATERIALS CONSUMED				
Raw material - Sugarcane		**43,388.19**		*39,235.29*
T CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE				
Opening Inventory				
Finished goods	**16,853.33**		*22,022.91*	
Work in progress	**467.98**		*630.03*	
Stock in trade	**540.88**		*540.89*	
		17,862.19		*23,193.83*
Less : Closing inventory				
Finished goods	**19,272.00**		*16,853.32*	
Work in progress	**648.33**		*467.98*	
Stock in trade	**540.89**		*540.89*	
		20,461.22		*17,862.19*
		(2,599.02)		*5,331.64*
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods		**759.67**		*229.29*
		(1,839.35)		*5,560.93*
U EMPLOYEE BENEFIT EXPENSES				
Salaries, Wages & Bonus	**2,827.57**		2,888.49	
Contribution to Provident Fund & Other funds	**215.79**		255.72	
Welfare Expenses	**371.22**		340.61	
		3,414.58		3,484.82

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		*31.03.2015*	
V FINANCE COSTS				
a) Interest expense	**6,361.66**		6,362.34	
b) Other borrowing costs	**114.83**		111.62	
		6,476.49		6,473.96
W OTHER EXPENSES				
Consumption of Stores	**809.11**		852.98	
Consumption of Packing Materials	**931.86**		938.31	
		1,740.97		1,791.29
Power & Fuel		**1,410.60**		1,470.45
Building rent		**82.71**		102.08
Repairs & Maintenance:				
Building	**86.94**		99.32	
Machinery	**1,915.75**		1,713.71	
		2,002.69		1,813.03
Insurance Premium		**127.08**		133.35
Licence Fees & Tax		**152.46**		147.44
Cartage & Freight		**546.27**		758.03
Payment to Auditor's				
- Statutory Audit fees	**6.00**		6.00	
- Taxation matters	**4.76**		1.75	
- Certification	**0.68**		1.30	
		11.44		9.05
Cost Audit fees		**2.21**		1.36
Miscellaneous Expenses		**2,150.60**		2,042.43
		8,227.03		8,268.51

NOTES TO THE FINANCIAL STATEMENTS

X SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING & REVENUE RECOGNITION

The financial statements are prepared under historical costing convention on a going concern basis, with revenue recognised and expenses accounted on accrual concept (including provisions and adjustments) and in accordance with the applicable accounting standards referred to in Section 133 of the Companies Act, 2013.

b) EMPLOYEE BENEFITS

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered services. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation techniques.

c) FIXED ASSETS

Fixed assets are stated at historical cost including allocable borrowing costs and exchange differences arising on reporting of long term Foreign currency loans relating to acquisition of fixed assets (as per option exercised in terms of clause 46 of AS 11) and net of specific subsidies, cenvat credit, if any and depreciation.

Preoperative expenses

Expenditure (including financing cost and exchange rate fluctuations relating to the borrowed funds for construction and acquisition of qualifying fixed assets) incurred on projects under implementation are treated as pre-operative expense pending allocation to the assets and are shown under "Capital Work in Progress" and transferred to the concerned assets on pro-rata basis after installation and commencement of operations.

d) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are initially recorded at the exchange rate at which the transaction is carried out. Gains or losses on the settlement of these transactions, if any, within the same accounting year are recognized in the Statement of Profit & Loss prepared for the said year on a net off basis, except exchange differences arising on restatement of borrowings for acquisition of fixed assets, which restatement has been done taking into consideration the terms of relevant hedge / derivative contracts applicable. The monetary assets and liabilities related to foreign currency transactions remaining outstanding at the year end are restated.

e) DERIVATIVE TRANSACTION

In respect of derivative contracts, bank charges, provision for losses on restatement and gains / losses on settlement are recognized along with the underlying transactions and charged to Statement of Profit and Loss.

f) INVENTORY VALUATION

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

a) Raw material is valued at cost on FIFO basis.

b) In respect of sugar and industrial alcohol, cost is arrived at on historical cost basis after deducting the realisable value of the by-products. In respect of manufactured finished goods, excise duty and cess payable are added to the cost, wherever applicable.

NOTES TO THE FINANCIAL STATEMENTS

c) In respect of immovable property cost is taken as the net payment for acquisition and expenses incurred therewith till the date of title perfection.

d) In respect of semi-finished goods (in process) cost is taken as cost of input raw materials and estimated cost of manufacture upto the various stages of completion.

e) Stores and spares are valued at Weighted Average cost.

g) INVESTMENTS

Investments are stated at cost inclusive of expenses incidental to acquisition.

h) DEPRECIATION

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

i) INCOME AND EXPENDITURE RECOGNITION

Revenue on sales transactions is recognised as and when the property in the goods sold is transferred to the buyers for a definite consideration. Revenue from other sources and expenses are recognized on accrual basis.

j) EXCISE DUTY

Excise duty in respect of goods manufactured is accounted at the time of removal of goods from the factory for sale.

Cenvat credit, if any, in respect of capital goods is deducted from the respective assets and in respect of revenue items are deducted in the respective expenditure itself.

k) TAXATION

Provision for taxation is made as per estimated total income after considering various reliefs admissible under the provisions of the Income Tax Act, 1961.

In accordance with the Accounting Standard 22, the deferred tax for the timing differences between the book and tax profits for the year is accounted for using the tax rates and laws in force as of the balance sheet date.

l) TURNOVER

Sales are stated inclusive of excise duty and cess net of discount and rebate but exclusive of sales tax collected wherever applicable. Export sales include export incentives.

m) LEASED ASSETS

Operating lease rentals are expensed/ recognized with reference to lease terms and other considerations.

n) IMPAIRMENT OF ASSETS

Impairment is recognized to the extent that the recoverable amount of an asset is less than its carrying amount and is charged to the Statement of Profit & Loss as prescribed in AS-28.

NOTES TO THE FINANCIAL STATEMENTS

o) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provision is recognized only when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

Y 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)

(₹ in Lakhs)

	Loans under CDR Scheme			
	SEFASU Loan *2%	SOFT Loan 12% / 12.5%	Restructured Loan 11%/12%/12.5%	Total
2016-17	3,464.05	-	5,185.51	8,649.56
Total	**3,464.05**	**-**	**5,185.51**	**8,649.56**
2017-18	2,184.00	451.10	4,329.09	6,964.19
2018-19	901.60	902.20	4,378.80	6,182.60
2019-20	-	902.20	5,869.05	6,771.25
2020-21	-	902.20	5,917.59	6,819.79
2021-22	-	838.20	6,557.91	7,396.11
2022-23	-	393.10	4,468.39	4,861.49
2023-24	-	-	1,692.47	1,692.47
Total	**3,085.60**	**4,389.00**	**33,213.30**	**40,687.90**

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

(₹ in Lakhs)

	Loans not under CDR Scheme			
	4.00%	8.00%	8.25%	Total
2016-17	844.00	314.29	2,028.18	3,186.46
Total	**844.00**	**314.29**	**2,028.18**	**3,186.46**
2017-18	211.00	314.26	811.27	1,336.53
Total	**211.00**	**314.26**	**811.27**	**1,336.53**

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%

NOTES TO THE FINANCIAL STATEMENTS

Security details for long term borrowings:

1) The term loans aggregating to ₹ 44,948.47 lakhs (₹ 47,546.80 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 and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI (for SDF not having charge on Unit-II).

      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

      v. 2/3rd undivided rights on the interests in the plot of land admeasuring about 375 sq yards along with the first and second floors terrace floors along with the mezannine floor situated at municipal number 186, block no. 10, golf links, New Delhi exclusively charged to Axis 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. 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 measuring 80 cents.

      ii. Land and building (Bio Control Unit at Unit I Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat after closure of the loan availed from State Bank of Travancore, Coimbatore.

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

   f) The Cogeneration receivables of the Unit- II & III, presently charged exclusively to State Bank of India, 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.

   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) The term loan (Axis TL II) of ₹ 629 lakhs (₹ 942.84 lakhs) is secured by 1st exclusive charge on land and buildings of the Company at Golf Links, New Delhi and subservient charge on the entire movable fixed assets of the company.

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

4) The soft loans aggregating to ₹ 4388.98 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 the Unit-III at Gingee subject to approval for sharing the security for Sugar Development Fund. The State Bank of Hyderabad, State Bank of Mysore and Bank of India need to modify hypothecation charge to align to this security structure.

NOTES TO THE FINANCIAL STATEMENTS

5) The loans aggregating to ₹ 49,337.45 lakhs (₹ 47,546.80 lakhs) guaranteed by Managing Director.

6) Term loans Guaranteed by others is Nil.

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

(₹ in Lakhs)

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund - Cogen	211.00 211.00	From June 2015 From December 2015	The Company has requested for restructuring of the loan.
Sugar Development Fund - Distillery	405.64 405.64 405.64	From March 2015 From September 2015 From March 2016	
TOTAL	**1,638.92**		
Axis Bank Limited UCO bank Federal Bank Ltd ICICI Bank Ltd., State Bank of India State Bank of Hyderabad Bank of India State Bank of Mysore	51.43 121.66 57.25 171.43 987.50 237.40 271.00 239.40	From March 2016	Paid in May 2016
TOTAL	**2,137.07**		

Name of the Lender	Amount of Default (Interest)	Period of default	Remarks
Sugar Development Fund	118.79	From March 2015	The Company has requested for restructuring of the loan.
-do-	343.56	From March 2016	-do-
Total	**462.35**		
Axis Bank Ltd.,	21.73	From February 2016	Paid in April 2016
-do-	23.26	From March 2016	Paid in May 2016
Federal Bank Ltd.,	24.91	From February 2016	Paid in April 2016
-do-	26.02	From March 2016	Paid in May 2016
ICICI Bank Ltd.,	74.72	From February 2016	Paid in April 2016
-do-	78.61	From March 2016	Paid in May 2016
State Bank of India	156.22	-do-	-do-
State Bank of Hyderabad	8.35	-do-	-do-
Bank of India	10.01	From February 2016	Paid in April 2016
-do-	10.73	From March 2016	Paid in May 2016
Total	**434.56**		

NOTES TO THE FINANCIAL STATEMENTS

Security Details for short term borrowings:

1) The Working Capital facilities aggregating to ₹ 14,307 lakhs (₹ 14,307 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 and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI (Note : SDF not having charge on Unit-II)

      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

      v. 2/3rd undivided rights on the interests in the plot of land admeasuring about 375 sq yards along with the first and second floors terrace floors along with the mezannine floor situated at municipal number 186, block no. 10, Golf Links, New Delhi exclusively charged to Axis Bank.

   c) Second pari-passu charge on the additional securities, as briefed below, provided by the company for CDR package.

      i. 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 measuring 80 cents.

      ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk Theni District, Gullapuram Panchayat after closure of the loan availed from State Bank of Travancore, Coimbatore.

      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 the 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 Sugar Development Fund.

   f) The Cogeneration receivables of the 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.

   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 ₹14,307 lakhs (₹ 14,307 lakhs) guaranteed by Managing Director.

3) Short term loans Guaranteed by others is Nil.

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
2) The details of amounts outstanding to Micro, Small and Medium 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) CIF Value of Imports		
Capital Goods	--	12.36
4) Earnings in Foreign Exchange		
a) Export of goods calculated on FOB basis	**2595.67**	2,516.87
b) Sale of carbon credits	--	19.89
5) Expenditure in Foreign Currency		
a) Interest Payments	--	11.04
b) Foreign Travel & Boarding	**6.42**	6.04
c) Registration/Membership Fees	--	12.87
d) Others	--	50.17
6) Cost of Materials consumed		
Sugarcane	**43,388.19**	39,235.29
7) Consumption		
a) Raw Materials		
i) Imported	--	--
ii) Indigenous	**43,388.19**	39,235.29
	(100%)	(100%)
b) Stores & Spares		
i) Imported	--	--
ii) Indigenous	**809.11**	852.98
	(100%)	(100%)
8) Capital and other commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for:	**4.16**	17.67
9) The company held four properties (building) on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	**138.62**	31.61
b) Later than 1 year and not later than 5 years	**556.17**	112.18
c) Later than 5 years	**2,880.57**	--
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	**36.42**	36.74

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

Particulars	31.03.2016	31.03.2015
10) 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**	--
b) Later than 1 year and not later than 5 years	**48.00**	--
c) Later than 5 years	**48.00**	--
d) Lease payments recognized in the Statement of Profit & Loss.	**12.00**	--
11) The company leased out three properties and the future minimum lease rentals receivables are as under:		
a) Not later than one year	**36.58**	36.57
b) Later than 1 year and not later than 5 years	**81.93**	121.51
c) Later than 5 years	**--**	--
d) Lease receipts recognized in the Statement of Profit & Loss	**36.58**	26.53
12) Borrowing costs capitalized	**6.03**	10.37
13) Borrowing costs included in Capital Work in progress	**1.17**	0.70

14) 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.

The disclosures required under Accounting Standard 15 "Employee Benefits" are as follows.

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized is charged off for the year as under:

Employer's Contribution to Provident Fund	146.28	125.44
Employer's Contribution to Superannuation Fund (excluding refund of excess contribution in prior year)	2.01	59.86

Defined Benefit Plan

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

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016	31.03.2015
a. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	**710.40**	*551.97*
Current service cost	**41.25**	*33.09*
Interest cost	**56.48**	*51.50*
Benefits paid	**(84.13)**	*(65.94)*
Actuarial (gain)/loss	**(7.47)**	*139.78*
Defined Benefit obligation at year end	**716.53**	*710.40*
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	**476.75**	*390.53*
Expected return on plan assets	**37.90**	*33.97*
Employer contribution	**115.00**	*70.00*
Benefits paid	**(84.13)**	*(65.94)*
Actuarial gain / (loss)	**(27.29)**	*48.19*
Fair value of plan assets at year end	**518.23**	*476.75*
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31st March 2016	**518.23**	*476.75*
Present value of obligation as at 31st March 2016	**716.53**	*710.40*
Amount recognized in Balance Sheet	**(198.30)**	*(233.65)*
d. Expenses recognized during the year		
Current Service Cost	**41.25**	*33.09*
Interest Cost	**56.48**	*17.52*
Expected return on plan assets	**(37.90)**	*33.98*
Actuarial (gain) / loss	**19.82**	*91.60*
Net Cost	**79.65**	*17.52*
e. Investment details		
	173.82	*169.79*
L.I.C. Group Gratuity policy	**344.41**	*306.95*
HDFC Group Gratuity policy		
f. Actuarial assumptions		
Mortality Table (L.I.C)	**1994-96**	*1994-96*
Discount rate % (per annum)	**7.96**	*7.95*
Expected rate of return on plan assets % (per annum)	**7.96**	*7.95*
Rate of escalation in salary % (per annum)	**4.00**	*4.00*

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

15) Exceptional Items

Exceptional items represents the provision made in the previous year for cane dues, now not required, reversed.

NOTES TO THE FINANCIAL STATEMENTS

16) Contingent Liabilities not provided for

a) Claims against the company not acknowledged as debt:

i) The Commissioner of Central Excise (Appeals) has upheld the order of the Central Excise department imposing a penalty of ₹ 21.92 lakhs (₹ 21.92 lakhs) in the matter of payment of service tax for agency fees and other charges paid towards ECB availed. The company has filed an appeal before CESTAT (Central Excise and Service Tax Appellate Tribunal) and the appeal is pending before the said Appellate Tribunal and hence no provision has been made.

ii) 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 now 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 for subsequent periods (Apr'14 to Mar'16) which are not yet adjudicated by the Commissioner of Central Excise, Pondicherry. In case of Unit I, a demand of ₹ 27.80 Lakhs 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.

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. 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 ₹ 2,746 lakhs (₹ 1501 lakhs)

b) Guarantees

The Company has provided a corporate guarantee to the banks in respect of Term loans and cash credit facilities sanctioned to the subsidiary company Trident Sugars Limited. The outstanding amount as on 31.3.2016 is ₹ 3,340.92 lakhs (₹ 1,777.42 lakhs)

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/- per MT for sugar season 2015-16. 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 - March 2016). Since all the private mills in Tamilnadu disputing the State Government's announcement and the case is pending before the High Court of Madras. The total amount involved is ₹ 12,615.58 lakhs.

NOTES TO THE FINANCIAL STATEMENTS

17) Income Tax assessments have been completed up to Assessment year 2013-14. 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.

18) The amount of ₹ 158.70 lakhs received as initial contribution from Ms.Rajshree Pathy, towards 1,150,000 Equity warrants issued to her was forfeited in April 2014 for failure to exercise the option of conversion of the same into equity shares. The amount so received is shown under other reserves.

19) In terms of AS-28, 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 2015-16 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 (₹ 35.57 lakhs).

20) As per the Corporate Debt Restructuring (CDR) Scheme of the Company, the promoters viz., Ms.Rajshree Pathy, Chairperson & Managing Director and M/s.RSCL Properties Private Limited, have brought-in ₹ 8.25 Crores and ₹ 4 Crores respectively in March 2014. For speedy implementation of the CDR Scheme, the said amounts have been accounted as non-interest bearing unsecured loan, in the books of the Company, instead of equity at that time. The CDR lenders led by State Bank of India, insisted that the said amount should be converted into equity, as per the CDR Scheme.

Accordingly, in terms of the special resolutions passed at the EGM held on 10th February 2016, the Company has issued and allotted on preferential basis 1,180,000 equity shares of ₹ 10/- each at a price of ₹ 28/- each. Subsequently, in terms of the approval of the shareholders through postal ballot process, the Company has issued and allotted 3,195,000 Equity shares of ₹ 10/- each at a price of ₹ 28/- each on 29th April 2016, by conversion of entire promoters' contribution under the CDR Scheme.

21) Deferred tax workings: (₹ in Lakhs)

Particulars	Opening balance	Addition / (Reversal)	Closing balance
Deferred tax liabilities			
Depreciation	9,764.19	(27.67)	9,736.52
Total - A	**9,764.19**	**(27.67)**	**9,736.52**
Deferred tax assets			
Unabsorbed Depreciation and losses	6,945.16	660.32	7,605.48
Disallowance u/s 43 B	292.95	(46.96)	245.99
Total - B	**7,238.11**	**613.36**	**7,851.47**
Net Deferred tax liability (A-B)	2,526.08	(641.03)	**1,885.05**
MAT Credit (C)	1,427.35	-	1,427.35
Net Deferred tax liability (A-B-C)	**1,098.73**	**(641.03)**	**457.70**

NOTES TO THE FINANCIAL STATEMENTS

22) **Transactions with related parties** (₹ in Lakhs)

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties		**Total**	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Ms.Rajshree Pathy	-	-	121.20	*124.89*	-	-	-	-	121.20	*124.89*
Mr.R.Varadarajan	-	-	49.20	*65.40*	-	-	-	-	49.20	*65.40*
Mr.V.B.Gopal Krishnan	-	-	30.13	*NA*	-	-	-	-	30.13	*NA*
Mr.M.Ponraj	-	-	6.35	*4.74*	-	-	-	-	6.35	*4.74*
Mr.A.Sathyamurthy	-	-	28.55	*56.85*	-	-	-	-	28.55	*56.85*
(up to 10.8.2015, the date of resignation)										
Purchase of Goods										
Ms. Aishwarya Pathy	-	-	-	-	13.02	*11.29*	-	-	13.02	*11.29*
Mr.Aditya Krishna Pathy	-	-	-	-	10.10	*17.56*	-	-	10.10	*17.56*
RSCL Properties (P) Ltd	-	-	-	-	-	-	5.29	*18.20*	5.29	*18.20*
Greenplus Manures (P) Ltd	-	-	-	-	-	-	11.71	*11.88*	11.71	*11.88*
Rajshree Spinning Mills Ltd	-	-	-	-	-	-	15.37	*13.60*	15.37	*13.60*
Sri Krishna Potable Products (P) Ltd	-	-	-	-	-	-	2.45	-	2.45	-
Lavik Foodworks LLP	-	-	-	-	-	-	0.07	*1.90*	0.07	*1.90*
Sale of goods										
Trident Sugars Ltd	-	*1,991.14*	-	-	-	-	-	-	-	*1,991.14*
Lavik Foodworks LLP	-	-	-	-	-	-	539.47	*413.62*	539.47	*413.62*
Rajshree Biosolutions LLP	-	-	-	-	-	-	5.15	*16.26*	5.15	*16.26*
Purchase of Assets/ Accessories										
Trident Sugars Ltd	16.96	-	-	-	-	-	-	-	16.96	-
CAI Industries (P) Ltd	-	-	-	-	-	-	0.72	*3.88*	0.72	*3.88*
Rajshree Automotive (P) Ltd	-	-	-	-	-	-	0.06	*0.81*	0.06	*0.81*
Receiving of Services										
CAI Industries (P) Ltd	-	-	-	-	-	-	0.33	*1.48*	0.33	*1.48*
Aloha Tours & Travels (India) (P) Ltd	-	-	-	-	-	-	1.01	*0.90*	1.01	*0.90*
Rajshree Automotive (P) Ltd	-	-	-	-	-	-	0.03	*0.25*	0.03	*0.25*
Major Corporate Services (India) Ltd	-	-	-	-	-	-	453.88	*312.43*	453.88	*312.43*
Finance - Equity Contribution Made										
Trident Sugars Ltd	-	*1,200.00*	-	-	-	-	-	-	-	*1,200.00*
Finance - Equity Contribution Received										
Ms. Rajshree Pathy	-	-	330.40	-	-	-	-	-	330.40	-
Interest received										
Trident Sugars Ltd	161.09	*308.28*	-	-	-	-	-	-	161.09	*308.28*
Guarantee given										
Trident Sugars Ltd	3,340.92	*1,777.42*	-	-	-	-	-	-	3,340.92	*1,777.42*
Lease rent received										
Rajshree Biosolutions LLP	-	-	-	-	-	-	39.86	*29.67*	39.86	*29.67*
Major Corporate Services India Ltd	-	-	-	-	-	-	0.64	*0.15*	0.64	*0.15*
Lease rent paid										
Lavik Estates Ltd.,	-	-	-	-	-	-	5.49	-	5.49	-
Bio-fertiliser received for supply to farmers of the company										
Rajshree Biosolutions LLP	-	-	-	-	-	-	415.74	*317.82*	415.74	*317.82*
Purchase of uniform cloth materials										
Lakshmi Mills Co. Ltd	-	-	-	-	-	-	5.34	*6.48*	5.34	*6.48*
Deputation charges received										
Trident Sugars Ltd	-	*0.72*	-	-	-	-	-	-	-	*0.72*
OUTSTANDINGS										
Payable	-	-	535.00	*535.00*	6.02	*5.33*	152.74	*117.07*	693.76	*657.40*
Receivable	531.73	*1,633.24*	-	-	-	-	6.91	*65.72*	538.64	*1,698.96*

NOTES TO THE FINANCIAL STATEMENTS

Note:

Names of Related parties and description of relationship

1. Holding Companies
   None
2. Subsidiaries
   Trident Sugars Limited
3. Fellow Subsidiaries
   None
4. Associates
   None
5. Key Management Personnel
   a) Ms.Rajshree Pathy, Chairperson & Managing Director
   b) Mr.R.Varadarajan, Wholetime Director
   c) Mr.A.Sathyamurthy, President & Chief Financial Officer (resigned with effect from 10th August 2015)
   d) Mr.V.B.Gopal Krishnan, Chief Financial Officer (appointed with effect from 11th August 2015)
   e) Mr.M.Ponraj, Company Secretary
6. Relatives of Key Management Personnel
   a) Ms.Aishwarya Pathy
   b) Mr.Aditya Krishna Pathy
7. Other Related Parties
   a) RSCL Properties Pvt Ltd
   b) CAI Industries Pvt Ltd.
   c) Rajshree Automotive Pvt Ltd.
   d) Aloha Tours & Travels (India) Pvt Ltd
   e) Rajshree Spinning Mills Ltd
   f) Raj Fabrics and Accessories (Cbe) Ltd
   g) Greenplus Manures Pvt Ltd
   h) Major Corporate Services (India) Ltd
   i) Lavik Foodworks LLP
   j) Rajshree Biosolutions LLP
   k) Lakshmi Mills Company Ltd
   l) Lavik Estates Limited
   m) Sri Krishna Potable Products Pvt Ltd

(₹ in Lakhs)

	31.03.2016	*31.03.2015*
23) Earnings per share		
a) Weighted Average number of equity shares of ₹ 10/- each outstanding at the year end	**23,956,126**	*23,791,700*
b) Diluted number of equity shares of ₹ 10/- each	**28,166,700**	*23,791,700*
c) Profit/(Loss) before / after extraordinary items	**(1,433.49)**	*(5,276.00)*
Basic earnings per share of ₹ 10/- each	**(5.98)**	*(22.18)*
Diluted earnings per share of ₹ 10/- each	**(5.09)**	*(22.18)*

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

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

V.B. Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

(₹ in Lakhs)

Cash Flow Statement for the Year ended	31.03.2016	31.03.2015
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	**(4,836.93)**	*(7,635.08)*
Adjustment for:		
Depreciation	**2,598.49**	*2,968.48*
Loss / (Profit) on sale of Fixed Assets	**1.93**	*(1.70)*
Loss on investments	**-**	*-*
Interest paid	**6,476.49**	*6,473.96*
Interest received	**(301.21)**	*(767.88)*
Operating profit before working capital changes	**3,938.76**	*1,037.78*
Adjustments for:		
Trade and other receivables	**(838.08)**	*489.67*
Inventories	**(2,304.71)**	*5,275.54*
Trade payables	**(89.05)**	*(5,286.49)*
Cash generated from Operations	**706.93**	*1,516.49*
Direct taxes (paid) / Refund	**25.20**	*(29.34)*
Cashflow before extraordinary items	**732.12**	*1,487.15*
Extraordinary items	**2,762.42**	*-*
Net cash from operating activities	**3,494.54**	*1,487.15*
B. Cash flow from investing Activities		
Purchase of Fixed Assets	**(166.38)**	*(200.81)*
Investment in Subsidiary company / Post office Deposit	**0.17**	*(1,200.07)*
Sale of Fixed Assets - Including compensation received on acquisition	**4.32**	*-*
Interest received	**301.21**	*767.88*
Net Cash used in Investing Activities	**139.33**	*(632.99)*
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	**-**	*-*
Proceeds from / (Repayment of) long term borrowings	**1,476.51**	*2,073.81*
Proceeds from / (Repayment of) short term borrowings	**424.77**	*(4,878.75)*
Interest paid	**(5,685.81)**	*(6,473.96)*
Dividend paid including tax on dividend	**-**	*-*
Net Cash used in Financing Activities	**(3,784.54)**	*(9,278.90)*
Net Increase / (Decrease) in Cash and Cash Equivalents	**(150.67)**	*(8,424.74)*
Cash and cash equivalent as at the beginning of the Year	**426.40**	*8,851.14*
Cash and cash equivalent as at the close of the Year	**275.73**	*426.40*

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

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M Ponraj
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAJSHREE SUGARS AND CHEMICALS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RAJSHREE SUGARS AND 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, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 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 financial statements.

Opinion:

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

a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2016;

b) In the case of the Consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and

c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by 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 financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the holding & subsidiary Company as on 31st March, 2016 taken on record by the Board of Directors of the said Companies, none of the directors of the Group is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, a separate report has been given 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

For SRIKISHEN & CO.
Registration No. 004009S
Chartered Accountants

K.Murali Mohan
Auditor, Proprietor
Membership No.14328

Place: Coimbatore
Date: 28th May 2016

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") and its subsidiary company, as of 31 March 2016, 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 company 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the 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 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRIKISHEN & CO.
Registration No. 004009S
Chartered Accountants

K.Murali Mohan
Auditor, Proprietor
Membership No.14328

Place:Coimbatore
Date: 28th May 2016

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

(₹ in Lakhs)

PARTICULARS	Note	31.03.2016	31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	**2,497.17**	2,379.17
(b) Reserves and surplus	B	**(2,671.70)**	(953.68)
		(174.53)	1,425.49
2 Non-current liabilities			
(a) Long-term borrowings	C	**45,107.28**	48,403.46
(b) Deferred tax liabilities (Net)	D	**(973.74)**	(110.50)
		44,133.54	48,292.96
3 Current liabilities			
(a) Short-term borrowings	E	**20,180.92**	17,523.64
(b) Trade payables	F	**12,378.65**	19,663.32
(c) Other current liabilities	G	**17,214.69**	10,097.40
(d) Short-term provisions	H	**230.25**	272.47
		50,004.51	47,556.83
TOTAL		**93,963.52**	97,275.28
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	I		
(i) Tangible assets		**52,916.67**	55,480.06
(ii) Intangible assets		**3,300.49**	3,339.03
(iii) Capital work-in-progress		**155.18**	173.36
(b) Non-current investments	J	**-**	0.17
(c) Long-term loans and advances	K	**890.18**	879.93
		57,262.52	59,872.55
2 Current assets			
(a) Inventories	L	**27,477.50**	28,554.82
(b) Trade receivables	M	**5,446.08**	3,622.77
(c) Cash and cash equivalents	N	**343.78**	537.26
(d) Short-term loans and advances	O	**2,416.48**	3,661.81
(e) Other current assets	P	**1,017.16**	1,026.07
		36,701.00	37,402.73
TOTAL		**93,963.52**	97,275.28

See accompanying notes to the financial statements

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

V.B. Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

(₹ in Lakhs)

PARTICULARS	Note	31.03.2016	31.03.2015
INCOME			
I. Revenue from operations	Q	**71,290.83**	*71,063.99*
II. Other income	R	**422.12**	*658.23*
III. Total Revenue (I + II)		**71,712.95**	*71,722.22*
IV. Expenses:			
Cost of materials consumed	S	**52,430.37**	*52,409.04*
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	T	**1,498.12**	*4,652.69*
Employee benefits expense	U	**4,006.74**	*4,098.50*
Finance costs	V	**7,151.55**	*7,212.20*
Depreciation and amortization expense	I	**2,804.20**	*3,183.10*
Other expenses	W	**9,378.05**	*9,643.78*
Total expenses		**77,269.02**	*81,199.31*
V. Profit before exceptional and extraordinary items and tax (III-IV)		**(5,556.08)**	*(9,477.09)*
VI. Exceptional items		**(2,762.42)**	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		**(2,793.66)**	*(9,477.09)*
VIII. Extraordinary Items		**-**	-
IX. Profit/(Loss) before tax (VII- VIII)		**(2,793.66)**	*(9,477.09)*
X Tax expense:			
(1) Current tax		**-**	-
(2) Deferred tax liability/(reversed) provided		**(863.24)**	*(2,909.14)*
XI Profit / (Loss) for the period from continuing operations (IX-X)		**(1,930.42)**	*(6,567.95)*
XII Profit / (Loss) from Discontinuing operations (after tax)		**-**	-
XIII Profit / (Loss) for the period (XI + XII)		**(1,930.42)**	*(6,567.95)*
XIV Earnings per equity share:			
(1) Basic		**(5.98)**	*(27.61)*
(2) Diluted		**(5.09)**	*(27.61)*

See accompanying notes to the financial statements

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
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Place: Coimbatore
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M Ponraj
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
A. SHARE CAPITAL				
AUTHORISED				
30,000,000 Equity Shares of ₹ 10/- each		**3,000.00**		*3,000.00*
ISSUED SUBSCRIBED & PAID UP: 24,971,700 Equity Shares of ₹10/- each fully paid-up in cash (Previous year 23,791,700 Equity Shares of ₹10/- each)		**2,497.17**		*2,379.17*
11,80,000 equity shares of Rs.10 each issued for consideration other than cash by Conversion of Promoter contribution under CDR (part) into Equity shares on 10.02.2016				
i) No of Equity Shares outstanding at the beginning of the year	**23,791,700**		*23,791,700*	
Add/Less Additions during the year	**1,180,000**		*-*	
At the end of the year	**24,971,700**		*23,791,700*	
ii) Shareholder holding more than 5 percent shares:				
Ms. Rajshree Pathy	**9,550,884**		*8,370,884*	
B. RESERVES & SURPLUS				
RESERVES				
i) General Reserve				
Opening Balance	**7,573.07**		*8,000.00*	
Adjustments during the year	**-**		*(426.93)*	
Closing Balance		**7,573.07**		*7,573.07*
ii) Securities Premium Reserve				
Opening Balance	**572.00**		*572.00*	
Additions during the year	**212.40**		*-*	
Closing Balance		**784.40**		*572.00*
iii) Other Reserves - Ref Note No. X(6)		**158.70**		*158.70*
SURPLUS				
iv) Balance in Statement Profit & Loss				
Opening Balance	**(9,257.45)**		*(2,689.50)*	
Add: Profit / (Loss) after tax	**(1,930.42)**		*(6,567.95)*	
Closing Balance		**(11,187.87)**		*(9,257.45)*
Total		**(2,671.70)**		*(953.68)*
C LONG - TERM BORROWINGS				
SECURED LOANS				
Term Loans				
a) From Banks		**43,030.55**		*44,603.20*
b) From Other parties :				
Sugar Development Fund		**1,182.13**		*2,575.26*
UNSECURED LOANS				
Promotors contribution - under CDR	**1,225.00**		*1,225.00*	
Less: Converted into equity shares	**330.40**	**894.60**	*-*	*1,225.00*
In terms of CDR Scheme entered into by the company and repayable after satisfactory compliance of terms of Lenders under the scheme. Rate of interest - nil		**45,107.28**		*48,403.46*
Please refer Note No. X(10) to rate of interest maturity profile security details etc.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
D DEFERRED TAX LIABILITIES:				
Opening Balance	(110.50)		2,798.65	
Add / (Less) : Provided/ (Reversed) during the year	(863.24)		(2,909.15)	
		(973.74)		(110.50)
E SHORT - TERM BORROWINGS				
SECURED LOANS				
Loans repayable on demand from Banks:				
Cash Credit Account		20,180.92		17,523.64
Note: Please refer note number X(10) for rate of interest, maturity profile, security details etc.,				
F TRADE PAYABLES				
Due to Micro,Small & Medium Enterprises		-		-
Due to Others		12,378.65		19,663.32
G OTHER CURRENT LIABILITIES				
i) Current maturities of long term debt		12,715.35		7,704.07
ii) Interest accured but not due on borrowings		36.31		28.39
iii) Interest Accrued & Due on Loans		977.79		155.56
iv) Unpaid Dividend*		26.58		26.83
* *The figures reflect the position as at March 31,2016. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates*				
v) Other Payables :				
Advance received from Customers	1,111.56		333.34	
Statutory dues payables	2,116.20		1,590.08	
Creditors for capital expenditure	230.90		259.13	
		3,458.66		2,182.55
		17,214.69		10,097.40
H SHORT- TERM PROVISIONS				
i) Provisions for employee benefits:				
Leave Salary entitlement	55.22		49.84	
Gratuity contribution	175.03		221.04	
		230.25		270.88
ii) Others				
Provisions for Wealth Tax		-		1.59
		230.25		272.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I FIXED ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As on 31.03.2015	Additions For the Period	Deletions For the Period	As on 31.03.2016	*Upto to 31.03.2015*	For the year	Adjusted to General Reserve	Written Back	Upto 31.03.2016	As on 31.03.2016	*As on 31.03.2015*
Tangible Assets											
Land	*988.40*	-	-	988.40	-	-	-	-	-	988.40	*988.40*
Buildings	*15,440.37*	8.34	-	15,448.71	*3,653.36*	528.11	-	-	4,181.47	11,267.24	*11,787.01*
Plant & Equipment	*65,093.05*	194.02	1.40	65,285.67	*23,095.26*	2,083.48	-	-	25,178.74	40,106.93	*41,997.80*
Furniture & Fixtures	*213.61*	-	-	213.61	*105.68*	18.58	-	-	124.26	89.35	*107.94*
Vehicles	*937.70*	-	33.06	904.64	*549.31*	90.77	-	28.56	611.52	293.12	*388.39*
Office Equipments	*170.56*	3.61	3.92	170.25	*136.00*	11.07	-	3.72	143.34	26.90	*34.56*
Electrical Equipments	*497.02*	2.17	3.07	496.13	*424.36*	15.48	-	2.92	436.93	59.20	*72.66*
Tools & Equipment	*97.22*	-	-	97.22	*69.11*	6.18	-	-	75.30	21.92	*28.10*
Lab Equipments	*136.33*	0.39	-	136.72	*61.13*	11.98	-	-	73.12	63.60	*75.20*
Total	***83,574.26***	**208.53**	**41.45**	**83,741.34**	***28,094.20***	**2,765.66**	**-**	**35.20**	**30,824.67**	**52,916.67**	***55,480.06***
Intangible Assets											
SAP Software	*483.34*	-	-	483.34	*391.70*	38.54	-	-	430.24	53.10	*91.64*
Goodwill	*3,247.39*	-	-	3,247.39	-	-	-	-	-	3,247.39	*3,247.39*
Grand Total	***87,304.99***	**208.53**	**41.45**	**87,472.07**	***28,485.90***	**2,804.20**	**-**	**35.20**	**31,254.91**	**56,217.16**	***58,819.09***
Capital work in Progress										155.18	*173.36*
2014-2015	***86,979.63***	**351.20**	**25.84**	**87,304.99**	***24,898.61***	**3,183.10**	**426.93**	**22.73**	**28,485.90**	**58,819.09**	***62,081.02***

PARTICULARS	31.03.2016	*31.03.2015*
J NON-CURRENT INVESTMENTS		
Other non-current investments:		
Investment in Post office	**-**	*0.17*
	-	*0.17*
K LONG TERM LOANS & ADVANCES		
(Unsecured, considered good)		
i) Capital Advance	**42.54**	*45.03*
ii) Ryot Advance	**216.25**	*216.25*
iii) Security Deposits	**166.39**	*153.65*
iv) Loans & Advances due by Director Land purchase advance	**465.00**	*465.00*
	890.18	*879.93*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
L INVENTORIES				
Work-in-progress at cost	**697.06**		*655.64*	
Finished Goods - at cost / Net realisable value	**24,526.41**		*25,246.15*	
Stock In Trade - Properties at Cost	**540.89**		*540.89*	
Stock In Trade - Others at Cost	**115.64**		*72.68*	
Stores & Spares at cost	**1,597.50**	**27,477.50**	*2,039.46*	*28,554.82*
M TRADE RECEIVABLES				
(Unsecured, considered good)				
Outstanding for a period exceeding six months.	**166.80**		*991.86*	
Others	**5,279.29**	**5,446.09**	*2,630.91*	*3,622.77*
N CASH AND CASH EQUIVALENTS				
Cash on hand	**27.13**		*21.75*	
Balance with Banks				
In Current Account	**199.09**		*396.41*	
Guarantee Margin Account	**90.98**		*92.27*	
Dividend account	**26.58**	**343.78**	*26.83*	*537.26*
O SHORT TERM LOANS AND ADVANCES:				
(Unsecured, considered good)				
Others:				
Staff and other advance	**261.19**		*1,474.19*	
Advance to suppliers	**439.23**		*357.72*	
Advance Sales Tax	**18.97**		*3.78*	
Advance Income - Tax	**649.19**		*623.53*	
Excise Duty Deposits	**686.90**		*780.21*	
Prepaid Expenses	**361.00**	**2,416.48**	*422.38*	*3,661.81*
P OTHER CURRENT ASSETS				
Income receivable	**390.18**		*365.73*	
Interest receivable on Excise Duty Loan	**626.98**	**1,017.16**	*660.34*	*1,026.07*
Q Revenue from Operations				
i) Sale of products	**73,528.89**		*72,709.32*	
ii) Other operating revenue				
Sale of scrap	**88.62**		*119.60*	
Export incentives	**35.63**		*362.58*	
	73,653.14		*73,191.50*	
LESS: Excise duty	**2,362.31**	**71,290.83**	*2,127.51*	*71,063.99*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		31.03.2015	
R OTHER INCOME				
i) Interest Income - Others	**145.15**		*465.40*	
ii) Other non operating Income				
Rental Income	**37.98**		*27.93*	
Other Misc Income	**212.65**		*111.36*	
Net gain on foreign exchange fluctuations	**25.35**		*50.11*	
Profit on sale of assets	**0.99**		*3.43*	
		422.12		*658.23*
S COST OF MATERIALS CONSUMED				
Raw material - Sugar cane		**52,430.37**		*52,409.04*
T CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE				
Opening Inventory				
Finished goods	**25,287.48**		*29,506.37*	
Work in progress	**655.64**		*793.44*	
Stock in trade	**540.89**		*540.89*	
		26,484.01		*30,840.70*
Less : Closing inventory				
Finished goods	**24,526.41**		*25,287.47*	
Work in progress	**697.06**		*655.64*	
Stock in trade	**540.89**		*540.89*	
		25,764.36		*26,484.00*
		719.65		*4,356.70*
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods		**778.47**		*295.99*
		1,498.12		*4,652.69*
U EMPLOYEE BENEFIT EXPENSES				
Salaries, Wages & Bonus	**3,345.88**		*3,431.28*	
Contribution to Provident Fund & Other funds	**259.49**		*306.90*	
Welfare Expenses	**401.37**		*360.32*	
		4,006.74		*4,098.50*
V FINANCE COST				
a) Interest expense	**7,011.53**		*7,078.32*	
b) Other borrowing costs	**140.02**		*133.88*	
		7,151.55		*7,212.20*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2016		*31.03.2015*	
W OTHER EXPENSES				
Consumption of Stores	**958.20**		*1,083.96*	
Consumption of Packing Materials	**1,061.37**		*1,148.41*	
		2,019.57		*2,232.37*
Power & Fuel		**1,456.34**		*1,517.73*
Building rent		**97.77**		*142.06*
Repairs & Maintenance				
Building	**89.99**		*107.76*	
Machinery	**2,225.21**		*2,070.65*	
		2,315.19		*2,178.41*
Insurance Premium		**155.09**		*155.54*
Licence Fees & Tax		**176.45**		*227.57*
Cartage & Freight		**739.88**		*833.42*
Payment to Auditors				
- Statutory Audit fees	**8.00**		*8.00*	
- Taxation matters	**6.56**		*2.25*	
- Certification	**0.68**		*1.40*	
		15.24		*11.65*
Cost Audit fees		**2.46**		*1.61*
Miscellaneous Expenses		**2,400.07**		*2,343.43*
		9,378.05		*9,643.79*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

X 1) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Rajshree Sugars & Chemicals Limited ('the company') and its subsidiary Company Trident Sugars Limited.The consolidated financial statements have been prepared on the following basis.

i) The financial statements of the Company and its subsidiary company have been prepared on a line-by-line basis by adding together the book values like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses.

ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

iii) Goodwill represents the difference between the Company's share in the net worth of the subsidiary and the cost of acquisition of investment in the subsidiary. For this purpose, the Company's share of net worth is determined on the basis of the latest financial statements prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of acquisition.

iv) The subsidiary companies considered in the Company financial statement are as follows:

Name of the Company	Country of incorporation	% of voting power held	Proportion of ownership interest as on	
			31.3.2016	*31.3.2015*
Trident Sugars Limited	India	100.00%	100.00%	*100.00%*

2) Other significant accounting polices
These are set out under the 'Significant Accounting Policies' as given in the Company's standalone financial statements.

3) Capital and other commitments:

	31.3.2016	31.3.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	**4.16**	18.85

4) Contingent Liabilities not provided for (₹ in lakhs)

Pertaining to Rajshree Sugars & Chemicals Ltd:

Furnished under Note No.Y16 to standalone financial statements.

Pertaining to Trident Sugars Ltd

i) VAT 2006-07 (Appeal is pending before the Sales Tax Appellate Tribunal.)	**--**	4.06

5) Income Tax assessments have been completed up to Assessment year 2013-14. 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.

6) The amount of ₹158.70 lakhs received as initial contribution from Ms.Rajshree Pathy, towards 1,150,000 Equity warrants issued to her was forfeited in April 2014 for failure to exercise the option of conversion of the same into equity shares. The amount so received is shown under other reserves.

7) In terms of AS-28, 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 2015-16 save and except the immediate following point.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8) 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 (₹ 35.57 lakhs).

9) As per the Corporate Debt Restructuring (CDR) Scheme of the Company, the promoters viz.,Ms.Rajshree Pathy, Chairperson & Managing Director and M/s.RSCL Properties Private Limited, have brought-in ₹ 8.25 Crores and ₹ 4 Crores respectively in March 2014. For speedy implementation of the CDR Scheme, the said amounts have been accounted as non-interest bearing unsecured loan, in the books of the Company, instead of equity at that time. The CDR lenders led by State Bank of India, insisted that the said amount should be converted into equity, as per the CDR Scheme.

Accordingly, in terms of the special resolutions passed at the EGM held on 10th February 2016, the Company has issued and allotted on preferential basis 1,180,000 equity shares of ₹10/- each at a price of ₹ 28/- each. Subsequently, in terms of the approval of the shareholders through postal ballot process, the Company has issued and allotted 3,195,000 Equity shares of ₹ 10/- each at a price of ₹ 28/- each on 29th April 2016, by conversion of entire promoters' contribution under the CDR Scheme.

10) Secured Loans (Refer Note No. C & E)

a) Rajshree Sugars & Chemicals Limited.

Rate of interest, maturity profile and Security details for long term and short term borrowings are set out under Company's standalone financial statements, vide Note No. Y(1).

b) Trident Sugars Limited.

Rate of Interest and Maturity Profile of Long Term/Short Term Borrowings

(₹ in Lakhs)

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

Security Details for long-term borrowings:

i) Term loan ₹ 639.44 lakhs (₹ 639.44 lakhs) secured by exclusive 2nd Charge on all immovable and movable properties (save and except book debts) of company's sugar factory situated at Medak District, Andhra Pradesh.

ii) Term loan ₹ 306 lakhs (₹ 334 Lakhs) secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3rd paripassu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director.

iii) Term loan ₹ 792 lakhs(₹ 856 Lakhs) secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3rd paripassu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

iv) Soft loans aggregating to ₹ 1330 lakhs secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 1st paripassu charge on immovable properties and fixed assets at Madhunagar, Medak District and personally guaranteed by the Managing Director

v) Aggregate amount of loan guaranteed by others is Nil.

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

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

Security Details for Short-term borrowings:

a) Working Capital limit ₹ 3,340.93 lakhs (₹ 1,108.42 lakhs) secured by 1st pari passu charge on the current assets of sugar factory at Madhunagar, Medak District and 3rd paripassu charge on immovable properties and fixed assets at Madhunagar, Medak District. The working capital facilities guaranteed by the holding Company.

b) One time demand loan ₹ 2,500 lakhs secured by charge over warehouse receipt (resulting in charge over underlying goods) and personally guaranteed by Managing Director.

c) Aggregate amount of loans guaranteed by others is Nil.

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

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

	31.3.2016	31.3.2015
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

12) Subsidiary Information

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share inprofit or loss	
	As % of Consolidated net assets	Amount ₹ in lakhs	As % of Consolidated profit or loss	Amount ₹ in lakhs
Parent Subsidiaries Indian: Trident Sugars Ltd	194.52%	(339.50)	25.74%	(496.93)
Foreign	-	-	-	-
Minority Interests in all subsidiaries / associates (investment as per the equity method)	-	-	-	-
Joint Venture (as per proportionate consolidation / investment as per the equity method)	-	-	-	-
Total	**194.52%**	**(339.50)**	**25.74%**	**(496.93)**

13) Statement containing salient features of financial statement of the subsidiaries / associate companies / joint ventures in the prescribed Form AOC-1 is furnished hereunder:

Form AOC - 1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

₹ in lakhs

Sl. No.	1	
Name of the subsidiary	Trident Sugars Limited	
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2016 (Same as holding Company)	
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	
	31.3.2016	*31.3.2015*
Share capital	**2,649.49**	*2,649.49*
Reserves & surplus	**(2,988.99)**	*(2,492.06)*
Total assets	**12,141.16**	*16,725.75*
Total Liabilities	**12,141.16**	*16,725.75*
Investments	**-**	-
Turnover	**14,301.26**	*15,517.32*
Profit / (Loss) before taxation	**(719.14)**	*(1,842.01)*
Provision for taxation	**(222.21)**	*(549.91)*
Profit / (Loss) after taxation Proposed Dividend	**(496.93)** **-**	*(1,292.10)* -
% of shareholding	**100%**	*100%*
Names of subsidiaries which are yet to commence operations	Nil	
Names of subsidiaries which have been liquidated or sold during the year	Nil	

Part "B": Associates and Joint Ventures: Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Part "A": Subsidiaries

14) **Transactions with related parties** (₹ in Lakhs)

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Other Related Parties		**Total**	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration Paid								
Ms.Rajshree Pathy	121.20	*124.89*	-	-	-	-	121.20	*124.89*
Mr.R.Varadarajan	49.20	*65.40*	-	-	-	-	49.20	*65.40*
Mr.V.B.Gopal Krishnan	30.13	*NA*	-	-	-	-	30.13	*NA*
Mr.M.Ponraj	6.35	*4.74*	-	-	-	-	6.35	*4.74*
Mr.A.Sathyamurthy	28.55	*56.85*	-	-	-	-	28.55	*56.85*
(up to 10.8.2015, the date of resignation) Ms. Aishwarya Pathy	-	-	11.09	-	-	-	11.09	-
Purchase of Goods								
Ms. Aishwarya Pathy	-	-	13.02	*11.29*	-	-	13.02	*11.29*
Mr.Aditya Krishna Pathy	-	-	10.10	*17.56*	-	-	10.10	*17.56*
RSCL Properties (P) Ltd	-	-	-	-	5.29	*18.20*	5.29	*18.20*
Greenplus Manures (P) Ltd	-	-	-	-	11.71	*11.88*	11.71	*11.88*
Rajshree Spinning Mills Ltd	-	-	-	-	15.37	*13.60*	15.37	*13.60*
Sri Krishna Potable Products (P) Ltd	-	-	-	-	2.45	-	2.45	-
Lavik Foodworks LLP	-	-	-	-	0.07	*1.90*	0.07	*1.90*
Sale of goods								
Lavik Foodworks LLP	-	-	-	-	539.47	*413.62*	539.47	*413.62*
Rajshree Biosolutions LLP	-	-	-	-	5.15	*16.26*	5.15	*16.26*
Equity contribution received								
Ms. Rajshree Pathy	330.40	-	-	-	-	-	330.40	-
Purchase of Assets/ Accessories								
CAI Industries (P) Ltd	-	-	-	-	0.72	*3.88*	0.72	*3.88*
Rajshree Automotive (P) Ltd	-	-	-	-	0.06	*0.81*	0.06	*0.81*
Receiving of Services								
CAI Industries (P) Ltd	-	-	-	-	0.33	*1.48*	0.33	*1.48*
Aloha Tours & Travels (India) (P) Ltd	-	-	-	-	1.01	*0.90*	1.01	*0.90*
Rajshree Automotive (P) Ltd	-	-	-	-	0.03	*0.25*	0.03	*0.25*
Major Corporate Services (India) Ltd	-	-	-	-	453.88	*312.43*	453.88	*312.43*
Lease rent received								
Rajshree Biosolutions LLP	-	-	-	-	39.86	*29.67*	39.86	*29.67*
Major Corporate Services India Ltd	-	-	-	-	0.64	*0.15*	0.64	*0.15*
Lease rent paid								
Lavik Estates Ltd.,	-	-	-	-	5.49	-	5.49	-
Bio-fertiliser received for supply to farmers of the company								
Rajshree Biosolutions LLP	-	-	-	-	426.50	*317.82*	426.50	*317.82*
Purchase of uniform cloth materials								
Lakshmi Mills Co. Ltd	-	-	-	-	6.69	*7.93*	6.69	*7.93*
Commission paid								
Lavik Foodworks LLP	-	-	-	-	22.51	6.05	22.51	6.05
OUTSTANDINGS								
Payable	535.00	*535.00*	6.02	*5.33*	174.68	*123.12*	715.70	*663.45*
Receivable	-	-	-	-	6.91	*65.72*	6.91	*65.72*

1. Holding Companies
   None
2. Fellow Subsidiaries
   None
3. Associates
   None
4. Key Management Personnel
   a) Ms.Rajshree Pathy, Chairperson & Managing Director
   b) Mr.R.Varadarajan, Wholetime Director
   c) Mr.A.Sathyamurthy, President & Chief Financial Officer (resigned with effect from 10th August 2015)
   d) Mr.V.B.Gopal Krishnan, Chief Financial Officer (appointed with effect from 11th August 2015)
   e) Mr.M.Ponraj, Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Relatives of Key Management Personnel
   a) Ms.Aishwarya Pathy
   b) Mr.Aditya Krishna Pathy
6. Other Related Parties
   a) RSCL Properties Pvt Ltd
   b) CAI Industries Pvt Ltd.
   c) Rajshree Automotive Pvt Ltd.
   d) Aloha Tours & Travels (India) Pvt Ltd
   e) Rajshree Spinning Mills Ltd
   f) Raj Fabrics and Accessories (Cbe) Ltd
   g) Greenplus Manures Pvt Ltd
   h) Major Corporate Services (India) Ltd
   i) Lavik Foodworks LLP
   j) Rajshree Biosolutions LLP
   k) Lakshmi Mills Company Ltd
   l) Lavik Estates Limited
   m) Sri Krishna Potable Products Pvt Ltd

15) Information about segment: Primary segment - Business segments

(₹ in Lakhs)

	31.3.2016				31.3.2015			
	Sugar	Cogeneration	Distillery	Total	Sugar	Cogeneration	Distillery	Total
REVENUE								
External Sales	58,374.64	7,265.15	8,013.35	73,653.14	59,075.16	4,850.17	9,266.17	73,191.50
Inter-segment Sales	2,236.76	2,602.82	0.57	4,840.15	2,046.66	2,405.22	2.90	4,454.78
Total Revenue	60,611.40	9,867.97	8,013.92	78,493.29	61,121.82	7,255.39	9,269.07	77,646.28
RESULT								
Segment result	(6,976.62)	6,361.32	3,797.51	3,182.21	(9,208.24)	3,846.54	4,710.25	(651.45)
Unallocated corporate expenses				1,425.65				(1,613.44)
Operating Profit				1,756.56				(2,264.89)
Interest Expense				7,312.64				7212.20
Interest Income				-				-
Income Taxes/Deferred Tax				(863.24)				(2,909.15)
Profit from ordinary activities				(4,692.85)				(6,567.94)
Extraordinary/Exceptional Items				2,762.42				-
Net Profit /(Loss)				(1,930.42)				(6,567.94)
OTHER INFORMATION								
Segment assets	67,817.76	14,383.25	11,762.51	93,963.52	68,460.95	15,133.00	12,261.00	95,854.95
Unallocated Corporate assets				-				0.10
Total Assets				93,963.52				95,855.05
Segment Liabilities	82,087.57	5,619.22	7,405.00	95,111.79	80,893.76	5,985.77	7,658.95	94,538.47
Unallocated Corporate Liabilities				-				1.59
Total Liabilities				95,111.79				94,540.06
Capital Expenditure				190.35				242.79
Depreciation	1,506.27	755.92	542.01	2,804.20	1,889.49	537.73	755.88	3,183.10
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes:

a. The Company has identified business segments as primary segments. The reportable business segments are based on segment results.

b. Composition of the business segments and types of products in each of them is as under:

i) Sugar - White Crystal Sugar

ii) Cogeneration - Cogeneration of Electricity

iii) Distillery - Rectified spirit, Denatured Spirit, Anhydrous Alcohol & Organic Manure

iv) Others - Property Development

c. Inter Segment revenues are recognised at net realisable price and are eliminated in consolidation.

d. The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

e. Secondary Segment:
Geographical segment has been identified as secondary segment based on segment revenue (₹ in Lakhs)

	31.3.2016	*31.3.2015*
Domestic Sales	**70,932.31**	*70,172.57*
Export Sales including carbon credit	**2,596.57**	*2,536.76*
Total	**73,528.88**	*72,709,33*

16) Earnings per share

a) Weighted Average number of equity shares of ₹ 10/- each outstanding at the year end	**23,956,126**	*23,791,700*
b) Diluted number of equity shares of ₹ 10/- each	**28,166,700**	*23,791,700*
c) Profit/(Loss) before / after extraordinary items	**(1,930.41)**	*(6,567.95)*
Basic earnings per share of ₹10/- each	**(8.06)**	*(27.61)*
Diluted earnings per share of ₹10/- each	**(6.85)**	*(27.61)*

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

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

V.B. Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

(₹ in Lakhs)

Consolidated Cash Flow Statement for the Year ended	31.03.2016	31.03.2015
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	**(5,556.08)**	*(9,477.09)*
Adjustment for:		
Depreciation	**2,804.20**	*3,183.10*
Loss / (Profit) on sale of Fixed Assets	**1.93**	*(1.70)*
Loss on investments	**-**	*-*
Interest paid	**7,151.55**	*7,212.20*
Interest received	**(145.16)**	*(465.40)*
Operating profit before working capital changes	**4,256.45**	*451.10*
Adjustments for:		
Trade and other receivables	**(604.98)**	*(717.15)*
Inventories	**1,077.32**	*4,220.93*
Trade payables	**(6,051.05)**	*(2,776.10)*
Cash generated from Operations	**(1,322.26)**	*1,178.78*
Direct taxes (paid) / Refund	**25.66**	*(28.45)*
Cashflow before extraordinary items	**(1,296.60)**	*1,150.33*
Extraordinary items	**2,762.42**	*-*
Net cash from operating activities	**1,465.82**	*1,150.33*
B. Cash flow from investing Activities		
Purchase of Fixed Assets	**(190.35)**	*(237.99)*
Investment in Subsidiary company / Post office Deposit	**0.17**	*(0.07)*
Sale of Fixed Assets - Including compensation received on acquisition	**4.32**	*-*
Interest received	**145.16**	*465.40*
Net Cash used in Investing Activities	**(40.69)**	*227.34*
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	**-**	*-*
Proceeds from / (Repayment of) long term borrowings	**2,045.51**	*1,697.72*
Proceeds from / (Repayment of) short term borrowings	**2,657.28**	*(4,488.22)*
Interest paid	**(6,321.40)**	*(7,212.20)*
Dividend paid including tax on dividend	**-**	*-*
Net Cash used in Financing Activities	**(1,618.61)**	*(10,002.69)*
Net Increase / (Decrease) in Cash and Cash Equivalents	**(193.49)**	*(8,625.02)*
Cash and cash equivalent as at the beginning of the Year	**537.26**	*9,162.29*
Cash and cash equivalent as at the close of the Year	**343.78**	*537.26*

As per our report of even date
For **Srikishen & Co**
Registration No. 004009 S
Chartered Accountants

K. Murali Mohan
Membership No. 14328
Auditor, Proprietor

Place: Coimbatore
Date : 28th May 2016

R. Varadarajan
Wholetime Director
DIN: 00001738

V.B. Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson and Managing Director
DIN: 00001614

M Ponraj
Company Secretary

RAJSHREE
SUGARS & CHEMICALS LTD

ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF the Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore - 641 018

SEQUENCE No. :

Name & Address of the Shareholder

FOLIO / DEMAT ID :

I hereby record my presence at the ANNUAL GENERAL MEETING at the Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore - 641 018 on Thursday the 29th September, 2016 at 10.00 A.M.

Signature of the Member or Proxy

No. of Shares held

Form No. MGT-11
PROXY FORM

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

CIN	L01542TZ1985PLC001706
Name of the Company	Rajshree Sugars & Chemicals Limited
Registered Office	"*The Uffizi*", 338/8, Avanashi Road, Peelamedu, Coimbatore - 641 004

Name of the shareholder	
Registered address	
E-mail ID	
Folio No. / Demat ID	

I / we, being the shareholder(s) of ……. shares of the above named company, hereby appoint :

1	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

2	Name	
	Address	
	E-mail ID	
	Signature	

or failing him

3	Name	
	Address	
	E-mail ID	
	Signature	

(p.t.o)

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on Thursday the 29th September, 2016 at 10.00 am at the Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore - 641 018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. (✓)

1	Adoption of standalone audited financial statements	
2	Adoption of consolidated audited financial statements	
3	Retirement of Director by rotation	
4	Appointment of M/s.Srikishen & Co., as Statutory Auditors	
5	Appointment of M/s.S.Krishnamoorthy & Co., as Statutory Auditors	
6	Remuneration for Cost Auditor	

Signed this ..... day of ..... 2016.

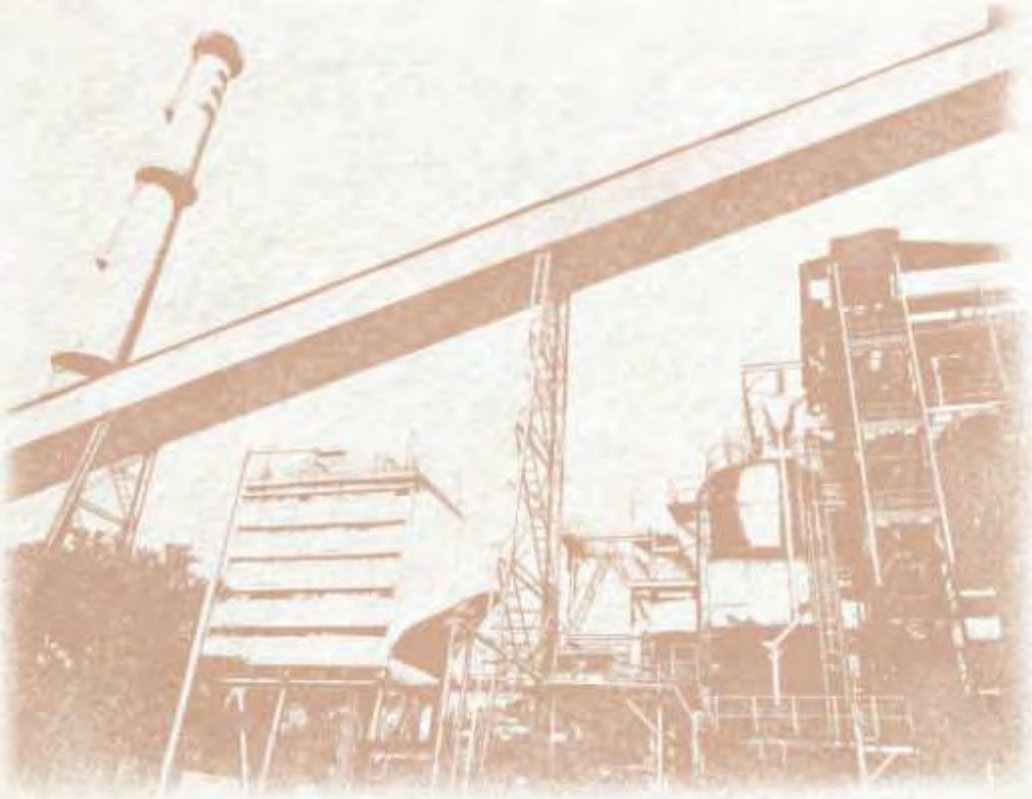
Signature of shareholder :

Signature of Proxy holder(s) :

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

Affix
Revenue
Stamp

RAJSHREE
SUGARS & CHEMICALS LTD



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