

9th July 2018

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

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

Sirs

Sub: Disclosure of material information under regulation 30 read with schedule III of SEBI (LODR) Regulations, 2015

This is to inform you that the Company is not in a position to make the payment of interest and principal (dues for March-June 2018) to the banks, due to low availability of sugarcane and mismatch between sugar price realization and cane price.

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

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

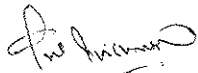
Consequently, the Lender Banks has declared the loan account of the Company as a Non-Performing Asset. The Company will be able to regularize its accounts once the cane availability improves, which could happen during the new sugar season starting from November 2018 on the back of an expected normal monsoon.

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

Kindly take the same on your records.

Thanking you

For and on behalf of
RAJSHREE SUGARS & CHEMICALS LIMITED



V.B. GOPAL KRISHNAN
Chief Financial Officer



Rajshree Sugars & Chemicals Limited

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