

27th July 2017

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 (AGM) and Book closure date – announcement – reg.

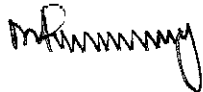
We would like to inform you that the 31st Annual General Meeting (AGM) of the members of the Company is scheduled to be held on Monday, the 28th August 2017 at 10 AM at Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore 641 018. We are enclosing herewith the Notice of AGM and Annual report for the financial year 2016-17, for your reference and records.

The Register of Members and Share Transfer Books of the Company will remain closed from 21st August 2017 to 28th August 2017 (both days inclusive) for the purpose of Annual General Meeting and dividend. The dividend will be paid subject to approval of the lenders and shareholders. If the approvals of the lenders are not received on or before the date of AGM, the dividend will not be declared / paid.

Kindly take the same on record.

Thanking you

For and on behalf of
RAJSHREE SUGARS & CHEMICALS LIMITED



M PONRAJ
Company Secretary





RAJSHREE
SUGARS & CHEMICALS LTD

ANNUAL REPORT

2016 - 17

RAJSHREE SUGARS & CHEMICALS LIMITED

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

NOTICE TO THE MEMBERS

Notice is hereby given that the 31st Annual General Meeting of the Members of Rajshree Sugars & Chemicals Limited will be held on Monday, 28th August 2017 at 10 AM at the Chamber Hall, Indian Chamber of Commerce & Industry, Avanashi Road, Coimbatore 641 018 to transact the following business:

ORDINARY BUSINESS**1) Adoption of the audited financial statements of the Company**

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

"RESOLVED that the audited financial statements of the Company for the financial year ended 31st March 2017 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 Board's Report and the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

2) Adoption of the consolidated audited financial statements

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

"RESOLVED that the audited consolidated financial statements of the Company for the financial year ended 31st March 2017 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) Declaration of dividend subject to approval of the lenders under the CDR Scheme

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

"RESOLVED that, subject to the approval of the secured lenders under the Corporate Debt Restructuring (CDR) Scheme, dividend at the rate of ₹1/- (Rupee one only) per equity share of face value of ₹10/- each, for the financial year ended 31st March 2017, as recommended by the Board of Directors of the Company, be and is hereby declared and the same be paid to the shareholders whose names appear in the Register of Members or the Record of Depositories as on 20th August 2017.

"RESOLVED FURTHER that in the event of the Lenders not approving the payment of dividend on or before the date of the 31st Annual General Meeting viz., 28th August 2017 this resolution shall not have any effect and need not be acted upon by the Company."

4) Reappointment of Director retiring by rotation

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

"RESOLVED that Dr.P.Surularayanasami (DIN 01468527), 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."

5) Ratification of Appointment of 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 of the Companies Act, 2013 and rules made thereunder, the Company hereby ratifies the appointment of M/s S.Krishnamoorthy & Co., Chartered Accountants (Firm Registration No. 001496S), as Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting (AGM) till the conclusion of the 32nd AGM of the Company and also authorises the Board of Directors to determine the remuneration payable to the Auditors based on the recommendation of its Audit Committee".

SPECIAL BUSINESS:

6) Reappointment of Mr.G.R.Karthikeyan as an Independent Director

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

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr.G.R.Karthikeyan (holding DIN: 01587747), an Independent Director of the Company whose first term as an Independent Director comes to an end at the closing hours of 28th August 2017, who has been recommended for reappointment by the Nomination and Remuneration Committee and the Board of Directors based on the reports of his performance evaluation and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received by the Company together with requisite deposit, be and is hereby reappointed as an Independent Director of the Company to hold office for a consecutive period starting from 29th August 2017 and extending upto 28th August 2019 or the date of 33rd Annual General Meeting, whichever is later.

7) Reappointment of Dr.K.Mohan Naidu as an Independent Director

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

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Dr.K.Mohan Naidu (holding DIN: 01774192), an Independent Director of the Company whose first term as an Independent Director comes to an end at the closing hours of 28th August 2017, who has been recommended for reappointment by the Nomination and Remuneration Committee and the Board of Directors based on the reports of his performance evaluation and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received by the Company together with requisite deposit, be and is hereby reappointed as an Independent Director of the Company to hold office for a consecutive period starting from 29th August 2017 and extending upto 28th August 2019 or the date of 33rd Annual General Meeting, whichever is later.

8) Reappointment of Mr.R.C.H.Reddy as an Independent Director

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

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr.R.C.H.Reddy (holding DIN:00006184), an Independent Director of the Company whose first term as an Independent Director comes to an end at the closing hours of 28th August 2017, who has been recommended for reappointment by the Nomination and Remuneration Committee and the Board of Directors based on the reports of his performance evaluation and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received by the Company together with requisite deposit, be and is hereby reappointed as an Independent Director of the Company to hold office for a consecutive period starting from 29th August 2017 and extending upto 28th August 2019 or the date of 33rd Annual General Meeting, whichever is later.

9) Reappointment of Mr.G.S.V.Subba Rao as an Independent Director

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

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr.G.S.V.Subba Rao (holding DIN:00001697), an Independent Director of the Company whose first term as an Independent Director comes to an end at the closing hours of 28th August 2017, who has been recommended for reappointment by the Nomination and Remuneration Committee and the Board of Directors based on the reports of his performance evaluation and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received by the Company together with requisite deposit, be and is hereby reappointed as an Independent Director of the Company to hold office for a consecutive period starting from 29th August 2017 and extending upto 28th August 2019 or the date of 33rd Annual General Meeting, whichever is later.

10) Appointment of Mr. Sheilendra Bhansali as an Independent Director

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

“**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr. Sheilendra Bhansali (holding DIN:00595312), who has been co-opted as an Additional Director of the Company with effect from 10th July 2017 and holding office as such upto the date of the ensuing 31st Annual General Meeting and who has been recommended for appointment by the Nomination and Remuneration Committee and the Board of Directors and in respect of whom a notice under Section 160 of the Companies Act, 2013 has been received by the Company together with requisite deposit, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from 10th July 2017 to 9th July 2022.

11) Increase in remuneration to Ms. Rajshree Pathy, as Managing Director

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

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the shareholders be and is hereby accorded for revising the remuneration to Ms. Rajshree Pathy (holding DIN:00001614), with effect from the financial year 2016-17, as detailed below:

Salary : ₹2,40,00,000/- (Rupees two crores forty lakhs only) per annum

Perquisites : Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of earned leave at the end of the tenure.

Provision of Company's mobile phone and telephone at her residence for official purposes.

Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to take all such steps as may be necessary to give effect to these resolutions.”

12) Appointment of Mr. Aditya Krishna Pathy as a Director

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

“**RESOLVED** that Mr. Aditya Krishna Pathy (DIN:00062224), who was co-opted as an Additional Director at the meeting of the Board of Directors of the Company held on 29th May 2017 and who holds office as such upto the date of the 31st Annual General Meeting and in respect of whom notice under Section 160 of the Companies Act, 2013 together with requisite deposit, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

13) Appointment of Mr. Aditya Krishna Pathy as Managing Director of the company

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

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the shareholders be and is hereby accorded to the appointment of Mr. Aditya Krishna Pathy (holding DIN 00062224), who is also the Deputy Managing Director of The Lakshmi Mills Company Limited, as a whole-time key managerial person in the position of “Managing Director” of the Company for a period of three years effective from 30th June 2017 and for payment of remuneration for the said period as detailed below:

- a) **Salary / perquisites / commission** / any combination thereof, not exceeding 5% of the net profits of the company for a financial year, computed in the manner laid down in section 197(1) of the Act.
- b) **In the case of absence or inadequacy of profits** in any financial year during the tenure, the Company shall pay a sum not exceeding ₹184 lakhs (Rupees one hundred and eighty four lakhs only) per annum, as minimum remuneration. Provided that the following perquisites, if extended, shall not be considered for computing the remuneration limits:
- (i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - (iii) Encashment of earned leave at the end of the tenure
 - (iv) Provision of Company's mobile phone and telephone at his residence for official purposes.
 - (v) Provision of company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.
- c) **Sitting fees** for attending meetings of the Board of Directors and committees thereof to the same extent as any other director may be entitled to under section 197(5) of the Act.

"RESOLVED FURTHER that the total remuneration drawn from both the companies (namely Rajshree Sugars & Chemicals Limited and The Lakshmi Mills Company Limited,) shall not exceed the higher maximum limit, under the Companies Act, 2013, admissible from any one of the said companies of which he is a whole-time managerial personnel."

14) **Reappointment of Mr.R.Varadarajan as Wholetime Director**

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

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made there under, approval of the shareholders be and is hereby accorded to the re-appointment of Mr.R.Varadarajan (holding DIN 00001738), as a whole time key managerial personnel in the position of Wholetime Director of the Company for a period of three years effective from 5th June 2017 and for payment of remuneration for the said period as detailed below:

Salary : ₹5,20,000/- per month

Perquisites : Leave Travel Allowance of ₹2,60,000/- per annum

Contribution to Provident Fund, Superannuation Fund or Annuity Fund.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of earned leave at the end of the tenure.

Provision of Company's mobile phone and telephone at his residence for official purposes.

Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary to give effect to these resolutions."

15) **Alteration of Articles of Association**

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

"RESOLVED that pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013, the Articles of Association of the Company, be and is hereby altered, as detailed below:

Regulation No. 14(e) – Deleted.

Regulation No. 14(g) – The present Regulation be replaced by the following:

14(g): The Chairman / Chairperson of the Company shall not be subject to retirement by rotation, while in that position. He / she may be paid remuneration / commission in accordance with the provisions of the Companies Act, 2013.

Regulation No. 14(f) – Renumbered as Regulation No. 14 (e)

Regulation No. 14(g) – Renumbered as Regulation No. 14 (f)

16) 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, 2018, as set out below:”

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

17) Payment of Commission to Ms.Rajshree Pathy, Chairperson

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

“**RESOLVED** that pursuant to the second proviso to Section 197(1) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (the Act), approval of the Company be and is hereby accorded for the payment of remuneration in the form of commission to a non-executive Chairperson of the Company/ Board, not exceeding 5% (five percent) of the net profits of the Company for a financial year, computed in the manner laid down in the Act, for each of the financial years starting from 2017-18.

“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to take all such steps as may be necessary to give effect to the above resolution.”

By Order of the Board

Place : Coimbatore
Date : 12th July 2017

M.PONRAJ
Company Secretary

NOTE:

- 1) The Register of Members of the Company will remain closed from 21st August 2017 to 28th August 2017(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.

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

- 3) Members are requested to intimate the change in bank mandate/address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006.
- 4) Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- 5) The Company's equity shares are listed in the following stock exchanges at present.
 - a. National Stock Exchange of India Limited, Mumbai
 - b. BSE Limited, Mumbai
- 6) The following are the details of dividend/s 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
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 Directors proposed to be appointed / reappointed, to be provided in terms of Regulation 36 of the SEBI (LODR) Regulations, 2015 is furnished in the annexure.
- 8) Members desirous of obtaining any information concerning the financial statements and operations of the company are requested to address their queries in writing atleast two weeks before the meeting, so that the information may be made available at the meeting.
- 9) Electronic copies of the Annual Report and AGM Notice are being sent to all the members whose e-mail ID is registered with the Company / Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their e-mail ID, physical copies of Annual Report and AGM notice are sent through the permitted mode separately.
- 10) Members who are holding shares in physical form and have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, notices, circulars etc., from the Company. The e-mail may be registered with the Registrar and Share Transfer Agents of the Company viz., M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. (E-mail: info@skdc-consultants.com).

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

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

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

- 11) E-Voting option is provided to members pursuant to Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014. Please read carefully the instructions for 'e-Voting Process' attached to this notice. Cut-off date for determining the eligibility to vote by electronic means is 21st August 2017.

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.4: Reappointment of Dr.P.Surulinarayanasami as Director

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

Dr.P.Surulinarayanasami (DIN 01468527; Date of Birth 15.1.1938) who retires by rotation and being eligible offers himself for reappointment. His brief profile is as follows:

He has completed his doctorate in Engineering in the USA. He is a civil and structural engineer with interests in software development and fund management.

Other Directorships

L.S.Property Developers Pvt. Ltd.

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

Membership in Committees

Nil

Item Nos.6 to 10: Appointment of Independent Directors

Mr. R.C.H.Reddy, Mr.G.S.V.Subba Rao, Mr.G.R.Karthikeyan and Dr.K.Mohan Naidu are the present Independent Directors of the Company whose first term as Independent Directors will expire on the closing hours of 28th August 2017. They are eligible to be re-appointed as Independent Directors for the second term on the basis of the report on performance evaluation and passing of special resolutions by the Company.

As per the SEBI (LODR) Regulations, 2015, 50% of Board of Directors of the Company should be Independent Directors. Consequent to appointment of Mr.Aditya Krishna Pathy, a Promoter and non-independent Director, the Board will be short of one Independent Director. Accordingly, the Board of Directors has co-opted Mr.Sheilendra Bhansali as an Additional Director to hold office as Independent Director of the Company, from 10th July 2017, upto the date of the ensuing AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed the appointment / reappointment of aforesaid Directors, based on the performance evaluation (except for Mr.Sheilendra Bhansali), as Independent Directors for the second term (first term in case of Mr.Sheilendra Bhansali) for a tenure as specified in the resolutions furnished in the Agenda.

The Company has received notices in writing from the said Directors along with the requisite deposit under Section 160 of the Act signifying their intention to propose their candidature for the office of Director.

The proposed appointees have also furnished declarations that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of SEBI (LODR) Regulations, 2015. They have also submitted the declaration stating that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In the opinion of the Board, the said Directors fulfill the conditions for appointment as Independent Directors as specified in the Act, rules and the SEBI (LODR) Regulations, 2015 and that the proposed Directors are independent of the management.

Copy of the draft letters of their appointments / reappointments as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. The terms and conditions would also be posted in the website of the Company.

Details of the Director/s seeking appointment/re-appointment at the Annual General Meeting in pursuance of Regulation 36 of the SEBI (LODR) Regulations, 2015

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

He has a Master degree in Business Administration and hails from the PSG family of Coimbatore. He has wide experience in the management of strategy and operations of large organizations and has been directly associated with the textile industry for more than 43 years. He is a motor sports enthusiast.

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

He holds membership in the following committees of the Company.

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

He holds 1,040 shares in the Company.

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

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

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

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

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

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

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

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

Other Directorships

Sri Sarvaraya Sugars Ltd.

He holds membership in the following committees of the Company.

Audit Committee

Member

Corporate Social Responsibility Committee

Member

Share Transfer Committee (w.e.f.29.5.2017)

Member

Compensation Committee (w.e.f 29.5.2017)

Chairman

He holds 1,000 equity shares in the Company.

Membership in Committees

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

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

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

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

He does not hold any share in the Company.

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

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

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

Other Directorships

Lakshmi Precision Tools Ltd.

–

Lakshmi Card Clothing Mfg.Co.Pvt Ltd.

–

Harshni Textiles Ltd.

2

Lakshmi Electrical Drives Ltd.

1

Lakshmi Automatic Loom Works Ltd.

3

Lakshmi Ring Travellers (Coimbatore) Ltd.

2

Membership in Committees

He holds membership in the following committees of the Company.

Audit Committee

Member

Share Transfer Committee

Member

Nomination & Remuneration Committee

Member

Compensation Committee (w.e.f 29.5.2017)

Member

He holds 832 equity shares in the Company.

v. Mr. Sheilendra Bhansali(DIN 00595312 ; Date of Birth 4.7.1965)

Mr. Sheilendra Bhansali, born on 4th July 1965, graduated in Commerce from the PSG College of Arts and Science in 1985 and qualified as a Chartered Accountant in 1987. He is a partner of M/s Kumbhat & Co., Chartered Accountants, with offices at Chennai, Coimbatore, Bangalore and Mumbai.

Mr.Sheilendra specializes in internal audits, management consulting and financial planning.

He is a frequent speaker at various educational institutions on topics related to financial planning.

Keenly interested in quizzing, he was the President of the Quiz Foundation, Coimbatore and is Vice President of Coimbatore Quiz Circle and has conducted over 300 quizzes so far including inter-school, inter-collegiate, corporate and national open quizzes.

Mr. Sheilendra Bhansali was also on the Board of Studies of the School of Management of Karunya University for two years. Currently he is on the Board of Coimbatore Enterprises & Holdings Ltd (erstwhile Coimbatore Stock Exchange), Bhansali Securities Private Limited and Ishita Advisory Services Private Limited. He is also a Trustee of the Ajit Singhvi Education and Training Trust.

A past member of Coimbatore Metropolitan Round Table 62, he is currently a member of the Rotary Club of Coimbatore Metropolis.

<u>Other Directorships</u>	<u>Membership in Committees</u>
Bhansali Securities Private Limited	-
Ishita Advisory Services Private Limited	-
Coimbatore Enterprises & Holdings Limited	-

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

Other than the appointees, none of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Resolutions furnished in agenda for approval of the shareholders.

Item No.11 : Increase in remuneration to Ms.Rajshree Pathy, as Managing Director

The members vide special resolution passed at the 28th AGM held on 8th September 2014 had approved the appointment of Ms.Rajshree Pathy as Managing Director for a period of three years from 16th March 2015 to 15th March 2018 and also the remuneration payable to her.

In accordance with the said resolution the remuneration payable to her in the event of loss or inadequacy for financial years in which the company had no / inadequate profits was ₹120 lakhs (besides contribution to specified funds, gratuity and leave encashment).

The Ministry of Corporate Affairs, vide notification dated 12th September 2016 has enabled payment upto ₹240 lakhs per annum to Managing Personnel in case of absence or inadequacy of profits.

Accordingly, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have re-fixed the remuneration as ₹240 lakhs per annum with effect from the financial year 2016-17. The said revision in the remuneration requires the approval of the shareholders by way of special resolution.

The proposed resolution in the agenda and this explanatory statement may be treated as abstract of the terms and conditions of the revision in remuneration payable to Ms.Rajshree Pathy pursuant to applicable Section of the Companies Act, 2013.

Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee and the Board and the written memorandum setting out the terms of revision in the Managing Director vide Section 190(1)(b) are available for inspection by members at the registered office of the company during business hours on any working day.

Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 for the payment of remuneration to Ms.Rajshree Pathy

i. GENERAL INFORMATION

a. Nature of Industry

Sugar is India's second largest agro processing industry. About 50 million farmers and their families are dependent on sugarcane cultivation. There are about 500 sugar factories in India with majority of them under the cooperative sector and the rest under private and public sector. The industry besides meeting the domestic consumption requirements, exports sugar substantially thereby earning precious foreign exchange. The byproducts, namely, molasses and bagasse are used by downstream industries like distillery and power plants for producing alcohol and power.

b. Date or expected date of commencement of commercial production.

The company is a running entity since 1985.

- c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.
Does not arise
- d. Financial performance based on given indicators.
The Company achieved a turnover of ₹667.85 crores in the financial year 2016-17 as against ₹571.28 crores during the previous financial year. The Company earned a net profit of ₹29.94 Crores as against net loss of ₹14.33 crores in the previous year.
- e. Foreign investments or collaborators, if any. Nil

II. INFORMATION ABOUT Ms.RAJSHREE PATHY

1. Background details

Ms.Rajshree Pathy is the promoter of the Company with varied interest in sugar, power, alcohol, travels, property development, biotechnology etc. She has been at the helm of affairs of the Company right from inception with the turnover of the company currently over ₹650 crores. She was the first woman President of Indian Sugar Mills Association, New Delhi.

2. Past remuneration

Salary : ₹10,00,000/- per month.

Perquisites : Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of earned leave at the end of the tenure.

Provision of Company's mobile phone and telephone at her residence for official purposes.

Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

In the case of absence or inadequacy of profits, the remuneration as detailed above shall be paid as minimum remuneration.

3. Recognition or awards

She was selected as one of the hundred 'Global Leaders of Tomorrow' by the World Economic Forum, Geneva in the year 1996.

She has been conferred with Padmashri Award in the field of Trade and Industry by the Government of India in the year 2013.

4. Job profile and suitability

Does not arise, since only a revision in the remuneration.

5. Remuneration proposed from the financial year 2016-17

Salary: ₹2,40,00,000/- (Rupees two crores forty lakhs only) per annum

Perquisites : Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of earned leave at the end of the tenure.

Provision of Company's mobile phone and telephone at her residence for official purposes.

Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

Sitting fees for attending meetings of the Board of Directors and committees thereof to the same extent as any other director may be entitled to under section 197(5) of the Act.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed is comparable with the remuneration with respect to industry, size of the company and profile of the position.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Ms.Rajshree Pathy holds 1,13,17,313 equity shares in the Company and no other pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel except that Mr.Aditya Krishna Pathy is son of Ms.Rajshree Pathy.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits

The company earned net profit of ₹29.94 Crores for the financial year 2016-17.

2. Steps taken or proposed to be taken for improvement

Sugar industry being regulated from purchase of sugarcane to sale of sugar, the profitability of the industry is impacted not only by market dynamics, but also government policy. However, the Company has been operating at efficient levels equal to the best norms for the industry.

3. Expected increase in productivity and profits in measurable terms

The productivity depends upon the vagaries of nature, namely, good monsoon, which in turn will help in higher sugarcane availability. The profit also depends upon the demand supply position which is again a factor of the environment.

Ms.Rajshree Pathy holds 1,13,17,313 (40.18%) equity shares in the company.

Ms.Rajshree Pathy and Mr.Aditya Krishna Pathy, are interested in the resolution. None of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the Resolutions furnished in agenda for approval of the shareholders.

Item No.12 & 13 : Appointment of Mr.Aditya Krishna Pathy as a Director and Managing Director

Mr.Aditya Krishna Pathy (DIN:00062224), aged 31 years was co-opted as an Additional Director of the Company by the Board of Directors with effect from 29th May 2017, in order to broad-base the existing Board. As per the provisions of the Companies Act, 2013 he will hold office upto the date of the 31st Annual General Meeting.

The Company has received notices in writing from the said Director along with the requisite deposit under Section 160 of the Act signifying his intention to propose his candidature for the office of Director.

Consequent to resignation of Ms.Rajshree Pathy from the position of Managing Director with effect from the closing hours of 29th June 2017, Mr.Aditya Krishna Pathy was appointed as Managing Director of the Company, for a period of three years with effect from 30th June 2017, to maintain continuity in the leadership of the Company.

The Board has made the said appointment as per the recommendation of the Nomination and Remuneration Committee. The appointment requires the approval of the shareholders by way of special resolution.

In the event of loss or inadequacy of profits, the payment of minimum remuneration is subject to no objection being received from the secured creditors and term lenders in terms of Section II of Schedule V of the Companies Act, 2013. The approval is sought for and awaited.

The brief resume / profile of Mr.Aditya Krishna Pathy is given below.

Mr.Aditya Pathy is the Deputy Managing Director of The Lakshmi Mills Company Limited, a textile manufacturing company that produces yarns and fabric. He graduated in Business and Management from the University of Exeter, United Kingdom in the year 2008.

He serves on the committee of administration of The Cotton Textile Export Promotion Council (TEXPROCIL).

He is a director on the board of Lakshmi Card Clothing Pvt. Ltd. since 2008.

Mr.Aditya Pathy had previously served on the board of Rajshree Sugars and Chemicals Limited for one year during 2012 to 2013.

Mr.Aditya is the founder and managing partner of Rajshree Biosolutions, a biotech company that produces products for the agriculture, fish and shrimp farming industry.

He is a trustee in the G.Kuppuswamy Naidu Memorial Hospital (GKNMH), a non-profit healthcare institution, which provides affordable high quality healthcare for the underprivileged.

He is also an active member of the Confederation of Indian Industry (CII).

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

<u>Directorship in other companies</u>	<u>Membership in Committees</u>
The Lakshmi Mills Co. Ltd	1
Lakshmi Card Clothing Mfg. Co. Pvt. Ltd.	Nil
Coimbatore Lakshmi Cotton Press Pvt. Ltd.	Nil
Sans Craintes Stud Farm Pvt. Ltd.	Nil
Sans Craintes Live Stock Pvt. Ltd.	Nil
L.C.C. Investments Ltd.	Nil
The Cotton Textiles Export Promotion Council	Nil

He holds membership in the following committees of the Company.

Stakeholder Relationship Committee	Member
Share Transfer Committee	Member

Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 for appointment of Mr.Aditya Krishna Pathy

I. GENERAL INFORMATION

Furnished under explanatory statement to item No.11.

II. INFORMATION ABOUT THE APPOINTEE Mr.ADITYA KRISHNA PATHY

1. Background details

Mr.Aditya Krishna Pathy is one of the promoters of the Company and son of Ms.Rajshree Pathy, Chairperson of the Company. He has been working as Deputy Managing Director in M/s.The Lakshmi Mills Company Ltd., for about 7 years.

2. Past remuneration

Does not arise.

3. Recognition or awards

Nil

4. Job profile and suitability

As Managing Director, he will have substantial powers of management. He has been working as Executive Director in M/s.The Lakshmi Mills Company Ltd., for about 7 years and has wide knowledge in the field of management. Based on his experience and as per the succession plan of the Company, the Nomination and Remuneration Committee has recommended the appointment of Mr.Aditya Krishna Pathy as Managing Director.

5. Remuneration proposed

- a) **Salary / perquisites / commission** / any combination thereof, not exceeding 5% of the net profits of the company for a financial year, computed in the manner laid down in section 197(1) of the Act.
- b) **In the case of absence or inadequate profits** in any financial year during the tenure, the Company shall pay a sum not exceeding ₹184 lakhs per annum, as minimum remuneration. Provided that the following perquisites, if extended, shall not be considered for computing the remuneration limits:
- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
 - ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
 - iii) Encashment of earned leave at the end of the tenure
 - iv) Provision of Company's mobile phone and telephone at his residence for official purposes.
 - v) Provision of company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.
- c) **Sitting fees** for attending meetings of the Board of Directors and committees thereof to the same extent as any other director may be entitled to under section 197(5) of the Act.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Mr. Aditya Krishna Pathy, holds of 4,88,303 (1.73%) equity shares in the Company and no other pecuniary relationship directly or indirectly with the Company. He is son of Ms.Rajshree Pathy, Chairperson of the Company.

III. OTHER INFORMATION

Furnished under explanatory statement to item No.11.

Ms.Rajshree Pathy and Mr.Aditya Krishna Pathy, are interested in the resolution. None of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the Resolutions furnished in agenda for approval of the shareholders.

Item No.14 : Reappointment of Mr.R.Varadarajan as Wholetime Director

The present term of office of Mr.R.Varadarajan (DIN:00001738; Aged 59 Years), Wholetime Director expires on 4th June 2017. The Board of Directors at its meeting held on 2nd February 2017 reappointed Mr.R.Varadarajan as Wholetime Director for a further period of 3 years from 5th June 2017 and approved the remuneration package, as given in the resolutions in agenda. The Nomination and Remuneration Committee has also recommended the re-appointment and remuneration which will be subject to approval of shareholders by way of ordinary resolution.

The proposed resolution in the agenda and this explanatory statement may be treated as abstract of the terms and conditions of the reappointment of Mr.R.Varadarajan, Wholetime Director pursuant to applicable section of the Companies Act, 2013.

In the event of loss or inadequacy of profits, the payment of minimum remuneration is subject to no objection being received from the secured creditors and term lenders in terms of Section II of Schedule V of the Companies Act, 2013. The approval is sought for and awaited.

Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee and the Board and the written memorandum setting out the terms of appointment of Wholetime Director vide Section 190(1) (b) are available for inspection by members at the registered office of the company during business hours on any working day.

The brief resume of the director is furnished below under background details.

<u>Other Directorships</u>	<u>Membership in Committees</u>
Sri Krishna Potable Products Pvt Ltd	—
COCCA Art & Design Institute Pvt. Ltd.	—
Petal Hotels Pvt. Ltd.	—
Lakshmi Automatic Loom Works Ltd.	1

He holds membership in the following committees of the Company.

Stakeholder Relationship Committee	Member
Share Transfer Committee	Chairman
Corporate Social Responsibility Committee	Member

Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 for reappointment of Mr.R.Varadarajan

1. GENERAL INFORMATION

Furnished under explanatory statement to item No.11

2. INFORMATION ABOUT THE APPOINTEE MR.R.VARADARAJAN

a) Background details

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 Businesses.

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.

b) Past remuneration

The remuneration paid to Mr.R.Varadarajan for 2016-17 was as follows:

Particulars	₹ in Lakhs
Salary	52.00
Commission	–
Perquisites	0.40
Sitting Fees	1.20
Total	53.60

Mr.R.Varadarajan has been granted 1,01,088 Stock Options under the Company's Employee Stock Option Plan 2012 (ESOP 2012) at an exercise price of ₹55.40 per stock option without any discount, which entitles him to 1,01,088 equity shares (face value ₹10 each) of the Company. The Exercise period would be a maximum of 4 years from the date of vesting of options.

c) Recognition or awards

The Coimbatore Management Association recognized him with its award as Best Manager of the Year 2011.

d) Job profile and his suitability

As Wholetime Director, he will be responsible for the overall operations of the Company and will work under the supervision and control of the Board of Directors and Managing Director. He has been associated with the Company right from inception and 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 and hence suitable for reappointment as Wholetime Director.

e) Remuneration proposed

Salary : ₹5,20,000/- per month

Perquisites : Leave Travel Allowance of ₹2,60,000/- per annum

Contribution to Provident Fund, Superannuation Fund or Annuity Fund.

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

Encashment of earned leave at the end of the tenure.

Provision of Company's mobile phone and telephone at his residence for official purposes.

Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.

The remuneration proposed to the appointee is comparable with the remuneration with respect to industry, size of the company and profile of the position.

g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Nil

3. OTHER INFORMATION

Furnished under explanatory statement to item No.11.

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

Mr.R.Varadarajan is interested in this subject. None of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the resolution furnished in the agenda for approval by the shareholders.

Item No.15 Alteration of Articles of Association

The Board of Directors has at its meeting held on 29th May 2017 has proposed for alteration of the following regulations in the Articles of Association of the Company.

Regulation 14(e): So long as any person/ persons is/are appointed Managing/ Wholetime Director/s in accordance with the provisions of these presents, he/they shall not be subject to retirement by rotation. He/they shall continue until he/they resign his/their office as Managing/ Wholetime Director/s, or his/their office is terminated in any manner whatsoever.

Regulation 14(g): The Chairman of the Company may be paid an annual remuneration of 1% on the Net Profits of the Company computed in accordance with the provisions of the Companies Act, 1956, subject to the approval of the Company in General Meeting. He shall not be subject to retirement by rotation, Shri.G.Varadaraj shall be the first Chairman of the Company.

Proposed alterations in the Regulations are furnished in the resolutions. The alterations are proposed in order to enable the Company to pay the profit based commission to the Chairperson for the strategic leadership role, permissible under the Companies Act, 2013 and to make the Chairperson a non-retiring Director. The Regulation 14(e) has been changed accordingly.

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 of Directors commends the resolutions furnished in the agenda for the approval of the shareholders.

Item No.16 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, 2018 as per the following details:

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

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

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

The Board commends the resolution furnished in the agenda for approval by the shareholders.

Item No.17 Payment of Commission to Ms.Rajshree Pathy, Chairperson

Ms.Rajshree Pathy has resigned from the position of Managing Director with effect from the closing hours of 29th June 2017 and will continue to provide a strategic leadership role as a non-executive Director and Chairperson of the Board.

In order to compensate the Chairperson, for her strategic role, the Board of Directors has proposed to pay a commission of not exceeding 5% on the profits of the Company calculated as per Section 197(1) of the Companies Act, 2013.

She holds 1,13,17,313 (40.18%) equity shares in the company. She is mother of Mr.Aditya Krishna Pathy, Managing Director.

Ms.Rajshree Pathy and Mr.Aditya Krishna Pathy, are interested in the resolution. None of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board commends the Resolutions furnished in agenda for approval of the shareholders.

By Order of the Board

Place : Coimbatore
Date : 12th July 2017

M.PONRAJ
Company Secretary

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Regulation 44 of the Listing Regulations read with section 108 of the Companies Act 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 31st Annual General Meeting scheduled to be held on Monday, the 28th August 2017 at 10 AM and the business may be transacted through e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting facilities as per instructions below.

Details of persons to be contacted for issues relating to e-voting:

S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006
Telephone No. : 91-422-4958995, 2539835, 2539836 | Fax : +91 422 2539837
Email ID : info@skdc-consultants.com
Website : www.skdc-consultants.com

The e-voting module shall be disabled for voting on 27th August 2017 at 5 PM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 21st August 2017 (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 31st 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 25th August 2017 at 9 AM and ends on 27th August 2017 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 21st August 2017, 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:

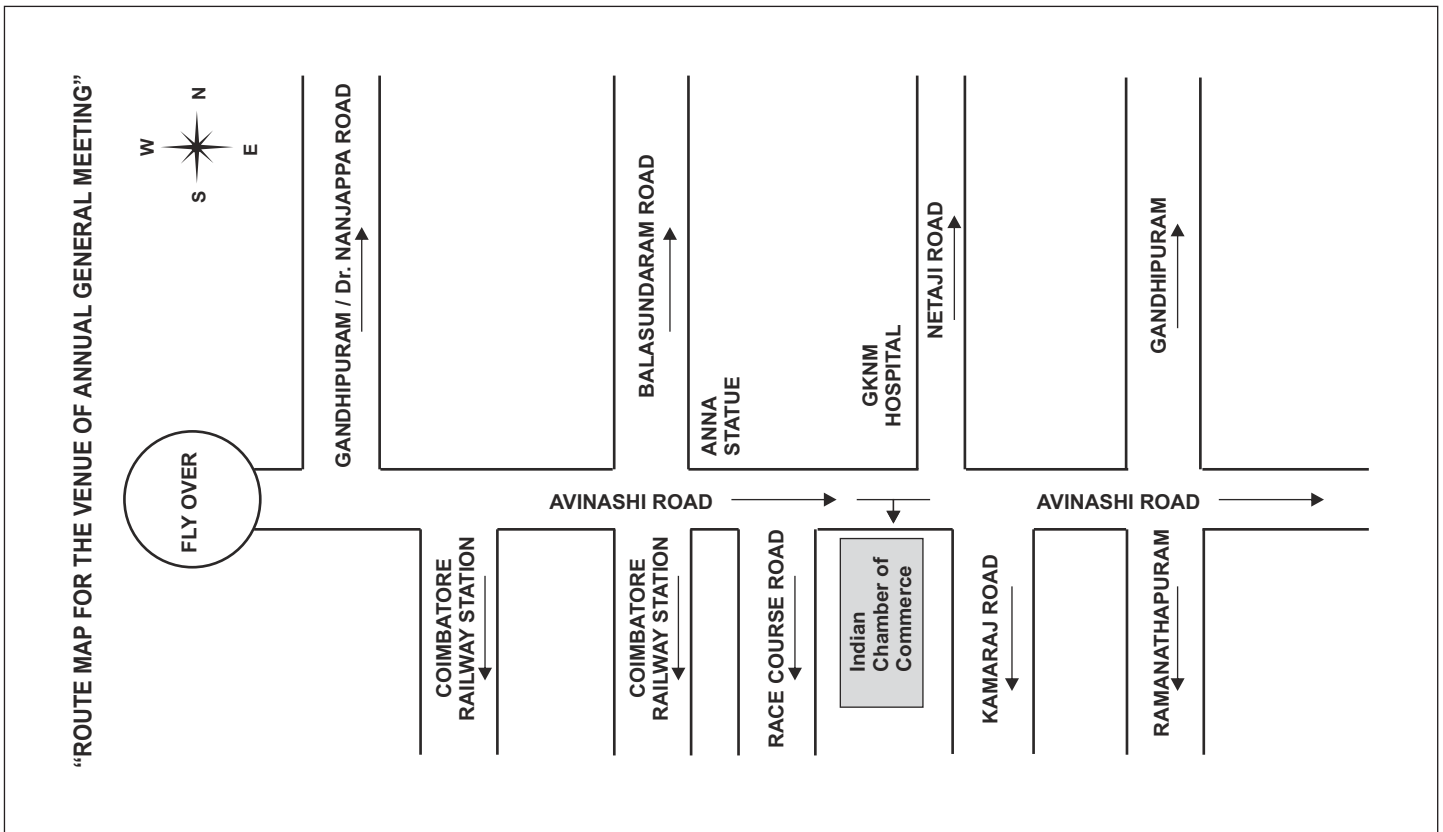
For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>*Members who have not updated their PAN with the Company / Depository Participant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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN relevant to Rajshree Sugars & Chemicals Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non - Individual Shareholders and Custodians

- a. Non-Individual shareholders (i.e.other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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



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
Mr. ADITYA KRISHNA PATHY (DIN 00062224)
 Additional Director (w.e.f. 29th May 2017)
Mr. SHEILENDRA BHANSALI (DIN 00595312)
 Additional Director (w.e.f. 10th July 2017)

Auditors

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

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

Chief Financial Officer

Mr. V.B. Gopal Krishnan

Company Secretary

Mr. M. Ponraj

Registrars & Share Transfer Agents

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

Registered Office

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

Factory Unit I Sugar, Cogeneration & Distillery

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

Factory Unit II Sugar & Cogeneration

Mundiyampakkam PO
PIN 605 601
Vikravandi Taluk
Villupuram District

Factory Unit III Sugar, Cogeneration & Distillery

Semmedu Village
Gingee Taluk
PIN 604 153
Villupuram District

Bankers

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

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BOARD'S REPORT

Your Directors have pleasure in presenting the 31st Annual Report on the business and operations of the company and the audited financial statements for the year ended 31st March 2017.

	2016-17	2015-16
₹ in lakhs		
1) FINANCIAL HIGHLIGHTS		
Total Income	67,002.23	57,428.49
Profit before Finance Costs, Depreciation and exceptional items	14,280.25	4,238.04
Less: Finance Costs	7,138.60	6,476.49
Depreciation	2,563.64	2,598.49
Exceptional items	—	(2,762.42)
Profit / (Loss) before Tax	4,578.01	(2,074.52)
Tax Expenses	1,584.36	(641.02)
Profit / (Loss) after Tax	2,993.65	(1,433.49)
Basic earnings per share of ₹10/- each, before / after extraordinary items	10.72	(5.98)
Diluted earnings Per Share of ₹10/- each, before / after extraordinary items (after considering allotment of 31,95,000 equity shares – previous year)	10.72	(5.09)

2) DIVIDEND

The Directors are pleased to recommend a dividend of ₹1/- per share of ₹10/- each, which will be paid subject to approval of the lenders and shareholders.

3) FINANCIAL PERFORMANCE

Your Company earned an income of ₹67,002.23 lakhs in the year 2016-17 as against ₹57,428.49 lakhs during the previous year. The Company has earned a net profit of ₹2,993.65 lakhs as against the net loss of ₹1,433.49 lakhs incurred during the previous year.

4) OPERATIONAL PERFORMANCE

a) Sugar Division

The key operational data of our sugar division for the year 2016-17 are as follows:

Particulars	2016-17	2015-16
Sugarcane crushed (Tons)	17,91,793	17,81,191
Recovery %	9.16	8.98
Sugar Produced (Tons)	1,64,118	1,59,977
Sugar Sold (Tons)		
- Domestic	1,40,409	1,51,166
- Export	—	18,040

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 2,182 lakh units as against 2,224 lakh units in the previous year. The company exported 1,417 lakh units during the year as against 1,477 lakh units in the previous year.

The Company has not received any units of carbon credits during the last two financial years.

c) Distillery Division

The distillery plant at Unit III has produced 220.27 lakh litres of Alcohol in 2016-17 as against 200.15 lakh litres of Alcohol in the previous year and sold 216.98 lakh litres of alcohol as against 188.40 lakh litres of alcohol in the previous year.

The Distillery plant at Unit I was not in operation 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 0.90 lakh tons of sugarcane during the financial year 2016-17 as against 3.40 lakh tons in the previous year. The company produced 8,842 tons of sugar and sold 30,943 (including 4000 tons of sugar traded) tons of sugar during the financial year as against 37,439 tons of production and 53,867 tons of sales in the previous year. The lower production was on account of non-availability of sugarcane because of drought.

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 2017-18 is likely to be lower than the crushing for the year 2016-17 on account of lower cane planting due to drought condition.

Your company expects that sugar prices will be stable in the next financial year on account of drop in the overall sugar production in the country. Stable 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

Statutory Auditors : The shareholders, at the 30th Annual General Meeting (AGM) held on 29th September 2016, have appointed M/s.S.Krishnamoorthy & Co., Chartered Accountants as Statutory Auditors for a term of five financial years from 2016-17 to 2020-21, who will hold office up to the conclusion of the 35th AGM to be held in the year 2021, subject to ratification of appointment by the shareholders at every AGM. M/s.S.Krishnamoorthy & Co., Chartered Accountants, the present auditors of the company, have furnished necessary certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014. The resolution for ratification of the appointment of the said Auditor will be placed at the ensuing AGM.

Cost Auditors : In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the products manufactured by the Company viz., Sugar, Industrial Alcohol and Cogeneration of Power are covered under the ambit of mandatory cost audits. On recommendation of the Audit Committee, the Board of Directors will appoint the Cost Auditor of the Company, to carry out the cost audit for the financial year 2017-18. On recommendation of the said Committee, the Board will also fix the remuneration to the Cost Auditor which will be placed before the ensuing Annual General Meeting for ratification, as per Section 148(3) of Companies Act, 2013.

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

Annexed herewith as **Annexure 1**.

10) 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.

11) DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED

Key Managerial Personnel appointed / resigned during the year.

Name	Designation	Appointment / reappointment / Resignation	Effective from
Mr. R. Varadarajan	Wholetime Director	Retired by rotation and Reappointed	From 29th September 2016, liable to retire by rotation

Ms.Rajshree Pathy has resigned from the position of Managing Director of the Company, which will take effect from 30th June 2017. However, she continues to be a non-executive Director and Chairperson of the Board.

Mr. Aditya Krishna Pathy, son of Ms.Rajshree Pathy has been co-opted as an Additional Director of the Company with effect from 29th May 2017, to hold office upto the date of the ensuing AGM or the last date on which the AGM should be held, whichever is earlier. He has also been appointed as Managing Director of the Company with effect from 30th June 2017.

12) BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The performance evaluation has been carried out as per the policy laid down by the Nomination and Remuneration Committee.

13) NUMBER OF MEETINGS

During the year, 6 Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

14) DECLARATION GIVEN BY INDEPENDENT DIRECTORS

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

15) WHISTLE BLOWER POLICY ('VIGIL MECHANISM')

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

This mechanism also provides for adequate safe guard 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.

16) 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 & P to financial statements (previous year).

17) 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 2016-17, no complaint was received under the policy.

18) RELATED PARTY TRANSACTIONS

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

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

Your company has divested 100% shareholding held in the wholly-owned subsidiary company, M/s.Trident Sugars Limited, on 3rd April 2017, as per the requirements of Corporate Debt Restructuring Scheme of the Company.

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

20) 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**).

21) INDUSTRIAL RELATIONS

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

22) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

23) 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 2017 and other particulars under the "RSCL Employees Stock Option Plan 2012" form part of this report, as **Annexure 4**.

24) 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.

25) EXTRACT OF ANNUAL RETURN

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

26) 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**.

27) 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 29th September 2016 (date of last Annual General Meeting) on the website of the Company (www.rajshreesugars.com), and also on the website of Ministry of Corporate Affairs.

The company has also uploaded Form IEPF-6 with IEPF Authority for the financial year 2016-17 showing statement of unclaimed or unpaid amounts to be transferred to the Investor Education and Protection Fund within the stipulated time.

28) 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 profit 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.

29) CODE OF CONDUCT

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

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

30) 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.

31) RISK MANAGEMENT POLICY

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

At present the Board has not identified any element of risk which may threaten the existence of the company. However the details about the risks being faced by the Company are furnished in the 'Management Discussion & Analysis Report' (**Annexure 8**).

32) 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.

33) APPOINTMENT OR INDEPENDENT DIRECTORS FOR SECOND TERM:

Mr.G.R.Karthikeyan, Mr.G.S.V.Subba Rao, Mr.R.C.H.Reddy and Dr.K.Mohan Naidu are the present Independent Directors whose first term of Directorship expires on the conclusion of the ensuing AGM. They are being proposed for the appointment as Independent Directors for the second term after recommendation by the Nomination and Remuneration Committee. The said appointments require the approval of the shareholders by way of special resolutions.

34) ACKNOWLEDGEMENT

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

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

For and behalf of the Board

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

ANNEXURE 1

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017

A. CONSERVATION OF ENERGY

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

At Unit-I, Varadarajnagar:

- 1) Installed bagasse distributor in 5th mill outlet and moisture is reduced from 49.5% to 48.5%, which resulted in saving of around 640 tons of bagasse.
- 2) 300W SV & MV lamp fittings are replaced by 100W LED high bay and flood light, which resulted in saving of 14,016 units of power.

At Unit-II, Mundiampakkam

- 3) Auto feed control valve was installed in continuous centrifugal machine, which resulted in power saving of 816 kw per day and 160,762 units.
- 4) Uneven cane feeding to the mills was corrected by modification of feeder tables discharge chute and proper dry arcing in the mill rollers. This benefitted in reduction of bagasse moisture by 0.18%, which resulted in improved steam fuel ratio from 2.55 to 2.57 in cogeneration plant.
- 5) Replacement of 27 Nos. of 18 watts LED bulbs, in place of 40 watts tube light fittings in administrative building resulted in energy saving of 6.53 units/day.

At Unit-III, Semmedu

- 6) Pan & Evaporator condensers balance 3 nos barometric height reduced from 15 meter to 12.5 meter level, there by power saving achieved 0.25 units per ton of cane.
- 7) VFD introduced for treated juice pump, which resulted in power saving of 20 kwh.
- 8) Sulphured Syrup pump lifted to the working platform level by 9 meter, which resulted in saving of 4 units / hour.
- 9) 11.5 KW pump is operated to transfer fermented wash instead of 37.5 KW pump, which resulted in power saving of 624 units per day.
- 10) Distillery Evaporation section spare pre heater is used to condense the excess steam generated in 3 MW boiler by modifying steam and MSDH Cooling water lines, thereby 2 MT of steam condensate saved per hour (48m³/day).

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

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

- 1) At Unit-I - 1.40
- 2) At Unit-II - 7.65
- 3) At Unit-III - 12.81

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption;

- 1) A promising high quality and yield variety (2003V46) suitable for wetland conditions was identified from R&D trails, initial farmer field trials and quality analysis at mill level. The variety is now being rapidly multiplied to occupy 5% of the cane area.
- 2) Seed material of two new promising varieties viz., Co 0212 and Co 06030 were obtained from Sugarcane Breeding Institute, Coimbatore and planted for multi-location testing in farmer field for yield and quality.
- 3) Research evaluation of more than 200 clones of sugarcane obtained from Sugarcane Breeding Institute, Coimbatore and Sadhana Agri Tech, Bangalore resulted in the identification of 15 promising clones faring better than the predominant variety, Co 86032 in terms of both yield and quality.

- 4) Five new varieties have been identified as very promising in R&D trials at Unit II, Mundiampakkam R&D farm from a new collaborative project named "Sweet Bloom" between SISMA, Tamil Nadu and Sugarcane Breeding Institute, Coimbatore.
 - 5) The second highest quantity of 90,000 Tissue culture seedlings in a financial year since inception of Tissue culture lab was produced for breeder nursery program. This quality seed nursery production initiative by the company was widely lauded by other sugar mills and Sugarcane Breeding Institute, Coimbatore during their surveys / field visits.
 - 6) Ten promising clones identified from R&D trials are being multiplied through Tissue Culture for rapid introduction of new varieties to bestow prime mover advantage to the company in terms of enabling realization of better profits by farmers and higher sugar recoveries by our company.
 - 7) Varietal purity for higher sugar recovery is being ensured through an exclusive R&D breeder seed nursery farm operational at Unit-II, Mundiampakkam and catering to the nursery seed requirement of, farmers of Unit-II, Mundiampakkam and Unit-III, Semmedu.
 - 8) An innovative vacuum sett treatment device has been commissioned at Unit III for specialized treatment of seed material to ensure disease free quality seed production and supply to farmers of the unit.
 - 9) 2800 soil samples in Unit II were analysed for fertility mapping and need based fertilizer prescription to farmers through issue of soil health cards. This will result in cost savings and better productivity for the farmers in the ensuing financial year.
 - 10) Novel concept of customized fertilisers application based on specific and balanced nutrient application is under large scale evaluation in 150 acres of farmer fields for its impact on sugarcane yield and quality. Initial R&D trial results recorded an increase in cane yield by 4-5 tonnes per acre and recovery improvement by 0.3%.
 - 11) Pilot scale evaluation of new bio control agents and development of pheromone traps with ease of use by farmer for effective management of the devastating Internode Borer pest were initiated. The results are encouraging for commercialization of these technologies in the immediate future.
 - 12) Collaborative Research trials with Solidaridad Network Asia and Hindustan Unilever Foundation (HUF) on water savings and use efficiency indicated that drip fertigation coupled with trash mulching resulted in 40% water savings. Adoption level of both the technologies are currently being scaled up in farmers field through extension initiatives.
 - 13) Weather stations have been installed in all units and with a state of the art automated weather station in Unit III, Semmedu to monitor the trends in climate change and to recommend proactive and appropriate crop management practices to farmers.
 - 14) A first of its kind novel module based financial literacy training program for all categories of farmer- entrepreneur service providers of all units was conducted by National Skill Foundation of India (NSFI) and sponsored by International Finance Corporation (a World Bank body). 128 service providers were trained on financial management to enhance their business potential and strengthen their services as ambassadors for technology transfer.
 - 15) New disease resistant varieties of pulses were obtained from premier pulses research stations and truthfully labelled seeds was multiplied by R&D. The seeds were issued to farmers by extension for taking cultivation as intercropping in around 350 acres of sugarcane, thereby providing short term income realization for farmers through multi-cropping.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- 1) New initiative of introducing rain guns to irrigate scarce water potential areas and drought prone crops were implemented in all the units to mitigate the current dire drought situation.
 - 2) Large scale and targeted adoption of a specific drought management practice of potash and micronutrient foliar spray through entrepreneurs resulted in mitigating crop moisture stress and preventing crop perishals.

- 3) The yield gap between plant and ratoon crop in Unit III, Semmedu has been significantly reduced for the first time ever, from around 8 tonnes per acre to around 5 tonnes per acre, inspite of higher ratoon area. This was largely due to adoption of improved ratoon and drought management practices like trash mulching, up from 38% area coverage in last financial year to 68% area coverage in current financial year, thereby entailing sustenance of returns to farmer and supply of cane to factory.
 - 4) Continual technology up-gradation of in-house R&D biological control agent production facilities and in farmer-entrepreneur units resulted in coverage of 40-45% of cane area across all units with eco-friendly biological control agents and significant reduction in pest incidence and better cost benefit to farmers.
 - 5) Development of a modified sub surface laying machine by R&D, targeted extension promotion of drip through Government subsidy schemes and first time initiative of in-house procurement and installation of drip systems entailed coverage of 500 acres in plant crop under drip in all units, a vital long term vertical and horizontal cane sustenance strategy.
- 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: ₹150.39 lakhs (₹105.02 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)

	2016-17	2015-16
Foreign exchange earned :	Nil	2,595.67
Foreign exchange outgo :	46.74	6.42

For and behalf of the Board

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

ANNEXURE 2

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017

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 Promoter Non-Executive Director | Mr. Aditya Krishna Pathy (w.e.f. 29th May 2017) |
| - 1 Non promoter Executive Director | Mr. R.Varadarajan |
| - 2 Non-Independent Non-Executive Directors | Mr. Raja M.J.Abdeen
Dr. P.Surularayanasami |
| - 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, 6 Board meetings were held respectively on 29th April 2016, 28th May 2016, 10th August 2016, 29th September 2016, 7th November 2016 and 2nd February 2017.

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	6	Yes	10	—	2	—
Mr.R.Varadarajan	6	Yes	4	—	1	—
Mr.G.R.Karthikeyan	6	Yes	4	—	—	—
Dr.P.Surularayanasami	3	Yes	1	—	—	—
Mr.RajaM.J.Abdeen	6	Yes	13	—	—	—
Mr.R.C.H. Reddy	5	Yes	6	—	3	1
Mr.G.S.V.Subba Rao	6	Yes	—	—	—	—
Dr.K.Mohan Naidu	6	Yes	1	—	—	—
Mr.Aditya Krishna Pathy	Not applicable					

d) There is no *inter se* relationship among the directors except that Mr. Aditya Krishna Pathy is son of Ms. Rajshree Pathy.

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 28th May 2016, 10th August 2016, 7th November 2016 and 2nd February 2017. 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.RajaM.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, four meetings of the NR Committee were held on 28th May 2016, 10th August 2016, 7th November 2016 and 2nd February 2017 and all the Members attended all the meetings.

The performance evaluation criteria for Independent Directors are (1) Awareness on general and business environment (2) Awareness on sector specific environment (3) Contribution to the discussions at the meeting (4) Awareness of the roles, duties and responsibilities of a Director (5) Contribution to strategic thinking and direction for the future growth of the Company (6) Whether the Director is independent from the entity and the other Directors and there is no conflict of interest (7) Whether the Director exercises his own judgment and voices opinion freely. The grading scale has been fixed as 1 = 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, Mr.R.Varadarajan and Mr. Aditya Krishna Pathy (w.e.f. 29th May 2017) are the other members. Mr.M.Ponraj, Company Secretary is the Compliance Officer. No complaints were received from the shareholders during the year under review. As of 31st March 2017, 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 28th May 2016, 10th August 2016, 7th November 2016 and 2nd February 2017. All the members have attended all the meetings.

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

The CSR Committee consists of the following Directors as members:

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

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

- 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;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- 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. No meeting was held during the year.

7. Share Transfer Committee

The Share Transfer Committee consists of the following officials as members

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

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

During the year, 24 meetings were held respectively on 9.4.2016, 16.4.2016, 23.4.2016, 7.5.2016, 14.5.2016, 28.5.2016, 4.7.2016, 9.7.2016, 16.7.2016, 30.7.2016, 13.8.2016, 3.9.2016, 31.10.2016, 5.11.2016, 12.11.2016, 26.11.2016, 10.12.2016, 7.1.2017, 21.1.2017, 4.2.2017, 18.2.2017, 25.2.2017, 22.3.2017 and 25.3.2017.

8. Compensation Committee

The Compensation Committee consists of the following Directors as members:

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

The committee was formed on 29th May 2017 to administer and superintendence of the Employee Stock Option Plan (ESOP) 2012 of the Company.

9. Independent Directors' meeting

During the year one meeting of the Independent Directors was held on 2nd February 2017 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,

- reviewed the performance of non-independent directors and the board of directors as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

10. Remuneration of Directors

The remuneration paid to Executive Directors for the year 2016-2017 were as follows (₹ in lakhs.):

Managerial remuneration	Ms. Rajshree Pathy	Mr. R. Varadarajan
Salary	120.00	52.00
Commission	—	—
Perquisites	0.40	0.40
Sitting Fees	1.20	1.20
Total	121.60	53.60

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

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

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

Name of the Director	No. of shares held	% to the total share capital of the company
Dr.P.Surularayanasami	11,31,107	4.016
Mr.Raja M.J.Abdeen	10,10,000	3.585
Mr.G.R.Karthikeyan	1,040	0.004
Mr.R.C.H.Reddy	832	0.003
Dr.K.Mohan Naidu	1,000	0.004
Mr.G.S.V.Subba Rao	—	—
Mr.Aditya Krishna Pathy (w.e.f. 29.5.2017)	4,88,303	1.734

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

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

Independent Director 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 Director.

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

12. General Body meetings

Location and time for the last three Annual General Meetings.

Year	Location	Date	Time	No. of special resolutions passed
2014	Chamber Hall, Indian Chamber of Commerce & Industry, Coimbatore	08.09.2014	10.00 AM	4
2015		10.08.2015	10.00 AM	—
2016		29.09.2016	10.00 AM	—

The Company has conducted postal ballot process vide postal ballot notice dated 2nd September 2016, for obtaining the approval of the shareholders to sell, transfer or otherwise dispose-off the whole or substantially the whole of the undertaking(s) /entire investments / shares held in the wholly owned subsidiary Company, M/s.Trident Sugars Limited.

Mr.B.Krishnamoorthi, Chartered Accountant, Coimbatore, the Scrutinizer, has conducted the postal ballot process (including e-voting). The results were announced on 11th October 2016 as detailed below:

Results of voting:

Mode	Votes FOR	Votes AGAINST	Invalid Votes	Results
E-Voting	1,91,182	1,468	—	Resolutions passed as special resolutions
Postal Ballot Form	1,75,63,552	1,059	34,416	
Total	1,77,54,734	2,527	34,416	

13. Means of Communication

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

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

14. General shareholder information

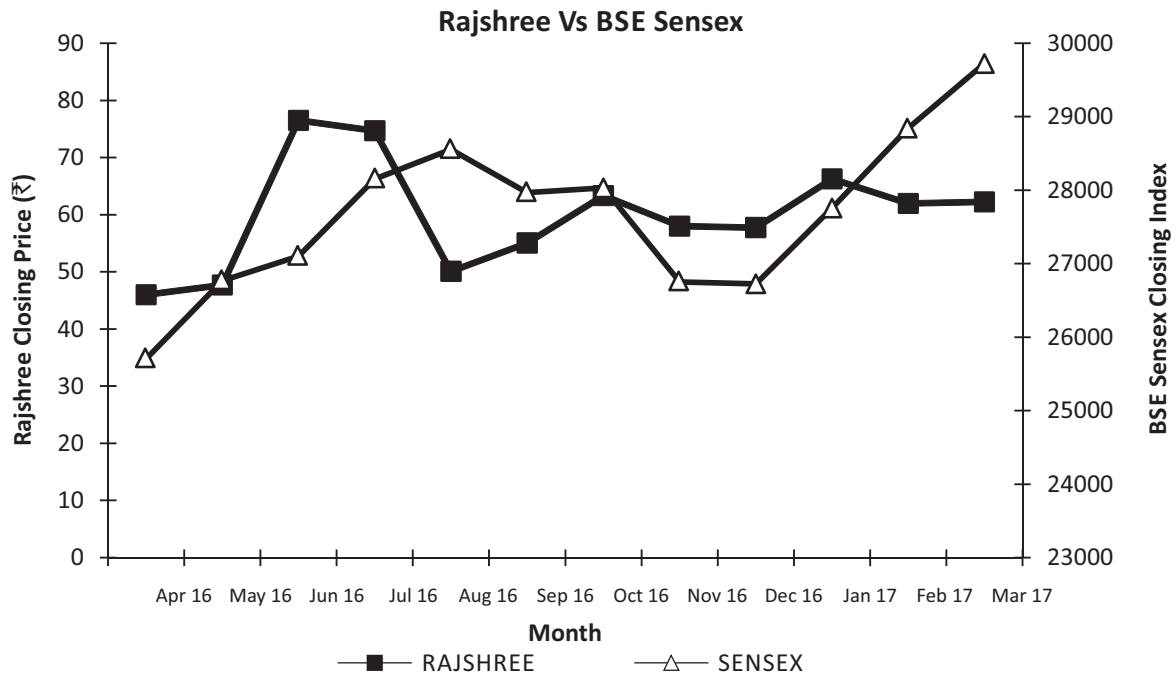
i. AGM – Date, time and venue	28th August 2017 at 10.00 am. Chamber Hall, Indian Chamber of Commerce and Industry, Avanashi Road, Coimbatore 641 018.
ii. Financial year	12 Months ending 31st March
iii. Financial calendar 2017-18 First quarterly results Second quarterly results Third quarterly results Audited yearly results	Before 14th September 2017 Before 14th December 2017 Before 14th February 2018 Before 30th May 2018
iv. Book Closure Date for AGM & Dividend Dividend Payment Date	21st August 2017 to 28th August 2017 (both days inclusive) Between 28th August 2017 and 27th September 2017 (The dividend will be paid subject to approval of the lenders and shareholders)
v. Name and address of stock exchanges.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai – 400 051 The company has paid listing fees for the financial year 2017-18.
vi. Stock Code	500354 (BSE); RAJSREESUG (NSE)

vii. Market Price Data – High/Low during each month of the Financial Year 2016-17

Amount in ₹

Month	BSE		NSE	
	High	Low	High	Low
April, 2016	55.90	39.85	56.00	38.60
May	55.80	44.00	55.90	43.95
June	89.75	47.00	89.45	46.15
July	81.10	69.70	81.00	69.00
August	75.80	44.60	75.85	43.80
September	61.85	47.00	62.50	46.60
October	63.80	55.60	63.80	55.35
November	70.85	50.00	67.05	49.25
December	59.95	49.10	59.90	48.80
January, 2017	73.70	58.00	73.50	57.10
February	77.80	57.60	77.85	55.95
March	69.00	60.00	66.50	55.40

viii. Performance in comparison to BSE Sensex



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

xi. Distribution of shareholding as on 31st March 2017

No. of equity shares held	No. of Folios	No. of shares held	% of shareholding
Upto 5000	22,226	59,21,901	21.02
5001 to 10000	112	8,48,705	3.01
10001 to 20000	58	8,40,716	2.98
20001 to 30000	26	6,56,871	2.33
30001 to 40000	13	4,52,969	1.61
40001 to 50000	3	1,31,280	0.47
50001 to 100000	10	7,07,689	2.51
100001 and above	19	1,86,06,569	66.07
Total	22,467	2,81,66,700	100.00

xi. Shareholding pattern as on 31st March 2017

Category	No. of Folios	No. of shares held	% of shareholding
Promoters and Promoters Group **	4	1,34,72,821	47.83
Directors & Relatives	13	29,55,666	10.49
Mutual funds and UTI	14	10,010	0.04
Banks, Financial institutions and insurance companies	7	2,207	0.01
Corporate bodies	309	20,08,346	7.13
Indian public	22,000	95,07,428	33.75
NRIs and OCBs	120	2,10,222	0.75
GDRs	-	-	-
Total	22,467	2,81,66,700	100.00

** Pledge has been created in respect of the entire holdings of 1,34,72,821 equity shares with voting rights of Promoter and Promoter Group in favour of M/s. SBICAP Trustee Company Ltd, who is holding the pledge on behalf of lenders of RAJSHREE SUGARS & CHEMICALS LTD, as per the final letter of approval dated 24th March 2014 from Corporate Debt Restructuring Cell, Mumbai.

xiii. Dematerialization of shareholding and liquidity	90.075% 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 Varadaraj Nagar 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 to the Central Government	Due date of transfer to Central Government
20.09.2010	2009-2010	19.09.2017	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.

15. Various Policies of the Company

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

- Policy on Related Party Transaction
- Policy on material subsidiaries
- Whistle Blower Policy. Access to the Audit Committee has not been denied to any personnel.

16. Familiarization Program for Independent Directors

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

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

17. Other Disclosures

- There are no materially related party transactions that may have potential conflict with the interests of the Company at large.
- 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.
- The Company has complied with all the mandatory requirements of the various Regulations of SEBI (LODR) Regulations, 2015.
- 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.
- The Company has fulfilled non-mandatory requirement, namely, the Financial Statements are unqualified.
- Disclosure with respect to demat suspense account / unclaimed suspense account.

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

Particulars	Number of shareholders	Number of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	23	3182
(ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL	NIL

Particulars	Number of shareholders	Number of shares
(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 31.3.2017 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

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

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 personnel of Rajshree Sugars & Chemicals Limited.

For and behalf of the Board

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

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 the financial statements and the cash flow statement for the financial year ended 31st March 2017, 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 : 29th May 2017

APPENDIX – 3

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

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

We have examined the compliance of conditions of Corporate Governance by Rajshree Sugars & Chemicals Limited ('the Company'), for the year ended 31st March 2017, 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 complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

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

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

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017



ANNEXURE 3

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

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	49.74
2.	Mr.R.Varadarajan, Wholetime Director	21.65

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

- 2) The percentage increase in remuneration of Chief Financial Officer, Managing Director, Wholetime Director, 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.V.B.Gopal Krishnan, Chief Financial Officer	29.31
5	Mr.M.Ponraj, Company Secretary	15.91

- 3) The percentage increase in the median remuneration of employees in the financial year; 9.34%
- 4) The number of permanent employees on the rolls of Company as on 31st March 2017; 871
- 5) 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 (₹ in lakhs)
31.3.2016	2,49,71,700	38.65	(5.09)	NA	9,651.56
31.3.2017	2,81,66,700	61.60	10.72	5.75	17,350.69
Increase / (Decrease)	31,95,000	22.95	15.81	5.75	7,699.13
% of Increase/(Decrease)	12.79	59.38	-	-	79.77
Issue Price of the share at the last Pubic Offer (IPO)	-	10.00	-	-	-
Increase in market price as on 31.03.2017 as compared to Issue Price of IPO	-	51.60	-	-	-
Increase in %	-	516	-	-	-

- 6) 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.

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

Name	Designation	Remuneration ₹ in lakhs	% Increase	Company's Performance
Mr.V.B.Gopal Krishnan	Chief Financial Officer	38.96	29.31	Profit after tax for the Financial year: ₹ 2,994 lakhs as against Loss after tax of ₹ 1,443 lakhs in the previous year
Mr.M.Ponraj	Company Secretary	7.36	15.91	

- 8) 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.
- 9) 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
- 10) If remuneration is as per the remuneration policy of the Company; Yes
- 11) 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 42 years	61 years	121.60	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. Ms.Rajshree Pathy is relative of Mr.Aditya Krishna Pathy, who was co-opted as an Additional Director with effect from 29th May 2017 and appointed as Managing Director with effect from 30th June 2017.
- 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

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

ANNEXURE 4

BOARD'S REPORT FOR THE YEAR ENDED 31st MARCH 2017

Statement as at March 31, 2017, pursuant to (Disclosure in the Boards' Report) SEBI (Share Based Employee Benefits) Regulations, 2014

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

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

B. Option Movement during the year 2016-17

S.No.	Particulars	Numbers	Wt. Avg Exercise price
1.	Options outstanding at the beginning of the year	727,130	55.40
2.	Number of options granted during the year	-	-
3.	Options Forfeited / Surrendered during the year	121,868	55.40
4.	Options Vested during the year	161,040	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	605,262	55.40
10.	Options exercisable at the end of the year	605,262	55.40

C. Employee-wise details of options granted during the financial year 2016-17 :

No options granted during the year.

D. Weighted average exercise price of Options granted during the year :

Not Applicable.

E. The stock-based compensation cost calculated as per the intrinsic value method for the period April 1, 2016 to March 31, 2017 is Nil. If the stock-based compensation cost was calculated as per the fair value method prescribed by SEBI, the total cost to be recognised in the financial statements for the period April 1, 2016 to March 31, 2017 would be ₹ 29,97,18,408. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Amount in ₹
Net Income as reported	29,93,65,029
Add: Intrinsic Value Compensation Cost	-
Less: Fair Value Compensation Cost	(3,53,379)
Adjusted Pro Forma Net Income	29,97,18,408
Earning Per Share: Basic As Reported	10.72
Adjusted Pro Forma	10.73
Earning Per Share: Diluted As Reported	10.72
Adjusted Pro Forma	10.71

F. Method and Assumptions used to estimate the fair value of options granted during the year:

The fair value has been calculated using the Black Scholes Option Pricing model : No Options Granted during the year.

ANNEXURE 5

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017

SECRETARIAL AUDIT REPORT (Form No.MR-3)

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2017

[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, 2017 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, 2017 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (wherever applicable) viz. :-
 - 1) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended up-to-date)
 - 2) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - 3) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended up-to-date)
 - 4) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - 5) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
 - 6) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended up-to-date)
- (vi) and the following Acts and Rules specifically applicable to a Sugar Industry viz.,
 1. Agricultural and Processed Food Products Export Act, 1985
 2. Acts and Rules prescribed under prevention and control of pollution, environmental protection and energy conservation.

3. Essential Commodities Act, 1955,
4. Export (Quality Control and Inspection) Act, 1963,
5. Food Safety And Standards Act, 2006 and Rules, 2011
6. Indian Electricity Act, 2003
7. The Indian Boilers Act, 1923
8. Levy Sugar Price Equalisation Fund Act, 1976
9. Sugar Development Fund Act, 1982
10. Sugar Cess Act, 1982,
11. Sugarcane (Control) Order, 1966
12. The Sugar (Control) Order, 1966
13. The Sugar (Packing & Marking) Order, 1970
14. The Tamil Nadu Molasses Control and Regulation Rules, 1958
15. The Tamil Nadu Distillery Rules, 1981
16. Other local laws as applicable to various plants and offices.

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) 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.

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

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

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

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

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

The Company has entered into a Share Purchase Agreement on 24th November 2016 with M/s. Natems Sugar Private Limited (the buyer), for the sale of the wholly-owned subsidiary Company M/s. Trident Sugars Limited, having the sugar factory at Telangana & its completion of transaction by March 2017.

Place : Coimbatore
Date : 29th May 2017

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

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

To

The Members

M/s. RAJSHREE SUGARS & CHEMICALS LIMITED

Coimbatore

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

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. The Company has maintained Legal Management System which takes care of regular Compliance of applicable laws and the amendments are updated then and there by the Company. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place : Coimbatore

Date : 29th May 2017

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

ANNEXURE 6

TO BOARDS REPORT FOR THE YEAR ENDED 31ST MARCH 2017

Form No.MGT-9

EXTRACT OF ANNUAL RETURN As on the financial year ended on 31st March 2017

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L01542TZ1985PLC001706
ii)	Registration Date	13/12/1985
iii)	Name of the Company	RAJSHREE SUGARS & CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and contact details	"The Uffizi", 338/8 Avanashi Road, Peelamedu, Coimbatore 641 004.
vi)	Whether listed company	YES
vii)	Name, Address and contact details of Registrar and Transfer Agents	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. Phone : 0422-4958995, 2539835-36 Fax : 0422-2539837

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	White Crystal Sugar	1072	73%
2.	Co-generation of Power	35106	13%
3.	Industrial Alcohol	1101	14%

II. 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	1,02,42,117	Nil	1,02,42,117	41.015	1,20,23,490	Nil	1,20,23,490	42.687	1.672
b. Bodies Corporates	20,760	Nil	20,760	0.083	14,49,331	Nil	14,49,331	5.146	5.063
Sub-Total (A) (1)	1,02,62,877	Nil	1,02,62,877	41.098	1,34,72,821	Nil	1,34,72,821	47.833	6.735
(2) Foreign (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1,02,62,877	Nil	1,02,62,877	41.098	1,34,72,821	Nil	1,34,72,821	47.833	6.735
B. Public Shareholding									
a. Mutual Funds / UTI	100	8,880	8,980	0.036	1,130	8,880	10,010	0.036	0.000
b. Financial Institutions / Banks	400	1,230	1,630	0.007	977	1,230	2,207	0.008	0.001
Sub-Total (B) (1)	500	10,110	10,610	0.043	2,107	10,110	12,217	0.044	0.001
2. Non-Institutions									
a. Bodies Corporates- Indian	18,64,326	1,24,434	19,88,760	7.964	18,83,912	1,24,434	20,08,346	7.130	(0.834)
b. Individual shareholders holding nominal share capital upto ₹1 lakh	44,09,598	16,25,908	60,35,506	24.170	43,78,808	15,81,354	59,60,162	21.160	(3.010)
c. Individual shareholders holding nominal share capital in excess of ₹1 lakh	27,56,065	30,000	27,86,065	11.157	30,27,319	30,000	30,57,319	10.854	(0.303)
d. Others									
i) Directors & relatives	12,21,519	3,040	12,24,559	4.904	7,81,519	3,040	7,84,559	2.785	(2.119)
ii) Non Resident Indians	1,19,865	6,563	1,26,428	0.506	2,03,659	6,563	2,10,222	0.746	0.240
iii) Clearing Members	1,00,238	Nil	1,00,238	0.401	2,40,814	Nil	2,40,814	0.855	0.454
iv) Hindu Undivided families	2,65,550	Nil	2,65,550	1.063	2,49,133	Nil	2,49,133	0.884	(0.179)
v) NRI Directors	11,31,107	10,10,000	21,41,107	8.574	11,31,107	10,10,000	21,41,107	7.602	(0.972)
vi) NRI Directors' relatives	Nil	30,000	30,000	0.120	Nil	30,000	30,000	0.107	(0.013)
Sub-Total (B) (2)	1,18,68,268	28,29,945	1,46,98,213	58.859	1,18,96,271	27,85,391	1,46,81,662	52.123	(6.736)
Total Public Shareholding (B) = (B)(1)+(B)(2)	1,18,68,768	28,40,055	1,47,08,823	58.902	1,18,98,378	27,95,501	1,46,93,879	52.167	(6.735)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	2,21,31,645	28,40,055	2,49,71,700	100.000	2,53,71,199	27,95,501	2,81,66,700	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	95,50,884	38.247	87.645	1,13,17,313	40.180	100.000	1.933
2.	Aishwarya Pathy	2,17,874	0.872	100.000	2,17,874	0.774	100.000	(0.098)
3.	Aditya Krishna Pathy	4,73,359	1.896	100.000	4,88,303	1.734	100.000	(0.162)
4.	RSCCL Properties Pvt. Ltd.	20,760	0.083	100.000	14,49,331	5.146	100.000	5.063
	Total	1,02,62,877	41.098	88.234	1,34,72,821	47.834	100.000	6.736

**Pledge has been created in respect of the entire holdings of 1,34,72,821 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 RSCCL 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 paid-up 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.

Further, vide Postal Ballot Notice dated 18th March 2016, the shareholders approved by way of special resolution, the issue and allotment of 17,66,429 equity shares to Ms.Rajshree Pathy and 14,28,571 equity shares to M/s. RSCCL Properties Private Limited, on preferential basis, 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 29th April 2016, allotted the said shares to them by converting the balance unsecured loan of ₹8,94,60,000/-.

Thus, the entire unsecured loan of ₹12,25,00,000/- has been fully converted into equity shares.

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

Sl. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of company	No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	K.Mohan	10,72,550	4.295	9,25,677	3.286	(1,46,873)	(1.01)
2.	JaishreeVaradaraj	11,88,462	4.759	7,68,462	2.729	(4,20,000)	(2.03)
3.	G Nagarajan	2,29,979	0.921	2,29,979	0.816	—	(0.11)
4.	ELGI Equipments Limited	2,29,000	0.917	2,29,000	0.813	—	(0.10)
5.	The Lakshmi Mills Company Limited	2,20,000	0.881	2,20,000	0.781	—	(0.10)
6.	Spatial Services (P) Ltd.	1,93,123	0.773	1,93,123	0.686	—	(0.09)
7.	Anvar Jay Varadaraj	0	0.000	1,46,200	0.519	1,46,200	0.52
8.	Maya Jay Varadaraj	0	0.000	1,40,200	0.498	1,40,200	0.50
9.	Varun Jay Varadaraj	0	0.000	1,40,000	0.497	1,40,000	0.50
10.	Lakshmi Card Clothing Mfg. Co. Limited	1,00,000	0.400	1,00,000	0.355	—	(0.05)

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	95,50,884	38.247	1,13,17,313	40.180	17,66,429	1.933
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.Surularayanasami	11,31,107	4.530	11,31,107	4.016	—	(0.514)
5.	Mr.Raja M.J. Abdeen	10,10,000	4.045	10,10,000	3.586	—	(0.459)
6.	Mr.R.C.H.Reddy	832	0.003	832	0.003	—	—
7.	Mr.V.B.Gopal Krishnan	2,360	0.010	2,390	0.008	30	0.002

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 at the beginning 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
Change in Indebtedness during the financial year			
Addition	55	-	55
Reduction	8,342	895	9,237
Net change Indebtedness	(8,287)	(895)	(9,182)
At the end of the financial year			
i) Principal Amount	59,914	-	59,914
ii) Interest due but not paid	1,322	-	1,322
iii) Interest accrued but not due	49	-	49
Total (i+ii+iii)	61,285	-	61,285

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	52.00	172.00
	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	1.20	1.20	2.40
3.	Others, if any	—	—	—
	Total	121.60	53.60	175.20
	Ceiling as per the Act	₹240 lakhs per annum	₹240 lakhs per annum	

B. Remuneration to other Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Dr.P. Surulinarayanasami	Mr.G.R. Karthikeyan	Mr.R.C.H Reddy	Mr.G.S.V. Subba Rao	Mr.Raja MJ Abdeen	Dr.K.Mohan Naidu	
1.	Independent Directors – Fee for attending Board / Committee Meetings	NA	2.00	1.80	2.00	NA	2.00	7.80
2.	Others	NA	Nil	Nil	Nil	NA	Nil	Nil
	Total (1)	NA	2.00	1.80	2.00	NA	2.00	7.80
2.	Other Non-Executive Directors - Fee for attending Board / Committee Meetings	0.60	NA	NA	NA	2.00	NA	2.60
	Others	Nil	NA	NA	NA	Nil	NA	Nil
	Total (2)	0.60	NA	NA	NA	2.00	NA	2.60
	Total (1+2)	0.60	2.00	1.80	2.00	2.00	2.00	10.40
	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 in case there is Managing Director / Wholetime Director / Manager. In other cases the remuneration shall not exceed 3% of net profits. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors, subject to a maximum of ₹1 lakh per meeting.						

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr.V.B.Gopal Krishnan CFO	Mr.M.Ponraj Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	38.48	7.36	45.84
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.47	-	0.47
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Others	-	-	-
	Total	38.95	7.36	46.31

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

For and behalf of the Board

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

ANNEXURE 7

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017

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 of the erstwhile 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 the 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 Whole time 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 Whole-time 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

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

ANNEXURE 8

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Development

Global Sugar Outlook

Global production estimate for Marketing Year (MY) 2017/18 is up 9 million tons (raw value) to a record 180 million on gains in Brazil, China, the European Union, India and Thailand. Despite record production, stocks are down 2 percent to 38 million tons as lower stocks in China and Mexico more than offset higher stocks in Pakistan. This draw down, plus record exports, will support relatively flat consumption at 172 million tons.

Sugar Sector in India

As per ISMA's estimates, the opening stock of sugar for the Sugar year 2016-17 was at 7.7 million tons. Sugar production in India is likely to fall to about 20.3 million tons for the year 2016-17 sugar season. The domestic consumption is estimated to be in the range of 24 million tons. After accounting for an import of 0.5 million tons, the closing stock for the sugar season 2016-17 is estimated to be 4.5 million tons.

Sugar prices

CRISIL expects sugar prices, which have increased to ₹38 per kg in average in SS2017 from ₹33 per kg in SS2016, to sustain at healthy levels in 2018 as well.

Prices shot up from the third quarter of SS 2016 on anticipated decline in domestic sugar production in SS2017 owing to deficient rainfall and low reservoir levels in Maharashtra and Karnataka.

A normal monsoon in calendar year 2017 is expected to result in an increase in production by 4 to 5 million tons in SS2018, with large portion of incremental production coming from Maharashtra and Karnataka. Yet inventory levels are not expected to increase materially as consumption will tightly match production. That would mean that the prices to remain stable in 2018. Global sugar production is also expected to increase in SS2018, driven by higher production from India and Brazil. The resultant decline in global sugar prices will also remain a key monitorable.

Government Announcements

The Government had in April 2017, allowed import of 0.5 million tonne of raw sugar at zero custom duty till 30th June 2017 in order to address regional production gaps and to maintain domestic prices at reasonable levels.

The Union Cabinet in May 2017 approved a ₹25 per quintal, or 10.6%, hike in the fair and remunerative price (FRP) for sugarcane to ₹ 255 for 2017-18 season beginning October 2017 linked to a basic recovery rate of 9.5% subject to a premium of ₹ 2.68 per quintal for 0.1% point increase in recovery above that level. Earlier the government had kept sugarcane FRP for 2016-17 season unchanged at ₹ 230 per quintal.

The Government of India periodically review & revise the base year of the macroeconomic indicators to capture structural changes in the economy & improve the quality, coverage & representativeness of the indices. Due to this, the base year of all India WPI has been revised from 2004-05 to 2011-12, to align it with the base year of other macroeconomic indicators like GDP & IIP. As per the revised list of commodities considered for WPI (2011-12 series), weightage under manufacture of sugar has been reduced from the earlier level of 1.74% (2004-05 series) to 1.06%.

Government announcement of demonetization impacted the consumption of sugar for two months in November'16 and December'16 and slowly falling in track after that.

The GST Council has approved the GST rates for goods at Zero %, 5%, 12%, 18% and 28% to be levied on certain goods. Sugar sales in Tamil Nadu was subject to basic excise duty of ₹71/- qtl and cess ₹124/- qtl and also 5% VAT. Now under the GST regime, the cane sugar is taxed at 5%.

Opportunities & Threats

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

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

Sugarcane Price

Tamil Nadu didn't change the State Advised Price (SAP) of ₹2,750 a tonne of sugarcane linked to 9.5 per cent sugar recovery plus ₹100 towards transport charges for the 2016-17 sugar season (October-September). This is ₹450 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

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

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

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

Outlook

After 4 years of net surplus production over consumption, the closing stock of sugar is at modest levels. However, monsoon and Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming 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, and availability of attractive competitive/alternate crops will have a direct impact on cane availability and affect our business.

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

- Continuous yield improvement activities to obtain a better quality cane leading to a better recovery.
- Close monitoring of cane development activities, which includes supply of good quality seeds, 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 them.

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 cyclical 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.

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.

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

Internal control systems and their adequacy

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

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

Human Performance

The Management Staff Strength as on 31st March 2017 is 217. The Non-Management Staff strength as on 31st March 2017 is 654. Industrial Relations are cordial and no significant development.

Financial performance with respect to operational performance

Operational Performance

(₹ in Lakhs)

Particulars	Year ended		% Increase (Decrease)
	31.3.2017	31.3.2016	
Cane Crushed (MT)	17,91,793	17,81,191	0.60
Recovery %	9.16	8.98	0.18*
Sugar Production (MT)	1,64,118	1,59,997	2.58
Sugar Sales (MT)	1,40,409	1,69,206	(17.02)
Power Production (Lakh Kwh)	2,182	2,224	(1.89)
Power Export to Grid (Lakh Kwh)	1,417	1,477	(4.06)
Alcohol Production (Lakh Litres)	220.27	200.15	10.05

* Absolute change

Financial Performance- Segment Wise

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

Particulars	Year ended (₹ in Lakhs)	
	31.3.2017	31.3.2016
Sales Turnover		
Sugar	52,764	44,201
Co-generation	9,087	9,869
Distillery	10,263	7,899
Less: Inter Segment revenue	5,329	4,841
Net Sales / Income from Operations	66,785	57,128
Profit / (Loss) before tax		
Sugar	2,846	(4,332)
Co-generation	5,554	6,361
Distillery	4,878	3,798
Less: i. Interest	7,139	6,476
ii. Other un-allocable expenditure	1,561	1,425
Profit /(Loss) before tax	4,578	(2,074)

The company has performed better in terms of all the operational parameters compared to last year with better sugar production, alcohol production and sales.

The company's net sales increased by 16.90%, with better performance in the Sugar and Distillery segment. The company reported a net profit of ₹2,994 lakhs as against net loss of ₹1,433 lakhs 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

Place : Coimbatore
Date : 29th May 2017

RAJSHREE PATHY
Chairperson and Managing Director
DIN 00001614

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 2017, 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 2017
- b) In the case of the Statement of Profit and Loss, of the Profit 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 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, a separate report has been given in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No.Z 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. the company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company;

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

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017

ANNEXURE - A

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) The title deeds of all the immovable properties of 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 section 186 of the Act.
- (v) The Company has not accepted any deposits.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of 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 2017 for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Demand	Amount (₹ in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Service tax	Penalty	21.92	2006-07	Commissioner (Appeals)
Central Excise	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. Z 1 of notes to financial statements.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any new term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act.
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of shares during the year to two promoters. The allotment of such shares is by conversion of Promoters contribution under CDR Scheme in terms of the approval of shareholders through postal ballot process held on 29.04.2016 and 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
Regn.No.004009S

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017

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 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

(₹ in Lakhs)

PARTICULARS	Note	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	2,816.67	2,497.17
(b) Reserves and surplus	B	4,728.27	1,159.52
		<u>7,544.94</u>	<u>3,656.69</u>
2 Non-current liabilities			
(a) Long-term borrowings	C	33,602.50	42,919.17
(b) Deferred tax liabilities (Net)	D	935.04	457.70
		<u>34,537.54</u>	<u>43,376.87</u>
3 Current liabilities			
(a) Short-term borrowings	E	14,395.34	14,339.98
(b) Trade payables	F	17,236.15	10,447.49
(c) Other current liabilities	G	25,643.06	15,249.05
(d) Short-term provisions	H	1,411.33	207.16
		<u>58,685.88</u>	<u>40,243.68</u>
TOTAL		<u>100,768.36</u>	<u>87,277.24</u>
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	I		
(i) Tangible assets		46,562.35	48,845.48
(ii) Intangible assets		24.17	53.10
(iii) Capital work-in-progress		183.86	130.30
(b) Non-current investments	J	-	6,739.11
(c) Long-term loans and advances	K	1,207.73	1,219.71
		<u>47,978.11</u>	<u>56,987.70</u>
2 Current assets			
(a) Current investments	L	7,439.11	-
(b) Inventories	M	31,492.77	21,884.24
(c) Trade receivables	N	5,733.16	5,406.53
(d) Cash and cash equivalents	O	5,715.13	275.73
(e) Short-term loans and advances	P	1,714.66	1,981.10
(f) Other current assets	Q	695.42	741.94
		<u>52,790.25</u>	<u>30,289.54</u>
TOTAL		<u>1,00,768.36</u>	<u>87,277.24</u>

See accompanying notes to the financial statements

As per our report of even date

For Srikishen & Co.
Chartered Accountants
Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

Rajshree Pathy
Chairperson & Managing Director
DIN 00001614

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 29th May 2017

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Lakhs)

PARTICULARS	Note	31.03.2017	31.03.2016
Income :			
I. Revenue from operations	R	66,670.27	56,989.57
II. Other income	S	331.96	438.92
III. Total Revenue (I + II)		67,002.23	57,428.49
IV. Expenses:			
Cost of materials consumed	T	47,237.94	43,388.19
Purchases - Sugar Trading		1,587.58	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	U	(8,753.75)	(1,839.35)
Employee benefits expense	V	3,639.06	3,414.58
Finance costs	W	7,138.59	6,476.49
Depreciation and amortization expense	I	2,563.65	2,598.49
Other expenses	X	9,011.15	8,227.03
Total expenses		62,424.22	62,265.42
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,578.01	(4,836.93)
VI. Exceptional items		-	(2,762.42)
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		4,578.01	(2,074.52)
VIII. Extraordinary Items		-	-
IX. Profit / (loss) before tax (VII- VIII)		4,578.01	(2,074.52)
X Tax expense:			
(1) Current tax		1,107.02	-
(2) Deferred tax liability / (reversed) provided		477.34	(641.03)
		1,584.36	(641.03)
XI Profit / (Loss) for the period from continuing operations (IX-X)		2,993.65	(1,433.49)
XII Profit / (loss) from Discontinuing operations (after tax)		-	-
XIII Profit / (Loss) for the period (XI + XII)		2,993.65	(1,433.49)
XVI Earnings per equity share:			
(1) Basic		10.72	(5.98)
(2) Diluted		10.72	(5.09)

See accompanying notes to the financial statements

As per our report of even date

For Srikishen & Co.
 Chartered Accountants
 Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

Rajshree Pathy
 Chairperson & Managing Director
 DIN 00001614

K. Murali Mohan
 Membership No:14328
 Proprietor, Auditor

K.N.Sreedharan
 Membership No:12026
 Partner, Auditor

R Varadarajan
 Whole time Director
 DIN 00001738

 Place : Coimbatore
 Date : 29th May 2017

V B Gopal Krishnan
 Chief Financial Officer

M Ponraj
 Company Secretary

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
A. SHARE CAPITAL		
AUTHORISED		
30,000,000 Equity Shares of ₹10/- each	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED SUBSCRIBED & PAID UP:		
2,81,66,700 Equity Shares of ₹10/- each fully paid-up in cash <i>(Previous year 2,49,71,700 Equity Shares of ₹10 each)</i>	<u>2,816.67</u>	<u>2,497.17</u>
Equity shares issued for consideration other than cash by conversion of promotor contribution under CDR		
11,80,000 equity shares of ₹10 each on 10.02.2016 31,95,000 equity shares of ₹10 each on 29.04.2016		
ii) No of Equity Shares outstanding at the beginning of the year	24,971,700	23,791,700
Additions during the year	3,195,000	1,180,000
At the end of the year	28,166,700	24,971,700
ii) Shareholder holding more than 5 percent shares:		
Ms. Rajshree Pathy	11,317,313	9,550,884
M/s RSCL Properties Pvt Limited	1,449,331	20,760
B RESERVES & SURPLUS		
RESERVES		
i) General Reserve	7,575.90	7,575.90
ii) Securities Premium Reserve:		
Opening Balance	784.40	572.00
Additions during the year	<u>575.10</u>	<u>212.40</u>
Closing Balance	1,359.50	784.40
iii) Other reserves - Refer note Z 18	158.70	158.70
SURPLUS		
iv) Balance in Profit & Loss statement:		
Opening Balance	(7,359.48)	(5,925.99)
Add : Profit / (Loss) after tax	<u>2,993.65</u>	<u>(1,433.49)</u>
Closing Balance	(4,365.83)	(7,359.48)
	<u>4,728.27</u>	<u>1,159.52</u>
C LONG - TERM BORROWINGS		
SECURED LOANS		
Term Loans -		
a) From Banks	33,602.50	41,002.30
b) From Other parties :		
Sugar Development Fund	-	1,022.27

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
UNSECURED LOANS		
Promoters contribution - under CDR	894.60	1,225.00
Less: Converted into equity shares	894.60	330.40
Note : Please refer Note No. Z 1 for rate of interest, maturity profile, security details etc.	-	894.60
	<u>33,602.50</u>	<u>42,919.17</u>
D DEFERRED TAX LIABILITIES:		
Opening Balance	457.70	1,098.73
Add / (Less) : Provided/ (Reversed) during the year	477.34	(641.03)
	<u>935.04</u>	<u>457.70</u>
E SHORT - TERM BORROWINGS		
SECURED LOANS		
Loans repayable on demand from Banks:		
Cash Credit Account	<u>14,395.34</u>	<u>14,339.98</u>
Note : Please refer Note No. Z 1 for rate of interest, maturity profile, security details etc.		
F TRADE PAYABLES		
Due to Micro & Small Enterprises	-	-
Due to Others	<u>17,236.15</u>	<u>10,447.49</u>
G OTHER CURRENT LIABILITIES		
i) Current maturities of long term debt	11,915.67	11,836.02
ii) Interest accrued but not due on Loans	49.04	36.31
iii) Interest Accrued & Due on Loans	1,322.13	896.91
iv) Unpaid Dividend*	19.41	26.58
<i>* The figures reflect the position as at March 31, 2017. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates</i>		
v) Other Payables :		
Advance received from Customers	2,089.98	584.09
Advance received for sale of investments	7,777.00	-
Statutory dues payables	2,178.16	1,638.24
Creditors for capital expenditure	291.67	230.90
	<u>12,336.81</u>	<u>2,453.23</u>
	<u>25,643.06</u>	<u>15,249.05</u>
H. SHORT- TERM PROVISIONS		
i) Provisions for employee benefits:		
Leave Salary entitlement	42.69	32.13
Gratuity contribution	261.62	175.03
ii) Provision for income tax	1,107.02	-
	<u>1,411.33</u>	<u>207.16</u>

NOTES TO THE FINANCIAL STATEMENTS:

I FIXED ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2016	Additions for the Period	Deletions for the Period	As on 31.03.2017	Upto 31.03.2016	For the year	Written Back	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
TANGIBLE ASSETS										
LAND	918.08	-	-	918.08	-	-	-	-	918.08	918.08
BUILDINGS	14,467.26	12.80	-	14,480.06	3,922.08	498.69	-	4,420.77	10,059.28	10,545.17
PLANT AND EQUIPMENT	59,775.32	238.62	4.85	60,009.09	22,931.64	1,905.46	4.78	24,832.31	35,176.78	36,843.69
FURNITURE AND FIXTURES	194.60	1.09	-	195.69	107.55	16.12	-	123.67	72.02	87.05
VEHICLES	859.62	-	26.19	833.43	578.77	79.35	19.46	638.66	194.77	280.85
OFFICE EQUIPMENT	165.46	3.01	-	168.47	139.54	7.86	-	147.40	21.07	25.92
ELECTRICAL EQUIPMENT	496.13	2.60	-	498.73	436.93	10.40	-	447.33	51.40	59.20
TOOLS & EQUIPMENT	97.22	-	0.17	97.04	75.30	4.97	0.07	80.19	16.85	21.92
LAB EQUIPMENT	136.72	0.36	-	137.08	73.12	11.86	-	84.98	52.10	63.60
TOTAL	77,110.40	258.49	31.21	77,337.67	28,264.92	2,534.71	24.31	30,775.32	46,562.35	48,845.48
INTANGIBLE ASSETS										
SAP SOFTWARE	483.34	-	-	483.34	430.24	28.93	-	459.17	24.17	53.10
GRAND TOTAL	77,593.74	258.49	31.21	77,821.01	28,695.16	2,563.65	24.31	31,234.49	46,586.52	48,898.58
CAPITAL WORK IN PROGRESS									183.86	130.30
2015-16	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

PARTICULARS	31.03.2017	31.03.2016
J NON CURRENT INVESTMENTS :		
Unquoted Non - trade		
Investment in Equity Instruments of body corporates: Subsidiaries:		
M/s. Trident Sugars Limited - 26,494,924 Equity shares of ₹10/- each at cost (previous year 26,494,924 equity shares)	-	6,739.11
	-	6,739.11
K LONG TERM LOANS & ADVANCES :		
(Unsecured, considered good)		
i) Capital Advance :	60.66	42.54
ii) Security Deposits	158.44	151.97
iii) Advance Income Tax	523.63	560.20
iv) Loans & Advances due by Director : Land purchase advance	465.00	465.00
	<u>1,207.73</u>	<u>1,219.71</u>

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
L CURRENT INVESTMENTS :		
Unquoted Non - trade		
Investment in Equity Instruments of body corporates:		
Subsidiary:		
M/s. Trident Sugars Limited - 33,494,924 Equity shares of ₹10/- each at cost (previous year 26,494,924 Equity shares)	7,439.11	-
	<u>7,439.11</u>	<u>-</u>
M INVENTORIES		
Work-in-progress at cost	408.37	648.32
Finished Goods-at Cost / Net Realisable Value	29,031.75	19,272.00
Stock In Trade - Properties at Cost	540.89	540.89
Stock In Trade - Others at Cost	182.98	115.64
Stores & Spares at cost	1,328.78	1,307.39
	<u>31,492.77</u>	<u>21,884.24</u>
N TRADE RECEIVABLES:		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	1,941.18	159.72
Others	3,791.98	5,246.81
	<u>5,733.16</u>	<u>5,406.53</u>
O CASH AND CASH EQUIVALENTS:		
Cash on hand	13.60	26.82
Balance with Banks :		
In Current accounts	5,676.87	187.33
Guarantee Margin Account	0.25	35.00
Deposit - maturity more than 12 months	5.00	-
Unpaid dividend account	19.41	26.58
	<u>5,715.13</u>	<u>275.73</u>
P SHORT TERM LOANS AND ADVANCES:		
(Unsecured, considered good)		
i) Loans & Advances to Subsidiary company:		
M/s. Trident Sugars Limited -	-	531.73
ii) Others:		
Staff and other advance	88.33	66.03
Advance to suppliers	371.40	356.55
Advance Sales Tax	18.97	18.97
Excise Duty Deposits	857.87	665.81
Prepaid Expenses	378.09	342.01
	<u>1,714.66</u>	<u>1,449.37</u>
	<u>1,714.66</u>	<u>1,981.10</u>

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
Q OTHER CURRENT ASSETS:		
Income receivable	268.91	250.41
Interest receivable on Excise Duty Loan	426.51	491.53
	<u>695.42</u>	<u>741.94</u>
R Revenue from Operations:		
i) Sale of Products	69,422.26	58,558.69
ii) Other operating Revenue:		
Sale of Scrap	94.29	79.07
Export Incentives	-	35.63
	<u>69,516.55</u>	<u>58,673.39</u>
LESS: Excise Duty	<u>2,846.28</u>	<u>1,683.82</u>
	<u>66,670.27</u>	<u>56,989.57</u>
S OTHER INCOME		
i) Interest Income - Others	215.17	301.21
ii) Other non- operating Income :		
Rental Income	37.98	37.98
Other Misc Income	77.75	75.02
Net gain on Foreign Exchange fluctuations	-	23.72
Profit on Sale of Assets	1.06	0.99
	<u>331.96</u>	<u>438.92</u>
T COST OF MATERIALS CONSUMED:		
Raw material - Sugar cane	<u>47,237.94</u>	<u>43,388.20</u>
U CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS: & STOCK IN TRADE:		
Opening Inventory:		
Finished goods	19,272.00	16,853.33
Work in progress	648.33	467.98
Stock in trade	540.89	540.89
	<u>20,461.22</u>	<u>17,862.20</u>
Less : Closing inventory:		
Finished goods	29,031.75	19,272.00
Work in progress	408.37	648.33
Stock in trade	540.89	540.89
	<u>29,981.01</u>	<u>20,461.22</u>
	<u>(9,519.79)</u>	<u>(2,599.02)</u>
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	<u>766.04</u>	<u>759.67</u>
	<u>(8,753.75)</u>	<u>(1,839.35)</u>

NOTES TO THE FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
V EMPLOYEE BENEFIT EXPENSES:		
Salaries, Wages & Bonus	2,965.21	2,827.57
Contribution to P F & Other funds	315.58	215.79
Welfare Expenses	358.27	371.20
	<u>3,639.06</u>	<u>3,414.58</u>
W FINANCE COST:		
a) Interest expense	7,050.66	6,361.66
b) Other borrowing costs	87.93	114.83
	<u>7,138.59</u>	<u>6,476.49</u>
X OTHER EXPENSES:		
Consumption of Stores	1,484.29	809.11
Consumption of Packing Materials	740.82	931.86
	<u>2,225.11</u>	<u>1,740.97</u>
Power & Fuel	1,203.56	1,410.60
Building rent	168.63	82.71
Repairs & Maintenance :		
Building	124.09	86.94
Machinery	2,103.27	1,915.75
	<u>2,227.36</u>	<u>2,002.69</u>
Insurance Premium	140.32	127.08
Licence Fees & Tax	153.95	152.47
Cartage & Freight	965.44	546.27
Payment to Auditor's		
- Statutory Audit fees	6.00	6.00
- Taxation matters	3.35	4.76
- Company law matters	7.50	-
- Certification	1.95	0.68
	<u>18.80</u>	<u>11.44</u>
Cost Audit fees	1.78	2.21
Miscellaneous Expenses	1,906.20	2,150.60
	<u>9,011.15</u>	<u>8,227.04</u>

NOTES TO THE FINANCIAL STATEMENTS

Y SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING & REVENUE RECOGNITION

The financial statements are prepared under historical cost convention on a going concern basis, with revenues 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

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 and Loss as prescribed in AS-28.

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.

NOTES TO THE FINANCIAL STATEMENTS

Z. 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
2017-18	2,191.44	509.10	4,333.18	7,033.72
Total	2,191.44	509.10	4,333.18	7,033.72
2018-19	906.28	902.20	4,494.66	6,303.14
2019-20	-	902.20	5,351.40	6,253.60
2020-21	-	838.20	5,715.61	6,553.81
2021-22	-	786.20	6,322.45	7,108.65
2022-23	-	393.08	4,464.70	4,857.78
2023-24	-	-	2,522.38	2,522.38
Total	906.28	3,821.88	28,871.20	33,599.36

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

Interest Rate for Restructured Loans

Financial Year	Rate of Interest
April 2014 - Mar 2016	11.00%
April 2016 - Mar 2017	12.00%
April 2017 onwards	12.50%

Term Loan delayed payment share separately:

(₹ in Lakhs)

	Loans not under CDR Scheme			
	4.00%	8.00%	8.25%	Total
2017-18	211.00	314.28	811.27	1,336.55
Total	211.00	314.28	811.27	1,336.55

NOTES TO THE FINANCIAL STATEMENTS

Security details for long term borrowings:

- 1) The term loans aggregating to ₹37,189 lakhs (₹44,948.47 lakhs) under Corporate Debt Restructuring Scheme (CDR) are secured as detailed below:
 - a) First pari-passu charge on the fixed assets of the company except the following:
 - i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
 - ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
 - iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
 - iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
 - 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 mezzanine 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 the 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 1 Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat.
 - iii. Residential Flat No 2 at Door No 9 Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.
 - f) The Cogeneration receivables of Unit- II & III, previously charged exclusively to State Bank of India, will be pooled into the Trust and Retention Account for all lenders under 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 ₹314 lakhs (₹629 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 ₹3,683.44 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 ₹4,330.97 lakhs (₹4,388.98 lakhs) is secured by (a) First charge over the current assets of the Borrower on pari passu basis with other WC Lenders (b) First pari passu charge on the fixed assets of the Borrower except the exclusively charged assets.(c) First pari passu charge on the additional securities provided by the Borrower for CDR package (d) Second pari passu charge on the entire fixed assets of the Unit-III at Gingee subject to approval for sharing the security for Sugar Development Fund. Bank of India need to modify hypothecation charge to align to this security structure.
- 5) The loans aggregating to ₹41,519.99 lakhs (₹49,337.45 lakhs) guaranteed by Managing Director.

NOTES TO THE FINANCIAL STATEMENTS

6) Term loans Guaranteed by others is Nil.

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

(₹ in Lakhs)

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund – Cogen	211.00	From Dec 2015	The Company has requested for restructuring of the loan.
-do-	211.00	From Jun 2016	-do-
-do-	211.00	From Dec 2016	-do-
Sugar Development Fund – Distillery	405.64	From March 2015	Paid in April 2017
-do-	405.64	From Sept 2015	The Company has requested for restructuring of the loan.
-do-	405.64	From March 2016	-do-
-do-	405.64	From Sept 2016	-do-
-do-	405.64	From March 2017	-do-
TOTAL	2,661.20		
Axis Bank Limited	66.89	From March 2017	Paid in April 2017
UCO bank	81.25	-do-	-do-
Federal Bank Ltd	74.25	-do-	-do-
ICICI Bank Ltd.,	222.99	-do-	-do-
State Bank of Hyderabad	139.16	-do-	-do-
Bank of India	173.00	-do-	-do-
State Bank of Mysore	129.75	-do-	-do-
TOTAL	887.29		

Name of the Lender	Amount of Default (Interest)	Period of default	Remarks
Sugar Development Fund	896.91	From Sep 2014 to Mar 2017	The Company has requested for restructuring of the loan.
Total (a)	896.91		
Axis Bank Ltd.,	44.08	From Mar 2017	Paid in April 2017
Federal Bank Ltd.,	48.88	-do-	-do-
ICICI Bank Ltd.,	148.08	-do-	-do-
State Bank of India	152.39	-do-	-do-
State Bank of Hyderabad	8.24	-do-	-do-
Bank of India	23.55	-do-	-do-
Total (b)	425.22		
Grand Total (a+b)	1,322.13		

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, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
 - ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
 - iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
 - iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
 - v. 2/3rd undivided rights on the interests in the plot of land admeasuring about 375 sq yards along with the first and second floor terrace floor along with the mezzanine 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.
 - 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	31.03.2017	31.03.2016
2) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	—	—
Interest due on above and the unpaid interest	—	—
Interest paid	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	—	—
Interest accrued and remaining unpaid	—	—
Amount of further interest remaining due and payable in succeeding years	—	—
3) CIF Value of Imports		
a) Capital Goods	—	—
b) Consumable spares	—	—
4) Earnings in Foreign Exchange		
Export of goods calculated on FOB basis	—	2,595.67
5) Expenditure in Foreign Currency		
a) Foreign Travel & Boarding	11.82	6.42
b) Registration/Membership Fees	10.35	—
c) Carbon credit expenses	17.46	—
d) Professional Fees	6.59	—
6) Cost of Materials consumed		
Sugarcane	47,237.94	43,388.19
7) Consumption		
a) Raw Materials		
i) Imported	—	—
ii) Indigenous	47,237.94 (100%)	43,388.19 (100%)
b) Stores & Spares		
i) Imported	—	—
ii) Indigenous	1,484.28 (100%)	809.11 (100%)
8) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	6.72	4.16
9) The company held five properties (building) on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	149.96	138.62
b) Later than 1 year and not later than 5 years	555.19	556.17
c) Later than 5 years	2,746.78	2,880.57
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	141.92	36.42

NOTES TO THE FINANCIAL STATEMENTS

(₹ in lakhs)

PARTICULARS	31.03.2017	31.03.2016
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	12.00
b) Later than 1 year and not later than 5 years	48.00	48.00
c) Later than 5 years	36.00	48.00
d) Lease payments recognized in the Statement of Profit & Loss	12.00	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	36.43	36.58
b) Later than 1 year and not later than 5 years	45.50	81.93
c) Later than 5 years	—	—
d) Lease receipts recognized in the Statement of Profit & Loss	36.58	36.58
12) Borrowing costs capitalized	7.65	6.03
13) Borrowing costs included in Capital Work in progress	3.53	1.17

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	147.50	146.28
Employer's Contribution to Superannuation Fund (excluding refund of excess contribution in prior year)	40.51	2.01

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	31.03.2017	31.03.2016
a. Reconciliation of opening and closing balances of Defined Benefit obligation		
Defined Benefit obligation at beginning of the year	716.53	710.40
Current service cost	64.19	41.25
Interest cost	57.04	56.48
Benefits paid	(52.36)	(84.13)
Actuarial (gain) / loss	56.58	(7.47)
Defined Benefit obligation at year end	841.97	716.53
b. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	518.22	476.75
Expected return on plan assets	41.25	37.90
Employer contribution	40.00	115.00
Benefits paid	(52.36)	(84.13)
Actuarial Gain / (loss)	33.23	(27.29)
Fair value of plan assets at year end	580.35	518.23
c. Reconciliation of fair value of assets and obligations		
Fair value of plan assets as at 31st March 2017	580.35	518.23
Present value of obligation as at 31st March 2017	841.97	716.53
Amount recognized in Balance Sheet	(261.62)	(198.30)
d. Expenses recognized during the year		
Current Service Cost	64.19	41.25
Interest Cost	57.04	56.48
Expected return on plan assets	(41.25)	(37.90)
Actuarial (gain) / loss	23.35	19.82
Net Cost	103.32	79.65
e. Investment details		
L.I.C. Group Gratuity policy	191.91	190.25
HDFC Group Gratuity policy	388.44	327.97
f. Actuarial assumptions		
Mortality Table (L.I.C)	2006-08	2006-08
Discount rate % (per annum)	7.27	7.96
Expected rate of return on plan assets % (p.a)	7.27	7.96
Rate of escalation in salary % (p.a)	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.

NOTES TO THE FINANCIAL STATEMENTS

15. Disclosure regarding specified bank Notes:

Particulars	SBN	Other Notes	Total
Opening balance as on 08.11.2016	2,763,000	329,620	3,092,620
Add: Permitted receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited	2,763,000	-	2,763,000
Closing balance as on 30.12.2016	-	787,670	787,670

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 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 (Apr'14 to Mar'16) and ₹80.38 Lakhs (Apr'12 to Jun'12) which are yet to be adjudicated by the Commissioner of Central Excise, Pondicherry. The department has also issued a notice for demand of ₹456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.

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 India Sugar Mills Association, of which the company is a member, has filed W.P. No. 7872/2015 before the Hon'ble Madras High Court against Union of India and Director of Sugar, Tamil Nadu challenging the very jurisdictional basis of fixing additional cane price for the Sugar years 2004-05 to 2008-09 in the absence of any statutory power to do so. The said writ petition is pending before the said Court along with other connected writ petitions. In the said writ on 19/3/15 there is a direction to respondents that they shall not initiate any coercive proceedings to recover any amount pursuant to impugned order. 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 ₹3,777 lakhs (₹2,746 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS

- 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 as on 31.3.2017 is ₹3,340.92 lakhs (₹3,340.92 lakhs). The company has requested bankers to return the guarantee in view of sale of subsidiary company, Trident Sugars Limited.
- c) The Government of Tamilnadu notified the State Advised Price (SAP) of ₹2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and ₹2,850 for sugar season 2015 -16 & 2016 - 17. The company has accounted the cane purchase at the rate of ₹2,350/- per MT (for the cane procured during Apr 2014 to Sep 2014) and at the rate of ₹2,400/- per MT (for the cane procured during the period October 2014 – Sep 2016). For the sugar season 2016-17, the company has paid ₹2,425 per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is ₹17,130.90 lakhs.
- 17) Income Tax assessments have been completed up to Assessment year 2014-15. 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 11,50,000 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 2016-17 save and except the following:
The Tamil Nadu Government has issued a G.O. dated 31.08.2010 as directed by the Hon'ble Madras High Court, notifying the elephant corridor in the Nilgris District, which includes company's land of 7.83 acres in Masinagudi Village Nilgris 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.
In terms of the special resolutions passed at the EGM held on 10th February 2016, the Company has issued and allotted on preferential basis 11,80,000 equity shares of ₹10/- each at a price of ₹28/- each by conversion of ₹330.40 lakhs of Promoters contribution under the CDR scheme. Further, in terms of the approval of the shareholders through postal ballot process, the Company allotted 31,95,000 Equity shares of ₹10/- each at a price of ₹28/- each on 29th April 2016, by conversion of balance promoters' contribution of ₹894.60 lakhs .

Deferred tax workings:

(₹ in lakhs)

Particulars	Opening Balance	Addition / (Reversal)	Closing Balance
Deferred tax liabilities			
Depreciation	9,736.52	(70.80)	9,665.71
Total – A	9,736.52	(70.80)	9,665.71
Deferred tax assets			
Unabsorbed Depreciation and losses	7,605.48	(1,571.10)	6,034.37
Disallowance u/s 43 B	245.98	44.64	290.63
Total – B	7,851.46	(1,526.46)	6,325.00
Net Deferred tax liability (A-B)	1,885.06	1,455.65	3,340.72
MAT Credit (C)	1,427.35	978.32	2,405.67
Net Deferred tax liability (A-B-C)	457.71	477.33	935.05

NOTES TO THE FINANCIAL STATEMENTS
21) Transactions with Related Parties

(₹ in lakhs)

Particulars	Subsidiaries		Key Managerial Personnel		Relatives of Key Management personnel		Other Related Parties		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Remuneration paid										
Ms.Rajshree Pathy			121.60	121.20					121.60	
Mr.R.Varadarajan			53.60	49.20					53.60	49.20
Mr.V.B.Gopal Krishnan			38.45	30.13					38.45	30.13
Mr.M.Ponraj			7.36	6.35					7.36	6.35
Ms.Aishwarya Pathy					22.50	-			22.50	-
Purchase of Goods										
Ms.Aishwarya Pathy					4.31	13.02			4.31	13.02
Mr.Aditya Krishna Pathy					13.13	10.10			13.13	10.10
RSCL Properties (P) Ltd							12.14	5.29	12.14	5.29
Greenplus Manures LLP							3.43	11.71	3.43	11.71
Rajshree Spinning Mills Ltd							11.63	15.37	11.63	15.37
Sri Krishna Potable Products (P) Ltd							0.73	2.45	0.73	2.45
Lavik Foodworks LLP							-	0.07	-	0.07
Trident Sugars Ltd	1,666.90	-							1,666.90	-
Sale of goods										
Trident Sugars Ltd	1,509.90	-							1,509.90	-
Lavik Foodworks LLP							2,064.81	539.47	2,064.81	539.47
Rajshree Biosolutions LLP							-	5.15	-	5.15
Purchase of Assets/ Accessories										
Trident Sugars Ltd	-	16.96							-	16.96
CAI Industries (P) Ltd							0.92	0.72	0.92	0.72
Rajshree Automotive (P) Ltd							0.22	0.06	0.22	0.06
Receiving of Services										
CAI Industries (P) Ltd							0.17	0.33	0.17	0.33
Aloha Tours & Travels (India) (P) Ltd							0.54	1.01	0.54	1.01
Rajshree Automotive (P) Ltd							0.11	0.03	0.11	0.03
Major Corporate Services (India) LLP							502.39	453.88	502.39	453.88
Issue of Equity shares										
Rajshree Pathy			494.60	330.40					494.60	330.40
RSCL Properties (P) Ltd							399.99	-	399.99	-
Interest received										
Trident Sugars Ltd	122.35	161.09							122.35	161.09
Guarantee given										
Trident Sugars Ltd	3,340.92	3,340.92							3,340.92	3,340.92
Lease rent received										
Rajshree Biosolutions LLP							41.39	39.86	41.39	39.86
Major Corporate Services India LLP							0.66	0.64	0.66	0.64
Lease rent paid										
Lavik Estates Ltd.,							120.94	5.49	120.94	5.49
Rajinisha Textiles & Exports Pvt Ltd							3.50	-	3.50	-
Bio-fertiliser received for supply to farmers of the company										
Rajshree Biosolutions LLP							213.01	415.74	213.01	415.74
Purchase of uniform cloth materials										
Lakshmi Mills Co. Ltd							7.13	5.34	7.13	5.34
OUTSTANDINGS										
Payable	-	-	-	-	3.83	6.02	72.26	152.74	76.09	158.76
Receivable	-	531.73	465.00	465.00	-	-	0.06	6.91	465.06	1,003.64

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 Managerial Personnel
 - a) Ms.Rajshree Pathy, Chairperson & Managing Director
 - b) Mr.R.Varadarajan, Wholetime Director
 - c) Mr.V.B.Gopal Krishnan, Chief Financial Officer
 - d) 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) Lavik Holdings Pvt Ltd
 - c) Argead Enterprises Pvt Ltd
 - d) CAI Industries Pvt Ltd
 - e) Rajshree Automotive Pvt Ltd
 - f) Aloha Tours & Travels (India) Pvt Ltd
 - g) Rajshree Spinning Mills Ltd
 - h) Raj Fabrics and Accessories (Cbe) Ltd
 - i) Greenplus Manures LLP
 - j) Major Corporate Services (India) Ltd (Converted into LLP w.e.f. 30.9.2016)
 - k) Lavik Foodworks LLP
 - l) Rajshree Biosolutions LLP
 - m) Lakshmi Mills Company Ltd
 - n) Lavik Estates Limited
 - o) Sri Krishna Potable Products Pvt Ltd
 - p) Rajnisha Textiles & Exports Pvt Ltd

		(₹in Lakhs)
22) Earnings per share	31.03.2017	31.03.2016
a) Weighted Average number of equity shares of ₹10/- each outstanding at the year end.	27,921,604	23,956,126
b) Diluted number of equity shares of ₹10/- each.	27,921,604	28,166,700
c) Profit/(Loss) before / after extraordinary items	2,993.65	(1,433.49)
Basic earnings per share of ₹10/- each	10.72	(5.98)
Diluted earnings per share of ₹10/- each	10.72	(5.09)

23) 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.
Chartered Accountants
Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

Rajshree Pathy
Chairperson & Managing Director
DIN 00001614

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 29th May 2017

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED	31.03.2017	31.03.2016
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	4,578.01	(4,836.93)
Adjustment for:		
Depreciation	2,563.65	2,598.49
Loss / (Profit) on sale of Fixed Assets	0.68	1.93
Loss on investments	-	-
Interest paid	7,138.60	6,476.49
Interest received	(215.17)	(301.21)
Operating profit before working capital changes	14,065.75	3,938.76
Adjustments for:		
Trade and other receivables	34.88	(838.08)
Inventories	(9,608.53)	(2,304.71)
Trade payables	17,869.23	(89.05)
Cash generated from Operations	22,361.34	706.93
Direct taxes (paid) / Refund	(1,143.59)	25.20
Cashflow before extraordinary items	21,217.76	732.12
Extraordinary items	-	2,762.42
Net cash from operating activities	21,217.76	3,494.54
B. Cash flow from investing Activities		
Purchase of Fixed Assets	305.82	(162.06)
Investment in Subsidiary company / Post office Deposit	(700.00)	0.17
Sale of Fixed Assets - Including compensation received on acquisition	-	-
Interest received	215.17	301.21
Net Cash used in Investing Activities	790.65	139.33
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	-
Proceeds from / (Repayment of) long term borrowings	(8,342.42)	1,476.51
Proceeds from / (Repayment of) short term borrowings	55.36	424.77
Interest paid	(6,700.64)	(5,685.81)
Dividend paid including tax on dividend	-	-
Net Cash used in Financing Activities	(14,987.70)	(3,784.54)
Net Increase / (Decrease) in Cash and Cash Equivalents	5,439.41	(150.67)
Cash and cash equivalent as at the beginning of the Year	275.73	426.40
Cash and cash equivalent as at the close of the Year	5,715.14	275.73

As per our report of even date

For Srikishen & Co.
 Chartered Accountants
 Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

Rajshree Pathy
 Chairperson & Managing Director
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K. Murali Mohan
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 Membership No:12026
 Partner, Auditor

R Varadarajan
 Whole time Director
 DIN 00001738

 Place : Coimbatore
 Date : 29th May 2017

V B Gopal Krishnan
 Chief Financial Officer

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, 2017, 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 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 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 us 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, 2017;
- b) In the case of the Consolidated Statement of Profit and Loss, of the Profit 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.

Other Matters

We have audited the financial statements of the subsidiary M/s Trident Sugars Limited whose financial statements reflect total assets of ₹6,529.89 lakhs as at 31st march 2017, total revenue of ₹11,058.37 Lakhs and net cash outflows amounting ₹16.65 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(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, 2017 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, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the 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.
 - iv. The Group has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the respective Companies;

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

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017

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 2017, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

Place : Coimbatore
Date : 29th May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

(₹. in Lakhs)

PARTICULARS	Note	31.03.2017	31.03.2016
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	A	2,816.67	2,497.17
(b) Reserves and surplus	B	817.00	(2,671.70)
		3,633.67	(174.53)
2. Non-current liabilities			
(a) Long-term borrowings	C	35,098.50	45,107.28
(b) Deferred tax liabilities (Net)	D	(553.21)	(973.74)
		34,545.29	44,133.54
3. Current liabilities			
(a) Short-term borrowings	E	17,516.03	20,180.92
(b) Trade payables	F	17,370.64	12,378.65
(c) Other current liabilities	G	27,121.09	17,214.69
(d) Short-term provisions	H	1,431.55	230.25
		63,439.31	50,004.51
	TOTAL	1,01,618.27	93,963.52
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	I		
(i) Tangible assets		50,432.75	52,916.67
(ii) Intangible assets		3,271.56	3,300.49
(iii) Capital work-in-progress		208.74	155.18
(b) Long-term loans and advances	J	1,539.36	1,539.37
		55,452.41	57,911.71
2. Current assets			
(a) Current investments		-	-
(b) Inventories	K	32,064.36	27,477.50
(c) Trade receivables	L	5,750.55	5,446.08
(d) Cash and cash equivalents	M	5,799.82	343.78
(e) Short-term loans and advances	N	1,757.37	1,767.29
(f) Other current assets	O	793.76	1,017.16
		46,165.86	36,051.81
TOTAL		1,01,618.27	93,963.52

See accompanying notes to the financial statements

As per our report of even date

For Srikishen & Co.
Chartered Accountants
Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

Rajshree Pathy
Chairperson & Managing Director
DIN 00001614

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 29th May 2017

V B Gopal Krishnan
Chief Financial Officer

M Ponraj
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹. in Lakhs)

PARTICULARS	Note	31.03.2017	31.03.2016
INCOME :			
I. Revenue from operations	P	74,690.27	71,290.82
II. Other income	Q	222.40	422.13
III. Total Revenue (I + II)		74,912.67	71,712.95
IV. Expenses:			
Cost of materials consumed	R	50,408.64	52,430.37
Purchases - Sugar trading		-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	S	(4,085.48)	1,498.12
Employee benefits expense	T	4,205.83	4,006.74
Finance costs	U	7,723.73	7,151.55
Depreciation and amortization expense	I	2,760.56	2,804.20
Other expenses	V	9,628.42	9,378.05
Total expenses		70,641.70	77,269.02
V. Profit before exceptional and extraordinary items and tax (III-IV)		4,270.97	(5,556.08)
VI. Exceptional items		-	(2,762.42)
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		4,270.97	(2,793.66)
VIII. Extraordinary Items		-	-
IX. Profit / (loss) before tax (VII- VIII)		4,270.97	(2,793.66)
X. Tax expense:			
(1) Current tax		1,107.02	-
(2) Income tax provision of earlier years reversed		(170.19)	-
(3) Deferred tax liability / (reversed) provided		420.53	(863.24)
		1,357.36	(863.24)
XI. Profit / (Loss) for the period from continuing operations (IX-X)		2,913.61	(1,930.42)
XII. Profit / (loss) from Discontinuing operations (after tax)		-	-
XIII Profit / (Loss) for the period (XI + XII)		2,913.61	(1,930.42)
XIV Earnings per equity share:			
(1) Basic		10.43	(8.06)
(2) Diluted		10.43	(6.85)

See accompanying notes to the financial statements

As per our report of even date

For Srikishen & Co.
 Chartered Accountants
 Accountants Regn.No.004009S

For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

Rajshree Pathy
 Chairperson & Managing Director
 DIN 00001614

K. Murali Mohan
 Membership No:14328
 Proprietor, Auditor

K.N.Sreedharan
 Membership No:12026
 Partner, Auditor

R Varadarajan
 Whole time Director
 DIN 00001738

 Place : Coimbatore
 Date : 29th May 2017

V B Gopal Krishnan
 Chief Financial Officer

M Ponraj
 Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
A. SHARE CAPITAL		
AUTHORISED		
30,000,000 Equity Shares of ₹10/- each	<u>3,000.00</u>	<u>3,000.00</u>
ISSUED SUBSCRIBED & PAID UP:		
2,81,66,700 Equity Shares of ₹10/- each fully paid-up in cash (Previous year 2,49,71,700 Equity Shares of ₹10 each)	<u>2,816.67</u>	<u>2,497.17</u>
Equity shares issued for consideration other than cash by conversion of promotor contribution under CDR 11,80,000 equity shares of ₹10 each on 10.02.2016 31,95,000 equity shares of ₹10 each on 29.04.2016		
<i>i) No of Equity Shares outstanding</i>		
<i>at the beginning of the year</i>	24,971,700	23,791,700
<i>Additions during the year</i>	3,195,000	1,180,000
<i>At the end of the year</i>	28,166,700	24,971,700
<i>ii) Shareholder holding more than 5 percent shares:</i>		
<i>Ms. Rajshree Pathy</i>	11,317,313	9,550,884
<i>M/s RSCL Properties Pvt Limited</i>	1,449,331	20,760
B. RESERVES & SURPLUS		
RESERVES		
<i>i) General Reserve</i>	7,573.07	7,573.07
<i>ii) Securities Premium Reserve:</i>		
Opening Balance	784.40	572.00
Additions during the year	<u>575.10</u>	<u>212.40</u>
Closing Balance	1,359.50	784.40
<i>iii) Other reserves - Refer note W 6</i>	158.70	158.70
SURPLUS		
<i>iv. Balance in Profit & Loss statement:</i>		
Opening Balance	(11,187.87)	(9,257.45)
Add: Profit / (Loss) after tax	<u>2,913.60</u>	<u>(1,930.42)</u>
Closing Balance	(8,274.27)	(11,187.87)
	<u>817.00</u>	<u>(2,671.70)</u>
C LONG - TERM BORROWINGS		
SECURED LOANS		
Term Loans -		
a. From Banks	35,098.50	43,030.55
b. From Other parties :		
Sugar Development Fund	-	1,182.13
UNSECURED LOANS		
Promotors contribution - under CDR	894.60	1,225.00
Less: Converted into equity shares	<u>894.60</u>	<u>330.40</u>
Please refer Note No. W 8 for rate of interest, maturity profile, security details, etc.	-	894.60
	<u>35,098.50</u>	<u>45,107.28</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
D DEFERRED TAX LIABILITIES:		
Opening Balance	(973.74)	(110.50)
Add / (Less) : Provided/ (Reversed) during the year	420.53	(863.24)
	<u>(553.21)</u>	<u>(973.74)</u>
E SHORT - TERM BORROWINGS		
SECURED LOANS		
Loans repayable on demand from Banks:		
Cash Credit Account	14,395.34	20,180.92
Others	3,120.69	-
Please refer Note No. W 8 for rate of interest, maturity profile, security details, etc.	<u>17,516.03</u>	<u>20,180.92</u>
F TRADE PAYABLES		
Due to Micro & Small Enterprises	-	-
Due to Others	<u>17,370.64</u>	<u>12,378.65</u>
G OTHER CURRENT LIABILITIES		
i) Current maturities of long term debt	13,115.11	12,715.35
ii) Interest accrued but not due on Loans	49.04	36.31
iii) Interest Accrued & Due on Loans	1,498.75	977.79
iv) Unpaid Dividend*	19.41	26.58
<i>* The figures reflect the position as at March 31,2017. The actual amount to be transferred to the Investors Education and Protection Fund in this respect shall be determined on the due dates</i>		
v) Other Payables :		
Advance received from Customers	2,125.60	1,111.56
Advance received for sale of investments	7,777.00	-
Statutory dues payables	2,244.51	2,116.20
Creditors for capital expenditure	291.67	230.90
	<u>12,438.78</u>	<u>3,458.66</u>
	<u>27,121.09</u>	<u>17,214.69</u>
H SHORT- TERM PROVISIONS		
i) Provisions for employee benefits:		
Leave Salary entitlement	42.69	55.22
Gratuity contribution	281.84	175.03
ii) Provision for income tax	1,107.02	-
	<u>1,431.55</u>	<u>230.25</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

I FIXED ASSETS

(₹ in Lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.03.2016	Additions for the Period	Deletions for the Period	As on 31.03.2017	Upto 31.03.2016	For the year	Written Back	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
TANGIBLE ASSETS										
Land	988.40	-	-	988.40	-	-	-	-	988.40	988.40
Buildings	15,448.71	12.80	-	15,461.52	4,181.47	525.45	-	4,706.92	10,754.59	11,267.24
Plant and Equipment	65,285.67	238.80	4.85	65,519.62	25,178.74	2,072.12	4.78	27,246.08	38,273.54	40,106.93
Furniture and Fixtures	213.61	1.09	0.37	214.33	124.26	16.44	0.35	140.35	73.98	89.35
Vehicles	904.64	-	44.70	859.94	611.52	82.16	33.46	660.21	199.73	293.12
Office Equipment	170.25	3.49	-	173.73	143.34	8.23	-	151.57	22.16	26.90
Electrical Equipment	496.13	2.60	-	498.73	436.93	10.40	-	447.33	51.40	59.20
Tools & Equipment	97.22	-	0.17	97.04	75.30	4.97	0.07	80.19	16.85	21.92
Lab Equipment	136.72	0.36	-	137.08	73.12	11.86	-	84.98	52.10	63.60
TOTAL	83,741.34	259.14	50.09	83,950.38	30,824.67	2,731.63	38.67	33,517.63	50,432.75	52,916.67
INTANGIBLE ASSETS										
SAP SOFTWARE	483.34	-	-	483.34	430.24	28.93	-	459.17	24.17	53.10
GOODWILL	3,247.39	-	-	3,247.39	-	-	-	-	3,247.39	3,247.39
GRAND TOTAL	87,472.07	259.14	50.09	87,681.11	31,254.91	2,760.56	38.67	33,976.80	53,704.32	56,217.16
CAPITAL WORK IN PROGRESS										
2015-16	87,304.99	208.53	41.45	87,472.07	28,485.90	2,804.20	35.20	31,254.91	208.74	155.18
									56,217.16	58,819.09

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
J LONG TERM LOANS & ADVANCES :		
(Unsecured, considered good)		
i) Capital Advance	60.66	42.54
ii) Ryot Advance	-	216.25
iii) Security Deposits	262.13	166.39
iv) Advance Income Tax	751.57	649.19
v) Loans & Advances due by Director :		
Land purchase advance	465.00	465.00
	<u>1,539.36</u>	<u>1,539.37</u>
K INVENTORIES		
Work-in-progress at cost	462.70	697.06
Finished Goods-at Cost / Net Realisable Value	29,243.46	24,526.41
Stock In Trade - Properties at Cost	540.89	540.89
Stock In Trade - Others at Cost	182.98	115.64
Stores & Spares at cost	1,634.33	1,597.50
	<u>32,064.36</u>	<u>27,477.50</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
L TRADE RECEIVABLES:		
(Unsecured, considered good)		
Outstanding for a period exceeding six months.	1,952.69	166.80
Others	3,797.86	5,279.28
	<u>5,750.55</u>	<u>5,446.08</u>
M CASH AND CASH EQUIVALENTS:		
Cash on hand	17.83	27.13
Balance with Banks :		
In Current accounts	5,721.85	199.09
Guarantee Margin Account	35.73	90.98
Deposit - maturity more than 12 months	5.00	-
Unpaid dividend account	19.41	26.58
	<u>5,799.82</u>	<u>343.78</u>
N SHORT TERM LOANS AND ADVANCES:		
Staff and other advance	102.03	261.19
Advance to suppliers	380.06	439.23
Advance Sales Tax	18.97	18.97
Excise Duty Deposits	864.00	686.90
Prepaid Expenses	392.31	361.00
	<u>1,757.37</u>	<u>1,767.29</u>
O OTHER CURRENT ASSETS:		
Income receivable	269.07	390.18
Interest receivable on Excise Duty Loan	524.69	626.98
	<u>793.76</u>	<u>1,017.16</u>
P REVENUE FROM OPERATIONS:		
i) Sale of Products	77,984.13	73,528.88
ii) Other operating Revenue:		
Sale of Scrap	123.43	88.62
Export Incentives	-	35.63
	<u>78,107.56</u>	<u>73,653.13</u>
LESS: Excise Duty	3,417.29	2,362.31
	<u>74,690.27</u>	<u>71,290.82</u>
Q OTHER INCOME		
i) Interest Income - Others	101.84	145.16
ii) Other non- operating Income :		
Rental Income	37.98	37.98
Other Misc Income	80.65	212.65
Net gain on Foreign Exchange fluctuations	-	25.35
Profit on Sale of Assets	1.93	0.99
	<u>222.40</u>	<u>422.13</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
R COST OF MATERIALS CONSUMED:		
Raw material - Sugar cane	<u>50,408.64</u>	<u>52,430.37</u>
S CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS & STOCK IN TRADE:		
Opening Inventory:		
Finished goods	24,526.41	25,287.48
Work in progress	697.06	655.64
Stock in trade	<u>540.89</u>	<u>540.89</u>
	25,764.36	26,484.00
Less : Closing inventory:		
Finished goods	29,243.46	24,526.41
Work in progress	462.70	697.06
Stock in trade	<u>540.89</u>	<u>540.89</u>
	30,247.05	25,764.36
	(4,482.69)	719.65
Less: Excise duty on Increase / (Decrease) in stock of Finished Goods	<u>397.21</u>	<u>778.47</u>
	(4,085.48)	1,498.12
T EMPLOYEE BENEFIT EXPENSES:		
Salaries, Wages & Bonus	3,470.85	3,345.89
Contribution to P F & Other funds	365.36	259.49
Welfare Expenses	<u>369.62</u>	<u>401.37</u>
	4,205.83	4,006.74
U FINANCE COST:		
Interest expense	7,620.61	7,011.53
Other borrowing costs	<u>103.12</u>	<u>140.02</u>
	7,723.73	7,151.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

(₹ in Lakhs)

PARTICULARS	31.03.2017	31.03.2016
V OTHER EXPENSES:		
Consumption of Stores	1,560.86	958.20
Consumption of Packing Materials	772.80	<u>1,061.37</u>
	2,333.66	2,019.57
Power & Fuel	1,251.09	1,456.34
Building rent	170.74	97.77
Repairs & Maintenance :		
Building	126.23	89.99
Machinery	2,278.54	<u>2,225.20</u>
	2,404.77	2,315.19
Insurance Premium	164.88	155.09
Licence Fees & Tax	157.99	176.45
Cartage & Freight	966.86	739.88
Payment to Auditor's		
- Statutory Audit fees	8.00	8.00
- Taxation matters	3.85	6.56
- Company law matters	7.50	-
- Certification	1.98	<u>0.68</u>
	21.33	15.24
Cost Audit fees	2.03	2.46
Miscellaneous Expenses	2,155.07	<u>2,400.07</u>
	9,628.42	<u>9,378.05</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

W 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 company considered in the Company financial statement is as follows:

Name of the Company	Country of incorporation	% of voting power held	Proportion of ownership interest as on	
			31.3.2017	31.3.2016
Trident Sugars Ltd	India	100.00%	100%	100%

- 2) Other significant accounting policies
These are set out under the 'Significant Accounting Policies' as given in the Company's standalone financial statements.
- 3) Capital and other commitments:

	31.3.2017	<i>31.3.2016</i>
Estimated amount of contracts remaining to be executed on capital account and not provided for	6.72	<i>4.16</i>
- 4) Contingent Liabilities not provided for (₹ in lakhs)
Pertaining to Rajshree Sugars & Chemicals Ltd
Furnished under Note no. Z 16 to standalone financial statements
Pertaining to Trident Sugars Ltd : Nil
- 5) Income Tax assessments have been completed up to Assessment year 2014-15. 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 11,50,000 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 2016-17 save and except the following:
The Tamilnadu 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. The carrying value of the said land in the books is ₹35.57 lakhs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

8) Secured Loans (Note forming part of long term and short term borrowings)

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. Z(1)

b) Trident Sugars Limited.

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

(₹ in Lakhs)

Rate of Interest	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
4%/7.5%	639.44	-	-	-	-	-	639.44
3.90%	427.00	299.00	-	-	-	-	726.00
12%/12.5%	133.00	266.00	266.00	266.00	266.00	133.00	1,330.00
Total	1,199.44	565.00	266.00	266.00	266.00	133.00	2,695.44

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 ₹222 lakhs (₹306 Lakhs) secured by 1st paripassu 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 ₹504 lakhs (₹792 Lakhs) secured by 1st paripassu 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.
 - iv) Soft loans aggregating to ₹1,330 lakhs (₹1,330 lakhs) secured by 1st paripassu 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 each of ₹159.86 lakhs due in March 2015, March 2016 and March 2017 & interest outstanding thereon ₹154.91 lakhs payable to Sugar Development Fund (SDF), Government of India, is yet to be paid.
Term loan installment of ₹28 lakhs due in March 2017 payable to UCO Bank and interest outstanding thereon ₹21.71 lakhs payable to SBI & UCO Bank, is yet to be paid
- 9) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:

	31.3.2017	31.3.2016
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	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

10) Subsidiary Information

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit 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	7.72	280.45	(2.74)	(80.04)
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	7.72	280.45	(2.74)	(80.04)

11) 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, 2015)

Part "A": Subsidiaries

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 2017 (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

(₹ in Lakhs)

Sl. No.	31.3.2017	31.3.2016
Share capital	3,349.49	2,649.49
Reserves & surplus	(3,069.04)	(2,988.99)
Total assets	6,529.89	12,141.16
Total Liabilities	6,529.89	12,141.16
Investments	-	-
Turnover	11,045.58	14,301.26
Profit / (Loss) before taxation	(307.03)	(719.14)
Provision for taxation	(226.98)	(222.21)
Profit / (Loss) after taxation	(80.04)	(496.93)
Proposed Dividend	-	-
% 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 THE CONSOLIDATED FINANCIAL STATEMENTS:

12) Transactions with Related Parties (₹ in lakhs)

Particulars	Key Managerial Personnel		Relatives of Key Management personnel		Other Related Parties		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Remuneration paid								
Ms.Rajshree Pathy	121.60	121.20					121.60	121.20
Mr.R.Varadarajan	53.60	49.20					53.60	49.20
Mr.V.B.Gopal Krishnan	38.45	30.13					38.45	30.13
Mr.M.Ponraj	7.36	6.35					7.36	6.35
Ms.Aishwarya Pathy			22.50	-			22.50	-
Purchase of Goods								
Ms.Aishwarya Pathy			4.31	13.02			4.31	13.02
Mr.Aditya Krishna Pathy			13.13	10.10			13.13	10.10
RSCL Properties (P) Ltd					12.14	5.29	12.14	5.29
Greenplus Manures LLP					3.43	11.71	3.43	11.71
Rajshree Spinning Mills Ltd					11.63	15.37	11.63	15.37
Sri Krishna Potable Products (P) Ltd					0.73	2.45	0.73	2.45
Lavik Foodworks LLP					-	0.07	-	0.07
Sale of goods								
Lavik Foodworks LLP					2,064.81	539.47	2,064.81	539.47
Rajshree Biosolutions LLP					-	5.15	-	5.15
Purchase of Assets/ Accessories								
CAI Industries (P) Ltd					0.92	0.72	0.92	0.72
Rajshree Automotive (P) Ltd					0.22	0.06	0.22	0.06
Receiving of Services								
CAI Industries (P) Ltd					0.17	0.33	0.17	0.33
Aloha Tours & Travels (India) (P) Ltd					0.54	1.01	0.54	1.01
Rajshree Automotive (P) Ltd					0.11	0.03	0.11	0.03
Major Corporate Services (India) LLP					502.39	453.88	502.39	453.88
Issue of Equity shares								
Rajshree Pathy	494.60	330.40					494.60	330.40
RSCL Properties (P) Ltd					399.99	-	399.99	-
Lease rent received								
Rajshree Biosolutions LLP					41.39	39.86	41.39	39.86
Major Corporate Services India Ltd					0.66	0.64	0.66	0.64
Lease rent paid								
Lavik Estates Ltd.,					120.94	5.49	120.94	5.49
Rajnisha Textiles & Exports Pvt Ltd					3.50	-	3.50	-
Bio-fertiliser received for supply to farmers of the company								
Rajshree Biosolutions LLP					213.01	415.74	213.01	415.74
Purchase of uniform cloth materials								
Lakshmi Mills Co. Ltd					7.13	5.34	7.13	5.34
OUTSTANDINGS								
Payable	-	-	3.83	6.02	72.26	174.68	76.09	158.76
Receivable	465.00	465.00	-	-	0.06	6.91	465.06	471.91

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

Note:

Names of Related parties and description of relationship

1. Holding Companies
None
2. Fellow Subsidiaries
None
3. Associates
None
4. Key Managerial Personnel
 - i. Ms.Rajshree Pathy, Chairperson & Managing Director
 - ii. Mr.R.Varadarajan, Wholetime Director
 - iii. Mr.V.B.Gopal Krishnan, Chief Financial Officer
 - iv. Mr.M.Ponraj, Company Secretary
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) Lavik Holdings Pvt Ltd
 - c) Argead Enterprises Pvt Ltd
 - d) CAI Industries Pvt Ltd
 - e) Rajshree Automotive Pvt Ltd
 - f) Aloha Tours & Travels (India) Pvt Ltd
 - g) Rajshree Spinning Mills Ltd
 - h) Raj Fabrics and Accessories (Cbe) Ltd
 - i) Greenplus Manures LLP
 - j) Major Corporate Services (India) Ltd (Converted into LLP w.e.f. 30.9.2016)
 - k) Lavik Food works LLP
 - l) Rajshree Biosolutions LLP
 - m) Lakshmi Mills Company Ltd
 - n) Lavik Estates Limited
 - o) Sri Krishna Potable Products Pvt Ltd
 - p) Rajnisha Textiles & Exports Pvt Ltd

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

13) Information about segment: Primary segment – Business segments.

(₹ in Lakhs)

Particulars	31.3.2017				31.3.2016			
	Sugar	Cogen	Distillery	Total	Sugar	Cogen	Distillery	Total
REVENUE								
External Sales	55,340.28	9,087.00	10,263.00	74,690.28	58,374.64	7,265.15	8,013.35	73,653.14
Inter-segment Sales	2,360.47	2,968.00	0.47	5,328.94	2,236.76	2,602.82	0.57	4,840.15
Total Revenue	57,700.75	12,055.00	10,263.47	80,019.22	60,611.40	9,867.97	8,013.92	78,493.29
RESULT								
Segment result	3,246.41	5,553.61	4,878.02	13,678.04	(6,976.62)	6,361.32	3,797.51	3,182.21
Unallocated corporate expenses				1,683.34				1,425.65
Operating Profit				11,994.70				1,756.56
Interest Expense				7,723.73				7,312.64
Interest Income				-				-
Income Taxes/Deferred Tax				1,357.01				(863.24)
Profit from ordinary activities				2,913.60				(4,692.85)
Extraordinary/Exceptional Items				-				2,762.42
Net Profit /(Loss)				2,913.60				(1,930.42)
OTHER INFORMATION								
Segment assets	69,083.11	19,347.00	12,647.00	1,01,077.11	67,817.76	14,383.25	11,762.51	93,963.52
Unallocated Corporate assets				540.89				-
Total Assets				1,01,618.00				93,963.52
Segment Liabilities	91,370.00	3,397.00	6,851.00	1,01,618.00	82,087.57	5,619.22	7,405.00	95,111.79
Unallocated Corporate Liabilities				-				-
Total Liabilities				1,01,618.00				95,111.79
Capital Expenditure				1,01,618.00				190.35
Depreciation	1,460.63	756.76	543.16	2,760.55	1,506.27	755.92	542.01	2,804.20
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-

Notes:

- The Company has identified business segments as primary segments. The reportable business segments are based on segment results.
- Composition of the business segments and types of products in each of them is as under:
 - Sugar - White Crystal Sugar
 - Cogeneration - Cogeneration of Electricity
 - Distillery - Rectified spirit, Denatured Spirit, Anhydrous Alcohol & Organic Manure
 - Others - Property Development
- Inter Segment revenues are recognised at net realisable price and are eliminated in consolidation
- The Segment revenue, results, assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis
- Secondary Segment:
Geographical segment has been identified as secondary segment based on segment revenue.

	31.3.2017	<i>31.3.2016</i>
Domestic Sales	77,984.13	70,932.32
Export Sales incl. carbon credit	Nil	2,596.57
Total	77,984.13	73,528.88

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS:

		(₹ in Lakhs)
14) Earnings per share		
	31.03.2017	<i>31.03.2016</i>
a) Weighted average number of equity shares of ₹10/- each outstanding at the year end.	2,79,21,604	<i>2,39,56,126</i>
b) Diluted number of Equity shares of ₹10 /-each	2,79,21,604	<i>2,81,66,700</i>
c) Profit/(Loss) after tax & exceptional/extraordinary items	2,913.60	<i>(1,930.41)</i>
d) Basic earnings per share of ₹10/- each	10.43	<i>(8.06)</i>
e) Diluted earnings per share of ₹10/- each	10.43	<i>(6.85)</i>

15) Disclosure regarding specified bank Notes:

Particulars	SBN	Other Notes	Total
Opening balance as on 08.11.2016	27,63,000	3,51,957	31,14,957
Add: Permitted receipts	-	-	-
Less: Permitted Payments	-	-	-
Less: Amount deposited	27,63,000	-	27,63,000
Closing balance as on 30.12.2016	-	8,17,404	8,17,404

16) 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.
Chartered Accountants
Accountants Regn.No.004009S

K. Murali Mohan
Membership No:14328
Auditor, Proprietor

Place : Coimbatore
Date : 29th May 2017

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K.N.Sreedharan
Membership No:12026
Auditor, Partner

V B Gopal Krishnan
Chief Financial Officer

Rajshree Pathy
Chairperson & Managing Director
DIN 00001614

R Varadarajan
Whole time Director
DIN 00001738

M Ponraj
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

(₹ in Lakhs)

	31.03.2017	31.03.2016
A. Cash Flow from Operating activities:		
Net Profit before taxation & extraordinary items	4,270.97	(5,556.08)
Adjustment for:		
Depreciation	2,760.56	2,804.20
Loss / (Profit) on sale of Fixed Assets	(0.20)	1.93
Loss on investments	-	-
Interest paid	7,723.73	7,151.55
Interest received	(101.84)	(145.16)
Operating profit before working capital changes	14,653.22	4,256.45
Adjustments for:		
Trade and other receivables	(173.52)	(604.98)
Inventories	(4,586.86)	1,077.32
Trade payables	15,166.24	(6,051.05)
Cash generated from Operations	25,059.08	(1,322.26)
Direct taxes (paid) / Refund	(1,004.64)	25.66
Cashflow before extraordinary items	24,054.44	(1,296.60)
Extraordinary items	-	2,762.42
Net cash from operating activities	24,054.44	1,465.81
B. Cash flow from investing Activities		
Purchase of Fixed Assets	(301.08)	(190.35)
Investment in Subsidiary company / Post office Deposit	-	0.17
Sale of Fixed Assets - Including compensation received on acquisition	-	4.32
Interest received	101.84	145.16
Net Cash used in Investing Activities	(199.24)	(40.70)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	-
Proceeds from / (Repayment of) long term borrowings	(8,714.42)	2,045.51
Proceeds from / (Repayment of) short term borrowings	(2,664.89)	2,657.28
Interest paid	(7,019.85)	(6,321.40)
Dividend paid including tax on dividend	-	-
Net Cash used in Financing Activities	(18,399.15)	(1,618.61)
Net Increase / (Decrease) in Cash and Cash Equivalents	5,456.05	(193.49)
Cash and cash equivalent as at the beginning of the Year	343.78	537.26
Cash and cash equivalent as at the close of the Year	5,799.83	343.78

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

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

Rajshree Pathy
Chairperson & Managing Director
DIN 00001614

K. Murali Mohan
Membership No:14328
Proprietor, Auditor

K.N.Sreedharan
Membership No:12026
Partner, Auditor

R Varadarajan
Whole time Director
DIN 00001738

Place : Coimbatore
Date : 29th May 2017

V B Gopal Krishnan
Chief Financial Officer

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

Name & Address of the Shareholder

SEQUENCE No. :

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 Monday the 28th August 2017 at 10.00 AM.

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 31st Annual General Meeting of the company, to be held on Monday the 28th August 2017 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. (✓)

Sl. No.	Subject	Assent	Dissent
1)	Adoption of the audited financial statements of the Company		
2)	Adoption of the consolidated audited financial statements		
3)	Declaration of dividend, subject to approval of the lenders under the CDR Scheme.		
4)	Reappointment of Director retiring by rotation		
5)	Ratification of Appointment of Auditors		
6)	Reappointment of Mr.G.R.Karthikeyan as an Independent Director		
7)	Reappointment of Dr.K.Mohan Naidu as an Independent Director		
8)	Reappointment of Mr.R.C.H.Reddy as an Independent Director		
9)	Reappointment of Mr.G.S.V.Subba Rao as an Independent Director		
10)	Appointment of Mr.Sheilendra Bhansali as an Independent Director		
11)	Increase in remuneration to Ms.Rajshree Pathy, as Managing Director		
12)	Appointment of Mr.Aditya Krishna Pathy as a Director		
13)	Appointment of Mr.Aditya Krishna Pathy as Managing Director		
14)	Reappointment of Mr.R.Varadarajan as Wholetime Director		
15)	Alteration of Articles of Association		
16)	Remuneration for Cost Auditor		
17)	Payment of Commission to Ms.Rajshree Pathy, Chairperson		

Signed this day of 2017

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 Limited, *The Liffizi*, 338/B, Avanashi Road, Peelamedu, Coimbatore - 641 004, TN, India
T: +91 - 422 4226222, 2580981-82 F: +91 - 422 2577929 E: rscl@rajshreesugars.com W: www.rajshreesugars.com

CIN: L01542TZ1985PLC001706