



chamundeswari  
LIFE IN HARMONY

# Sri Chamundeswari Sugars Limited

# 45<sup>TH</sup> ANNUAL REPORT 2017-2018



## SRI CHAMUNDESWARI SUGARS LIMITED

### REGISTERED OFFICE

No. 88/5, Richmond Road,  
Bangalore- 560 025  
CIN : U15435KA1970PLC001974

### PLANT LOCATION

#### UNIT-I

(Sugar, Distillery and Power Generation)  
Bharathinagara (K.M. Doddi)  
Maddur Taluk, Mandya District  
Karnataka State

#### UNIT-II

(Sugar Plant)  
Srinivasapura, Channarayapatna Taluk,  
Hassan District, Karnataka State

### STATUTORY AUDITORS

P.K. Nagarajan & Co.,  
Chartered Accountants  
Coimbatore

### INTERNAL AUDITORS

Brahmayya & Co  
Chartered Accountants  
Bangalore

### COST AUDITOR

Shri. M.R. Krishnamurthy  
Cost Accountant  
Bangalore

### SECRETARIAL AUDITOR

Shri G. Vasudevan  
M/s. G V Associates & Co  
Coimbatore

### BOARD OF DIRECTORS

Shri. M. Srinivaasan B.E., MBA  
MANAGING DIRECTOR

### DIRECTORS

Dr. M. Manickam M.Sc., MBA  
Shri. M. Balasubramaniam M.Com, MBA  
Shri. A. Arjunaraj B.Sc., FCA  
Dr. A. Selvakumar M.E., Ph.D.  
Dr. M.R. Desai M.B.B.S  
Smt. Susheela Balakrishnan B.A., FCA  
Shri. S. Senthil Saravanan B.Com

### CHIEF FINANCIAL OFFICER

Shri. J.U. Srinivasan

### BANKERS & FINANCIAL INSTITUTIONS

Allahabad Bank  
IDBI Bank Limited  
The Hassan District Co-operative Central Bank Limited  
The Karnataka State Co-operative Apex Bank Limited  
Bajpe VSS Bank Limited  
Indian Renewable Energy Development Agency Limited  
The South Canara District Central Co-Operative Bank Limited

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### NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the Forty Fifth Annual General Meeting of the Members of the Company will be held at Rohini Hall, Hotel Ajantha, 22-A, Mahathma Gandhi Road, Bangalore 560 001 on Wednesday, 26th September 2018 at 2.30 p.m to transact the following business:

#### Ordinary Business:

1. To Consider and adopt the Audited Financial Statements for the year ended 31st March 2018 and the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri. M. Balasubramaniam (DIN: 00377053), who retires by rotation and being eligible offers himself for re-appointment.

#### Special Business:

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

“RESOLVED THAT in accordance with the provisions of Sections 196, 197, 203 and schedule V of the Companies Act, 2013, or any amendment there to or modification thereof, as recommended by Board of Directors and its committees, the members be and is hereby approves the re-appointment of Shri. M Srinivaasan (DIN: 00102387) as Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from 10th June, 2018, on such remuneration as follows:

#### a. Salary: ₹ 2,50,000 p.m

**b. Perquisites:** In addition to the salary, he shall also be eligible for the following subject to total perquisites not exceeding the annual salary.

- i) Contribution of Provident Fund and Super Annuation Fund to the extent not taxable under the Income Tax Act 1961
- ii) Gratuity at the rate of half a month salary for each completed year of service
- iii) Encashment of Leave at the end of the tenure

#### c. Other Perquisites:

Not to be included in the ceiling on remuneration

- i) Company owned or hired furnished accommodation with gas, electricity, furniture and water or alternatively House Rent Allowance
- ii) Leave Travel concessions and allowances for self, spouse, dependent children including foreign travel.
- iii) Club fees
- iv) Personal Accidental Insurance.

The unutilized portion of the above perquisites may be carried over to the subsequent years for encashment at the end of the tenure of office at the option of the Managing Director.

#### d. Incentive/Commission:

Equivalent to 1% of the net profits of the Company, subject to a ceiling of an amount equal to annual salary

The above salary and perquisites will be paid as minimum remuneration in accordance with Schedule V Part II of Companies Act 2013

RESOLVED FURTHER that Shri M Srinivaasan in the capacity of Managing Director will be entrusted with the powers, authorities, functions, duties, responsibilities etc. by Board of Directors of the company, from time to time.

RESOLVED FURTHER that any one of the Board of Directors, CFO and Company secretary of the Company be and are hereby

severally authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution.”

4. 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 all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, for the time being in force, Shri. Senthil Saravanan Shanmugasundaram (DIN 07952850), who was appointed as an Additional & Independent Director of the Company with effect from 25th May 2018, and whose term expires at this AGM, and in respect of whom the Company has received a notice in writing along with a deposit from a member proposing him candidature for the office of an Independent Director not liable to retire by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 years with effect from 26th September 2018 to 25th September 2023.”

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

“RESOLVED THAT pursuant to provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any modifications or re-enactment thereof for the time being in force), the company hereby ratifies remuneration of ₹ 50,000/- (Rupees Fifty Thousand Only) with reimbursement of conveyance expenses at actual and GST as applicable, as approved by the Board of Directors, payable to Shri M R Krishnamurthy, Cost Accountant, M.No.F7568, appointed by Board of Directors to carry out audit of Company's cost records for year ending 31st March 2019”.

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

“RESOLVED THAT pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013 ('the Act'), the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force), and subject to such other approvals, as may be required from regulatory authorities from time to time, consent of the Members be and is hereby accorded to the Board of Directors and its Committees of Directors to offer, issue and allot, in one or more tranches Secured Non-convertible Debentures on private placement basis during the period from 26th September 2018 to 25th September 2019, for an amount not exceeding Rs.50,00,00,000/- (Rupees Fifty Crores only) on such terms and conditions, as may be decided by the Board/Committee of Directors to such person or persons.

RESOLVED FURTHER THAT in connection with the above, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and thing as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

By order of the Board

For Sri Chamundeswari Sugars Limited

M Srinivaasan

Managing Director

Din: 00102387

Date : 23.08.2018

Place : Coimbatore

## Notice of the Annual General Meeting

### Notes:

1. Pursuant to Provisions of Section 105 of the Companies Act, 2013 with respect to Proxy:  
A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a Proxy. Proxy need not be a member of the Company. Proxy so appointed shall not have any right to speak at the meeting and shall not be entitled to vote except on a poll. A person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The duly completed and signed instrument of Proxy, in order to be effective, should be deposited at the Registered Office, not less than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The relative Explanatory Statement as required under Section 102 of the Companies Act 2013 in respect of Special Business are annexed forming part of the Notice.
3. The Register of Members of the company will be closed from 19th September 2018 to 26th September 2018 (Both days inclusive).
4. M/s.Integrated Registry Management Services Private Limited, Bangalore are the authorized Registrar and Share Transfer Agent. Members are requested to correspond with them directly for non-receipt of share certificates, share transfers, transmission, change of address, consolidation of certificate, splits of certificate, registration of Power of Attorney, non-receipt of dividend and on all other queries in the following address.  
Integrated Registry Management Services Private Limited  
Unit: Sri Chamundeswari Sugars Limited,  
No.30, Ramana Residency,  
4th Cross, Sampige Road,  
Malleswaram, Bangalore – 560003.  
Ph.: 080 -23460815  
Fax: 080-23460819  
E-mail: giri@integratedindia.in
5. Email ID: Company has provided an exclusive email Id [complianceofficer@chamundisugars.com](mailto:complianceofficer@chamundisugars.com) for investors to send their requests/grievances/complaints in electronic mode.
6. The matured deposits and proceeds of fractional shares remain unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund, if any.
7. Nomination Facility: Section 72 of the Companies Act, 2013 provides inter-alia the facility of nomination for shareholders and debenture holders. Nomination can be made by either single or joint holders.
8. A brief resume in respect of the proposed re-appointment of Directors retire by rotation is attached.
9. Members are requested to bring their copies of the Annual Report to the meeting.
10. Attendance slip has to be signed and delivered at the entrance of the meeting venue.
11. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository.

Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participants. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s) and to those Members who have requested for physical copies. Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.

12. Those shareholders who do not have access to e-voting facility, the Company has enabled a ballot paper facility in lieu of e-voting. A member desiring to exercise vote by postal ballot is requested to carefully read the instructions printed in the ballot paper form and return the form duly completed in the attached self-addressed business reply envelope so as to reach the scrutinizer on or before 25th September 2018.
13. Members are provided with the facility of exercising their rights in electronic mode as required under Section 108 of the Companies Act. The procedures for e-voting is given hereunder: Please follow all steps from Sl.No.(II) to Sl.No.(XII) overleaf, to cast vote.  
Voting through electronic means.

### Instruction for e-voting

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 the Company is pleased to provide its members, the facility to exercise their right to vote electronically (on resolutions proposed to be considered at the 45th AGM to be held on Wednesday, the 26th September 2018). The business may be transacted through e-voting services. The Company has engaged the services of the National Securities Depository Limited (NSDL) to provide the e-voting facility. The Notice is displayed on the Company's website viz.,[www.chamundeswarisugars.in](http://www.chamundeswarisugars.in) and on the website of NSDL viz.,[www.nsdl.co.in](http://www.nsdl.co.in)
2. The facility for voting through ballot (Poll) paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the meeting through ballot (Poll) paper.  
Please read the below mentioned instructions before casting your vote:  
These details and instructions for an integral part of the Notice for 45th Annual General Meeting of the Company to be held on 26th September 2018.
3. The process and manner for remote e-voting are as under:
  - a. For Members who email IDs are not, registered with the Company/Depository Participants and who have received physical copies of the documents, the following e-voting particulars are provided.
  - b. For members whose email IDs are registered with the Company/Depository Participants, the e-voting particulars



## Notice of the Annual General Meeting

- will be sent by NSDL by e-mail. Open the e-mail and open the PDF file viz: "remote e-voting-pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password/PIN file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- c. Launch your internet browser and type the following URL: [HTTPS://EVOTING.NSDL.COM/](https://EVOTING.NSDL.COM/)
  - d. Click on shareholder – Login
  - e. Enter the user ID and password as initial password/PIN provided in step(a)/(b) above Click Login
  - f. Password change menu will appear. Change the password/PIN with a new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - g. The homepage of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.
  - h. Select "REVEN" (E-Voting Event Number) of "Sri Chamundeswari Sugars Ltd."
  - i. Now you are ready for remote e-voting as 'Cast Vote' page opens.
  - j. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - k. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - l. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - m. Institutional Members (i.e. other than individuals, HUF, NRI Etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to [vasu@gvacs.in](mailto:vasu@gvacs.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The remote e-voting facility will be available during the following voting period.
- | Commencement of e-voting | End of e-voting.    |
|--------------------------|---------------------|
| 23rd September 2018      | 25th September 2018 |
- During this period members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e., 20th September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) and remote e-voting used manual for Members available at the 'Downloads' section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no: 1800-222-990.
  6. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  7. You can also update your mobile number and e-mail ID in the user profile details or the folio, which may be used for sending future communication(s).
  8. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e., 20th September 2018.
  9. Any person who acquires shares of the Company and becomes members of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., 20th September 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [giri@integratedindia.in](mailto:giri@integratedindia.in).
  10. A member may participate in the AGM even after exercising his rights to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
  11. A Person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot (poll) paper.
  12. Shri G Vasudevan, Practising Company Secretary (CP No.6522) has been appointed as the Scrutinizer for providing facility to the members of the Company, to scrutinize the voting and remote e-voting process in a fair and transparent manner.
  13. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of "e-voting" or "Ballot Paper" for all those members who are present at the AGM and have not cast their votes by availing the remote e-voting facility.
  14. The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall submit, not later than three days of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign in same and declared the result of the voting forthwith.
  15. The Result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.chamundeswarisugars.in](http://www.chamundeswarisugars.in) / on 26th September 2018 and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing.

### EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No.3:

Special Resolution relating to re-appointment of Shri M. Srinivaasan as Managing Director.

The Board of Directors in their meeting held on 25th May 2018 have re-appointed Shri M. Srinivaasan as Managing Director for a further period of three years from 10th June 2018 subject to the approval of the members in their General Meeting.

The remuneration and other perquisites payable is as recommended by the Nomination and Remuneration Committee.

The terms of appointment as set out in the text of the resolution proposed may also be treated as an abstract of the terms between the company and the Managing Director pursuant to Section 190 of the Companies Act, 2013

None of the Directors except Shri.M Srinivaasan, Dr. M Manickam and Shri. M. Balasubramaniam are interested in the above resolution.

This notice may also be deemed to be notice under section 190 of the Companies Act, 2013.

## Notice of the Annual General Meeting

### Information as required under proviso (IV) of Section II of Part II of Schedule V of the Companies Act, 2013

I. GENERAL INFORMATION			
1. Nature of Industry	Sugar Industry		
2. Date or expected date of commencement of commercial production	1974		
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	NA		
4. Financial performance based on given indicators	N.A.		
5. Foreign Investments or collaborators, if any.	None		
II. INFORMATION ABOUT THE APPOINTEE:			
1. Background details	Rich Industrial and Business Management experience over 2 decades		
2. Past remuneration (INR)	2017-2018	2016-2017	2015-2016
	29.36 Lakhs	29.20 Lakhs	31.85 lakhs
3. Recognition or awards	1997 - 1999	President	South Indian Sugar Mills Association
	2005 - 2008		
	2012 - 2013	President	Indian Sugar Mills Association
4. Job profile and his suitability	Shri. M. Srinivaasan is the Managing Director in charge of overall management of the Company including Long Term Strategy and Innovation. He has the requisite qualification and experience to hold this post.		
5. Remuneration proposed	As detailed in the explanatory statement		
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The remuneration package is in line with the nature of the industry, size of the Company, profile of the person and the responsibilities entrusted		
7. Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any	Shri. M. Srinivaasan is the brother of Dr. M. Manickam, Director and Shri. M. Balasubramaniam, Director		
III. OTHER INFORMATION			
1. Reasons for loss or inadequate profits	As detailed in Board's Report		
2. Steps taken or proposed to be taken for improvement	Not Applicable		
3. Expected increase in productivity and profits in measurable terms	As detailed in Board's Report		
IV. DISCLOSURES			
Remuneration package: As detailed in the explanatory statement. Secured creditors and term lenders have giving in writing that they have no objection for the remuneration payable to Shri. M. Srinivaasan as Managing Director.			

#### Item No.4:

Ordinary Resolution relating to appointment of Shri. Senthil Saravanan Shanmugasundaram as an Independent Director for a term of five years from 26th September 2018 to 25th September 2023.

Shri. Senthil Saravanan Shanmugasundaram was appointed as a director of the Company with effect from 25th May 2018 as additional director to hold the office until conclusion of the ensuing Annual General Meeting Shri. Senthil Saravanan Shanmugasundaram has a rich business experience. He is the Executive Director of M/s Anamallai's Engineering Private Limited. The Board considers that his experience and expertise will be beneficial to the company and its desirable to continue to avail his services as an Independent Director

for a term of five consecutive years with effect from 26th September 2018, subject to the approval of shareholders of the company.

The Board opines that Shri. Senthil Saravanan Shanmugasundaram fulfills the conditions specified in the Act, and the rules made thereunder and independent of the management.

Draft letter of appointment of Shri. Senthil Saravanan Shanmugasundaram as an Independent Director setting out the terms and conditions would be available at the Registered Office of the Company for inspection without any fee, for the members, during normal business hours on any working day.

A Notice in writing along with deposit of ₹ 1,00,000 has been received from a member proposing Shri. Senthil Saravanan Shanmugasundaram for the office of Independent Director as



## Notice of the Annual General Meeting

required under section 160 of the Companies Act, 2013. Shri. Senthil Saravanan Shanmugasundaram, Director is not having any beneficial interest in the company and has also submitted his Consent to act as a Director in Form DIR-2 and also declaration as required by the Companies Act, 2013 and the related rules thereon.

Except Shri. Senthil Saravanan Shanmugasundaram, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution except to the extent they are members of the company.

### **Item No.5:**

Ordinary Resolution relating to ratification of Remuneration Fixed to Cost Auditor

At the Board of Directors Meeting held on 28th February 2018, Shri M R Krishnamurthy Cost Accountant has been appointed for conducting Cost Audit for the financial year ending 31st March 2019 with remuneration of ₹ 50,000 as recommended by the Audit Committee.

Pursuant to Rule 14 of the Companies (Audit and Auditors) Rules, 2014 which prescribes that the remuneration payable to Cost Auditor is to be ratified by the members at the General Meeting.

Accordingly the necessary resolution is set out in the item no.5 of the Notice for approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

### **Item No.6:**

Special Resolution relating to issue of Debentures on private placement basis.

In order to meet the working capital / corporate requirements of the Company, the Board of Directors of the Company at their meeting held on 23rd August 2018 has, subject to the approval of Members in the general meeting proposed to issue Non-convertible Debentures to various person(s) on private placement basis, at such terms and conditions as may be decided by the Board and/or Committee of Directors. The amount to be raised by way of issue of Non-convertible Debentures on a private placement basis however shall not exceed ₹ 50 crores (Rupees Fifty Crores) in aggregate.

It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Companies Act, 2013, allows a company to pass a previous special resolution once in a year for all the offer or invitation for non-convertible debentures to be made during the year through a private placement basis in one or more tranches.

Consent of the Members is therefore sought in connection with the aforesaid issue of Debentures from time to time and they are requested to authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures during 26th September 2018 to 25th September 2019 on private placement basis upto ₹ 50 crores, in one or more tranches.

The Board recommends the Special Resolution set forth in Item No.6 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution except and to the extent they are member of the Company.

By order of the Board  
For Sri Chamundeswari Sugars Limited

M Srinivasan  
Managing Director  
Din: 00102387

Date : 23.08.2018  
Place : Coimbatore

## Notice of the Annual General Meeting

### Annexure- A

Particulars	Sri.M.Balasubramaniam	Shri. M. Srinivaasan	Shri. Senthil Saravanan Shanmugasundaram
DIN	00377053	00102387	07952850
Date of Birth	06.05.1958 (60 Years)	02.09.1966 (52 Years)	08.06.1972 (46 Years)
Date of Appointment on the Board	27.07.1987	09.06.1993	25.05.2018
Qualification	B.Com, MBA	BE, MBA (USA)	B.Com
Experience	Rich Experience in Finance, Business Administration and Sugar Industry	Rich Industrial and Business Management experience over 2 decades.	Rich Industrial and Business Management experience over 2 decades.
No of Shares held in the Company	2666	21,200	Nil
Other Directorship in other Companies	<ol style="list-style-type: none"> <li>1. Sakthi Sugars Limited</li> <li>2. A B T Limited</li> <li>3. Nachimuthu Industrial Association</li> <li>4. Sakthifinance Financial Services Ltd</li> <li>5. Sakthi Auto Component Limited</li> <li>6. Anamallais Bus Transport Private Ltd</li> <li>7. Sakthi Finance Limited</li> <li>8. ABT Foods Retailing (India) Limited</li> <li>9. ABT Textiles Private Limited</li> <li>10. The Gounder And Company Auto Ltd</li> <li>11. ABT Foundation Limited</li> <li>12. Coimbatore Innovation And Business Incubator</li> <li>13. Trident Thoughts Origination Private Ltd</li> <li>14. ABT Properties Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Sakthi Sugars Limited</li> <li>2. Sakthi Finance Limited</li> <li>3. Sakthi Properties Coimbatore Limited</li> <li>4. Sakthi Auto Component Limited</li> <li>5. The Gounder And Company Auto Limited</li> <li>6. Nachimuthu Industrial Association</li> <li>7. A B T Limited</li> </ol>	Anamallais Engineering Private Limited
Members/Chairmanship of Committees in Sri Chamundeswari Sugars Limited.	Audit Committee – Member Shareholders Relationship Committee – Member	Risk Management Committee – Chairman Finance Committee – Chairman Non-Convertible Debentures Committee – Chairman Exit Offer Committee – Chairman	Audit Committee – Member Risk Management Committee – Member Finance Committee – Member Non-Convertible Debentures Committee – Member Exit Offer Committee – Member
Members/Chairmanship of Committees in other Public Limited Companies *	Member of Shareholders Relationship Committees in Sakthi Sugars Limited and Sakthi Finance Limited	Sakthi Finance Limited - Stakeholders Relationship Committee - Chairman. Sakthi Sugars Limited - Stakeholders Relationship Committee - Member.	Nil
Relation with other Directors	Brother of Dr. M. Manickam and Shri. M. Srinivaasan	Brother of Dr. M. Manickam and Shri. M. Balasubramaniam	Nil
Last drawn remuneration	Nil	₹ 29.36 lakhs	Nil

## BOARD'S REPORT

Dear Members

The Directors have pleasure in presenting the 45th Annual Report together with the Audited Financial Statements of the Company for the financial year ended 31st March, 2018.

### FINANCIAL RESULTS:

Particulars	2017-18		2016-17	
Profit/Loss Before Interest and Depreciation		2385.10		1758.41
Less: Interest	2284.15		2496.31	
Depreciation and Amortisation	819.44	(3103.59)	799.73	(3296.04)
Add: Exceptional items				-
Profit / (Loss) Before Tax		(718.49)		(1537.63)
Less : Income Tax Expenses				
Deferred Tax Liability /(Asset)		(248.74)		(662.69)
Profit / (Loss) for the period		(469.75)		(874.94)

### COMPANY PERFORMANCE:

During the year, Company crushed 3.89 lakh Mt as against 4.13 lakhs Mts of cane crushed in the previous year. The company produced 3.43 Lakhs qtls of sugar as against 3.48 lakhs qtl of sugar during the previous year. The recovery of sugar from sugar cane was at 8.83% at K M Doddi unit as against 8.33% during the previous year.

The Srinivasapura unit (Unit II) is not operational during the current year due to expansion work from 1250 TCD to 3500 TCD and establishment of 21 MW Co-generation Plant. All the major machineries have been supplied and erection is under progress. The unit is expected to commence operations from March 2019.

The company generated 5.01 Crore units of power as against 5.76 Crore units during the previous year. Out of the said generation, company exported 2.88 Crore units as against 3.52 Crore units during the previous year.

The company produced 93.18 lakhs liters of Alcohol as against 96.06 lakhs liters of Alcohol during the previous year.

During the year under review, total revenue from operation stood at 209.12 crores as against 199.40 crores in the previous year. Due to unprecedented and continuous drought for the consecutive two years, which impacted the availability of cane, has resulted in reduction of crushing and affected the performance of all three divisions of the company viz Sugar, power and Distillery.

With improved monsoon and sufficient rain fall in all over Karnataka, the dams have reached almost full capacity giving scope for more cane plantation and sufficient sugarcane availability in the coming seasons.

Considering the overall position, our factory situated at K M Doddi is expected to crush 8 Lakh MT. in the coming crushing season 2018-19. Consequent to the same, Cogen and Distillery division will perform maximum due to enhanced crushing expected. With the Government initiatives for stabilizing the sugar prices the financial performance is expected to improve.

### IND AS

The company has voluntarily adopted IND AS from the financial year 2017-18 and accordingly previous year's figures have been restated as per IND AS.

### INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY

Company does not have any Subsidiary or Associate Companies.

### NUMBER OF BOARD MEETINGS

During the year under review, 5 meetings were held on 30th May 2017, 11th August 2017, 15th September 2017, 30th November 2017 and 28th February 2018.

### TRANSFER OF UNCLAIMED DIVIDEND / DEPOSIT TO INVESTOR EDUCATION AND PROTECTION FUND

As per the provisions of Section 125 of Companies Act, 2013, the unclaimed deposits have to be transferred to the Investor Education and Protection Fund account. On 23.01.2018 ₹ 70,000 /-and on 15.03.2018 ₹ 1,09,651/- have been remitted to the Investor Education and Protection Fund account.

### SHARES IN UNCLAIMED SUSPENSE ACCOUNT

Particulars	No of Shareholders	No of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	2124	2,22,197
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	Nil	
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	Nil	
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	2124	2,22,197

### DETAILS RELATING TO DEPOSITS

Particulars	Amount (INR)
Amount of existing deposits as at 1st April 2017	26,04,000
Amount of deposits renewed during the year	-
Amount of deposits accepted during the year	-
Amount of deposits repaid during the year	19,05,000
Balance of deposits outstanding at the end of the year (Unclaimed)	699,000
whether there has been any default in repayment of deposits or payment of interest thereon during the year	No
the details of deposits which are not in compliance with the requirements of Chapter V of the Act	Nil

## Board's Report

### MATERIAL CHANGES AND COMMITMENTS

No Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of this report. There is no change in the nature of business of the company.

### DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 read with Section 134(5) of the Companies Act, 2013, Director's hereby confirmed that—

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had 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;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### AUDITORS and AUDITORS REPORT thereon

At the 44th AGM, the members of the Company, appointed M/s. P K NAGARAJAN & CO, Chartered Accountants, Coimbatore (Firm

Registration No. 016676S) as Statutory Auditors of the Company for a term of 5 consecutive years from the conclusion of the 44th Annual General Meeting held on 15th September 2017. The requirement to place the matter relating to ratification of their reappointment at every Annual General Meeting is done away with vide notification dated 7 May 2018 issued by the Ministry of Corporate Affairs, New Delhi.

The Auditors Report to the shareholders for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

### SECRETARIAL AUDIT REPORT

The Secretarial Audit Report as provided by Shri. G Vasudevan, M/s. G V Associates, Practicing Company Secretaries, Bangalore for the financial year ended 31st March 2018 is annexed herewith.

### DEPOSITS

The Company has not accepted any deposits during the year.

### LOANS, GUARANTEES AND INVESTMENTS

Disclosure on particulars of loans and investments are provided in Notes forming part of Balance Sheet as at 31st March 2018.

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year were at arm's length basis and were in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which were of foreseen and repetitive in nature. The transactions entered into, pursuant to the omnibus approval so granted, are placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The related party transaction during the year is reviewed the Board of Directors and have accepted all the recommendations of the Audit Committee.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

(A) Conservation of energy:	Expansion from 1250 TCD to 3500 TCD along with Co-gen power plant at Srinivasapura is under implementation with inbuilt technology of heat, electrical and energy conservation
(i) Steps taken / impact on conservation of energy / Heat and Electrical Energy, with special reference to the following:	
(ii) Steps taken by the company for utilizing alternate sources of energy including waste generated	Nil
(iii) Capital investment on energy conservation equipment	The Company have invested around ₹ 1,200 lakhs in above project towards energy conservation Equipment's
(B) Technology absorption:	Electrical energy saving scheme is introduced in the erection of new mill for 6000 TCD by using "Rope Coupling" for all the four "Plantary Gera Box" for all carriers, "VFD" for all the feeder table.
1. Efforts, in brief, made towards technology absorption.	
2. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.	This will help to save electrical energy of 1 unit per ton of crushing.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished:	
(a) Details of technology imported.	
(b) Year of import.	Nil
(c) Whether the technology been fully absorbed	
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.	
4 Capital investment on energy conservation equipment	Nil

(C) Foreign exchange earnings and Outgo	
Earnings	Nil
Outgo	Nil

**RISK MANAGEMENT**

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk Management.

**NOMINATION AND REMUNERATION POLICY****REMUNERATION POLICY**

The remuneration policy is directed towards rewarding performance, based on the review of achievements. It is aimed at attracting and retaining talents. The remuneration structure shall be determined after taking into consideration of age, qualification, experience in the respective field, past performance of the concerned individual, regulatory frame work, competition in the industry, financial position of the company.

The appointment and remuneration of Executive Directors viz. Managing Director is governed by the recommendation of Nomination and Remuneration Committee, resolutions passed by the Board of Directors and Shareholders of the company. The remuneration consists of salary, perquisites, allowances and commission which are subject to the limitations specified under the Companies Act, 2013 and Schedule V to the said Act.

The Non-Executive Directors are paid sitting fees of ₹ 10,000/- for each meeting of the Board or Committee thereof.

The remuneration paid to the Managing Director and other Key Managerial Personnel are disclosed at Note No. 32 of Notes forming part Financial Statements. The company does not have any Employees Stock Option Scheme.

**DIRECTORS and KEY MANAGERIAL PERSONNEL**

During the current financial year the following changes have occurred in the constitution of Directors / KMP of the company:

Sl. No	Name	Designation	Date of appointment / cessation	Appointment/Cessation
1	Smt. Priya Arwat*	Company Secretary & Deputy Manager	10th April 2017	Appointment
2	Shri. V K Swaminathan**	Independent Director	25th May 2018	Resignation
3	Shri. Shanmugasundaram Senthil Saravanan**	Additional Director (Independent Director)	25th May 2018	Appointment
4.	Shri. M Srinivaasan**	Managing Director	10th June 2018	Re-Appointed for a period of 3 years

\* Resigned on 8th June 2018 \*\*Changes after the Closure of financial year

## Board's Report

### CORPORATE SOCIAL RESPONSIBILITY

As there have been no average profits available during the last three years, provisions of section 135 pertaining to corporate social responsibility are not applicable to the Company. As per Section 135(5) of the Companies Act, 2013, and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act 2013, the company has duly constituted CSR Committee. The Committee would decide the activities to be undertaken by the Company and the expenditures to be incurred on the same and recommend the same to the board thereafter the board approved the CSR policy.

### ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, 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 Audit, Nomination & Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

### STATEMENT OF DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have given the declaration pursuant to Section 149(7) of the Companies Act, 2013 affirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act 2013.

### COST AUDIT

Shri M R Krishnamurthy (Membership Number F7568), Cost Accountant, was appointed as the cost Auditor of the Company and their Audit report on the Cost Accounts of the Company for the period ended March 31, 2018, will be submitted to the Central Government in due course.

### DISCLOSURE, AS TO WHETHER MAINTENANCE OF COST RECORDS

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

As per Section 177(9) and (10) of the Companies Act, 2013, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/

Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company.

### SHARES

During the year the Company has not made any Buy Back of Securities, Issue of Sweat Equity, Bonus Shares and Employees Stock option Plan.

### LISTING STATUS

The equity shares of the Company were listed on Madras Stock Exchange ("MSE") and Bangalore Stock Exchange ("BgSE"). The MSE and BgSE have closed their operations and informed the listed Companies that the shares are being moved to the dissemination Board of NSE. The Company was placed on the Dissemination Board ("DB") of National Stock Exchange of India Limited ("NSE"/"Stock Exchange").

SEBI had provided with an option to get listed on National Stock Exchange (NSE) or Bombay Stock Exchange (BSE) or Give Exit offer to existing shareholders. Your Company tried to get listed on NSE/BSE by intimating the stock exchanges but due to the Eligibility Criteria set by the said stock exchanges, which Company could not comply due to adverse external conditions like drought, lack in parity in sugar price etc, and therefore the promoters had decided to give Exit Offer to the Shareholders. The exit option offered was in the interest of the shareholders as they will have an exit opportunity and get a fair value for their equity shares in terms of applicable provisions of SEBI Circular.

The Registrar of Companies vide their letter dated 5th August 2017 informed the Company and changed the status of the company from Listed to Unlisted. Further the company had filed necessary applications /documents with the National Stock Exchange for delisting and NSC Vide Circular Ref No: 737/2018 dated July 02, 2018 removed the name of our company from the Dissemination Board under Exit Option.

### ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS.

The Company has not received any significant and material order from regulators/courts/tribunals impacting the status of going concern and future operations of the Company.

### DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company is having an adequate Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134 (5) (e) IFC of the Companies Act, 2013. For the year ended 31st March, 2018, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has also a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and /or improved controls wherever the effect of such gaps would have a material effect on the Company's operation.

### HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year under review the human relations continued to be very cordial. The Company wishes to acknowledge the contribution of the employees at all levels of the organisation.



The Company has placed an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints for sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaints for disposal off during the year.

### ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of the Board of Directors

Date : 23.08.2018  
Place : Coimbatore

**M. Srinivaasan**  
Managing Director  
(DIN - 00102387)

**S. Senthil Saravanan**  
Director  
(DIN - 07952850)

## Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

To

The Members,  
Sri Chamundeswari Sugars Limited,  
88/5, Richmond Road,  
Bangalore - 560025.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sri Chamundeswari Sugars Limited (CIN:U15435KA1970PLC001974), a public limited Company having its registered office at 88/5, Richmond Road, Bangalore – 560025 (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 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 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place (with respect to statutory provisions listed hereunder) 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 31.03.2018, according to the following provisions, wherever applicable:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder – Not applicable as the Company is unlisted Company.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder – Not applicable as the Company is unlisted Company.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - Not Applicable;
- \*(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') – Not Applicable
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

Since the Company being unlisted Public Company, the Securities and Exchange Board of India Act ("SEBI") and its regulation is not applicable to the Company except (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

During the year under review the Company has completed the process of delisting of shares as per the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

- (vi) Other laws specifically applicable to the Company, namely:
- a. Sugar Cess Act, 1982;
  - b. Levy Sugar Price Equalisation Fund Act, 1976;
  - c. Food Safety and Standards Act, 2006;
  - d. Essential Commodities Act, 1955;

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

- (i) Secretarial Standards 1 & 2 issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Company Law Board vide order dated 16.09.2015 has directed the company to repay the deposits accepted under Companies Act, 1956 from public amounting to Rs. 1053.72 lakhs on or before 31.03.2016. The company has not complied with the order of the Company Law Board with regard to repayment of deposits on or before 31.03.2016. However, the company has no outstanding deposits to be repaid except unclaimed deposit of Rs.6.99 Lakhs as at 31.03.2018. The Company has not accepted any deposits during the year.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and 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.

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 laws, rules, regulations and guidelines mentioned herein above.

I further report that during the audit period 2017-18, the Company has obtained Board and member's approval for issue of Secured Redeemable Non-Convertible Debentures on Private Placement Basis.

**G. Vasudevan**  
G.V and Associates  
FCS No.: 6699  
C P No.: 6522

Place : Coimbatore  
Date: 23.08.2018

## Secretarial Audit Report

To

The Members,  
Sri Chamundeswari Sugars Limited,  
88/5, Richmond Road,  
Bangalore - 560025.

My Secretarial Audit Report of even date is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. My responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on my audit.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

4. 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.

For G.V and Associates

**G. Vasudevan**

FCS No.: 6699

C P No.: 6522

Place : Coimbatore

Date : 23.08.2018

### INDEPENDENT AUDITORS' REPORT

To the Members of SRI CHAMUNDESWARI SUGARS LIMITED

#### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS Financial Statements of SRI CHAMUNDESWARI SUGARS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.

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

#### Auditors' Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss, changes in equity and its cash flows for the year ended on that date.

#### Other Matters

The Comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor, M/s P.N. Raghavendra Rao & Co., (FRN: 003328S) whose report for the year ended 31st March 2017 dated 30th May, 2017 with a modified opinion and 31st March 2016 dated 29th May 2016 with unmodified opinion. The predecessor auditor expressed a modified opinion on the financial statements for the year ended 31st March 2017 with respect to doubtfulness of realization on receivable from Bangalore Metro Rail Corporation Limited for a compensation of Rs.988.84 lakhs towards acquisition of land. Those financial statements are adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, audited by us. Our Opinion is not modified in respect of the said matter.

#### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in exercise of the powers conferred by sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

## Independent Auditors' Report

- (f) With respect to the adequacy of internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to 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 Ind AS financial statements as referred to in Note No.40 to the financial statements.
- (ii) The Company has a long term lease contract for operating a Sugar Unit at Srinivasapura, Hassan District. As per

the management representation, there are no material foreseeable losses which require provision on account of this. The Company during the year has not entered into any derivative contracts.

- (iii) There was no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For P K Nagarajan & Co.,  
Chartered Accountants  
Firm Reg. No: 016676S

**P K Nagarajan**

Partner

M.No. 025679

PLACE : Coimbatore

DATE :23.08.2018

### Annexure 'A' to the Independent Auditors' Report

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company the title deeds of immovable properties are held in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Consequently, the provisions of Clauses iii (a) iii (b) and iii(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties

covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.

- v. Company Law Board has passed an order on 16.09.2015 directing the company to repay the deposits accepted under Companies Act, 1956 from public amounting to Rs. 1053.72 lakhs (383 depositors) on or before 31.03.2016. The company has not complied with the order of the Company Law Board with regard to repayment of deposits on or before 31.03.2016. However, the company has no outstanding deposits to be repaid except unclaimed deposit of Rs.6.99 Lakhs as at 31.03.2018. The Company has not accepted any deposits during the year.
- vi. As per the information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under section 148(1) of the Act, by the company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, Employee's State Insurance, Income tax, Sales tax, duty of customs, duty of excise, value added tax, Goods and Service Tax, cess and any other material statutory dues, as applicable, have been deposited with few delays during the year by the Company with the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income tax, Sales tax, duty of customs, duty of excise, value added tax, Goods and Service Tax,cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, the details of disputed statutory dues of income tax that have not been deposited on account of matters pending before appropriate authority are as under:

	Nature of the Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	2,657.74	FY 2005-06 to 2014-15	CESTAT, Bangalore
The Central Excise Act, 1944	Excise Duty	421.12	April 2015 to Sep 2016	Joint Commissioner of Central Excise, Mysore
The Central Excise Act, 1944	Excise Duty	99.00	October 2016 to June 2017	Commissioner of Central Excise, Mysore

## Independent Auditors' Report

The Income Tax Act, 1961	Income Tax	91.49	AY 1989-90	Commissioner of Income Tax (Appeals), Bangalore
The Income Tax Act, 1961	Income Tax	1.55	AY 2006-07	Commissioner of Income Tax (Appeals), Bangalore
The Customs Act, 1962	Duty of Customs	45.67	FY 2013-14	CESTAT, Bangalore

viii. The Company has defaulted in repayment of dues to financial institutions, banks, and Government during the year. The details are as follows;

Name of Bank/Financial Institution	Amount of Default (Rs. In lakhs)	Period of Default	Remarks
Allahabad Bank	79.29	Dec-17- to Mar-18	Rs.52.00 Lakhs Paid on 28.05.18 Rs.8.30 Lakhs Paid on 30.06.18
IDBI Bank	205.50	Jan-18 to Mar-18	Rs.78.80 Lakhs Paid on 30.04.18 Rs.44.28 Lakhs Paid on 31.05.18 Rs.41.26 Lakhs Paid on 30.06.18 Rs.41.16 lakhs paid on 31.07.18
HDCC Bank	33.18	Feb-18	Rs.33.18 Lakhs paid on 28.06.18
Karnataka State Co-operative Apex Bank	26.57	Jan-18	Rs. 26.57 Lakhs paid on 05.06.18
SDF, Government of India	Principal – 2,814.51 Interest – 1,159.61	Sep-11 to Nov-16 Mar-12 to Mar-18	Nil

The company does not have any outstanding debentures falling due during the year and there are no defaults to debenture holders.

- ix. The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year. According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which those were obtained.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, para 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under the Indian Accounting Standard 24 (Related Party Disclosures).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the Directors or persons connected with them. Accordingly, para 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For P K Nagarajan & Co.,  
Chartered Accountants  
Firm Reg, No: 0166765

**P K Nagarajan**

Partner

M.No. 025679

PLACE : Coimbatore

DATE :23.08.2018

### Annexure 'B' to the Independent Auditors' Report of even date on the Financial Statements of Sri Chamundeswari Sugars Limited

#### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Act

We have audited the internal financial controls over financial reporting of Sri Chamundeswari Sugars Limited ("the Company") as of 31st March 2018 in conjunction with our audit of the 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

controls over financial reporting criteria established by the Company considering the essential components of the internal controls 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.



### Auditor's 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 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 Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 controls based on the assessed risks. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements 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 control system over financial reporting.

### Meaning of Internal Financial Control 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 controls 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 expenditure 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 limitation 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 internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in condition, 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 control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For P K Nagarajan & Co.,  
Chartered Accountants  
Firm Reg, No: 016676S

**P K Nagarajan**  
Partner  
M.No. 025679

PLACE : Coimbatore  
DATE :23.08.2018

## Balance Sheet

### BALANCE SHEET AS AT 31.03.2018

Particulars	Note No.	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>I Assets</b>				
<b>(1) Non-Current Assets</b>				
a) Property, Plant and Equipment	2	36,666.42	37,392.56	37,712.27
b) Capital work-in-progress	2	17,279.66	10,027.45	1,728.62
c) Financial assets				
i) Investments	3	376.89	587.36	587.54
ii) Loans	4	1,984.44	1,863.88	1,844.13
iii) Other Financial Assets	5	213.70	150.00	300.00
<b>(2) Current Assets</b>				
a) Inventories	6	2,171.36	4,223.16	6,466.96
b) Financial assets				
(i) Investments	7	413.80	2,260.61	15.49
(ii) Trade receivables	8	8,306.48	6,412.23	7,749.57
(iii) Cash and cash equivalents	9	134.83	504.32	2,688.18
(iv) Bank balances other than (iii) above	10	-	5.00	86.98
(v) Loans	11	3,706.61	4,339.76	4,862.07
(vi) Other Current Financial assets	12	-	-	5,007.66
c) Other Current Assets (Net)	13	1,313.81	805.81	268.03
<b>TOTAL ASSETS</b>		<b>72,568.00</b>	<b>68,572.14</b>	<b>69,317.50</b>
<b>II Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity Share Capital	14	2,445.43	2,445.43	2,445.43
(b) Other Equity	15	17,170.80	17,799.34	18,673.45
<b>Liabilities</b>				
<b>(1) Non-Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	25,127.03	22,147.05	16,334.40
(ii) Other financial liabilities	17	2,574.41	2,482.77	2,538.80
(b) Provisions	18	860.05	869.68	684.42
(c) Deferred Tax Liabilities (Net)	19	1,279.76	1,609.59	2,272.50
<b>(2) Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	20	4,991.32	4,995.07	5,628.64
(ii) Trade Payables	21	7,318.94	4,569.15	9,808.94
(iii) Other financial liabilities	22	7,981.72	8,692.50	8,887.56
(b) Other current liabilities	23	2,566.01	2,793.61	1,728.08
(c) Provisions	24	252.53	167.95	315.28
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72,568.00</b>	<b>68,572.14</b>	<b>69,317.50</b>

Significant Accounting Policies 1

Notes are an integral part of the Financial Statements.

**For P.K.Nagarajan & Co.,**  
Chartered Accountants  
Firm Registration :016676S

**P.K. Nagarajan**  
Partner  
Membership No.:025679

**S Senthil Saravanan**  
Director  
(DIN No : 07952850)

**M Srinivaasan**  
Managing Director  
(DIN No : 00102387)

Date : 23.08.2018  
Place : Coimbatore

**J U Srinivasan**  
Chief Financial Officer

## Statement of Profit and Loss

### STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2018

Particulars	Note No.	For the year ended 31.03.2018 (₹ in Lakhs)	For the year ended 31.03.2017 (₹ in Lakhs)
I Revenue from operations	25	20,911.96	19,940.33
II Other Income	26	1,994.22	262.70
<b>III Total Income (I+II)</b>		<b>22,906.18</b>	<b>20,203.03</b>
<b>IV Expenses</b>			
Cost of Material consumed	27	13,877.34	10,619.61
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	1,758.03	2,481.18
Employee benefits expense	29	2,008.95	2,298.68
Finance costs	30	2,284.15	2,496.31
Depreciation and amortization expenses	2	819.44	799.73
Other expenses	31	2,876.76	3,045.15
<b>Total expenses (IV)</b>		<b>23,624.67</b>	<b>21,740.66</b>
V Profit/(loss) before exceptional items and tax (III-IV)		(718.49)	(1,537.63)
VI Exceptional Items		-	-
<b>VII Profit/ (loss) after exceptions items and tax (V-VI)</b>		<b>(718.49)</b>	<b>(1,537.63)</b>
<b>VIII Tax expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax		(248.74)	(662.69)
IX Profit/(loss) for the period (VII-VIII)		(469.75)	(874.94)
X Other Comprehensive Income			
A. (i) Items that will not be reclassified to statement of profit or loss			
Changes in fair value of financial assets designated at fair value through OCI		(257.78)	(25.80)
Remeasurement benefit of defined benefit plans		17.90	26.42
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		81.09	0.22
XI Total Comprehensive Income for the period (IX+X) Comprising Profit/(Loss) and Other comprehensive Income for the period )		(628.54)	(874.10)
XII Basic and Diluted (₹)		(2.22)	(3.88)

Significant Accounting Policies 1

Notes are an integral part of the Financial Statements.

**For P.K.Nagarajan & Co.,**  
Chartered Accountants  
Firm Registration :016676S

**P.K. Nagarajan**  
Partner  
Membership No.:025679

**S Senthil Saravanan**  
Director  
(DIN No : 07952850)

**M Srinivaasan**  
Managing Director  
(DIN No : 00102387)

Date : 23.08.2018  
Place : Coimbatore

**J U Srinivasan**  
Chief Financial Officer

## Balance Sheet

31.03.2018 ರಂದು ಇದ್ದಂತೆ ಆಸ್ತಿ-ಜವಾಬ್ದಾರಿ ತಿಳಿಪು

ವಿವರಗಳು	ನೋಟ ಸಂಖ್ಯೆ	ದಿನಾಂಕ 31.03.2018 ರಂತೆ (ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ)	ದಿನಾಂಕ 31.03.2017 ರಂತೆ (ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ)	ದಿನಾಂಕ 01.04.2016 ರಂತೆ (ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ)
<b>I ಆಸ್ತಿಗಳು</b>				
(1) ಅನಿರೀಕ್ಷಿಸಿದ ಸ್ವತ್ತುಗಳು				
a) ಆಸ್ತಿ, ಸ್ಥಾವರ ಹಾಗೂ ಸಲಕರಣೆಗಳು	2	36,666.42	37,392.56	37,712.27
b) ಬಂಡವಾಳ ಕಾರ್ಯ ಪ್ರಗತಿಯಲ್ಲಿದೆ	2	17,279.66	10,027.45	1,728.62
c) ಆರ್ಥಿಕ ಸ್ವತ್ತುಗಳು				
i) ಹೂಡಿಕೆಗಳು	3	376.89	587.36	587.54
ii) ಸಾಲಗಳು	4	1,984.44	1,863.88	1,844.13
iii) ಇತರ ಹಣಕಾಸಿನ ಸ್ವತ್ತುಗಳು	5	213.70	150.00	300.00
(2) ಪ್ರಸ್ತುತ ಆಸ್ತಿಗಳು				
a) ದಾಸ್ತಾನುಗಳು	6	2,171.36	4,223.16	6,466.96
b) ಆರ್ಥಿಕ ಸ್ವತ್ತುಗಳು				
(i) ಹೂಡಿಕೆಗಳು	7	413.80	2,260.61	15.49
(ii) ವ್ಯಾಪಾರದ ಕರಾರು	8	8,306.48	6,412.23	7,749.57
(iii) ನಗದು ಮತ್ತು ತತ್ಸಮಾನ	9	134.83	504.32	2,688.18
(iv) ಬ್ಯಾಂಕ್ ಬ್ಯಾಲೆನ್ಸ್ ಮೇಲಿನ (iii) ಹೊರತು ಪಡಿಸಿ	10	-	5.00	86.98
(v) ಸಾಲಗಳು	11	3,706.61	4,339.76	4,862.07
(vi) ಇತರ ಅನಿರೀಕ್ಷಿಸಿದ ಹಣಕಾಸಿನ ಸ್ವತ್ತುಗಳು	12	-	-	5,007.66
c) ಇತರ ಅನಿರೀಕ್ಷಿಸಿದ ಸ್ವತ್ತುಗಳು (ನಿವ್ವಳ)	13	1,313.81	805.81	268.03
ಒಟ್ಟು ಸ್ವತ್ತುಗಳು		72,568.00	68,572.14	69,317.50
<b>II ಇಕ್ಷಿತಿ ಮತ್ತು ಹೊಣೆಗಾರಿಕೆಗಳು</b>				
ಇಕ್ಷಿತಿ				
(a) ಷೇರು ಬಂಡವಾಳ	14	2,445.43	2,445.43	2,445.43
(b) ಇತರ ಇಕ್ಷಿತಿ	15	17,170.80	17,799.34	18,673.45
ಹೊಣೆಗಾರಿಕೆಗಳು				
(1) ಅನಿರೀಕ್ಷಿಸಿದ ಹೊಣೆಗಾರಿಕೆಗಳು				
(a) ಹಣಕಾಸಿನ ಹೊಣೆಗಾರಿಕೆಗಳು				
(i) ಸಾಲಗಳು	16	25,127.03	22,147.05	16,334.40
(ii) ಇತರ ಹಣಕಾಸಿನ ಹೊಣೆಗಾರಿಕೆಗಳು	17	2,574.41	2,482.77	2,538.80
(b) ನಿಭಂದನೆಗಳು	18	860.05	869.68	684.42
(c) ಮುಂದೂಡಲ್ಪಟ್ಟ ತೆರಿಗೆ ಹೊಣೆಗಾರಿಕೆಗಳು (ನಿವ್ವಳ)	19	1,279.76	1,609.59	2,272.50
(2) ಪ್ರಸ್ತುತ ಹೊಣೆಗಾರಿಕೆಗಳು				
(a) ಹಣಕಾಸಿನ ಹೊಣೆಗಾರಿಕೆಗಳು				
(i) ಸಾಲಗಳು	20	4,991.32	4,995.07	5,628.64
(ii) ವ್ಯಾಪಾರ ಸಂದಾಯಗಳು	21	7,318.94	4,569.15	9,808.94
(ii) ಇತರ ಹಣಕಾಸಿನ ಹೊಣೆಗಾರಿಕೆಗಳು	22	7,981.72	8,692.50	8,887.56
(b) ಇತರ ಅನಿರೀಕ್ಷಿಸಿದ ಹೊಣೆಗಾರಿಕೆಗಳು	23	2,566.01	2,793.61	1,728.08
(c) ನಿಭಂದನೆಗಳು	24	252.53	167.95	315.28
ಒಟ್ಟು ಇಕ್ಷಿತಿ ಹೊಣೆಗಾರಿಕೆಗಳು		72,568.00	68,572.14	69,317.50

ಪ್ರಮುಖ ವಾಣಿಜ್ಯ ನೀತಿಗಳು  
ಓಪ್ಪಣಿಯು ಹಣಕಾಸಿನ ಅಯವ್ಯಯದ ಒಂದು ಅಂಗವಾಗಿದೆ

**For P.K.Nagarajan & Co.,**  
Chartered Accountants  
Firm Registration :0166765

**P.K. Nagarajan**  
Partner  
Membership No.:025679

**S Senthil Saravanan**  
Director  
(DIN No : 07952850)

**M Srinivaasan**  
Managing Director  
(DIN No : 00102387)

Date : 23.08.2018  
Place : Coimbatore

**J U Srinivasan**  
Chief Financial Officer

Statement of Profit and Loss

31.03.2018 ರಂದು ಅಂತ್ಯಗೊಂಡ ವರ್ಷದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ತಃಖ್ತೆ

ವಿವರಗಳು	ನೋಟ ಸಂಖ್ಯೆ	ಪ್ರಸ್ತುತ ವರ್ಷ 31.03.2018 ಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರಗಳು (ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ)	ಪ್ರಸ್ತುತ ವರ್ಷ 31.03.2017 ಕ್ಕೆ ಸಂಬಂಧಿಸಿದ ವಿವರಗಳು (ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ)
I ವ್ಯವಹಾರದಿಂದ ಬಂದ ಲಾಭ	25	20,911.96	19,940.33
II ಇತರ ಆದಾಯ	26	1,994.22	262.70
III ಒಟ್ಟು ಆದಾಯ (I+II)		22,906.18	20,203.03
IV ವೆಚ್ಚಗಳು			
ಉಪಯೋಗಿಸಲ್ಪಟ್ಟ ವಸ್ತುಗಳ ಮೌಲ್ಯ	27	13,877.34	10,619.61
ರೂಪಾಂತರಗೊಂಡ ಸರಕು, ಮುಂದುವರಿಯುತ್ತಿರುವ ಕೆಲಸಗಳು	28	1,758.03	2,481.18
ನೌಕರರ ನೌಕರಿಯಗಳ ಖರ್ಚುಗಳು	29	2,008.95	2,298.68
ಹಣಕಾಸಿನ ವೆಚ್ಚ	30	2,284.15	2,496.31
ಸವಕಳ ಮತ್ತು ಅಮಾರ್ಟೈಸೇಷನ್ ವೆಚ್ಚ	2	819.44	799.73
ಇತರ ವೆಚ್ಚಗಳು	31	2,876.76	3,045.15
ಒಟ್ಟು ವೆಚ್ಚಗಳು (IV)		23,624.67	21,740.66
V ವಿಶೇಷ ಮತ್ತು ಅಸಾಧಾರಣ ಅಂಶಗಳು ಹಾಗೂ ತೆರಿಗೆ ಪೂರ್ವ ಲಾಭ/ನಷ್ಟ (III-IV)		(718.49)	(1,537.63)
VI ಅಸಮಾನ್ಯ ಅಂಶಗಳು		-	-
VII ವಿಶೇಷ ಅಂಶ ಹಾಗೂ ತೆರಿಗೆ ನಂತರ ಲಾಭ / ನಷ್ಟ (V-VI)		(718.49)	(1,537.63)
VIII ತೆರಿಗೆ ವೆಚ್ಚಗಳು			
(1) ಪ್ರಸ್ತುತ ತೆರಿಗೆ		-	-
(2) ಮುಂದೂಡಿದ ತೆರಿಗೆ		(248.74)	(662.69)
IX ಅವಧಿಗೆ ಲಾಭ / ನಷ್ಟ (VII-VIII)		(469.75)	(874.94)
X ಇತರ ಸಮಗ್ರ ಆಧಾಯ			
A. (i) ಲಾಭ ಅಥವಾ ನಷ್ಟಕ್ಕೆ ಮರುಸಂಗ್ರಹಿಸಲಾಗದ ವಸ್ತುಗಳು			
OCI ಮೂಲಕ ನ್ಯಾಯೋಚಿತ ಮೌಲ್ಯದಲ್ಲಿ ಗೊತ್ತುಪಡಿಸಿದ ಹಣಕಾಸಿನ ಆಸ್ತಿಗಳ ನ್ಯಾಯೋಚಿತ ಮೌಲ್ಯದ ಬದಲಾವಣೆಗಳು		(257.78)	(25.80)
ವ್ಯಾಖ್ಯಾನಿತ ಲಾಭದ ಯೋಜನೆಗಳ ಮರುಪರಿಶೀಲನೆಯ ಲಾಭ		17.90	26.42
(ii) ಲಾಭ ಅಥವಾ ನಷ್ಟಕ್ಕೆ ಮರುಸಂಗ್ರಹಿಸಲಾಗದ ವಸ್ತುಗಳಿಗೆ ಸಂಬಂಧಿಸಿದ ವರಮಾನ ತೆರಿಗೆ		81.09	0.22
XI ಅವಧಿಗೆ ಸಮಗ್ರ ಆಧಾಯ (IX + X) ಲಾಭ(ನಷ್ಟ) ಮತ್ತು ಇತರ ಸಮಗ್ರ ಆಧಾಯವನ್ನು ಒಳಗೊಂಡಿರುತ್ತದೆ		(628.54)	(874.10)
XII ಪ್ರತಿ ಷೇರಿಗೆ ಆಧಾಯ (ಕಾರ್ಯಾಚರಣೆಯನ್ನು ಮುಂದುವರಿಸಲು)			
ಪ್ರಾಥಮಿಕ ಮತ್ತು ದ್ರವೀಕರಿಸಿದ		(2.22)	(3.88)

ಪ್ರಮುಖ ವಾಣಿಜ್ಯ ನೀತಿಗಳು

1

ಲೆಕ್ಕ ದಾಖಲಾತಿ ಆರ್ಥಿಕ ತಃಖ್ತೆಗಳ ಒಂದು ಅವಿಭಾಜ್ಯ ಅಂಗವಾಗಿರುತ್ತದೆ

For P.K.Nagarajan & Co.,  
Chartered Accountants  
Firm Registration :016676S

P.K. Nagarajan  
Partner  
Membership No.:025679

S Senthil Saravanan  
Director  
(DIN No : 07952850)

M Srinivaasan  
Managing Director  
(DIN No : 00102387)

Date : 23.08.2018  
Place : Coimbatore

J U Srinivasan  
Chief Financial Officer

## Cash Flow Statement

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

Particulars	2017-18 (₹ in Lakhs)		2016-17 (₹ in Lakhs)	
<b>A. Cash Flow From Operating Activities:</b>				
Net Profit before tax as per statement of Profit and Loss		(718.49)		(1,537.63)
Adjustment for:				
Depreciation of Property, Plant and Equipment	819.44		799.73	
Finance Costs	2,284.15		2,496.31	
(Profit) / Loss on Sale / Redemption of Investments (Net)	(58.36)		-	
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded (Net)	(7.94)		0.04	
Dividend Income	(14.65)		(12.13)	
Interest Income	(1,892.40)	1,130.24	(233.84)	3,050.11
Operating Profit before Working Capital / Other Changes		411.75		1,512.48
<b>Changes in Working Capital:</b>				
<b>Adjustments for (Increase) / Decrease in Operating Assets:</b>				
Inventories	2,051.80		2,243.80	
Trade Receivables	(1,894.26)		1,337.34	
Other Financial Assets	(63.70)		150.00	
Other Current Assets	(611.86)		(456.55)	
<b>Adjustments for Increase / (Decrease) in Operating Liabilities:</b>				
Trade Payables	2,749.79		(5,239.79)	
Other Long Term Financial Liabilities	91.63		(56.03)	
Other Current Financial Liabilities	(1,388.95)		(282.40)	
Other Current Liabilities	(227.60)		1,065.53	
Long Term Provisions	(9.63)		203.16	
Short Term Provisions	84.58	781.80	(147.33)	(1,182.27)
Cash Generated from Operations		1,193.55		330.21
Income Tax Paid (Net)				
<b>Net Cash from / (used in) Operating Activities (A)</b>		1,193.55		330.21
<b>B. Cash Flow From Investing Activities:</b>				
Purchase of Property, Plant and Equipment	(7,349.41)		(8,780.12)	
Proceeds from Disposal of Property, Plant and Equipment	11.86		1.23	
Movement in Long Term Loans and Advances	(120.56)		(19.76)	
Movement in Current Loans and Advances	656.04		525.85	
Proceeds from Other Current Financial Assets	-		5,007.66	
Investment in Long Term Investments (Net)	(0.50)		(70.50)	
Proceeds from Current Investments (Net)	1,858.36		(2,200.25)	
Dividend received	14.65		12.13	
Interest Income	1,996.27		152.61	
<b>Net Cash from / (used in) Investing Activities (B)</b>		(2,933.29)		(5,371.15)



## Cash Flow Statement (Cont..)

Particulars	2017-18 (₹ in Lakhs)	2016-17 (₹ in Lakhs)
<b>C. Cash Flow From Financing Activities:</b>		
Finance Costs Paid	(1,605.98)	(2,408.97)
Proceeds from Long Term Borrowings	2,979.98	5,812.64
Short Term Borrowings (Net)	(3.75)	(633.57)
<b>Net Cash from / (used in) Financing Activities (C)</b>	1,370.25	2,770.10
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(369.49)	(2,270.84)
Cash and cash equivalents at the beginning of the year	504.32	2,775.16
<b>Cash and cash equivalents at the end of the year</b>	134.83	504.32
Cash and cash equivalents at the end of the year comprises of		
(a) Cash on hand	4.51	6.24
(b) Cheques, draft on hand		
(c) Balances with banks:		
i) In Current Accounts	130.32	492.25
ii) Unclaimed Dividend / Interest warrants		
iii) Margin Money with banks / Security against borrowings	-	5.83
Cash and cash equivalents as at the end of the year	134.83	504.32

**For P.K.Nagarajan & Co.,**  
Chartered Accountants  
Firm Registration :016676S

**P.K. Nagarajan**  
Partner  
Membership No.:025679

Date : 23.08.2018  
Place : Coimbatore

**S Senthil Saravanan**  
Director  
(DIN No : 07952850)

**M Srinivaasan**  
Managing Director  
(DIN No : 00102387)

**J U Srinivasan**  
Chief Financial Officer

## Statement of Changes

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

#### A) Equity Share Capital

Particulars	No. of Shares	Rs. in Lakhs
Balance as at 01.04.2016	24,454,328	2,445.43
Changes in Equity Share Capital during the year	-	-
Balance as at 01.04.2017	24,454,328	2,445.43
Changes in Equity Share Capital during the year	-	-
Balance as at 01.04.2018	24,454,328	2,445.43

#### B) Other Equity

Particulars	Reserves and Surplus				
	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Total
Balance as at 1.4.2016	150.00	500.00	4,307.00	13,716.45	18,673.45
Comprehensive Income for the year	-	-	-	(874.94)	(874.94)
Other Comprehensive Income	-	-	-	0.83	0.83
Dividend and Tax on Dividend	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at 31.03.2017	150.00	500.00	4,307.00	12,842.34	17,799.34
Balance as at 1.04.2017	150.00	500.00	4,307.00	12,842.34	17,799.34
Comprehensive Income for the year	-	-	-	(469.75)	(469.75)
Other Comprehensive Income	-	-	-	(158.79)	(158.79)
Dividend and Tax on Dividend	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-
Balance as at 31.03.2018	150.00	500.00	4,307.00	12,213.80	17,170.80

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.3.2018

Note : 1 >>

#### Statement of Significant Accounting Policies followed by the Company

##### a) Basis of Preparation

###### i) Compliance with Ind AS

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under Section 133 of the Companies Act 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Detailed information of transition from previous GAAP to Ind AS and its impact on company's Balance Sheet, financial performance and cashflows is given under Note No. 47.

The accounting policies are applied consistently to all the periods presented in the financial statements.

###### ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the certain financial instruments and Defined Benefit plans - plan assets measured at fair value at the end of the each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange of goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, company takes into account when pricing the asset or liability if market participants would take characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statement is determined on such a basis except for measurements that have similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 (Inventories) or value in use in Ind AS 36 (Impairment of Assets).

###### iii) Current and Non - Current Classification

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013.

Deferred Tax assets and liabilities are classified as Non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified Twelve months as its operating cycle.

###### iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

##### b) Use of Estimates and Judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after the date but provide additional evidence about conditions existing as at the reporting date.

##### c) Property Plant and Equipment

Property, plant and equipment that qualifies for recognition as an asset is measured at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated.

Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. Cost in the nature of repairs and maintenance are recognised in the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

On transition to Ind AS, the Company has elected to regard the fair values of all its property, plant and equipment as at April 01, 2016 as deemed cost in accordance with the stipulation of Ind AS 101 "First-time adoption of Ind-AS". Refer note no.47 for the first-time adoption impact.

###### Depreciation

Straight line method has been adopted for providing depreciation on fixed assets.

The assets are depreciated over the useful life as prescribed in Schedule II to the Companies Act, 2013. The assets capitalised on the lease hold land/plant are depreciated over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The estimated useful lives, residual values and

## Notes forming part of the financial statements

depreciation method are reviewed at the end of each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

### **Derecognition**

The carrying amount of an item of property, plant and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The same is recognised in the statement of profit and loss.

### **d) Impairment of Non financial Assets**

Non financial assets are tested for impairment at the end of each reporting period as to whether events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets' fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non financial assets other than goodwill that suffered an impairment in prior periods are reviewed for possible reversal of the impairment at the end of the each reporting period.

### **e) Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### **Financial Assets**

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, on initial recognition.

When the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or 2 input as mentioned above, the difference between the fair value and the transaction price is deferred appropriately and recognised as a gain or loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

#### **Investment in Equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)**

##### **Initial Recognition**

The Company, through an irrevocable election (on an instrument by instrument basis), has measured investments in equity instruments at FVTOCI. These equity instruments are neither

held for trading nor are contingent consideration recognised under a business combination. These elected investments are initially measured at fair value plus transaction costs.

### **Subsequent measurement**

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income.

### **Dividend**

Dividend on investments in equity instruments are recognised in profit or loss unless the dividend does not represent a recovery of part of cost of the investment. Dividend is recognised only when the company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably. The Company has recognised dividend in Statement of profit and loss in the 'Other Income' line item.

### **Derecognition**

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expires or the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control of the financial asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. The extent of the Company's continuing involvement in the financial asset is the extent to which it is exposed to changes in the value of the transferred asset. In such cases, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of such financial assets, the cumulative gain / loss previously recognised in Other Comprehensive Income is not reclassified from the equity to the Statement of Profit and Loss. However, the company may transfer such cumulative gain / loss into the retained earnings within equity.

### **Impairment of Financial Asset**

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at fair value through other comprehensive income (FVTOCI), trade receivables, lease receivables and other financial assets measured at amortised cost.

The Company follows a simplified approach wherein an amount equal to lifetime expected credit losses is measured and recognised as loss allowance in the case of trade receivables and lease receivables.

In case of financial assets measured at fair value through other comprehensive income or at amortised cost, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month expected credit losses is measured as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime expected credit losses is measured and recognised as loss allowance.

## Notes forming part of the financial statements

### Financial Liabilities

#### Initial Recognition

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, on initial recognition.

When the fair value of a financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or 2 input as mentioned above, the difference between the fair value and the transaction price is deferred appropriately and recognised as a gain or loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liabilities.

#### Subsequent measurement

Financial Liabilities are subsequently carried at amortised cost using the effective interest method, which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value to the short maturity of these instruments.

#### Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability is substantially modified, such an exchange or modification is treated as the extinguishment of the original liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Profit and Loss.

### f) Valuation of Inventories

#### (I) Finished Goods

Sugar Molasses - Own Production Industrial Alcohol	At seasonal/yearly weighted average cost or net realisable value whichever is lower.
Bagasse Fusel Oil Bio-compost Scrap Stock	Net realisable value
Molasses - Purchased	At cost
Raw material, consumables, stores & spares and others	At yearly weighted average cost or net realisable value whichever is lower

(II) The cost of the finished goods and process stock comprises all cost of purchase, cost of conversion, duties and taxes (other than those subsequently recovered from tax authorities) and other costs incurred in bringing the inventories to their present location and condition.

(III) Due allowance is estimated and made for defective and obsolete items wherever necessary.

### g) Fair value measurement

The Company measures financial instruments, such as, investments at fair value at each balance sheet date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs that are unobservable for the asset or liability.

For Assets and liabilities that are recognised in the financial statement on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### h) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### Sale of Goods:

Revenue from sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership of the goods to the buyer.
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- the amount of revenue can be reliably measured.
- it is probable that the economic benefits associated with the transaction will flow to the Company.
- the cost incurred or to be incurred in respect of the transaction can be measured reliably.

#### Exchange of Goods and Services

When goods are sold in exchange for dissimilar goods, the exchange is regarded as a transaction which generates revenue. The revenue is measured at the fair value of the goods received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods received cannot be measured reliably, the revenue is measured at the fair value of the goods given up, adjusted by the amount of any cash or cash equivalents transferred.

#### Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably). Dividend income are shown in the income statement are in accordance with Ind AS 109.

## Notes forming part of the financial statements

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets' net carrying amount on initial recognition.

### i) Foreign Currency Transactions

The financial statements are presented in Indian Rupee which is company's functional and presentation currency. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transaction settled during the year are recognised in the statement of profit and loss. Foreign currency monetary items as at the balance sheet date are translated using the closing rate. The gain or loss arising out of these translations are recognized in the statement of profit and loss.

### j) Provision, Contingent liabilities & Contingent assets

Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of obligation cannot be measured reliably.

Contingent assets are not recognised, however the same is disclosed in the financial statements, when an inflow of economic benefit is probable.

### k) Income Tax

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

#### Current Tax

Current tax is the amount of income tax payable in respect of taxable profit for the year. The taxable profit differs from profit before tax as reported in Statement of Profit and Loss because of temporary differences. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period for the amount expected to be paid to the taxation authorities.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the sufficient taxable profit will be available against which the MAT credit can be utilised.

#### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised on all temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than

a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

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

Current and deferred tax is recognised in the statement of profit and loss except to the extent it relates to items recognised in other comprehensive income or directly in equity.

### l) Government grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. The company had accounted for Export benefits in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### m) Employee Benefits

#### Short Term Employee Benefits

All employee benefits payable within twelve months of rendering service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid as a liability after deducting the amount already paid.

#### Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted at a predetermined rate of interest based on yields on Government Bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

#### Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

#### Gratuity obligations

The Company operates a defined benefit plan for employees. The Company contributes to a separate entity (a fund), towards meeting the gratuity obligation. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value



## Notes forming part of the financial statements

of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows at a predetermined rate of interest based on the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

The Gratuity benefit of the employees of the leased plant is measured and accounted based on the demand from the lessor.

### Leave Salary

The company measures the expected cost of accumulating the paid absences as the additional amount that the company expects to pay as a result of unused entitlement that has accumulated at the end of the reporting period. Actuarial gain and losses arising from changes in actuarial assumptions are recognised in the other comprehensive income.

### Defined Contribution Plans

Defined Contribution Plans are Provident Fund, Employee State Insurance scheme and Government administered Pension Fund scheme for all applicable employees.

The company recognises contribution payable to a defined contribution plan as expenses in the statement of profit and loss when the employee renders services to the company during the reporting period. If the contribution payable for services received from employee before the reporting date exceeds the contribution already paid, the deficit payable is recognised as a liability after deducting the contribution already paid.

### n) Operating Segments

Operating segments are identified in accordance with the criteria set out in paragraphs 5 to 10 of Ind AS 108 viz. a component of an entity that engages in business activities from which the company earns revenues and incur expenses and the operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess the performance for which discrete financial information is available.

The operating segments are reported after taken into consideration of Aggregation criteria and Quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating the resources and assessing the performance of the operating segments of the company.

### o) Leases

The Company's significant leasing arrangements are operating leases and cancelable in nature.

#### Company as Lessor

The lease rental income under agreements are recognised in the statement of profit and loss as per the terms of the lease. The rental income from operating lease is generally recognised on a straight line basis over the term of relevant lease. When the

rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rental income arising under operating leases are recognised as income in the period in which they accrue.

#### Company as Lessee

The lease rental under agreements are recognised in the statement of profit and loss as per the terms of the lease. The rental expense under operating lease is generally recognised on a straight line basis over the term of relevant lease. When the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as expense in the period in which they are incurred. During the period of construction of substantial tangible addition/modernisation of leased plant occurred, the lease rent payable on the plant during the period of construction is added to the cost of those assets.

### p) Cash and Cash Equivalents

Cash and Cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of non cash nature, any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information

For the purpose of presentation of cash flow statement, cash and cash equivalents includes cash on hand, cheques on hand, bank balances, demand deposit with banks where the original maturity is three months or less and other short term highly liquid investments

### r) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost.

### s) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets. All other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

### t) Events after Reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### u) Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh with two decimals, as per the requirement of Schedule III, unless otherwise stated.

## Notes forming part of the financial statements

### v) Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, "Revenue from Contract with Customers", Appendix B to Ind AS 21, Foreign currency transactions and advance considerations and amendments to certain other standards. This amendment is applicable from 1st April, 2018. The company is evaluating the requirement of the amendment and the impact on the financial statements.

#### Ind AS 115

As per the amended rules, Ind AS 115 supersedes Ind AS 11, "Construction Contracts" and Ind AS 18, "Revenue". Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customer.

The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not

completed contracts at the date of initial application of the standard.

The company is in the process of assessing the detailed impact of this standard. The Company, presently is not able to reasonably estimate the impact of this standard expected to have on the financial statements.

#### Appendix B to Ind AS 21

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of the related asset, expense or income (or part of it) where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which entity initially recognises the non-monetary asset or liability arising from advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipt of advance consideration.

The company is in the process of assessing the detailed impact of this standard. The Company, presently is not able to reasonably estimate the impact of this standard expected to have on the financial statements.

## Note no: 2 &gt;&gt; Property, Plant and Equipment

Particulars	Land (inclusive of Development)	Buildings	Plant & Machinery	Furniture and Fittings	Office Equipment	Computer Equipment	Motor Vehicles	Total	Capital work-in-progress
Actual carrying amount	3,624.59	3,785.24	13,129.53	67.49	84.36	82.09	63.56	<b>20,836.86</b>	1728.62
Adoption of fair value	16,875.41	-	-	-	-	-	-	<b>16,875.41</b>	-
Gross Carrying amount (Deemed cost as at 01.04.2016)	20,500.00	3,785.24	13,129.53	67.49	84.36	82.09	63.56	<b>37,712.27</b>	1,728.62
Additions	-	397.69	14.03	0.29	5.12	12.18	51.98	<b>481.29</b>	8710.55
Deletions/Adjustments	-	-	-	-	0.10	-	7.10	<b>7.20</b>	411.72
<b>Balance as at 31.03.2017</b>	<b>20,500.00</b>	<b>4,182.93</b>	<b>13,143.56</b>	<b>67.78</b>	<b>89.38</b>	<b>94.27</b>	<b>108.44</b>	<b>38,186.36</b>	<b>10,027.45</b>
Additions	47.27	3.63	-	2.01	29.23	9.78	5.29	<b>97.21</b>	7,252.21
Deletions/Adjustments	0.48	-	0.18	-	2.17	-	5.54	<b>8.37</b>	-
<b>Balance as at 31.03.2018</b>	<b>20,546.79</b>	<b>4,186.56</b>	<b>13,143.38</b>	<b>69.79</b>	<b>116.44</b>	<b>104.05</b>	<b>108.19</b>	<b>38,275.20</b>	<b>17,279.66</b>
<b>Accumulated depreciation</b> (Deemed cost as at 01.04.2016)	-	-	-	-	-	-	-	-	-
Depreciation for the year Withdrawn	-	165.62	548.76	8.46	36.50	21.80	18.59	<b>799.73</b>	-
<b>Balance as at 31.03.2017</b>	-	<b>165.62</b>	<b>548.76</b>	<b>8.46</b>	<b>36.50</b>	<b>21.75</b>	<b>12.71</b>	<b>793.80</b>	-
Depreciation for the year Withdrawn	-	179.65	549.29	8.55	35.27	27.36	19.32	<b>819.44</b>	-
<b>Balance as at 31.03.2018</b>	-	<b>345.27</b>	<b>1,098.05</b>	<b>17.01</b>	<b>71.77</b>	<b>49.11</b>	<b>27.57</b>	<b>1,608.78</b>	-
<b>Net Carrying Amount</b>									
As at 01.04.2016	20,500.00	3,785.24	13,129.53	67.49	84.36	82.09	63.56	<b>37,712.27</b>	1,728.62
As at 31.03.2017	20,500.00	4,017.31	12,594.80	59.32	52.88	72.52	95.73	<b>37,392.56</b>	10,027.45
<b>As at 31.03.2018</b>	<b>20,546.79</b>	<b>3,841.29</b>	<b>12,045.33</b>	<b>52.78</b>	<b>44.67</b>	<b>54.94</b>	<b>80.62</b>	<b>36,666.42</b>	<b>17,279.66</b>

## Notes forming part of the financial statements

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 3 &gt;&gt; Non- Current Investments</b>			
Non- Trade, Quoted - Fully Paid-up			
<b>Investments in Equity Instruments</b>			
12,45,200 shares of Sakthi Sugars Limited	201.10	412.16	485.63
24,000 shares of Sakthi Finance Limited	7.58	7.49	4.70
	<b>208.68</b>	<b>419.65</b>	<b>490.33</b>
<b>Non- Trade, UnQuoted - Fully Paid-up</b>			
<b>Investments in Equity Instruments</b>			
1,25,000 shares of Sakthi Beverages Limited	9.38	9.38	9.38
<b>Other Non-Current Investments</b>			
3,330 "C" class shares in Sri Chamundeswari Sugar Mill Employees Credit Co-operative Society Limited (3330 shares as at 31.03.2017 and 50 shares as at 01.04.2016)	33.30	33.30	0.50
1 "B" Grade Share in MDCC Bank of Rs.3000 each (1 share as at 31.03.2017 and 1 share as at 01.04.2016)	0.03	0.03	0.03
1 "F" Grade Share in The Karnataka State Co-operative Apex Bank Limited (1 share as at 31.03.2017 and 1 share as at 01.04.2016)	39.80	39.80	39.80
20 "D" class Shares in The South Canara District Central Co-operative Bank Limited (10 shares as at 31.03.2017 and 10 shares as at 01.04.2016)	1.00	0.50	0.50
200 "F" class Shares in in The Hassan District Co-operative Central Bank Ltd (200 shares as at 31.03.2017 and 200 shares as at 01.04.2016)	20.00	20.00	20.00
200 "D" class Shares in The Karnataka State Co-operative Apex Bank Ltd (200 shares as at 31.03.2017 and 200 shares as at 01.04.2016)	55.70	55.70	20.00
1 "C" class share in The HDCC Bank Ltd (1 share as at 31.03.2017 and 1 share as at 01.04.2016)	7.00	7.00	7.00
1 "C" class share in The Bajpee VSS Bank Ltd (1 share as at 31.03.2017 and "Nil" as at 01.04.2016)	2.00	2.00	-
	<b>168.21</b>	<b>167.71</b>	<b>97.21</b>
Total Non Current Investments (Quoted & Unquoted)	<b>376.89</b>	<b>587.36</b>	<b>587.54</b>
Aggregate cost of Quoted Investments	327.09	327.09	327.09
Aggregate market value of Quoted Investments	208.68	419.65	490.33
Aggregate cost of Unquoted Investments	168.21	167.71	97.21
<b>Note No. 4 &gt;&gt; Non- Current Loans</b>			
Unsecured, Considered Good, unless otherwise stated			
Capital Advances	1,201.83	1,201.83	1,201.83
Security Deposits	610.12	561.37	541.62
Other loans and advances	172.49	100.68	100.68
<b>Total</b>	<b>1,984.44</b>	<b>1,863.88</b>	<b>1,844.13</b>
<b>Note No. 5 &gt;&gt; Other Non-current Financial assets</b>			
Bank Deposits - Maturing after 12 Months	213.70	150.00	300.00
	<b>213.70</b>	<b>150.00</b>	<b>300.00</b>

## Notes forming part of the financial statements

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 6 &gt;&gt; Inventories</b>			
<b>Finished Goods / By-Products:-</b>			
Sugar	181.98	1,427.58	3,682.09
Molasses - in sugar unit	31.79	358.79	625.46
Industrial Alcohol	257.17	274.33	120.14
Bio-Compost	26.39	37.15	82.99
Bagasse	0.26	0.12	1.57
	<b>497.59</b>	<b>2,097.97</b>	<b>4,512.25</b>
<b>Raw Materials :-</b>			
Sugarcane	-	-	0.38
Molasses - Distillery Unit	35.00	391.44	377.48
	<b>35.00</b>	<b>391.44</b>	<b>377.86</b>
<b>Other Stocks :-</b>			
Stores and Spares	1,492.34	1,429.49	1,205.16
Tools and Implements	37.81	37.99	38.56
Scrap Stock	-	-	-
	<b>1,530.15</b>	<b>1,467.48</b>	<b>1,243.72</b>
<b>Stock-in-Process :-</b>			
Sugar	108.31	239.91	313.04
Molasses	0.31	26.36	20.09
	<b>108.62</b>	<b>266.27</b>	<b>333.13</b>
<b>Total Inventories</b>	<b>2,171.36</b>	<b>4,223.16</b>	<b>6,466.96</b>
<b>Note No. 7 &gt;&gt; Current Investments</b>			
Quoted - Fully Paid up			
<b>a) Investments in Equity Instruments</b>			
14,240 shares of IDBI Bank Ltd (14,240 shares as at 31.03.2017 and 14,240 shares as at 01.04.2016)	10.29	10.69	10.33
17,300 shares of Dena Bank Ltd (17,300 shares as at 31.03.2017 and 17,300 shares as at 01.04.2016)	3.26	6.64	5.16
	13.55	17.33	15.49
<b>b) Investments in Mutual funds</b>			
Axis Short Term Fund	-	201.69	-
Birla Sun Life Balanced 95 Fund	-	106.09	-
DSP Blackrock Income Opportunities Fund	-	202.59	-
HDFC Balanced Fund	-	215.02	-
L&T India Prudence Fund	-	108.82	-
Reliance Corporate Bond Fund	-	202.78	-
Uti Income Opportunities Fund	-	203.20	-
Birla SI Short Term Opportunities Fund	-	100.05	-
Birla Sun Life MIP II -Wealth 25	-	102.79	-
	-	<b>1,443.03</b>	-
<b>Total Quoted Investments</b>	<b>13.55</b>	<b>1,460.36</b>	<b>15.49</b>
<b>Unquoted - Fully Paid up</b>			
<b>Investment in other than Equity Instruments</b>			
SREI Infrastructure Finance Limited	200.00	200.00	-
IDFC Bank - Fixed Deposit)	-	100.00	-
Bajaj Finance Limited-Fixed Deposit	-	300.00	-
Sakthi Finance Ltd-Debenture	200.25	200.25	-
	<b>400.25</b>	<b>800.25</b>	-
<b>Total</b>	<b>413.80</b>	<b>2,260.61</b>	<b>15.49</b>
Aggregate cost of Quoted Investments	418.31	2218.31	18.06
Aggregate market value of Quoted Investments	13.55	1,460.37	15.49
Aggregate cost of Unquoted Investments	400.25	800.25	-

## Notes forming part of the financial statements

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 8 &gt;&gt; Trade Receivables</b>			
Unsecured, Considered good	8,306.48	6,412.23	7,749.57
<b>TOTAL</b>	<b>8,306.48</b>	<b>6,412.23</b>	<b>7,749.57</b>
The company uses provision matrix to determine the impairment loss on portfolio of its trade receivables. The provision matrix is based on the historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. Ref Note no. 44 for detailed risk analysis.			
<b>Note No. 9 &gt;&gt; Cash and cash equivalents</b>			
i) Cash on hand	4.51	6.24	23.83
ii) Balance with Banks			
Cheques, draft on hand	-	-	-
In Current Accounts	130.32	492.25	487.35
In Earmarked Accounts :			
Current a/c - Lien Marked Account for Project	-	5.83	2,177.00
	<b>134.83</b>	<b>504.32</b>	<b>2,688.18</b>
<b>Note No. 10 &gt;&gt; Bank balances other than those covered in note no. 9</b>			
Bank Balance in Fixed Deposit Accounts :			
Original Maturity of more than 3 months but less than 12 months	-	5.00	86.98
	<b>-</b>	<b>5.00</b>	<b>86.98</b>
<b>Note No. 11 &gt;&gt; Current Loans</b>			
(Unsecured, Considered Good, unless otherwise stated)			
Loans and Advances to Employees	6.53	9.89	10.61
Advances recoverable in cash or in kind or for value to be received	2,722.96	3,555.55	4,469.46
Advance Income Tax	706.50	701.96	309.50
Other Loans and Advances:			
Secured, Considered Good	-	17.10	17.25
Unsecured, Considered Good	270.62	55.26	55.25
	<b>3,706.61</b>	<b>4,339.76</b>	<b>4,862.07</b>
<b>Note No. 12 &gt;&gt; Other Current Financial Assets</b>			
Compensation Receivables	-	-	5,007.66
	<b>-</b>	<b>-</b>	<b>5,007.66</b>
<b>Note No. 13 &gt;&gt; Other Current Assets</b>			
Interest Receivable on Loans and Advances	38.22	201.66	24.42
Interest Subsidy Receivable	112.16	52.60	148.61
Subsidies Recivable	14.21	14.21	14.21
Rent Receivable	2.59	2.00	2.75
Prepaid Expenses	33.93	29.92	20.47
Balance with Government authorities	1,112.70	505.42	57.57
	<b>1,313.81</b>	<b>805.81</b>	<b>268.03</b>
<b>Note No. 14 &gt;&gt; Equity Share Capital</b>			
<b>Authorised</b>			
400,00,000 Equity shares of Rs.10/- each	4,000.00	4,000.00	4,000.00
20,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	2,000.00	2,000.00	2,000.00
	<b>6,000.00</b>	<b>6,000.00</b>	<b>6,000.00</b>
<b>Issued, Subscribed and Paid up Share capital:</b>			
2,44,54,328 Equity shares of Rs.10/- each	<b>2,445.43</b>	<b>2,445.43</b>	<b>2,445.43</b>



## Notes forming part of the financial statements

### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of shares	Amount (₹ In Lakhs)	No. of shares	Amount (₹ In Lakhs)	No. of shares	Amount (₹ In Lakhs)
Equity shares						
At the beginning of the period	2,44,54,328	2,445.43	2,44,54,328	2,445.43	2,44,54,328	2,445.43
At the end of the period	2,44,54,328	2,445.43	2,44,54,328	2,445.43	2,44,54,328	2,445.43

### b. Details of shareholders holding more than 5%

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares
<b>Equity shares</b>						
ABT Industries Ltd	30.53	74,66,666	30.53	74,66,666	30.53	74,66,666
Chamundeswari Enterprises Private Limited	18.27	44,69,066	18.27	44,69,066	18.27	44,69,066
Sakthi Beverages Limited	17.45	42,66,666	17.45	42,66,666	17.45	42,66,666
Sri Shanthini Exports Private Limited	14.45	35,33,333	14.45	35,33,333	14.45	35,33,333

### c. Rights, Preferences and Restrictions attaching to each class of Shares:

The Company has only one class of Equity Shares having face value of Rs.10 each. Each Shareholder is eligible for one vote per share. Final Dividend is payable when it is recommended by the Board of Directors and subject to the approval of the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets after payment of all the preferential dues.

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 15 &gt;&gt; Other Equity</b>			
Capital redemption reserve	500.00	500.00	500.00
Securities Premium	150.00	150.00	150.00
General Reserve	4,307.00	4,307.00	4,307.00
Revaluation reserve	-	-	-
<b>Retained Earnings</b>			
Balance as per Last Balance Sheet	12,959.53	13,834.47	13,834.47
Add: Profit for the year	(469.75)	(874.94)	-
<b>Closing Balance</b>	<b>12,489.78</b>	<b>12,959.53</b>	<b>13,834.47</b>
Other Comprehensive Income	(275.98)	(117.19)	(118.02)
	<b>17,170.80</b>	<b>17,799.34</b>	<b>18,673.45</b>
<b>Note No. 16 &gt;&gt; Borrowings - Non Current</b>			
<b>Secured</b>			
Secured Redeemable Non Convertible Debentures	1,445.00	-	-
Term Loans - From Banks	14,642.39	13,842.73	11,872.03
Term Loans - From Other Parties	6,788.69	6,362.56	2,500.00
	<b>22,876.08</b>	<b>20,205.29</b>	<b>14,372.03</b>
<b>Unsecured</b>			
Redeemable Cumulative Preference share capital	1,470.00	1,470.00	1,470.00
Loans and advances from related parties (From a Director)	498.28	195.03	221.58
Other Loans and Advances	282.67	276.73	270.79
	<b>2,250.95</b>	<b>1,941.76</b>	<b>1,962.37</b>
	<b>25,127.03</b>	<b>22,147.05</b>	<b>16,334.40</b>

## Notes forming part of the financial statements

### Details of terms of repayment for the Term Loans and Security provided in respect of the secured Term Loans :-

#### 1) Secured Redeemable Non Convertible Debentures:-

1445 nos. of Secured Redeemable Non Convertible Debentures of the face value of ₹ 1 Lakh each and redeemable at par, are secured by specified immovable property of the company situated at survey no.8/2B-part White Field Road, Hoodi Circle, Hoodi Village, Krishnarajapuram, Bangalore East Taluk, Bangalore. The rate of interest is 10.5% P.A with minimum and maximum period of 36 months. (Previous Year - Nil)

Nature of Security	Repayment Terms
<b>2) From Banks</b>	
i) Term Loan of ₹ Nil (₹ 888.94 Lakhs) availed from Allahabad Bank is secured by assignment of future receivables of Distillery division, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and is further secured by personal guarantee of Managing Director and two directors. The loan is also additionally secured by a personal property of Managing Director.	Repayable in 16 Quarterly installments. Last installment fallen due on June 2017. Rate of Interest : BR + 4.25% p.a. Since Repaid
ii) Term Loan of ₹ 966.63 Lakhs (₹ 1493.25 Lakhs) is availed from IDBI Bank is secured by Pari Passu first charge on fixed assets of sugar & Distillery division, Bio-compost & Bio-methanisation plant, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka. Pari passu third charge on co-gen plant of Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and Personal Guarantee of the Managing Director	Repayable in 36 monthly installments. Last installment falling due on June 2020. Rate of Interest : BR + 4.75% p.a.
iii) Term Loan of ₹ 347.32 Lakhs (₹ 581.20 Lakhs) is availed from Allahabad Bank is secured by Pari Passu first charge on fixed assets of sugar & Distillery division, Bio-compost & Bio-methanisation plant, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka Pari passu third charge on co-gen plant of Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and Personal Guarantee of the Managing Director.	Repayable in 36 monthly installments. Last installment falling due on June 2020. Rate of Interest : BR + 4.75% p.a.
iv) Term Loan of ₹ 4648.81 Lakhs (₹ 4648.81 Lakhs) is availed under consortium arrangement from SCDCC Bank Ltd and BAJPE VSS Bank Ltd is secured by movable and immovable properties pertaining to the existing sugar and distillery division situated at Unit I, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka, on paripassu basis	Repayable in 84 months. Last installment falling due on February 2024. Rate of Interest : 13.50% p.a.
v) Term Loan of ₹ 6500.00 lakhs (₹ 6500.00 lakhs) is availed under consortium arrangement from SCDCC Bank Ltd and BAJPE VSS Bank Ltd. This loan is secured by movable properties viz plant and machinery acquired/to be acquired in respect of the sugar expansion project situated at Hassan Dist, Karnataka on first exclusive charge basis and paripassu first charge on fixed assets of Sugar and Distillery division situated at Unit I, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka. Pari Passu First charge on Leasehold Rights of Hemavathi Unit.	Repayable in 108 months including moratorium of 24 months Rate of Interest : 13.50% p.a.
vi) Additional Term Loan of ₹ 2047.00 Lakhs (₹ Nil) is availed under consortium arrangement from SCDCC Bank Ltd and BAJPE VSS Bank Ltd. This loan is secured by movable properties viz plant and machinery acquired/to be acquired in respect of the sugar expansion project situated at Hassan Dist, Karnataka on first exclusive charge basis and paripassu first charge on fixed assets of Sugar and Distillery division situated at Unit I, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka. Pari Passu First charge on Leasehold Rights of Hemavathi Unit.	Repayable in 108 months including moratorium of 24 months Rate of Interest : 13.50% p.a.
vii) Term Loan of ₹ 1100.00 Lakhs (₹ Nil) for a total sanction of ₹ 5000.00 Lakhs) is availed from The HDCC Bank Ltd is secured by pari-passu First charge on the future receivables of distillery sales, a collateral security in the form of Land, Plant & Machinery pertaining to Co-Generation power plant situated at Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka.	Repayable in 72 monthly installments including 12 months moratorium. Last installment falling due on December 2023. Rate of Interest : 12.50% p.a.
viii) Term Loan of ₹ 172.47 Lakhs (₹ 197.78 Lakhs) is availed from IDBI Bank is secured by Pari Passu first charge on fixed assets of sugar & Distillery division, Bio-compost & bio-methanisation plant. Pari passu third charge on fixed assets of co-gen plant of Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka. Paripassu second charge on the current assets of the company, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and Personal Guarantee of the Managing Director.	Repayable in 36 monthly installments. Last installment falling due on August 2020. Rate of Interest : BR + 4.75% p.a.
ix) Term Loan of ₹ 129.51 Lakhs (₹ 186.95 Lakhs) is availed from Allahabad Bank is secured by Pari Passu first charge on fixed assets of sugar & Distillery division, Bio-compost & Bio-methanisation plant, Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka. Pari passu third charge on fixed assets of co-gen plant of Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and Personal Guarantee of the Managing Director.	Repayable in 36 monthly installments. Last installment falling due on August 2020. Rate of Interest : BR + 4.75% p.a.

## Notes forming part of the financial statements

x) Term Loan of ₹ 488.57 Lakhs (₹ 787.69 Lakhs) is availed from The Karnataka State Co-Op Apex Bank Ltd is secured by Pari Passu first charge on fixed assets of Sugar & Distillery division at Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and Personal Guarantee of the Managing Director.	Repayable in 12 quarterly installments. Last installment falling due on July 2019. Rate of Interest : 13.50% p.a.
xi) Term Loan of ₹ 671.18 Lakhs (₹ 792.00 Lakhs) is availed from The HDCC Bank Ltd is secured by Pari Passu first charge on fixed assets of Sugar & Distillery division at Bharathi Nagar, K.M. Doddi, Maddur Taluk, Mandya Dt. Karnataka and personal Guarantee of the Managing Director.	Repayable in 36 monthly installments. Last installment falling due on August 2020. Rate of Interest : 13.50% p.a.
xii) Term Loan of ₹ 517.82 Lakhs (₹ 699.74 Lakhs) is availed from The HDCC Bank Ltd is secured by Third Charge on fixed assets of Sugar & Distillery division at Bharathi Nagar.	Repayable in 24 quarterly installments. Last installment falling due on February 2022. Rate of Interest : 13.50% p.a.

### xiii) Period and amount of continuing defaults as on the date of Balance sheet

Particulars	Amount (₹ in lakhs)	Period	Since paid (₹ in lakhs)
Principal	344.54	Dec-17 to Mar-18	325.55
Interest	Nil	Nil	Nil

Note: The amount repayable within twelve months is ₹ 2806.37 Lakhs (₹ 2703.33 Lakhs), grouped under Other Current Financial Liabilities Note No.22 and (₹ 140.54) Lakhs amortised processing charges is included in total Loan amount.

### Details of terms of repayment for the Term Loans and Security provided in respect of the secured Term Loans :-

Nature of Security	Repayment Terms
<b>3) From Others</b>	
i) Term loan of ₹ 2491.00 Lakhs (₹ 2491.00 Lakhs) availed from Sugar Development Fund (SDF) Govt. of India (Co-gen power project loan) is secured by exclusive second charge by way of mortgage on the company's immovable properties of sugar factory at Bharathi Nagar, K.M.Doddi, Maddur Taluk, Mandya District, Karnataka	Repayable in 10 Half-yearly installments. Last installment fallen due on March 2016. Rate of Interest : 4.00% p.a.
ii) Term loan of ₹ 323.51 Lakhs (₹ 323.51 Lakhs) availed from Sugar Development Fund (SDF) Govt. of India (Co-gen power project loan) is secured by exclusive second charge by way of mortgage on the company's immovable properties of sugar factory at Bharathi Nagar, K.M.Doddi, Bharathi Nagara, Maddur Taluk, Mandya District, Karnataka	Repayable in 10 Half-yearly installments. Last installment fallen due on November 2016. Rate of Interest : 4.00% p.a.
iii) Term Loan Sanction Amount is ₹ 7600.00 lakhs out of which of ₹ 6082.46 Lakhs (Rs.5700.00 Lakhs) is availed from Indian Renewable Development Agency Ltd. This loan is secured by Hypothecation of immovable assets, viz Co-gen Plant & Machineries acquired / to be acquired on Exclusive Charge & assignment of all rights under the lease deed dt.26.10.2007 on pari passu basis with SCDCC bank. Pledge of 51% equity shares of the company out of which 40% is pledged and remaining 11% will be pledged after release by CDR cell. Personal Guarantees by two Promoters Directors.Exclusive charge on Cogen assets created/to be created.	Repayable in 56 quarterly installments. Rate of Interest : 12.15% p.a.
iv) Term Loan Sanction Amount is ₹ 1113.00 lakhs out of which of ₹ 706.24 Lakhs (₹ 662.56 Lakhs) is availed from Indian Renewable Development Agency Ltd. This loan is secured by Hypothecation of immovable assets, viz Energy Efficient Equipments and Co-gen Plant & Machineries acquired / to be acquired & assignment of all rights under the lease deed dt.26.10.2007 on pari passu basis with SCDCC bank. Pledge of 51% equity shares of the company out of which 40% is pledged and remaining 11% will be pledged after release by CDR cell. Personal Guarantees by two Promoters Directors.Exclusive charge on Cogen assets created/to be created.	Repayable in 56 quarterly installments. Rate of Interest : 12.15% p.a.
v) Short Term Loan of ₹ Nil (₹ 1000.00 Lakhs) sanctioned by centrum Financial Services Ltd is secured by exclusive first charge on the property situated at Ulsoor Road.	Repayable in Lump sum as on 19.05.2017. Rate of Interest : 14% p.a
vi) Loan against Securities ₹ Nil (₹ 825.00 Lakhs ) against the Mutual Fund Investments has been availed from Bajaj Finance Ltd.	Repayable in 12 months in bullet payment. Rate of Interest : 9.00% p.a Since Repaid
vii) Loan against Securities (LAS) of ₹ 158.43 lakhs (Nil) against the Fixed Deposit Investments has been availed from ECL Finance Ltd.	Repayable within 12 months in bullet payment. Rate of Interest : 10.25% p.a.

## Notes forming part of the financial statements

xiii) Period and amount of continuing defaults as on the date of Balance sheet

Particulars	Amount (₹ in lakhs)	Period	Since paid (₹ in lakhs)
Principal	2814.51	Sep-11 to Nov-16	Nil
	185.00	2010-2017	Nil
Interest	1159.61	Mar-12 to Mar-18	Nil

Note: The amount repayable within twelve months is Rs.2972.94 Lakhs (Rs.4639.51 Lakhs), grouped under Other Current Financial Liabilities in Note no.22

### Preference Share Capital

#### a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	No. of shares	Amount (Rs. In Lakhs)	No. of shares	Amount (Rs. In Lakhs)	No. of shares	Amount (Rs. In Lakhs)
<b>5% Redeemable Cumulative Preference Shares</b>						
At the beginning of the period	14,70,000	1,470.00	14,70,000	1,470.00	14,70,000	1,470.00
At the end of the period	14,70,000	1,470.00	14,70,000	1,470.00	14,70,000	1,470.00

#### b. Details of shareholders holding more than 5%

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	% of holding	No. of shares	% of holding	No. of shares	% of holding	No. of shares
<b>Redeemable Cumulative Preference Shares:</b>						
Sakthi Sugars Limited	43.94	6,45,900	60.95	8,95,900	60.95	8,95,900
Sakthi Refinery & Protien Ltd	17.01	2,50,000	-	-	-	-
ABT Limited	31.39	4,61,500	31.39	4,61,500	31.39	4,61,500

#### c. Rights, Preferences and Restrictions attaching to each class of Shares:

##### Redeemable Cumulative Preference Shares

The Redeemable Cumulative Preference Shares have a par value of Rs.100 each. These shares carry a fixed cumulative dividend of 5% p.a. As per the consent received from all the redeemable cumulative preference shareholders, the period of redemption of 5% redeemable cumulative preference shares extended for another five years. i.e up to 30.01.2021.

These shares have the following preferential rights over the equity shareholders:

- The payment of dividend at a Fixed Rate; and
- The return of capital on winding up of the company.

These shareholders can enforce their right of getting dividend in priority over the equity shareholders.

The Preference Shareholders have no voting right except when the dividend is outstanding for a period of more than 2 years in case of cumulative preference shares. But, they have right to vote on any resolution for winding up of the company or for the reduction / repayment of capital.

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 17 &gt;&gt; Other financial liabilities - Non current</b>			
Trade / Security Deposits (including received from H & T)	2,574.41	2,482.77	2,538.80
	<b>2,574.41</b>	<b>2,482.77</b>	<b>2,538.80</b>
<b>Note No. 18 &gt;&gt; Provisions- Non current</b>			
a) Provision for Gratuity	641.85	657.08	513.00
b) Provision for other employee benefits - Leave Salary	218.20	212.60	171.42
	<b>860.05</b>	<b>869.68</b>	<b>684.42</b>

## Notes forming part of the financial statements

Particulars	Year ended 31.03.2018 (₹ in Lakhs)	Year ended 31.03.2017 (₹ in Lakhs)
<b>Note No. 19 &gt;&gt; Deferred Tax Liabilities</b>		
19 - Tax expense recognized in the Statement of Profit and Loss		
<b>(i) Income Tax recognised in Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current Tax on taxable income for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Deferred tax expenses/(savings)	(248.74)	(662.69)
MAT Credit (taken)/utilised	-	-
<b>Total deferred income tax expense/(benefit)</b>	<b>(248.74)</b>	<b>(662.69)</b>
<b>Total income tax expense</b>	<b>(248.74)</b>	<b>(662.69)</b>
<b>(ii) Income tax recognised in Other Comprehensive Income</b>		
<b>Deferred Tax</b>		
Deferred Tax Expenses on remeasurement of defined benefit plans	<b>(81.09)</b>	<b>(0.22)</b>
A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:		
<b>Enacted income tax rate in India applicable to the Company</b>	34.608%	34.608%
Profit before tax	(718.49)	(1,537.63)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	(248.65)	(532.14)
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Effect of itmes that are not considered on taxable income	(28.30)	(370.72)
Income exempted from income taxes	5.07	4.20
Other items	23.14	-
Total income tax expense/(credit)	(0.09)	(366.52)
Adjustment in respect of current tax of previous year	-	235.97
	<b>(0.09)</b>	<b>(130.54)</b>
<b>Total Tax Expenses</b>	<b>(248.74)</b>	<b>(662.69)</b>

The major components of deferred tax (liabilities)/assets arising on account of timing differences are as follows:

As at 31.03.2018

(₹ in Lakhs)

Particulars	Balance sheet 01.04.2017	Profit & Loss 2017-18	OCI 2017-18	Balance sheet 31.03.2018
<b>A. Deferred tax Liabilities:</b>				
Difference between WDV/CWIP of PPE as per books of accounts and Income Tax	4,807.34	(124.93)	-	4,682.41
<b>Total deferred tax liabilities (A)</b>	<b>4,807.34</b>	<b>(124.93)</b>	<b>-</b>	<b>4,682.41</b>
<b>B. Deferred tax Assets:</b>				
Carry forward Business Loss/Unabsorbed Depreciation	2,029.96	46.72	-	2,076.68
On account of difference in treatment of expenses	285.52	77.09	-	362.61
Remeasurement benefit of the defined benefit plans	(9.14)	-	(6.19)	(15.34)
Fair Valuation of Investments through OCI	9.36	-	87.28	96.65
MAT Credit Entitlement	882.05	-	-	882.05
<b>Total deferred tax assets (B)</b>	<b>3,197.75</b>	<b>123.81</b>	<b>81.09</b>	<b>3,402.65</b>
Net Deferred tax Liabilities (Net) (A-B)	1,609.59	(248.74)	(81.09)	1,279.76

## Notes forming part of the financial statements

As at 31.03.2017

(₹ in Lakhs)

Particulars	Balance sheet 01.04.2016	Profit & Loss 2016-17	OCI 2016-17	Balance sheet 31.03.2017
<b>A. Deferred tax Liabilities:</b>				
Difference between WDV/CWIP of PPE as per books of accounts and Income Tax	4,862.14	(54.80)	-	4,807.34
<b>Total deferred tax liabilities (A)</b>	<b>4,862.14</b>	<b>(54.80)</b>	<b>-</b>	<b>4,807.34</b>
<b>B. Deferred tax Assets:</b>				
Carry forward Business Loss/Unabsorbed Depreciation	1,540.37	489.59	-	2,029.96
On account of difference in treatment of expenses	167.22	118.30	-	285.52
Remeasurement benefit of the defined benefit plans	-	-	(9.14)	(9.14)
Fair Valuation of Investments through OCI	-	-	9.36	9.36
MAT Credit Entitlement	882.05	-	-	882.05
<b>Total deferred tax assets (B)</b>	<b>2,589.64</b>	<b>607.89</b>	<b>0.22</b>	<b>3,197.75</b>
Net Deferred tax Liabilities (Net) (A-B)	2,272.50	(662.69)	(0.22)	1,609.59

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 20 &gt;&gt; Borrowings - Current</b>			
<b>Secured</b>			
From Banks	4,991.32	4,995.07	5,628.64
	<b>4,991.32</b>	<b>4,995.07</b>	<b>5,628.64</b>
<b>Details of Security for the Secured Loans repayable on Demand :-</b>			
Loans Repayable on Demand from Banks:-			
<b>Working Capital Loan</b>			
IDBI Bank:	500.00	500.00	1,299.18
Allahabad Bank:	496.13	499.88	499.99
The Karnataka State Co-Op Apex Bank Ltd	1,995.19	1,995.19	1,999.73
The HDCC Bank Ltd	2,000.00	2,000.00	1,829.74
Total	<b>4,991.32</b>	<b>4,995.07</b>	<b>5,628.64</b>
<b>Nature of Security</b>			
a) Pari passu first charge on the current assets in respect of sugar and distillery division excluding receivables and book debts of distillery and power divisions located at Bharathinagar, K.M.Doddi, Maddur Taluk, Mandya District, Karnataka.			
b) Sugar Unit at Srinivasapura, Hassan District, Karnataka. This loan is further secured by third charge on the fixed assets of Sugar unit at Bharathinagar, K.M.Doddi, Maddur Taluk, Mandya District, Karnataka.			
<b>Note No. 21 &gt;&gt; Trade Payables</b>			
Due to Micro and Small Enterprises	-	-	-
Due to Others	7,318.94	4,569.15	9,808.94
	<b>7,318.94</b>	<b>4,569.15</b>	<b>9,808.94</b>

The vendors of the Company are yet to submit their status under Micro, Small and Medium Enterprises; hence, the relevant information is not available with the company. Accordingly, no disclosure relating to Micro, Small and Medium Enterprises have been made in the accounts.



## Notes forming part of the financial statements

Particulars	As at 31.03.2018 (₹ in Lakhs)	As at 31.03.2017 (₹ in Lakhs)	As at 01.04.2016 (₹ in Lakhs)
<b>Note No. 22 &gt;&gt; Other Current Financial Liabilities</b>			
<b>Current Maturities of Long-Term Debt :-</b>			
Secured Term Loans - From Banks	2,806.37	2,703.33	3,426.89
Secured Term Loans - From Other Parties	2,972.94	4,639.51	2,814.51
Unsecured Public Deposits	-	-	839.71
	<b>5,779.31</b>	<b>7,342.84</b>	<b>7,081.11</b>
Interest accrued but not due on borrowings	-	7.00	84.68
Interest accrued and due on borrowings	1,783.67	1,098.50	933.48
Liability for Expenses	346.68	163.81	740.48
Dues to Directors	65.07	54.31	47.81
Unclaimed Public Deposits	6.99	26.04	-
	<b>7,981.72</b>	<b>8,692.50</b>	<b>8,887.56</b>
<b>Note No. 23 &gt;&gt; Other Current Liabilities</b>			
Statutory remittances (Contributions to PF and ESI, With holding Taxes, Excise Duty, VAT, Service Tax, etc.)	46.00	119.25	75.20
Advances from customers	1,084.32	791.44	529.85
Other payables	1,435.69	1,882.92	1,123.03
	<b>2,566.01</b>	<b>2,793.61</b>	<b>1,728.08</b>
<b>Note No. 24 &gt;&gt; Provisions - Current</b>			
Provision for Employee Benefits	252.53	167.95	315.28
	<b>252.53</b>	<b>167.95</b>	<b>315.28</b>

## Notes forming part of the financial statements

Particulars	For the Year ended 31.03.2018 (₹ in Lakhs)	For the Year ended 31.03.2017 (₹ in Lakhs)
<b>Note No 25 &gt;&gt; Revenue from operation</b>		
<b>(i) Sale of Products :-</b>		
Manufactured Goods :		
Sugar	15,129.95	14,655.02
Alcohol	4,462.13	4,129.26
Carbon-di-oxide	16.25	15.51
Biocompost	123.88	147.32
Others	6.21	2.44
	<b>19,738.42</b>	<b>18,949.55</b>
(ii) Sale of Power	1,208.23	1,483.24
	<b>1,208.23</b>	<b>1,483.24</b>
(iii) Other Operating Revenues		
a) Sale of scrap	42.59	148.63
b) Duty drawback and other export incentives	-	23.85
	<b>42.59</b>	<b>172.48</b>
(iv) Revenue from operations [Gross] (i+ii+iii)	<b>20,989.24</b>	<b>20,605.27</b>
(v) Less : Excise Duty / GST	77.28	664.94
(vi) <b>Total Revenue from Operations [NET] (iv-v)</b>	<b>20,911.96</b>	<b>19,940.33</b>
<b>Note No 26 &gt;&gt; Other Income</b>		
<b>Interest Income:</b>		
Interest on Deposits with Banks	57.84	31.00
Interest on Loans and Advances	1,834.56	202.84
Dividend income from non-current investments (From Indian Companies)	14.65	12.13
Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	5.81
Rental income from operating leases	4.59	6.85
Profit on sale of fixed assets	8.52	-
Profit on sale of Investments	58.36	-
Miscellaneous income	15.70	4.07
	<b>1,994.22</b>	<b>262.70</b>
<b>Note No 27 &gt;&gt; Cost of Raw Materials Consumed</b>		
Opening stock of Raw Materials		
Sugarcane	-	0.38
Molasses	391.44	377.48
	<b>391.44</b>	<b>377.86</b>
Add : Purchases during the year		
Sugarcane	10,563.45	9,491.27
Molasses	824.66	617.90
Rawsugar	1,524.66	-
	<b>12,912.77</b>	<b>10,109.17</b>
Add : Procurement Expenses	<b>608.13</b>	<b>524.02</b>
	<b>13,912.34</b>	<b>11,011.05</b>
Less : Closing stock of Raw Materials		
Sugarcane	-	-
Molasses	35.00	391.44
	<b>35.00</b>	<b>391.44</b>
<b>Total Cost of Materials Consumed</b>	<b>13,877.34</b>	<b>10,619.61</b>

## Notes forming part of the financial statements

Particulars	For the Year ended 31.03.2018 (₹ in Lakhs)	For the Year ended 31.03.2017 (₹ in Lakhs)
<b>Note No 28 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade</b>		
<b>(i) Inventories at the end of the year :-</b>		
a) Finished goods	497.59	2,097.97
b) Work-in-progress	108.62	266.27
A	<b>606.21</b>	<b>2,364.24</b>
<b>(ii) Inventories at the beginning of the year :-</b>		
a) Finished goods	2,097.97	4,512.29
b) Work-in-progress	266.27	333.13
B	<b>2,364.24</b>	<b>4,845.42</b>
<b>(iii) Net (Increase)/Decrease</b>	<b>(B-A)</b>	<b>2,481.18</b>
<b>Note No 29 &gt;&gt; Employee Benefits Expense</b>		
a) Salaries and wages	1,777.04	2,033.19
b) Contributions to Provident and Other Funds	136.60	152.23
c) Staff Welfare Expenses	95.31	113.26
	<b>2,008.95</b>	<b>2,298.68</b>
<b>Note No 30 &gt;&gt; Finance Costs</b>		
Interest Expenses	2,281.29	2,493.53
Amortisation of loan processing charges	2.86	2.78
	<b>2,284.15</b>	<b>2,496.31</b>
<b>Note No 31 &gt;&gt; Other Expenses</b>		
<b>Manufacturing Expenses:</b>		
Consumption of stores & packing materials	341.10	350.94
Power and fuel	1,507.42	1,550.68
Rent including lease rentals	27.42	26.02
Repairs and maintenance - Buildings	27.33	83.75
Repairs and maintenance - Machinery	310.42	113.29
Repairs and maintenance - Others	247.35	338.65
Insurance	38.11	25.49
Rates and taxes	116.92	113.49
Effluent Treatment Expenses	3.19	4.27
Material handling and Other manufacturing expenses	39.18	46.84
<b>Selling and Distribution Expenses</b>		
Freight and forwarding	6.88	176.20
Rebates & Discounts	20.45	30.59
Business promotion	0.69	23.07
<b>Administrative Expenses</b>		
Communication	48.58	38.50
Travelling and conveyance	34.44	48.41
Printing and stationery	10.54	19.50
Books & Periodicals and Subscriptions	9.18	19.54
Electricity Charges	19.17	19.12
Water Charges	2.05	2.12
Bank Charges	4.28	4.92
Directors Sitting Fees	5.20	5.90
Donations and contributions	4.12	24.92
Legal and professional	47.43	37.08
<b>Payments to Statutory Auditors</b>		
As auditors - statutory audit	17.25	20.25
For Tax Audit	-	3.45
For Certifications & representations	8.90	18.60
Sundry Balance written off	9.18	0.05
Increase / (decrease) of excise duty on inventory	(76.07)	(176.84)
Loss on fixed assets sold / scrapped / written off	0.57	0.04
Managerial Remuneration	29.36	29.20
Other Expenses	16.12	47.11
	<b>2,876.76</b>	<b>3,045.15</b>

## Notes forming part of the financial statements

**Note : 32 >> Related Parties Disclosure as required under Ind AS-24 are given below:**

- I. Related Parties:
- A. Key Management Personnel  
Shri. M.Srinivaasan, Managing Director
- B. Relatives of Key Management Personnel  
Dr. M. Manickam, Brother  
Shri. M.Balasubramaniam, Brother
- C. Enterprises over which Key Management Personnel or their relatives are able to exercise significant influence; #  
Sakthi Sugars Limited  
Chamundeswari Enterprises Private Limited  
Exabit System Private Limited  
N. Mahalingam & Company  
Nachimuthu Industrial Association

(Note#: Information has been furnished with respect to individuals / entities with whom related party transactions had taken place during the year.)

### II. Related party transactions (₹ in Lakhs)

Particulars	Key Management Personnel	Enterprises where control/ significant influence exists	Total for the year
Remuneration to Managing Director	29.36 (29.20)	- (-)	29.36 (29.20)
Interest paid to Managing Director on Unsecured Loans	22.62 (23.02)	- (-)	22.62 (23.02)
Loan received from Managing Director	300.00 (-)	- (-)	300.00 (-)
Repayment of Unsecured Loan	- (20.00)	- (-)	- (20.00)

### Note: 34 >> Segment Information for the year ended 31st March 2018

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment/manpower efforts. Income or Expenses which are not attributable or allocable to segments have been disclosed as unallocable Income / Expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical revenues are allocated based on the location of the customer. The Company has the following operating segments, which are its reportable segments. These operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

- Sugar
- Distillery
- Cogen (Power)

Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM).

(₹ in Lakhs)

PARTICULARS	SUGAR	DISTILLERY	COGEN	TOTAL
<b>Primary</b>				
Segment Revenue	18322.04 (17388.07)	4603.27 (4292.09)	3400.69 (3817.91)	<b>26326.00</b> <b>(25498.07)</b>
Inter Segment revenue	3221.58 (3223.07)	Nil (Nil)	2192.46 (2334.67)	<b>5414.04</b> <b>(5557.74)</b>
<b>Total</b>	<b>15100.46</b> <b>(14165.00)</b>	<b>4603.27</b> <b>(4292.09)</b>	<b>1208.23</b> <b>(1483.24)</b>	<b>20911.96</b> <b>(19940.33)</b>
Segment Results	-737.13 (-490.25)	754.98 (548.11)	(446.39) (638.12)	<b>-428.56</b> <b>(695.98)</b>
Add: Unallocated income				<b>1994.22</b> <b>(262.70)</b>

Purchase of materials / Availing of services	- (-)	305.98 (311.98)	39.65 (50.72)
Closing Balance as at the year end	517.45 (208.19)	201.18 (145.02)	718.63 (353.21)

### Compensation of Key Managerial Personnel (₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Whole Time Director's Remuneration</b>		
Short Term Employee Benefit	<b>18.00</b>	18.00
Post Employment Benefit	<b>11.36</b>	11.20
<b>Non Whole Time Director's Remuneration</b>		
Director Sitting Fees	<b>5.20</b>	5.90

### Note : 33 >> Earnings per Share: (₹ in Lakhs)

Particulars	2017-18	2016-17
a) Net Profit as per Statement of Profit and Loss attributable to Equity Shareholders	(469.75)	874.94
b) Amount adjusted for after-tax amount of Preference Dividend for cumulative preference shares required for the period	(73.50)	(73.50)
c) Net profit attributable to Equity Shareholders	(543.25)	(948.44)
d) The weighted average no of Equity Shares	24454328	24454328
e) The nominal value per Equity Share (Rs.)	10.00	10.00
f) Earnings per Share - Basic (Rs.)	(2.22)	(3.88)
g) Earnings per Share - Diluted (Rs.)	(2.22)	(3.88)

## Notes forming part of the financial statements

<b>Operating Profit</b>				1565.66 (958.68)
Less: Interest Expenses				2284.15 (-2496.31)
<b>Profit before Tax</b>				-718.49 (-1537.63)
Less: Tax Expenses				-248.74 (-662.69)
<b>Profit after Tax</b>				-469.75 (-874.94)
<b>Other Information</b>				
Segment Assets	49729.23 (53006.33)	4384.57 (4844.26)	18454.20 (10721.55)	72568.00 (68572.14)
Segment Liabilities	45874.87 (39932.34)	48.54 (962.86)	4278.60 (4352.58)	52020.01 (45247.78)
Capital Expenditure	1012.93 (3614.31)	71.51 (2.09)	6264.98 (5575.44)	7349.42 (9191.84)
Depreciation / Amortisation	441.06 (421.59)	106.72 (106.48)	271.66 (271.66)	819.44 (799.73)
<b>Secondary</b>				
Revenue by Geographical Market				
India	18322.04 (15132.50)	4603.27 (4292.09)	3400.69 (3817.91)	26326.00 (23242.50)
Outside India	Nil (2255.57)			Nil (2255.57)

(Figures in Brackets indicate previous year)

No single customer contributed more than 10% to the Company's revenue for both FY 2017-18 and 2016-17.

All the capital expenditure incurred during the FY 2017-18 and 2016-17 are in India.

### Note: 35 >>. Operating Lease Disclosure

The Company has taken a manufacturing facility with crushing capacity of 1250 MTs per day on lease for a period of 30 years with option to renew and with escalation in rent once in three years with lock in period of 30 Years (which ends on 2038. Lease rent for the year ended 31.03.2018 amounted to ₹ 404.17 Lakhs (31.03.2017 – ₹ 394.17 Lakhs) (₹ in Lakhs)

Particulars	2017-18	2016-17
Minimum lease payments not later than 1 year	404.17	394.17
Later than 1 year but not later than 5 years	1760.92	1718.51
More than 5 years	4735.08	5191.66

**Note : 36 >>** The company has not incurred any research and development expenditure during the year.

**Note : 37 >>** The Company does not have any foreign currency exposure as at the year ends 31.03.2018 and 31.03.2017

**Note : 38 >>** Previous year's figure have been regrouped or reclassified to conform to this year's grouping or classification.

### Note : 39 >> Other information:

A1). Raw materials purchased broad categories

Particulars	31.03.2018		31.03.2017	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Cane	10563.45	81.81	9491.27	93.89
Raw Sugar	1524.66	11.80	-	-
Molasses	824.66	6.39	617.90	6.11
Total	12912.77	100.00	10109.17	100.00

A2). Value of Raw materials consumed and % to total consumption.

Particulars	31.03.2018		31.03.2017	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Indigenous	12352.68	89.01	10619.61	100.00
Imported	1524.66	10.99	-	-
<b>Total</b>	<b>13877.34</b>	<b>100.00</b>	<b>10619.61</b>	<b>100.00</b>

B1). Value of Stores, spares and tools consumed and % of each to total consumption:

Particulars	31.03.2018		31.03.2017	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Indigenous	341.10	100.00	348.19	99.22
Imported	-	-	2.75	0.78
<b>Total</b>	<b>341.10</b>	<b>100.00</b>	<b>350.94</b>	<b>100.00</b>

B2). Value of coal consumed and % of each to total consumption:

Particulars	31.03.2018		31.03.2017	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Indigenous	1206.72	100.00	430.09	100.00
Imported	-	-	-	-
<b>Total</b>	<b>1206.72</b>	<b>100.00</b>	<b>430.09</b>	<b>100.00</b>

### C. Expenditure in Foreign Currency :

Travelling Expenses – ₹ Nil (₹ 17.77 Lakhs)

## Notes forming part of the financial statements

### D. Earnings in Foreign Currency:

Particulars	31.03.2018	31.03.2017
- F.O.B Value of Exports	Nil	2255.56

### E. CIF Value of imports:

- Capital Goods	Nil	Nil
- Raw Material	1524.66	Nil
- Others – Store Spares	-	2.75

### Note : 40 >> Contingent Liability & Commitments to the extent not provided for

- The Central Excise department has demanded ₹ 3038.08 lakhs on account of captive consumption of molasses without payment of duty for the financial years from 2005-06 to 2017-18
  - The company has preferred an appeal with CESTAT, Bangalore for ₹ 2243.81 Lakhs and got stayed.
  - The company has preferred an appeal for ₹ 414.00 lakhs before the CESTAT, Bangalore.
  - The company has preferred an appeal for ₹ 312.37 Lakhs case settled with Joint Commissioner, Mysore appeals and the same is referred to CESTAT Bangalore by Department.
  - SHOW CAUSE NOTICE received from Central Excise for ₹ 99.00 Lakhs and the company replied for the same on 19.12.2017.
- For the assessment year 1989-90 there is an income tax demand of ₹ 91.49 lakhs under the Income Tax Act, 1961, on account of change in method of valuation of inventory. The Company had preferred an appeal, and is pending, before the Commissioner of Income Tax (Appeals) Bengaluru.
- The company had preferred an appeal before the Commissioner of Customs (Appeals) Bengaluru against the demand of customs

duty of ₹ 45.67 lakhs raised by the department for the assessment year 2013-14 and is pending.

- The company had purchased energy saving system from M/s. Spray Engineering Devices ('the Party') and subsequently the company had withheld payment, of ₹101.33 lakhs comprising of ₹ 60.55 lakhs of principal and ₹ 40.78 lakhs of interest at the rate of 18% for delay in payment, as the party did not rectify the complaints about the system. The party has filed a suit before the Honorable High Court of Chandigarh for collection of payment.

The management believes that the ultimate outcome will not have any material adverse effect on the Company's financial position and results of operations.

- Arrears of cumulative dividend on Preference Shares ₹ 894.68 lakhs (Previous year ₹ 821.18 lakhs)

### Note : 41 >> Events occurring after Balance Sheet date

No event occurred after the date of Balance Sheet that requires disclosure.

### Note : 42 >> Disclosure with respect to Micro, Small and Medium Enterprises

In accordance with the Notification No. G.S.R.679(E) dated 04.09.2015 issued by the Ministry of Corporate Affairs, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Development Act, 2006. The Company circulated for the information of its suppliers about their coverage under the said Act. Since, there is no suppliers, no disclosures have been made in these financial statements. However, in the considered view of the management and as relied upon by the Auditors, impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material.



## Notes forming part of the financial statements

### Note : 43 >>. Financial Instruments

a) Financial Instruments by category

As at 31st March 2018

Particulars	Note No	Total fair Value	Carrying value		
			Cost	Amortised Cost	FVTOCI
<b>FINANCIAL ASSETS</b>					
<b>Non-Current:</b>					
Investments	3	376.89		168.21	208.68
Loans	4	1984.44		1984.44	
Financial Assets	5	213.70		213.70	
<b>Current:</b>					
Investments	7	413.80		400.25	13.55
Trade Receivables	8	8306.48		8306.48	
Cash and Cash Equivalents	9	134.83		134.83	
Loans	11	3706.61		3706.61	
<b>Total</b>		<b>15136.75</b>	-	<b>14914.52</b>	<b>222.23</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Non-Current:</b>					
Borrowing	16	25127.03		25127.03	
Other Financial Liabilities	17	2574.40		2574.40	
<b>Current:</b>					
Borrowings	20	4991.32		4991.32	
Trade Payables	21	7318.94		7318.94	
Other Financial Liabilities	22	7981.72		7981.72	
<b>Total</b>		<b>47993.41</b>	-	<b>47993.41</b>	-

As at 31st March 2017

Particulars	Note No	Total fair Value	Carrying value		
			Cost	Amortised Cost	FVTOCI
<b>FINANCIAL ASSETS</b>					
<b>Non-Current:</b>					
Investments	3	587.36		167.71	419.65
Loans	4	1863.88		1863.88	
Financial Assets	5	150.00		150.00	
<b>Current:</b>					
Investments	7	2260.62		2243.28	17.34
Trade Receivables	8	6412.23		6412.23	
Cash and Cash Equivalents	9	504.32		504.32	
Other Bank Balances	10	5.00		5.00	
Loans	11	4339.76		4173.13	
<b>Total</b>		<b>16123.17</b>	-	<b>15686.18</b>	<b>436.99</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Non-Current:</b>					
Borrowing	16	22147.05		22147.05	
Other Financial Liabilities	17	2482.77		2482.77	
<b>Current:</b>					
Borrowings	20	4995.07		4995.07	
Trade Payables	21	4569.15		4569.15	
Other Financial Liabilities	22	8692.50		8692.50	
<b>Total</b>		<b>42886.54</b>	-	<b>34194.04</b>	-

## Notes forming part of the financial statements

As at 31st March 2016

Particulars	Note No	Total fair Value	Carrying value		
			Cost	Amortised Cost	FVTOCI
<b>FINANCIAL ASSETS</b>					
<b>Non-Current:</b>					
Investments	3	587.54		97.21	490.33
Loans	4	1844.13		1844.13	
Financial Assets	5	300.00		300.00	
<b>Current:</b>					
Investments	7	15.49		-	15.49
Trade Receivables	8	7749.57		7749.57	
Cash and Cash Equivalents	9	2688.18		2688.18	
Other Bank Balances	10	86.98		86.98	
Loans	11	4862.08		4862.08	
Other Current Financial Assets	12	5007.66		5007.66	
<b>Total</b>		<b>23141.63</b>	-	<b>22635.81</b>	<b>505.82</b>
<b>FINANCIAL LIABILITIES</b>					
<b>Non-Current:</b>					
Borrowing	16	16334.40		16334.40	
Other Financial Liabilities	17	2538.80		2538.80	
<b>Current:</b>					
Borrowings	20	5628.64		5628.64	
Trade Payables	21	9808.94		9808.94	
Other Financial Liabilities	22	8887.56		8887.56	
<b>Total</b>		<b>43198.34</b>	-	<b>43198.34</b>	-

### b) Fair Value Hierarchy

Fair Value Measurement Hierarchy of Financial Instruments:

The Company uses the following fair value hierarchy for determining and disclosing the fair value of the financial instruments

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs that are unobservable for the asset or liability.

Particulars	Note No.	Level 1	Level 2	Level 3	Total fair Value
Financial Assets at FVTOCI - 31.3.18	3 & 7	222.23	-	-	222.23
Financial Assets at FVTOCI - 31.3.17		436.99	-	-	436.99
Financial Assets at FVTOCI - 01.4.16		505.82	-	-	505.82

### Fair Value Measured at amortised Cost:

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

### Note : 44 >>. Financial Risk Management - Objectives & Policies

The Company's principal financial liabilities include borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management under the supervision of

Board of Directors oversee the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk.

## Notes forming part of the financial statements

### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rates. Interest rate risk is managed maintaining a combination of fixed and floating rate debt and cash management policies. There is no material interest risk to the company's financial liabilities.

### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated financial assets and financial liabilities, which are not material.

### (iii) Commodity price risk

The realisation gets adversely affected during downturn since sugar industry is cyclic in nature. Higher cane price or higher production than the demand ultimately affects profitability. The Company has mitigated this risk by well-integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products.

### (b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The Company had managed the credit risk with respect to trade

receivables by selling majority of sugar sales covering minimal portion on credit basis.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. The company manages the risk by credit approval. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery. However, the Company continues to attempt to recover the receivables and are recognised in the Statement of Profit and Loss when recovered.

### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result for an inability to sell a financial asset quickly close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

Particulars	Less than 1 year	Between 1 and 5 years	more than 5 years	Total
<b>As at 31.3.2018</b>				
Non-current Borrowing (Including Current maturities)	5,712.16	13,801.26	9,141.97	<b>28,655.39</b>
Short Term Borrowings	4,991.32	-	-	<b>4,991.32</b>
Trade Payables	7,318.94	-	-	<b>7,318.94</b>
<b>Total</b>	<b>18,022.42</b>	<b>13,801.26</b>	<b>9,141.97</b>	<b>40,965.65</b>
<b>As at 31.3.2017</b>				
Non-current Borrowing (Including Current maturities)	7,339.98	10,341.07	9,867.07	<b>27,548.12</b>
Short Term Borrowings	4,995.07	-	-	<b>4,995.07</b>
Trade Payables	4,569.15	-	-	<b>4,569.15</b>
<b>Total</b>	<b>16904.20</b>	<b>10,341.07</b>	<b>9,867.07</b>	<b>37117.34</b>
<b>As at 01.04.2016</b>				
Non-current Borrowing (Including Current maturities)	6,238.70	10,848.05	3,526.64	<b>20,613.39</b>
Short Term Borrowings	5,628.64	-	-	<b>5,628.64</b>
Trade Payables	9,808.94	-	-	<b>9,808.94</b>
<b>Total</b>	<b>21,676.28</b>	<b>10,848.05</b>	<b>3,526.64</b>	<b>36,050.97</b>

## Notes forming part of the financial statements

### Note : 45 >> Capital Management

Capital includes paid up equity capital and all other equity reserves attributable to the equity shareholders of the Company for the purpose of Capital Management of the Company. The objective of Capital Management is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. The capital structure of the Company consists of net debt and total equity of the Company.

In order to achieve these overall objectives, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

The following table summarizes the capital of the Company

Particulars	31.03.2018	31.03.2017	01.04.2016
Equity	19,616.23	20244.77	21,118.88
Debt	35,897.65	34,484.96	29,044.15
Less: Cash and Cash Equivalent	134.83	504.32	2,688.18
Net Debt	35,762.82	33,980.64	26,355.97
Net Debt to Capital Ratio	182.31%	167.85%	124.80%

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018.

### Note : 46 >> Disclosure under Indian Accounting Standard-19

Particulars	Compensated Absences		Group Gratuity	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
<b>I. Principal Actuarial Assumptions (Expressed as weighted average)</b>				
Discount Rate	7.75%	7.50%	7.75%	7.50%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Attrition rate	-	-	-	-
Expected rate of return on Plan Assets (p.a)	-	-	7.75%	7.50%
<b>II. Changes in the Present Value of the Obligation (PVO) – Reconciliation of Opening and Closing Balances</b>				
PVO as at the beginning of the period	245.44	225.20	748.54	733.87
Interest Cost	18.51	17.65	55.93	55.59
Current Service Cost	45.50	38.99	54.15	44.27
Past Service cost-(non vested benefits)	-	-	-	-
Past service cost-(vested benefits)	-	-	-	-
Benefits paid	(13.16)	(14.01)	(53.69)	(81.05)
Actuarial loss/ (gain) on obligation (balancing figure)	(36.79)	(22.39)	(7.63)	(4.14)
PVO as at the end of the period	259.50	245.44	797.29	748.54
<b>III. Changes in the Fair Value of Plan Assets – Reconciliation of the Opening and Closing Balances</b>				
Fair value of plan assets as at the beginning of the period	-	-	1.46	1.46
Expected return on plan assets	-	-	0.11	0.11
Contributions/ Direct Benefit Payments	13.16	14.01	53.69	81.06
Benefits paid	(13.16)	(14.01)	(53.69)	(81.06)
Actuarial gain/ (loss) on plan assets (balancing figure)	-	-	(0.11)	(0.11)
Fair value of plan assets as at the end of the period	-	-	1.46	1.46
<b>IV. Actual Return on Plan Assets</b>				
Expected return on plan assets	-	-	0.11	0.11
Actuarial gain/(loss) on plan assets	-	-	(0.11)	(0.11)
Actual return on plan assets	-	-	-	-

## Notes forming part of the financial statements

<b>V. Actuarial Gain / Loss Recognized</b>				
Actuarial gain/(loss) for the period-Obligation	36.79	22.39	7.63	4.14
Actuarial gain/(loss) for the period-Plan Assets	-	-	(0.11)	(0.11)
Total gain/(loss) for the period	36.79	22.39	7.52	4.03
Actuarial gain /(loss) recognized in the period	36.79	22.39	7.52	4.03
Unrecognized actuarial (gain)/ loss at the end of the year	-	-	-	-
<b>VI. Amounts Recognized in the Balance Sheet and Related Analysis</b>				
Present value of the obligation	259.50	245.44	797.29	748.54
Fair value of plan assets	-	-	1.46	1.46
Liability recognized in the balance sheet	259.50	245.44	795.83	747.08
<b>VII. Expenses Recognized in the Profit and Loss Account</b>				
Current service cost	45.50	38.99	54.15	44.27
Interest Cost	18.51	17.65	55.93	55.59
Expected return on plan assets	-	-	(0.11)	(0.11)
<b>VIII. Components of defined benefit cost recognized in Other Comprehensive Income</b>				
Re-measurement on the net defined benefit liability:	-	-	-	-
-Actuarial gains and losses arising from change in financial assumption	(4.04)	8.66	(10.64)	21.59
-Actuarial gains and losses arising from experience adjustment	(32.76)	(31.04)	3.01	(25.73)
Re-measurements – Return on Plan Assets	-	-	0.11	0.11
Net (Gain)/Loss in Other Comprehensive Income	(36.80)	(22.39)	(7.52)	(4.03)
<b>IX. Movements in the Liability Recognized in the Balance Sheet</b>				
Opening net liability	245.44	225.20	748.53	733.87
Expenses as above	27.22	34.25	102.45	95.72
Contribution paid	(13.16)	(14.01)	(53.69)	(81.06)
Closing net liability	259.50	245.44	797.29	748.53
<b>X. Amount for the current period</b>				
Present value of obligation	259.50	245.44	797.29	748.53
Plan Assets	-	-	1.46	1.46
Surplus/(Deficit)	(259.50)	(245.44)	(795.83)	(747.07)
<b>XI. Major Categories of Plan Assets</b>				
As Percentage of Gain / (Loss) on the total Plan Assets	-	-	-	-

## Notes forming part of the financial statements

### Note : 47 >> First time adoption of Ind AS

(₹ in lakhs)

Effect of Ind AS adoption on the Balance sheet as at 01.04.2016

Particulars	Reclassified Previous GAAP	Effect of Transition to Ind AS	Ind AS
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	20,836.86	16,875.41	37,712.27
(b) Capital work-in-progress	1,728.62	-	1,728.62
(c) Intangible assets	1,605.15	(1,605.15)	-
(d) Financial Assets			
(i) Investments	421.10	166.44	587.54
(ii) Trade Receivables - Unsecured considered good	-	-	-
(iii) Loans	1,932.69	(88.56)	1,844.13
(iv) Other financial assets	300.00	-	300.00
(e) Deferred tax assets (Net)	-	-	-
(f) Other Non-current Assets	-	-	-
	<b>26,824.42</b>	<b>15,348.14</b>	<b>42,172.56</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	6,466.96	-	6,466.96
(b) Financial Assets			
(i) Investments	18.06	(2.57)	15.49
(ii) Trade receivables	7,749.57	-	7,749.57
(iii) Cash and cash equivalents	2,688.18	-	2,688.18
(iv) Bank balances other than Cash and cash equivalents	86.98	-	86.98
(v) Loans	9,117.57	(4,255.50)	4,862.07
(vi) Other Financial Assets	5,007.66	-	5,007.66
(c) Other current assets	268.03	-	268.03
	<b>31,403.01</b>	<b>(4,258.07)</b>	<b>27,144.94</b>
<b>TOTAL ASSETS</b>	<b>58,227.43</b>	<b>11,090.07</b>	<b>69,317.50</b>
<b>EQUITY AND LIABILITY</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	2,445.43	-	2,445.43
(b) Other Equity	10,065.37	8,608.08	18,673.45
	<b>12,510.80</b>	<b>8,608.08</b>	<b>21,118.88</b>
<b>LIABILITY</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	14,993.98	(129.58)	14,864.40
(ii) Other Financial Liabilities	4,008.80	-	4,008.80
(b) Provisions	684.42	-	684.42
(c) Deferred tax liabilities (Net)	(339.71)	2,612.21	2,272.50
(d) Other non-current liabilities	-	-	-
	<b>19,347.49</b>	<b>2,482.63</b>	<b>21,830.12</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	5,628.64	-	5,628.64
ii) Trade Payables	9,808.94	-	9,808.94
iii) Other Financial Liabilities	8,888.20	(0.64)	8,887.56
(b) Other current liabilities	1,728.08	-	1,728.08
(c) Provisions	315.28	-	315.28
	<b>26,369.14</b>	<b>(0.64)</b>	<b>26,368.50</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>	<b>58,227.43</b>	<b>11,090.07</b>	<b>69,317.50</b>



## Notes forming part of the financial statements

Effect of Ind AS adoption on the Balance sheet as at 31.03.2017

(₹ in lakhs)

Particulars	Reclassified Previous GAAP	Effect of Transi- tion to Ind AS	Ind AS
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	20,517.15	16,875.41	37,392.56
(b) Capital work-in-progress	10,027.45	-	10,027.45
(c) Intangible assets	905.95	(905.95)	-
(d) Financial Assets			
(i) Investments	491.60	95.76	587.36
(ii) Trade Receivables - Unsecured considered good	-	-	-
(iii) Loans	1,952.44	(88.55)	1,863.88
(iv) Other financial assets	150.00	-	150.00
(e) Deferred tax assets (Net)	-	-	-
(f) Other Non-current Assets	-	-	-
	<b>34,044.59</b>	<b>15,976.66</b>	<b>50,021.25</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	4,223.16	-	4,223.16
(b) Financial Assets			
(i) Investments	2,218.31	42.30	2,260.61
(ii) Trade receivables	6,412.23	-	6,412.23
(iii) Cash and cash equivalents	504.32	-	504.32
(iv) Bank balances other than Cash and cash equivalents	5.00	-	5.00
(v) Loans	8,594.51	(4,254.75)	4,339.76
(vi) Other Financial Assets	-	-	-
(c) Other current assets	805.81	-	805.81
	<b>22,763.32</b>	<b>(4,212.43)</b>	<b>18,550.89</b>
<b>TOTAL ASSETS</b>	<b>56,807.93</b>	<b>11,764.20</b>	<b>68,572.14</b>
<b>EQUITY AND LIABILITY</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	2,445.43	-	2,445.43
(b) Other Equity	8,740.32	9,059.02	17,799.34
	<b>11,185.75</b>	<b>9,059.02</b>	<b>20,244.77</b>
<b>LIABILITY</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22,284.94	(137.89)	22,147.05
(ii) Other Financial Liabilities	2,482.77	-	2,482.77
(b) Provisions	869.68	-	869.68
(c) Deferred tax liabilities (Net)	(1,234.13)	2,843.71	1,609.59
(d) Other non-current liabilities	-	-	-
	<b>24,403.26</b>	<b>2,705.82</b>	<b>27,109.09</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	4,995.07	-	4,995.07
ii) Trade Payables	4,569.15	-	4,569.15
iii) Other Financial Liabilities	8,693.14	(0.64)	8,692.50
(b) Other current liabilities	2,793.61	-	2,793.61
(c) Provisions	167.95	-	167.95
	<b>21,218.92</b>	<b>(0.64)</b>	<b>21,218.28</b>
<b>TOTAL EQUITY &amp; LIABILITY</b>	<b>56,807.93</b>	<b>11,764.20</b>	<b>68,572.14</b>

## Notes forming part of the financial statements

Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31.03.2017

(₹ in lakhs)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
<b>INCOME</b>			
Revenue from Operations	20,605.27	-	20,605.27
Other Income	261.96	0.74	262.70
	<b>20,867.23</b>	<b>0.74</b>	<b>20,867.97</b>
<b>EXPENSES</b>			
Cost of material consumed	10,619.61	-	10,619.61
Purchase of stock in trade	-	-	-
Changes in inventories of finished goods, - work-in-progress and stock in trade	2,481.18	-	2,481.18
Excise Duty on Sale of goods	664.94	-	664.94
Employee benefits expense	2,272.26	26.42	2,298.68
Finance costs	2,504.63	(8.32)	2,496.31
Depreciation and amortization expense	1,498.93	(699.20)	799.73
Other expenses	3,045.15		3,045.15
	<b>23,086.70</b>	<b>(681.10)</b>	<b>22,405.60</b>
Profit/Loss before Exceptional Items and Tax	(2,219.47)	681.85	(1,537.63)
Exceptional Items	-	-	-
Profit/Loss before Tax	(2,219.47)	681.85	(1,537.63)
Tax Expense;			
1. Current tax	-	-	-
2. Deferred tax	(894.43)	231.74	(662.69)
	<b>(894.43)</b>	<b>231.74</b>	<b>(662.69)</b>
<b>Profit/Loss after Tax</b>	<b>(1,325.04)</b>	<b>450.10</b>	<b>(874.94)</b>
<b>Other Comprehensive Income:</b>			
Items that will not be reclassified to Statement of Profit and loss			
Changes in fair value of financial assets designated at fair value through OCI	-	(25.80)	(25.80)
Remeasurement benefit of the defined benefit plans	-	<b>26.43</b>	<b>26.43</b>
Income tax expense on remeasurement benefit of the defined benefit plans	-	0.22	0.22
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(1,325.04)</b>	<b>424.52</b>	<b>(874.10)</b>

### First time adoption of Indian Accounting Standards

#### Overall principle

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1,2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company detailed below:

#### Non-Ind AS Comparative Information

The Company had prepared the opening Ind AS Balance Sheet in accordance with Ind AS except to the requirement on compliance with recognition and measurements as per Ind AS's with respect to Investment in equity instruments wherein it has been complied with previous Indian GAAP. Had the investments been restated as per Ind AS, the amount of investments and the closing balance of reserves as on the transition date might differ from those reflected in the Opening Balance Sheet.

Explanation of transition to Ind AS

## Notes forming part of the financial statements

### A. Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

Nature of Adjustments	For the year ended 31.03.2017
<b>Net Profit as per Previous GAAP</b>	<b>(1,325.05)</b>
Interest Income from Employee Loan	0.74
Remeasurement of net defined benefit plans	(26.42)
Effect of accounting of Borrowings at amortised cost	8.33
Deferred tax on Impact of Transition	(231.74)
<b>Net Profit as per Ind AS</b>	<b>(874.94)</b>
Other Comprehensive Income	0.62
Income tax expense on remeasurement benefit of the defined benefit plans	0.22
Total Comprehensive Income as per Ind AS	(874.10)

Note : Under Previous GAAP, total comprehensive income was not updated therefore, the above reconciliation starts with Profit under Previous GAAP.

### B. Reconciliation of Other Equity as at 31.03.2017 and 01.04.2016

Nature of Adjustments	As at 31.03.2017	As at 01.04.2016
Other Equity (Reserves and Surplus) as per Previous GAAP (i)	8,740.32	10,065.37
Fair Valuation of Property Plant and Equipment	16,875.41	16,875.41
Effect of Amortisation of Intangible Assets	(905.95)	(1,605.15)
Fair Valuation of Non current Investments through Other Comprehensive Income	95.76	166.44
Fair Valuation of Current Investments through Other Comprehensive Income	42.30	(2.57)
Effect of accounting of Borrowings at amortised cost	137.89	129.58
Interest Income from Employee Loans	(0.78)	(1.52)
Gain / (Loss) on fair valuation / remeasurement of financial instruments	(4,341.86)	(4,341.86)
Tax Adjustments	(2,843.72)	(2,612.21)
Total effect of transition to Ind AS (ii)	9,059.02	8,608.08
Equity as per Ind AS (i) + (ii)	17,799.34	18,673.45

#### a) Property, Plant and Equipment

The Company has elected to measure items of Property, Plant and Equipment (PPE) at fair value at the date of transition to Ind AS and considered it as deemed cost. Hence, at the date of transition to Ind AS, an increase of ₹ 16875.41 Lakhs was recognised in Property, Plant and Equipment with corresponding increase in Retained Earnings. An increase of ₹ 16875.41 Lakhs in PPE has been recognized as at 01.04.2016

Since the Company has elected for fair valuation of PPE at the date of transition to Ind AS, the Revaluation Reserve existing on the date of transition under Previous GAAP amounting to ₹ 5331.10 Lakhs has been transferred, on the date of transition and ₹ 199.98 lakhs has been transferred, as at 31.03.2017, to the Retained Earnings.

#### b) Intangible Assets:

The carrying amount of intangible asset under previous GAAP of ₹ 1605.15 Lakhs has been de-recognised on transition to Ind AS since no future economic benefits are expected from its use or disposal. The loss arising from such de-recognition has been transferred to the Retained Earnings on the date of transition.

The carrying amount of intangible asset under previous GAAP as at 31.03.2017 of ₹ 905.95 Lakhs (₹ 699.20 had been written off under previous GAAP and reduced from Depreciation and amortization expenses in statement of Profit and Loss) has been de-recognised under Ind AS.

#### c) Non-Current Investments:

In the financial statements prepared under Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows:

- Quoted equity shares - At FVTOCI
- Unquoted equity shares - At cost
- Mutual Funds- At FVTOCI

## Notes forming part of the financial statements

On the date of transition to Ind AS, the difference between the fair value of Non-Current and Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 163.87 Lakhs which has been recognised directly in retained earnings.

As at 31st March, 2017, the difference between the fair value of Non-Current and Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹ 96.59 Lakhs. On such fair valuation, net gain amounting to ₹ 10.32 Lakhs has been recognised in other Comprehensive Income for the period ended 31.03.2017

### d) Borrowings

As required under the IND AS 109 transactions costs incurred towards origination of borrowings have been deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowing as interest expense, computed using the effective interest rate method corresponding effect being given in borrowings.

Under the previous GAAP, these transaction costs were charged to the statement of profit and loss as and when incurred. Consequently, borrowings as on the date of transition have been reduced by ₹ 129.58 Lakhs with a corresponding adjustment to retained earnings. As at 31st March, 2017 borrowings have been reduced by ₹ 137.89 Lakhs with a corresponding increase of ₹ 2.78 Lakhs in Finance Cost.

### e) Employee benefits

#### i) Remeasurement of defined benefit plans

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in Other Comprehensive Income as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in Other Comprehensive Income.

For the year ended 31st March, 2017, remeasurement of gratuity and leave encashment in increase in employee benefits expense and gain in OCI by ₹ 26.42 lakhs for the year ended 31st March, 2017.

#### ii) Other Employee benefits

Loans to employees are financial assets and should be recorded at fair value on initial recognition. Fair value can be estimated as the present value of the future cash flows, discounted at a market rate for a similar loan. The loan asset is subsequently accounted for in accordance with Ind AS 109. After initial recognition, loans are accounted for at amortised cost with interest income determined using the effective interest method. The difference between the amount of loan given on favourable terms and its fair value is an employee benefit. On the date of Transition an amount of ₹ 1.52 Lakhs have been reduced from Loans and Advances to Employees with a corresponding adjustment to Retained earnings. As on 31.03.2017, this resulted in a decrease of ₹ 0.78 Lakhs reduced from Loans and advance to Employees, increase of ₹ 1.52 Lakhs in employee cost and increase of ₹ 0.74 Lakhs in Other Income.

### f) Remeasurement of Financial Instruments

The company uses provision matrix to determine the impairment loss on portfolio of its trade receivables. The provision matrix is based on the historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates. Based on such analysis, the company has provided ₹ 4341.88 lakhs for expected credit loss on the date of transition with a corresponding adjustment in Retained earnings and on 31.03.2017 in Statement of Profit and Loss.

### g) Deferred tax:

In the financial statements prepared under Previous GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/liability on temporary differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per the Balance Sheet approach which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.

The application of Ind AS has resulted in recognition of deferred tax on new temporary differences which were not required to be recognised under Previous GAAP. In addition, the above mentioned transitional adjustments relating to current/non-current investments and goodwill have also led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to ₹ 2,272.50 Lakhs as at date of transition to Ind AS and ₹ 1,609.59 Lakhs as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in an increase in deferred tax expense by (₹ 662.69) Lakhs in the Statement of Profit and Loss and recognition of deferred tax benefit by ₹ 0.22 Lakhs in OCI.

#### Effect of Ind AS adoption on Statement of Cash Flow for the year ended 31.03.2017 :

There were no significant reconciliation items between Cash flow prepared under Previous GAAP and those prepared under Ind AS.

#### Depreciation and amortization expenses

The Company has elected to measure items of Property, Plant and Equipment at Fair value at the date of transition to Ind AS.

The Company has de-recognised intangible assets on the date of transition to Ind AS. Hence for the year ended 31.3.2017, it resulted in a decrease of ₹ 699.20 Lakhs in amortization expenses in Statement of Profit and Loss account.

#### Other Comprehensive income

Under previous GAAP, there was no concept of Comprehensive Income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in Other comprehensive income. Hence, the company has reconciled previous GAAP profits to Profit as per Ind AS.

## Notes forming part of the financial statements

Further, previous GAAP profit is reconciled to total comprehensive income as per Ind AS.

### Re-grouping/Re-classification

Figures relating to April 01, 2016 (date of transition) have been regrouped or reclassified to make them comparable with the Ind AS presentation.

### Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs has issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, "Revenue from Contract with Customers", Appendix B to Ind AS 21, Foreign currency transactions and advance considerations and amendments to certain other standards. This amendment is applicable from 1st April, 2018. The company is evaluating the requirement of the amendment and the impact on the financial statements.

### Ind AS 115

As per the amended rules, Ind AS 115 supersedes Ind AS 11, "Construction Contracts" and Ind AS 18, "Revenue". Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customer.

The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

The company is in the process of assessing the detailed impact of this standard. The Company, presently is not able to reasonably estimate the impact of this standard expected to have on the financial statements.

### Appendix B to Ind AS 21

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of the related asset, expense or income (or part of it) where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which entity initially recognises the non-monetary asset or liability arising from advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipt of advance consideration.

The company is in the process of assessing the detailed impact of this standard. The Company, presently is not able to reasonably estimate the impact of this standard expected to have on the financial statements.

**For P.K.Nagarajan & Co.,**  
Chartered Accountants  
Firm Registration :016676S

**P.K. Nagarajan**  
Partner  
Membership No.:025679

**S Senthil Saravanan**  
Director  
(DIN No : 07952850)

**M Srinivaasan**  
Managing Director  
(DIN No : 00102387)

Date : 23.08.2018  
Place : Coimbatore

**J U Srinivasan**  
Chief Financial Officer

## Performance Report

### PERFORMANCE REPORT

Financial Year	TCD No. of location	Cane Crushed In Tonnes	Sugars Produced In Quintals	Sugar Recovery Percentage
1973-74	1250	145470	127843	9.16
1974-75	1250	149983	148960	9.87
1975-76	1250	175364	166132	9.44
1977-78 16 Months	1250	434003	414783	9.57
1978-79	1250	359080	338513	9.78
1979-80	1250	106379	95651	9.57
1980-81	1250	150899	134340	8.73
1981-82	1250	428130	430859	10.08
1982-83 17 Months	1250	530800	492259	9.37
1983-84	2500	292350	289160	9.70
1984-85	2500	287246	318700	11.10
1985-86	2500	385051	411500	10.70
1986-87	2500	460770	482000	10.45
1987-89 18 Months	2500	888698	909480	10.25
1989-90	2500	502780	504374	10.06
1990-91	3500	572433	530405	9.31
1991-92	4000	589394	567595	9.63
1992-93	4000	796737	748798	9.37
1993-94	4000	445892	427322	9.43
1994-95	4000	812342	752762	9.41
1995-96 18 Months	4000	908314	686631	7.47
1996-97	4000	345639	276389	7.94
1997-99 18 Months	4000	1050758	1013965	9.74
1999-2000	4000	730046	731533	9.98
2000-2001	4000	806215	803860	10.03
2001-2002	4000	991094	950040	9.61
2002-2003	4000	676590	648874	9.64
2003-2004	4000	690294	611715	8.78
2004-2005	4000	290358	281540	8.83
2005-2006	4000	634041	588528	9.28
2006-2007	4000	920024	863529	9.43
2007-2008	Unit I - 4000	863069	762037	8.92
	Unit II- 1250	134620	133750	9.76
2008-2009	Unit I - 4000	558139	474586	8.47
	Unit II- 1250	146563	122400	8.28
2009-2010	Unit I - 4000	444562	417119	8.76
	Unit II- 1250	152081	142320	9.41
2010-2011	Unit I - 4000	793911	734913	9.26
	Unit II- 1250	259495	248610	9.62
2011-2012	Unit I - 4000	805332	702003	8.71
	Unit II- 1250	268005	259530	9.72
2012-2013	Unit I - 4000	895605	795241	8.82
	Unit II- 1250	214805	203730	9.52
2013-2014	Unit I - 4000	618190	573867	9.21
	Unit II- 1250	212384	205620	9.61
2014-2015	Unit I - 4000	652720	605247	9.39
	Unit II- 1250	214890	200040	9.33
2015-2016	Unit I - 4000	770080	691639	8.94
	Unit II- 1250	95056	83330	8.86
2016-2017	Unit I - 4000	412703	347809	8.33
	Unit II- 1250	-	-	-
2017-18	Unit I - 4000	388726	*346990	8.83
	Unit II- 1250	-	-	-

\*Excluding 47963 Qtls of raw sugar processed.





**SRI CHAMUNDESWARI SUGARS LIMITED**

**CIN: U15435KA1970PLC001974**

Regd Office: No. 88/5, Richmond Road, Bangalore – 560 025

Phone No. 080 – 2500 2500 Fax: 080 – 2500 2510

Email: [complianceofficer@chamundisugars.com](mailto:complianceofficer@chamundisugars.com)

Website: [www.chamundeswarisugars.in](http://www.chamundeswarisugars.in)

**ATTENDANCE SLIP**

Folio No.		Name and Address of the Shareholder
Client ID / DP ID Number		
No. of Shares held		

I hereby record my presence at the 45th Annual General Meeting of the company held on Wednesday, 26th September 2018 at 2.30 p.m. at Hotel Ajantha, 22-A, Mahathma Gandhi Road, Bangalore 560 001.

.....  
Signature of Shareholder / Proxy

Note: Please bring this attendance slip to the meeting and hand over at the entrance duly filled in and signed.



**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 : U15435KA1970PLC001974  
 Name of the Company : Sri Chamundeswari Sugars Limited  
 Registered Office : No. 88/5, Richmond Road, Bangalore – 560 025

Folio No.		Name and Address of the Shareholder
Client ID / DP ID Number		
No. of Shares held		

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

- Name : ..... Address : .....  
 Email id : ..... Signature : .....or failing him/her
- Name : ..... Address : .....  
 Email id : ..... Signature : .....or failing him/her
- Name : ..... Address : .....  
 Email id : ..... Signature : .....or failing him/her

As my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 45th Annual General Meeting of the company, to be held on Wednesday, the September 26th 2018 at 2.30 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Item Nos	Description	Optional	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	Adoption of Financial Statements for the year ended 31st March 2018, the Report of Directors' and Auditors' thereon		
2	To appoint a Director in place of Sri. M. Balasubramaniam (DIN 00377058), who retires by rotation and, being eligible, offers himself for re-appointment.		
<b>SPECIAL BUSINESS</b>			
3	Re-appointment of Shri. M Srinivaasan (DIN: 00102387) as Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from 10th June, 2018,		
4	Appointment of Shri. ShriShanmugasundaramSenthilSaravanan (DIN 07952850), as an Additional & Independent Director of the Company.		
5	Ratification of Remuneration to Cost Auditor		
6	Issue of Non- Convertible Debentures		

Signed this ..... Day of ..... 2018

Signature of the Shareholder:

Please affix  
revenue  
stamp

Signature of the 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.





**SRI CHAMUNDESWARI SUGARS LIMITED**  
**CIN: U15435KA1970PLC001974**

Registered Office: No.88/5, Richmond Road, Bangalore 560 025

E Mail: [complianceofficer@chamundisugars.com](mailto:complianceofficer@chamundisugars.com) Website : [www.chamundeswarisugars.in](http://www.chamundeswarisugars.in)

**POSTAL BALLOT FORM (in lieu of E-voting)**

Name of the Sole/First named Member :

Names of the Joint Member(s), if any :

Registered Folio No./ DP ID No. / Client ID No. :

No. of shares held :

I/We hereby exercise my/our vote(s) in respect of the following Resolutions to be passed through Postal Ballot/e-voting as set out in the Notice dated August 23, 2018 of the Company by conveying sending my/our assent (for) or dissent (against) the said Resolutions by placing the tick mark (3) at the appropriate box below:

Item Nos	Description	Type of Resolution (Ordinary/Special)	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
<b>ORDINARY BUSINESS</b>					
1	Adoption of Financial Statements for the year ended 31st March 2018, the Report of Directors' and Auditors' thereon	Ordinary			
2	To appoint a Director in place of Sri. M.Balasubramaniam (DIN 00377058), who retires by rotation and, being eligible, offers himself for re-appointment	Ordinary			
<b>SPECIAL BUSINESS</b>					
3	Re-appointment of Shri. M Srinivaasan (DIN: 00102387) as Managing Director of the Company, not liable to retire by rotation, for a period of three years with effect from 10th June, 2018	Special			
4	Appointment of Shri. Shri Shanmugasundaram Senthil Saravanan (DIN 07952850), as an Additional & Independent Director of the Company.	Ordinary			
5	Ratification of Remuneration to Cost Auditors	Ordinary			
6	Issue of Non- Convertible Debentures	Special			

Date :

Place :

Signature of the Member(s)

Notes:

- If you opt to vote by e-voting there is no need to fill up and send this form.
- Last date for receipt of Postal Ballot Form: **25th September 2018**
- Please read the instructions printed overleaf carefully before exercising your vote.

## INSTRUCTIONS

### 1. General Instructions:

- a. There will be one Postal Ballot Form/e-voting for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
- c. Voting in the Postal ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.
- d. Any query in relation to the Resolutions proposed to be passed by Postal Ballot may be addressed to the Company Secretary, at the Registered Office of the Company.
- e. The Scrutinizer's decision on the validity of a Postal Ballot/E-voting shall be final and binding.

### 2. Instructions for voting physically by Postal Ballot Form:

- a. A member desirous of exercising his/her Vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer, Shri. G Vasudevan C/o. Sri Chamundeswari Sugars Limited, 88/5, Richmond Road, Bangalore 560025.
- b. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- c. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified true copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- d. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the Member as on 20th September, 2018.
- e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (3) in the appropriate column in the Postal Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours (6.00 pm) on Tuesday, 25th September 2018. All Postal Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member
- h. A Member may request the Company for a duplicate Postal Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No. 2(g) above.
- i. Members are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot Form except their Name, Address, Folio Number and No. of shares held and giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The results would be displayed on the Company's website [www.chamundeswarisugars.in](http://www.chamundeswarisugars.in).

### E-MAIL ADDRESS REGISTRATION FORM

(In terms of circular Nos.17/2011 and 18/2011 dated 21.04.2011 and 29.04.2011  
respectively issued by Ministry of corporate affairs, Government of India)  
(For Shareholder who hold share in physical form)

Integrated Registry Management Services  
Private Limited, at No.30,  
Ramana Residency,  
4th Cross Sampige Road,  
Malleswaram, Bengaluru - 560 003

I/We, Members of Sri Chamundeswari Sugars Limited, hereby give my / our consent to receive electronically Annual Report(s), Notice(s) of General Meeting(s) and other document(s) that the Ministry of Corporate Affairs may allow them to be sent in electronic mode.

I/We, request you to note my / our email address as mentioned below. If there is any change in the e-mail address, I/We will promptly communicate it to you.

Folio No.	
Name of the Sole / First Shareholder	
E-mail Address (to be registered)	

Place:

Date:

(Signature of Sole / First Shareholder)

#### Important communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its Members.

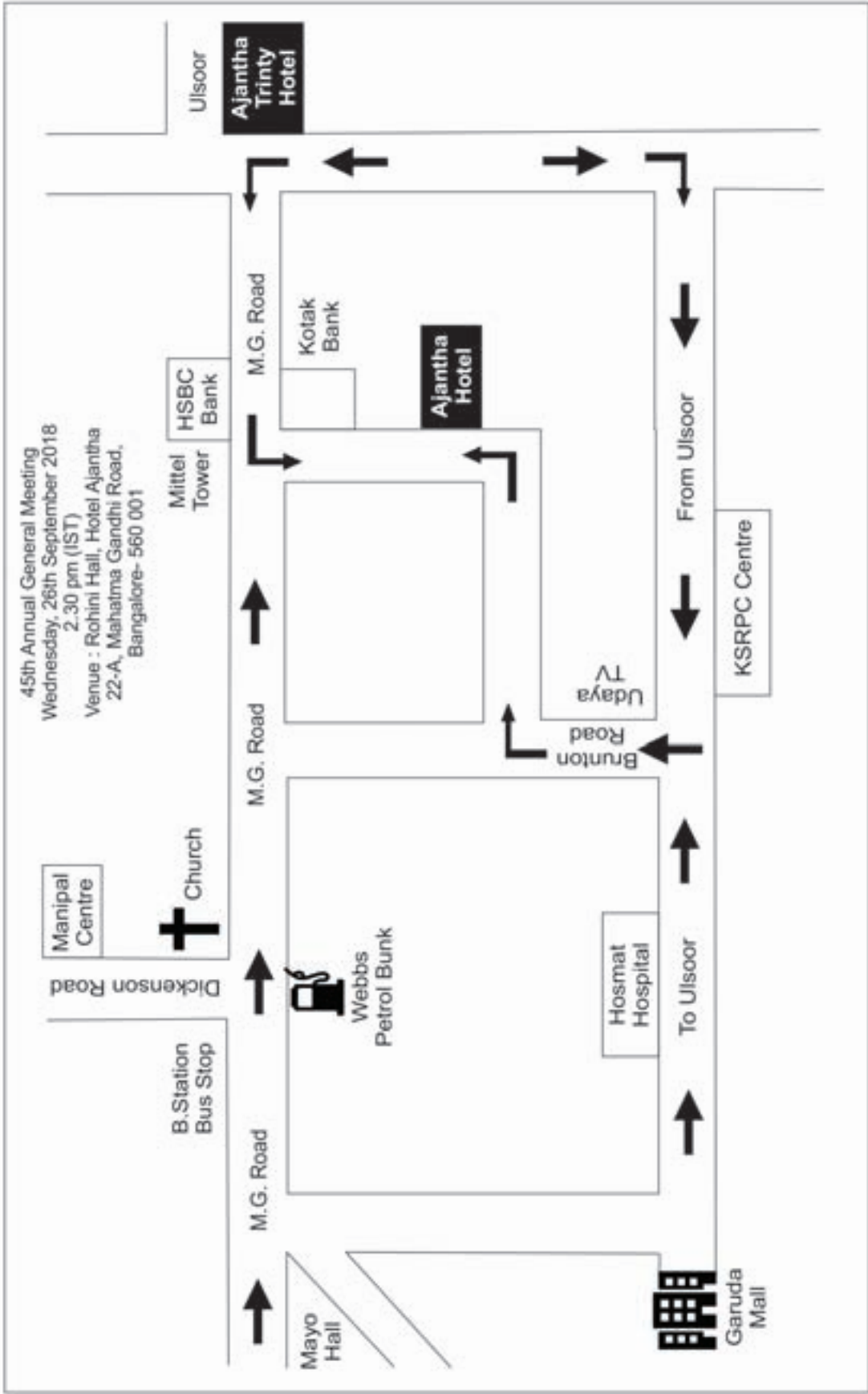
To support this green initiative of the Government:

- Members holding shares in electronic form are requested to register their E-mail address in the respect of their holdings through their Depository Participants concerned.
- Members who hold shares in physical form are requested to fill in and forward the e-mail address registration form as appended above of this Annual Report to M/s Integrated Registry Management Services Private Limited,, Registrar And Share Transfer Agents, Unit: Sri Chamundeswari Sugars Limited, No.30, Ramana Residency, 4th Cross Sampige Road, Malleswaram, Bengaluru - 560 003.





# Route Map to the Venue of 45th Annual General Meeting





# chamundeswari

LIFE IN HARMONY

If undelivered, please return to:

SRI CHAMUNDESWARI SUGARS LIMITED  
CIN:L15435KA1970PLC001974  
Regd. Office : # 88/5, Richmond Road  
Bangalore - 560 025.