GAYATRI

October 09, 2018

To
The Department of Corporate Relationship
BSE Limited
25th Floor
Phiroz Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

Sub: Submission of Annual Report under regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Reg.,

Pursuant to regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed 23rd Annual Report of the Company for the Financial Year ended 31.03.2018 being approved and adopted in the 23rd Annual General Meeting of the Company.

This is for your kind information and record please.

Thanking you,

Yours Faithfully,
For GAYATRI SUGARS LIMITED

Chetan Kr. Sharma

GAYATRI SUGARS LIMITED
B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Rd. Somajiguda, Hyd-82

Chetan Kumar Sharma
Company Secretary & Compliance Officer

Encl: As above

Regd. & Corp. Office :
Gayatri Sugars Limited, B2, 2nd Floor, 6-3-1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad 500 082. Telangana
T +91 40 2341 4823 / 4826
F +91 40 2341 4827
W www.gayatrisugars.com

Factories :
Kamareddy Unit : Adloor Yellareddy, Sadasivanagar Mandal, Kamareddy Dist. - 503 145. Telangana
T +91 8468 248558
F +91 8468 248559
Nizamsagar Unit : Maagi, Nizamsagar Mandal, Kamareddy Dist. - 503 302. Telangana
T +91 8465 275577

CIN : L15421TG1995PLC020720

GAYATRI

GAYATRI SUGARS LIMITED

TWENTY THIRD ANNUAL REPORT
2017-18

23rd Annual General Meeting

Day	:	Wednesday
Date	:	19th September, 2018
TIME	:	10.30 A.M.
Venue	:	FTAPCCI SURANA AUDITORIUM The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad – 500 004.

TWENTY THIRD ANNUAL REPORT
2017-18

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. T. Indira Subbarami Reddy	Chairperson/Director (DIN: 00009906)
Mr. T.V. Sandeep Kumar Reddy	Vice Chairman/Director (DIN: 00005573)
Mrs. T. Sarita Reddy	Managing Director (DIN: 00017122)
Mr. T.R. Rajagopalan	Director (DIN: 00020643)
Mr. J.N. Karamchetti	Director (DIN: 00940963)
Mr. Raghuraj Suresh Bhalerao	Director (DIN: 07652493)

CHIEF FINANCIAL OFFICER
Mr. V.R. Prasad

COMPANY SECRETARY AND COMPLIANCE OFFICER
Mr. Chetan Kumar Sharma

REGISTERED OFFICE
B2, 2nd Floor, 6-3-1090, TSR Towers,
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.
Phone Nos: 040-23414823/24/25/26
Fax No: 040-23414827
Email: gayatrisugars@gmail.com

CORPORATE IDENTITY NUMBER
L15421TG1995PLC020720

AUDITORS
M O S & Associates LLP
Chartered Accountants
Somajiguda, Hyderabad

COST AUDITORS:
M/s Narasimha Murthy & Co
Cost Accountants,
Hyderabad

BANKERS
Andhra Bank
Union Bank of India
Bank of Baroda
State Bank of India
Punjab National Bank

REGISTRAR & SHARE TRANSFER AGENTS
M/s. Venture Capital and Corporate
Investments Private Limited
H.No. 12-10-167, Bharat Nagar,
Hyderabad – 500018.
Ph: 040-23818475, 23818476

FACTORIES
Kamareddy Unit
Adloor Yellareddy Village,
Sadasivanagar Mandal,
Nizamabad District,
Telangana State

Nizamsagar Unit
Maagi Village,
Nizamsagar Mandal,
Nizamabad District,
Telangana State

NOTICE

NOTICE is hereby given that the **23rd ANNUAL GENERAL MEETING** of the Shareholders of Gayatri Sugars Limited will be held on Wednesday, the 19th day of September, 2018 at 10:30 A.M. at FTAPCCI Surana Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad-500 004, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mrs. T. Indira Subbarami Reddy [DIN: 00009906] who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. **To re-appoint Mrs. T. Sarita Reddy as Managing Director and in this regard, to pass, the following resolution as Special Resolution:**

   "RESOLVED THAT subject to the provisions of sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Rules framed there under, as amended from time to time and such other applicable rules & regulations and subject to such other approvals as may be required, if any, consent of the of the members be and is hereby accorded to re-appoint Mrs. T. Sarita Reddy as Managing Director of the Company for a period of 3 (three) years, on expiry of her present term of office, i.e. w.e.f May 01, 2019, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mrs. T. Sarita Reddy, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof; and that the said Managing Director shall have, subject to the supervision, control and directions of the Board, the powers to manage all the affairs of the Company and shall exercise all powers and perform all duties in relation to the management and transactions of the Company, further the Board may from time to time delegate to the Managing Director such of their powers and duties and subject to such limitations and conditions as they deem fit.

   FURTHER RESOLVED THAT Mrs. T. Sarita Reddy is not subject to retirement by rotation during the tenure of her office as Managing Director and her appointment is on such salary and perquisites as set out hereunder:

i. Period of Appointment

   The appointment is for a period of 3 years commencing from May 01, 2019.

ii. Salary, House Rent Allowance and Other Allowances per month:

	Particulars	Amount
1.	Basic Salary	2,25,000
2.	House Rent Allowance	56,250
3.	Other Allowances	2,18,750

Housing:

If required by Mrs. T. Sarita Reddy, free furnished residential accommodation with all facilities and amenities including Gas, Electricity, Water, Furniture/Fittings etc. shall be provided, the monetary value of which shall be evaluated as per Rule 3 of the Income Tax Rules, 1962. The expenditure incurred by the Company on Gas, Electricity, Water and Furnishings shall be subject to a ceiling of 10% of the Salary. In case the Company provides accommodation, House Rent Allowance shall not be paid.

iii. Perquisites

Apart from the above, the Managing Director is eligible the following perquisites

Medical Reimbursement:

Expenses incurred for herself and her family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

Leave Travel Concession:

One month salary per year for herself and her family.

Club Fees:

Subject to a maximum of two clubs, this shall not include admission and Life membership Fees.

Personal Accident Insurance:

Premium to be paid by Company, subject to, not exceeding Rs. 10,000/- per annum.

Provident Fund:

Company's contribution towards Provident Fund at 12% of her basic salary or at any rate applicable from time to time.

Gratuity:

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

Leave:

Entitled to one month's leave, as per the rules of the Company, on full pay for every 11 months of service rendered.

Encashment of leave at the end of the tenure will not be included in computation of the ceiling on perquisites.

Telephone, Electricity and Water charges for residence:

Free telephone facility at the residence for the use of the Company's business and Free Electricity and Water charges for residence.

Car:

Use of company's car on Company's business with driver and all expenses on maintenance, repairs and cost of petrol.

(Provision of Car for use of Company's business and telephone at residence will not be

considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Managing Director)

Any other perquisites and allowances that may be allowed by the Company in consultation with Nomination and Remuneration Committee as per the guidelines issued by the Central Government from time to time.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any Financial year of the Company during the term of her office as Managing Director, the remuneration and perquisites set out above be paid or granted to Mrs. T. Sarita Reddy as minimum remuneration stipulated in Section II of part II of Schedule V of the said Act or such other amount and perquisites as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

FURTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to giving effect to the resolutions passed at this general meeting, for and on behalf of the Company, and to do all such other acts, deeds, matters and things in connection or incidental thereto as in their absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution including but not limited to alter, vary such salary, commission and perquisites as may be permitted by any applicable law from time to time during the said period of office and as may be agreed to by the Board of Directors of the Company and Mrs. T. Sarita Reddy."

4. ORDINARY RESOLUTION FOR RATIFICATION OF REMUNERATION PAYABLE TO M/S. NARASIMHA MURTHY & CO., APPOINTED AS COST AUDITORS OF THE COMPANY FOR THE F.Y 2018-19.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, M/s. Narasimha Murthy & Co., Cost Accountants appointed as Cost Auditors by the Board of Directors of the Company to audit the cost records of Sugar, Power and Distillery divisions of the Company for the financial year 2018-19, for a remuneration of Rs. 2,00,000 (Rupees Two Lakhs) per annum plus applicable taxes and out of pocket expenses that may be incurred, be and is hereby ratified."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To make loan(s) and to give guarantee(s), provide security (ies) or make investment(s) in excess of the prescribed limit under section 186 of the Companies Act, 2013

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

"**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 read with rules framed thereunder and other applicable provisions, if any (including any amendment thereto or re-enactment thereof) consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the Board which term shall be deemed to include the Management Committee which the Board has constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) to give any loans/or any other form of debt to any other person or other body corporate(s) and/or to give guarantee and/or to provide security in connection with a loan/ or any other form of debt to any other person or other body corporate(s) or person(s) and/or to make investments upto a maximum amount of Rs.150 Crores (Rupees One Hundred and Fifty Crores) outstanding at any point of time notwithstanding that the aggregate amount of all loans/ guarantees/security/ investments so far made together with proposed loans/ guarantees/security/investments to be made, exceeds the limits prescribed under section 186 of the Act.

RESOLVED FURTHER THAT the Board or any other person authorized by the Board (hereinafter called the Board which term shall be deemed to include the Management Committee which the Board has constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorised to take from time to time all decisions and steps in respect of the above guarantees, security provided including the timings, amount and other terms and conditions of such loan(s), guarantee(s), security(ies) and investments and varying the same either in part or in full as it may deem appropriate to do and perform all such acts, deeds, matters and things as may be necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard including power to sub-delegate in order to give effect to the aforesaid resolution."

By order of the Board
For Gayatri Sugars Limited

Place : Hyderabad
Date : 13.08.2018

(Chetan Kumar Sharma)
Company Secretary & Compliance Officer

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company by not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 12, 2018 to Wednesday, September 19, 2018 (Both days inclusive).

4. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.

5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.

6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

7. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.

8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited).

9. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.

10. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **Venture Capital And Corporate Investments Private Limited,** Share Transfer Agents of the Company for their doing the needful.

11. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.

12. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the Company and correspond with them directly regarding share transfer/transmission / transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.

13. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death.

Members desirous of availing this facility may submit nomination in prescribed Form SH-13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.

14. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.

15. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website www.gayatrisugars.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: cs.gsl@gayatri.co.in / compliance.gayatrisugars@gayatri.co.in.

16. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 23rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL).

The instructions for e-voting are as under:

(A) In case of members receiving e-mail

(I) Instructions for e-voting

(i) Log on to the e-voting website www.evotingindia.com during the voting period.

(ii) Click on "Shareholders" tab.

(iii) Now, select the "Gayatri Sugars Limited" from the drop down menu and click on "SUBMIT"

(iv) Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.

(v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.

(vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Physical Form	For Members holding shares in Demat Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of your name and the Folio Number in the PAN Field. Eg. If your name is Ramesh Kumar with Folio Number 1 then enter RA00000001 in the PAN Field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(vii) After entering these details appropriately, click on "SUBMIT" tab.

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

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

(x) Click on Gayatri Sugars Limited on which you choose to vote.

(xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xii) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

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

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvi) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

(xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.co.in and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participant(s) or requesting physical copy]:

(i) Please follow all steps from sl. no. (i) to sl. no. (xvii) above, to cast vote.

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

The e-voting period commences on Sunday, 16 September, 2018 (09:00 A.M.) and ends on Tuesday, September 18, 2018 (05:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 11, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of shareholders 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. September 11, 2018.

Mr. Y. Koteswara Rao, Practicing Company Secretary (Membership No. 3785) and has been appointed as the Scrutinizer to scrutinize the e-voting and ballot process in a fair and transparent manner.

The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than three days of conclusion of the Meeting, would make a consolidated scrutinizer's report and submit the same to the Chairperson. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.gayatrisugars.com and on the website of www.cdslindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 11:00 a.m. to 5:00 p.m. on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No. 3:

The Board of Directors of the Company, on recommendations of the Nomination and Remuneration Committee held at 13.08.2018 has, subject to the approval of members of the

Company, reappointed Mrs. T. Sarita Reddy (DIN: 00017122) as Managing Director of the company for a period of 3 (Three) years with effect from May 01, 2019 from the expiry of her current term, i.e. April 30, 2019 on terms and conditions and remuneration as recommended by the Nomination and Remuneration Committee and Approved by the Board.

Mrs. T. Sarita Reddy satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for her re-appointment. She is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The terms and conditions for her reappointment and remuneration as contained in the resolution for her reappointment may be treated as a written memorandum setting out the terms of re-appointment of Mrs. T. Sarita Reddy under Section 190 of the Act.

Details of Mrs. T. Sarita Reddy are provided in the "Annexure" to the Notice.

Mrs. T. Sarita Reddy is interested in the resolution set out at Item No. 3 of the Notice. Mrs. T. Indira Subbarami Reddy and Mr. T.V. Sandeep Kumar Reddy, being relatives of Mrs. T. Sarita Reddy, may be deemed to be interested in the said resolution.

The other relatives of Mrs. T. Sarita Reddy may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4:

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of Sugar, Power and Distillery divisions of the Company.

Based on the recommendation of the Audit Committee, the Board has, considered and approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants as the cost auditors for the financial year 2018-19 at a remuneration of Rs. 2,00,000 (Rupees Two Lakhs only) per annum plus applicable taxes and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members by way of ratification.

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

ITEM NO.5

In terms of the provisions of the Section 186 of the Companies Act, 2013, authority to the Board of Directors of the Company to give loan(s), give guarantee(s), provide security (ies) and to make investment(s) together with loan(s) / guarantee(s) / security (ies) already given and investments already made by the Company to other body corporate(s) or person(s) or bank(s) or other financial institution(s) in the Ordinary Course of Business exceeding the prescribed limits i.e. Sixty per cent of the aggregate of the paid-up share capital and free reserves and securities premium account of the Company or, ii) Hundred per cent of free reserves and securities premium

account of the Company, whichever is more, needs prior approval of the Shareholders of the Company by means of a Special Resolution.

The Members may note that in order to support its business activities, the Board at its meeting held on August 13, 2018, proposed seeking Members approval by way of Special Resolution, for enhancement of limits u/s. 186 of the Companies Act, 2013 by up to Rs.150 crores (Rupees One Hundred and Fifty crores) by authorising the Board to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made and/or acquire by way of subscription, purchase or otherwise, the securities of any other body corporate as they may in their absolute discretion deem beneficial and in the interest of the Company up to an amount of Rs. 150 Crores over and above the limits available under Section 186 of the Companies Act, 2013.

Accordingly, the Board of Directors recommends the Special Resolution at Item no.5 of the accompanying Notice for the approval of members.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financial or otherwise, in this resolution except to the extent of their shareholding in the Company, if any.

By order of the Board
For Gayatri Sugars Limited

Place : Hyderabad
Date : 13.08.2018

(Chetan Kumar Sharma)
Company Secretary & Compliance Officer

ANNEXURE TO NOTICE

Details of the Directors retiring by rotation / seeking re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name of the Director	**Mrs. T. Indira Subbarami Reddy**	**Mrs. T. Sarita Reddy**
Director Identification No	00009906	00017122
Date of Birth	13.03.1951	14.04.1971
Date of first appointment on the Board	21.07.2005	21.07.2005 (Appointed as Managing Director w.e.f. 01.05.2016)
Terms and Conditions of Reappointment :	As per section 152(6), liable to retire by rotation.	Proposed to be reappointed as Managing Director as per resolution at item No. 3 of Notice read with explanatory statement
Occupation	Industrialist	Industrialist
Relationship between directors inter-se	Mother of Mr. T. V. Sandep Kumar Reddy and Mother in law of Mrs. T. Sarita Reddy.	Spouse of Mr. T.V. Sandeep Kumar Reddy and Daughter-in-law of Mrs. T. Indira Suubarami Reddy
Nature of expertise in specific functional area	25 years of experience in the Construction Industry.	18 Years experience in the Management, Execution of Projects and running of the Companies.
Directorship in Listed Entities as on March 31, 2018	Gayatri Projects Limited Gayatri Tissue and Papers Limited	Gayatri Bioorganics Limited
Membership of Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2018	1	2
Shareholding in the Company	3793508 equity shares of Rs. 10/- each	0

BOARDS' REPORT

To the Member(s),

Your Directors have pleasure in presenting before you the Twenty Third Annual Report of the Company together with the Audited Statements of Accounts for the year ended March 31, 2018.

1. FINANCIAL RESULTS :

Your Directors report the operational results of the Company for the year ended March 31, 2018, prepared in accordance with Ind AS, the details of which are as under:

(Rupees in Lakhs)

Particulars	**2017-18**	**2016-17**
Gross Income	**25,138.10**	24,777.79
Profit/(Loss) Before Interest, Depreciation and Exceptional Item	**4,310.82**	3,983.33
Finance Charges	**2,007.81**	2,059.75
Gross Profit/(Loss) before Depreciation and Exceptional Item	**2,303.01**	1,923.58
Provision for Depreciation	**1,007.51**	993.66
Net Profit(Loss) Before Tax and Exceptional Item	**1,295.50**	910.53
Exceptional Item(Re-measurement of Actuarial Valuation)	**(79.39)**	150.47
Provision for Tax	**—**	—
Net Profit/(Loss) After Tax	**1,216.11**	1080.39
Balance of Profit/(Loss) brought forward	**(12,804.58)**	(13,884.97)
Balance available for appropriation	**(11,588.47)**	(12,804.58)
Proposed Dividend on Equity Shares	**—**	—
Tax on proposed Dividend	**—**	—
Transfer to General Reserve	**—**	—
Deficit carried to Balance Sheet	**(11,588.47)**	(12,804.58)

REVIEW OF OPERATIONS:

Performance during the financial year 2017-18:

Your Directors are pleased to report that during the year under review, the Company crushed 7.00 Lakh Tonnes of Sugar cane, 7.99 Lakh Quintals of Sugar was bagged with an average recovery of 11.41% and 32,127 tonnes of Molasses was produced. The distillery unit produced 68.09 Lakh litres of Ethanol, Rectified Spirit and Impure Spirit.

The Company registered a gross revenue of ₹ 25,138.10 Lakhs for the year ended 31st March, 2018 against ₹ 247,77.79 Lakhs for the year ended 31st March, 2017. For the year 2017-18, the Company earned profit of ₹ 4,310.82 Lakhs before Interest, Depreciation and Exceptional item compared to the profit of Rs. 3,983.33 Lakhs for the previous year 2016-17 and earned net profit of ₹1216.11 Lakhs compared to the net profit of ₹1080.39 Lakhs of previous year.

Prospects for the financial year 2018-19:

It is too early to estimate the sugar production for 2018-19 sugar season but good sowing reports and good water availability are indicating good sugar production for 2018-19 season compared to the 2017-18.

2. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business of the Company.

3. DIVIDEND:

As the Company has accumulated losses as at March 31, 2018, the Directors could not recommend dividend on Preference Shares and also on Equity Shares.

4. BOARD MEETINGS:

During the Financial year 2017-18, the Board met 5 (Five) times on 29.05.2017, 14.08.2017, 10.11.2017, 27.12.2017 and 02.02.2018.

5. DIRECTORS AND KEY MANANGERIAL PERSONNEL:

During the year under review, there was no change in the directorship of the Company.

However, there was change in the composition of Key Managerial Personnel. Miss. Munmun Baid resigned as Company Secretary and Compliance Officer of the Company with effect November 30, 2017. In order to fill the vacancy, the Board appointed Mr. Chetan Kumar Sharma as Company Secretary at its meeting held on February 02, 2018. Earlier on December 19, 2017, he was appointed as Compliance Officer of the Company.

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149(6).

6. COMMITTEES OF BOARD:

Pursuant to requirement under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board of Directors has constituted various committees of Board such as Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committees and Corporate Social Responsibility Committee. The details of Composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

7. POLICY LAID DOWN BY THE NOMINATION AND REMUNERATION COMMITTEE FOR REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES:

The Remuneration policy of the Company is performance driven and is structured to motivate Employees, recognize their merits and achievements and promote excellence in their performance. The Nomination Remuneration and Evaluation Policy of the Company is enclosed at **Annexure-I** of this report.

Manner in Which Formal Annual Evaluation has been made by the Board of its Own Performance and that of its Committees and Individual Directors:

Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has carried out evaluation of (i) its own performance, (ii) the directors individually and (iii) working of its Committees. The manner in which the evaluation was carried out is detailed below:

(a) Nomination & Remuneration Committee: Pursuant to the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee has formulated the criteria for evaluation of directors and evaluated every director. A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly the evaluation was made. The Members of the Committee evaluated the individual directors at its meeting held on 02.02.2018.

The Nomination and Remuneration Committee decided that since the performance of the directors has been excellent, it is decided to continue with the term of the directors and also recommends to the Board of Directors for reappointment of Managing Director, Mrs. T. Sarita Reddy, for a period of three years w.e.f May 01, 2019.

(b) Separate Meeting of Independent Directors: The Independent directors of the Company at its meeting held on 02.02.2018 (a) reviewed the performance of the Non-Independent directors and Board, (b) reviewed the performance of the Chairperson of the Company and (c) assessed the quality, quantity and timeliness of flow of information between the Company management and the Board. All the Independent Directors attended the meeting.

A structured questionnaire was prepared after taking into consideration various parameters such as attendance and participation in meetings, monitoring corporate governance practices, independence of judgment, safeguarding the interests of the Company etc., and accordingly, the evaluation was made. The Independent directors evaluated the Non-Independent directors.

The Independent Directors decided that since the performance of the Non-Independent Directors (including Managing Director) is excellent, the term of their appointment be continued.

The Independent Directors after review of the performance of the Chairperson decided that the Chairperson has good experience, knowledge and understanding of the Board's functioning and her performance is excellent. The Independent Directors decided that the information flow between the Company's Management and the Board is excellent.

(c) Evaluation by Board: The Board has carried out the annual performance evaluation of its own performance, the Directors individually (excluding the director being evaluated) as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, effectiveness in developing Corporate Governance structure to fulfill its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of individual directors, its own performance and working of the committees is excellent.

8. DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(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 had prepared the annual accounts on a going concern basis; and

(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 except for the material weakness/deficiency.

(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.

9. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

There are no Companies which have become or ceased to be its Subsidiaries, Joint Venture or Associate Companies during the year.

10. EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in Form MGT-9 as part of this Annual Report is enclosed as **Annexure II.**

11. STATUTORY AUDITORS AND THEIR REPORT:

M/s. MOS & Associates LLP, Chartered Accountants were appointed as Statutory Auditors of the Company at the 22nd Annual General Meeting held on June 29, 2017 for a term of five consecutive years from the conclusion of 22nd Annual General Meeting [AGM] till the conclusion of 27th AGM. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors Report to the members of the Company on the financial statements for the financial Year ended March 31, 2018 forming part of this report contains a qualified opinion on estimating the Electricity duty amounting to Rs. 283.99 Lakhs as a Contingent Liability and on Internal Financial controls over the Financial Reporting as per note No. 28.16 forming part of the financial statements. In the event of an un-favourable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation, estimates the impact of the potential liability to be Rs. 170 lakhs.

12. SECRETARIAL AUDIT:

As per the provisions of the Section 204(1) of the Companies Act, 2013, the Company has appointed Mr. Y. Koteswara Rao, Practising Company Secretary to conduct Secretarial Audit of the records and documents of the Company. The Secretarial Audit Report for the Financial

Year ended March 31, 2018 in Form No MR-3 is annexed to the Directors Report as **Annexure - III** and forms part of this Report. The Secretarial Auditors' Report to the Members of the Company for the Financial Year ended March 31, 2018 does not contain any qualification(s) or adverse observations.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The required information as per Sec. 134(3)(m) of the Companies Act 2013 and Rule 8(3) of Companies (Accounts) Rules, 2014 is provided hereunder:

A. Conservation of Energy:

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

The Company has already installed the required energy conservation equipments and hence no additions were made during the year.

ii) Step taken by the Company for utilizing alternate source of energy:

The company doesn't have alternative source of Energy, since the Company has Co-gen power facility.

iii) Capital investment on energy conservation equipments:

During the year, there was Rs. 45 Lakhs investment on KCP make centrifugal machine capacity of 1750 KG/CH (minimum 16 to 18 Charges per hour).

B. Technology Absorption:

i) Efforts made towards Technology Absorption:

Centrifugal machine was changed to reduce the power Consumption.

ii) The benefit derived like product improvement, cost reduction, product development or import substitution, etc.

The benefit derived by changing the Centrifugal Machine will be approximately ₹ 12 Lakhs in the season.

iii) Details of Technology imported during the last 3 years reckoned from the beginning of the financial year:

During the period of last three years, there was no import of Technology.

iv) Expenditure incurred on Research & Development:

There was no expenditure incurred on Research and Development.

C. Foreign Exchange Earnings and Out Go:

Foreign Exchange Earnings	:	NIL
Foreign Exchange Outgo	:	₹ 9,91,241/-

14. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company's internal control system is aimed at proper utilisation and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.

The Company's Audit Committee is responsible for reviewing the Audit Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

The statutory auditors had a qualified opinion on the Internal financial controls over the financial reporting stating that material weakness has been identified as at March 31, 2018 in the Company relating to deficiency in internal financial controls over financial reporting in respect of certain reconciliations between various accounting systems and on assessment of estimating potential liability relating to a disputed matter.

The Management conducted an assessment of the effectiveness of the internal control over financial reporting using the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on this assessment, Management identified a deficiency in the internal control over financial reporting, that constitutes a material weakness, in respect of certain reconciliations between various accounting systems.

The Company uses various subsystems, the output from which is being used for accounting in the financial package maintained by the Company. Consequent to certain deficiencies in IT General and Application controls in the software platforms used for financial reporting, there were differences in balances between sub-systems / sub- ledgers with the general ledger, which have been manually reconciled by the Company. Whilst necessary adjustment entries were passed in the books of account for the year ended 31st March 2018, and these material weakness did not affect on the financial statements, except assessment of estimating the liability on a disputed matter.

However, the Company has implemented new financial package (ERP) to integrate reconciliation between sub-systems/sub-ledgers with effect from April 01, 2018 to avoid manual reconciliation. The management is of the view that the Electricity Duty payable on Captive Consumption is contingent in nature and no provision is required to be made.

15. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED :

Details of loans, guarantees and investments covered under the provisions of section 186 of the Companies Act, 2013 are given in notes to financial statements.

The Company ha complied with the applicable provisions of Companies Act, 2013 and rules framed there under in respect of section 186 of the Companies Act, 2013.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report is annexed which forms part of this Report as **Annexure –IV.**

17. RISK MANAGEMENT POLICY:

The Company has been addressing various risks impacting the Company and developed risk policy and procedures to inform Board members about the risk assessment and minimization procedures.

18. WHISTLE BLOWER POLICY/VIGIL MECHANISM:

Pursuant to Section 177 of the Companies Act, 2013 and the Rules framed there under and pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company at http://www.gayatrisugars.com/Investors/Corporate Governance/Policies.

19. DISCLOSURE AS PER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Pursuant to the requirements of Section 22 of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with Rules thereunder, the Company has not received any complaint of sexual harassment during the year under review.

Further the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

20. CORPORATE SOCIAL RESPONSIBILTY POLICY:

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, read with schedule VIII, The Board of Directors constituted Corporate Social Responsibility Committee at Board Meeting held on August 14, 2017. The details of the Committee are given in Corporate Governance Report (Annexure VI). Since the Company is not having average net profits in the immediately preceding three years, hence the Company need not adopt any Corporate Social Responsibility Policy but the Company is involved in some of the social activities like organizing health camps, providing drinking water facility and fumigation in the nearby villages of the factories.

21. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

(i) Demand of ₹ 1,38,81,669/- was raised by the Commissioner of Customs, Central Excise & Service Tax, Hyderabad-1 Commissionarate, being the amount equal to 10% or 5% of the value of Exempted goods i.e Electricity sold by the company for the period Nov-2006 to Dec-2010 in the case of Kamareddy Unit of ₹ 58.53 lakhs and for the period Mar-2006 to Mar-2012 in the case of Nizamsagar Unit of ₹ 80.09 Lakhs.

The Customs, Excise and Service Tax Appellate Tribunal, Regional Bench at Hyderabad has set aside the impugned order for Excise Duty demand of ₹ 58.53 lakhs relating to Kamareddy Unit of the Company, subsequent to Audit Report.

22. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The policy on dealing with Related Party Transactions is disseminated on the website of the company at http://www.gayatrisugars.com/Investors/ Corporate Governance/Policies.

The details of Related Party Transactions entered by the Company in the ordinary course of Business at arm's length basis are detailed in the notes forming part of the financial statements.

23. FIXED DEPOSIT:

Your Company has not accepted or renewed any deposit from public during the year under review.

24. DISCLOSURE ABOUT COST AUDIT:

As per section 148 of the Companies Act, 2013 and rule 14 of the Companies (Audit and Auditors) Rules, 2014, Company is required to appoint Cost Auditor. The Board of directors and the Audit Committee of the Board has approved the appointment of M/s. Narasimha Murthy & Co., as Cost Auditor to audit the cost records of Sugar, Power and Distillery division of the Company for the financial year 2018-19 and the remuneration payable to them for the Financial Year 2018-19 is is subject to ratification by the shareholders of the Company.

Further as per section 148(1) of the Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2018, maintenance of cost records as specified by the Central Government under sub section (1) of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

25. PARTICULARS OF EMPLOYEES:

Details in respect of remuneration paid to employees as required under Section 197 (12) of the Companies Act, 2013, read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Registered Office of the Company. Copies of this statement may be obtained by the members by writing to the Company Secretary at the Registered Office of the Company.

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are enclosed in **Annexure – V** and forms part of this Report.

26. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to Bombay Stock Exchange where the Company's Shares are listed.

27. CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report as **Annexure -VI**. Certificate from the practicing Company Secretary confirming the compliance with the conditions of Corporate Governance as stipulated under aforesaid regulations is attached to this report.

28. ACKNOWLEDGEMENTS:

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, clients, Banks, Central and State Governments, the Companies' valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Yours Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

For and on behalf of the Board of Directors

(T. SARITA REDDY)	**(T.V. SANDEEP KUMAR REDDY)**
Managing Director	Vice Chairman
DIN: 00017122	DIN: 00005573

Place : Hyderabad
Date : 13.08.2018

ANNEXURE -I

NOMINATION, REMUNERATION & EVALUATION POLICY

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 26 May, 2014 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee."

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

II. OBJECTIVE

The Key Objectives of the Committee would be:

a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.

b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.

c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

III. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Gayatri Sugars Limited."
- "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
  - (i) Chief Executive Officer or the Managing Director or the Manager,
  - (ii) Company Secretary,
  - (iii) Whole-time Director,
  - (iv) Chief Financial Officer and
  - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

V. GUIDING PRINCIPLES

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

VI. ROLE OF THE COMMITTEE

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

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.of its duties.

VII. MEMBERSHIP

- The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- Minimum two (2) members shall constitute a quorum for the Committee meeting.
- Membership of the Committee shall be disclosed in the Annual Report.
- Term of the Committee shall be continued unless terminated by the Board of Directors.

VIII. CHAIRMAN

- Chairman of the Committee shall be an Independent Director.
- Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. FREQUENCY OF MEETINGS

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

X. COMMITTEE MEMBERS' INTERESTS

- A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

XI. VOTING

- Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XII. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing

Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **Term / Tenure:**

1. Managing Director/Whole-time Director/Manager (Managerial Person):

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

2. Independent Director:

   - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
   - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.
   - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

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

- **Removal:**

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

- **Retirement:**

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

XIII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

- **General:**
  1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1st April in respect of other employees of the Company.
  4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- **Remuneration to Managerial Person, KMP and Senior Management:**
  1. **Fixed pay:**

     Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
  2. **Minimum Remuneration:**

     If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
  3. **Provisions for excess remuneration:**

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

recovery of such sum refundable to it unless permitted by the Central Government.

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

1. Remuneration / Commission:

   The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

   Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration/Commission:

   Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

   An Independent Director shall not be entitled to any stock option of the Company.

XIV. MINUTES OF COMMITTEE MEETING

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

XV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

ANNEXURE - II

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2018

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN :	L15421TG1995PLC020720
(ii)	Registration Date :	15/06/1995
(iii)	Name of the Company:	Gayatri Sugars Limited
(iv)	Category / Sub-Category of the Company:	Company Limited by Shares/Indian Non Government Company
(v)	Address of the Registered office and contact details:	B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad, Telengana-500082.
(vi)	Whether listed company :	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Venture Capital And Corporate Investments Private Limited.12-10-167, Bharat Nagar, Hyderabad, 500018, **Phone :** +91 040 23818475/23818476/23868023 **Fax :** +91 040-23868024

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of theCompany
1	Sugar	15421	83.52%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

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

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters									
(1) Indian									
(a) Individual/HUF	13812353	—	13812353	31.60	13812353	—	13812353	31.60	—
(b) Central Govt	—	—	—	—	—	—	—	—	—
(c) State Govt (s)	—	—	—	—	—	—	—	—	—
(d) Bodies Corp.	11228535	—	11228535	25.69	11228535	—	11228535	25.69	—
(e) Banks / FI	—	—	—	—	—	—	—	—	—
(f) Any Other	—	—	—	—	—	—	—	—	—
Sub-Total (A) (1)	25040888	—	25040888	57.30	25040888	—	25040888	57.30	—
(1) Foreign									
(a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
(b) Other - Individuals	—	—	—	—	—	—	—	—	—
(c) Bodies Corp.	—	—	—	—	—	—	—	—	—
(d) Banks / FI	—	—	—	—	—	—	—	—	—
(e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-Total (A) (2)	—	—	—	—	—	—	—	—	—
Total Shareholding of Promoter(A) = (A) (1) + (A) (2)	25040888	—	25040888	57.30	25040888	—	25040888	57.30	—
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds	—	—	—	—	—	—	—	—	—
(b) Banks/FI	—	—	—	—	—	—	—	—	—
(c) Central Govt	—	—	—	—	—	—	—	—	—
(d) State Govt (s)	—	—	—	—	—	—	—	—	—
(e) Venture Capital funds	—	—	—	—	—	—	—	—	—
(f) Insurance Companies	—	—	—	—	—	—	—	—	—
(g) FIIs	—	—	—	—	—	—	—	—	—
(h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
(i) Others (Specify)	—	—	—	—	—	—	—	—	—
Sub-Total (B)(1)	—	—	—	—	—	—	—	—	—

Category of Shareholders	No. of Shares held at the beginning of the year(01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non- Institutions									
(a) Bodies Corp									
i. Indian	8511081	—	8511081	19.47	8832567	—	8832567	20.21	0.74
ii. Overseas	—	—	—	—	—	—	—	—	—
(b) Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	6296956	28426	6325382	14.47	5398110	27990	5426100	12.42	(2.06)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3641464	—	3641464	8.33	3493830	—	3493830	7.99	(0.34)
(C) Others (Specify)									
Non Resident Individuals	64544	—	64544	0.15	69438	—	69438	0.16	0.01
Clearing Member	120284	—	120284	0.28	840820	—	840820	1.92	1.65
Sub-Total (B)(2)	18634329	28426	18662755	42.70	18634765	27990	18662755	42.7	—
Total Shareholding Public = (B) (1)+(B) (2)	18634329	28426	18662755	42.70	18634765	27990	18662755	42.7	—
C. Shares held by custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total(A+B+C)	43675217	28426	43703643	100	43675653	27990	43703643	100	—

(ii) Shareholding of Promoters:

S. No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% of Change during the Year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged encumbered to total shares	
1	Gayatri Projects Limited	1163607	2.66	—	1163607	2.66	2.66	—
2	Gayatri Fin-holdings Pvt Ltd	7169450	16.40	—	7169450	16.40	—	—
3	T.S.R. Holdings Pvt Ltd	2895478	6.63	—	2895478	6.63	—	—
4	Subbarami Reddy Tikkavarapu	3255814	7.45	—	3255814	7.45	—	—
5	Sandeep Kumar Reddy Tikkavarapu	6763031	15.47	9.72	6763031	15.47	9.72	—
6	Indira Subbaramireddy Tikkavarapu	3793508	8.68	8.35	3793508	8.68	8.35	—
	Total	25040888	57.30	18.07	25040888	57.30	20.73	—

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of thecompany	No. of shares	% of total shares of thecompany
	At the beginning of the year	25040888	57.30	25040888	57.30
	Date wise Increase /Decrease in PromotersShare holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	There is no Increase/Decrease in the promoters' shareholding during the year.			
	At the End of the year	25040888	57.30	25040888	57.30

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S.No	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year (01.04.2017)		Cumulative Shareholding during the year (at the end of the year 31-03-2018)	
			No. of shares	of total % shares of thecompany	No. of shares	% of total shares of thecompany
1.	**Mohan Project Contractors Private Limited**					
	At the beginning of the year		7522789	17.21	7522789	17.21
	No increase / Decrease in Share holding during the Year.		—	—	—	—
	At the End of the year (or on the date of separation, if separated during the year)		—	—	7522789	17.21
2.	**Sudeep Luniya***					
	At the beginning of the year		—	—	—	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions (sales/ purchase)	Reason			
	02/02/2018	663828	purchase	1.52	663828	1.52
	At the End of the year (or on the date of separation, if separated during the year)		—	—	663828	1.52
3	**TRADESWIFT BROKING PRIVATE LIMITED***					
	At the beginning of the year		595	0.00	595	0.00
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	04/08/2017	1000	purchase	0.00	1595	0.00
	31/10/2017	117778	purchase	0.27	119373	0.27
	03/11/2017	100992	purchase	0.23	220365	0.50
	29/12/2017	30000	purchase	0.07	250365	0.57
	05/01/2018	95919	purchase	0.22	346284	0.79
	12/01/2018	106703	purchase	0.24	452987	1.04
	19/01/2018	94772	purchase	0.22	547759	1.25
	25/01/2018	23500	purchase	0.05	571259	1.31
	At the End of the year (or on the date of separation, if separated during the year)		—	—	571259	1.31
4	**SHREE VISHWAMURTE TRADINVEST PVT LTD***					
	At the beginning of the year		—	—	—	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	30/06/2017	25000	purchase	0.06	25000	0.06
	11/08/2017	(5000)	sale	-0.01	20000	0.05

	18/08/2017	35000	purchase	0.08	55000	0.13
	15/09/2017	150000	purchase	0.34	205000	0.47
	15/12/2017	26250	purchase	0.06	231250	0.53
	22/12/2017	7137	purchase	0.02	238387	0.55
	29/12/2017	30000	purchase	0.07	268387	0.61
	05/01/2018	(15000)	Sale	0.03	253387	0.58
	12/01/2018	81517	Purchase	0.19	334904	0.77
	19/01/2018	15162	Purchase	0.03	350066	0.80
	16/02/2018	(87133)	Sale	0.2	262933	0.6
	23/02/2018	50000	Purchase	0.11	312933	0.72
	16/03/2018	100000	Purchase	0.23	412933	0.94
	23/03/2018	52961	Purchase	0.12	465894	1.07
	At the End of the year (or on the date of separation, if separated during the year)				465894	1.07
5	**Vishal Kiranbhai Seth***					
	At the beginning of the year		—	—	—	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions (sales/ purchase)	Reason			
	27/10/2017	6900	Purchase	0.02	6900	0.02
	31/10/2017	(1)	Sale	0.00	6899	0.02
	17/11/2017	(1280)	Sale	0.00	5619	0.01
	1/12/2017	10475	Purchase	0.02	16094	0.04
	15/12/2017	(11491)	Sale	-0.03	4603	0.01
	22/12/2017	28852	Purchase	0.07	33455	0.08
	29/12/2017	(12403)	Sale	-0.03	21052	0.05
	30/12/2017	(200)	Sale	0.00	20852	0.05
	16/02/2018	36139	Purchase	0.08	56991	0.13
	23/02/2018	(911)	Sale	0.00	56080	0.13
	09/03/2018	(4551)	Sale	-0.01	51529	0.12
	16/03/2018	(33831)	Sale	-0.08	17698	0.04
	23/03/2018	51868	Purchase	0.12	69566	0.16
	30/03/2018	199660	Purchase	0.46	269226	0.62
	At the End of the year (or on the date of separation, if separated during the year)				269226	0.62
6	**EAST WEST TRADELINK PRIVATE LIMITED***					
	At the beginning of the year		—	—	—	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions (sales/ purchase)	Reason			
	16/03/2018	177603	Purchase	0.41	177603	0.41
	At the End of the year (or on the date of separation, if separated during the year)				177603	0.41
7	**FAMOUS DEVELOPERS PRIVATE LIMITED**					
	At the beginning of the year		230000	0.53	230000	0.53
	Date wise increase / Decrease in Share					

	holding during the Year, specifying the reason:					
	Date	Transactions (sales/ purchase)	Reason			
	16/02/2018	(10000)	Sale	-0.02	220000	0.50
	09/03/2018	(7421)	Sale	-0.02	212579	0.49
	16/03/2018	(16703)	Sale	-0.04	195876	0.45
	23/03/2018	(19876)	Sale	-0.05	176000	0.40
	30/03/2018	(2000)	Sale	0.00	174000	0.40
	At the End of the year (or on the date of separation, if separated during the year)				174000	0.40
8	**R K STOCKHOLDING PRIVATE LIMITED***					
	At the beginning of the year		1199	—	1199	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	21/07/2017	(1000)	Sale	0.00	199	0.00
	01/12/2017	50000	Purchase	0.11	50199	0.11
	08/12/2017	2190	Purchase	0.01	52389	0.12
	15/12/2017	47586	Purchase	0.11	138835	0.23
	22/12/2017	38860	Purchase	0.09	138035	0.32
	09/02/2018	(800)	Sale	0.00	138035	0.32
	At the End of the year (or on the date of separation, if separated during the year)				138035	0.32
9	**ARYAVRAT FINANCIAL SERVICES LIMITED***					
	At the beginning of the year		250000	0.57	250000	0.57
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	01/12/2017	(115000)	sale	-0.26	135000	0.31
	At the End of the year (or on the date of separation, if separated during the year)				135000	0.31
10	**JITENDRAKUMAR PRAVINKUMAR SHAH***					
	At the beginning of the year		—	—	—	—
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	01/12/2017	2600	Purchase	0.00	2600	0.00
	12/01/2018	13900	Purchase	0.03	16500	0.04
	19/01/2018	3000	Purchase	0.01	19500	0.04
	25/01/2018	(1200)	(Sale)	0.00	18300	0.04
	02/02/2018	48248	Purchase	0.11	66548	0.15
	09/02/2018	(65648)	(Sale)	-0.15	900	0.00

	23/02/2018	115000	Purchase	0.26	115900	0.27
	16/03/2018	(750)	(sale)	0.00	115150	0.26
	At the End of the year (or on the date of separation, if separated during the year)				115150	0.26
11	**AMIT AGARWAL#**					
	At the beginning of the year		125000	0.29	125000	0.29
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	28/07/2017	(25000)	Sale	-0.06	100000	0.23
	05/01/2018	(50000)	Sale	-0.11	50000	0.11
	16/02/2018	(30000)	Sale	-0.07	20000	0.05
	At the End of the year (or on the date of separation, if separated during the year)				20000	0.05
12	**KOVURU VENKATESHWARULU#**					
	At the beginning of the year		257000	0.59	257000	0.59
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	07/04/2017	1000	Purchase	0.00	258000	0.59
	28/04/2017	(8000)	Sale	-0.02	250000	0.57
	09/06/2017	(3000)	Sale	-0.01	247000	0.57
	16/06/2017	(35966)	Sale	-0.08	211034	0.48
	22/06/2017	(488)	Sale	-0.00	210546	0.48
	23/06/2017	(24791)	Sale	-0.06	185755	0.43
	07/07/2017	(34755)	Sale	-0.08	151000	0.35
	14/07/2017	(32473)	Sale	-0.07	118527	0.27
	21/07/2017	(41527)	Sale	-0.10	77000	0.18
	28/07/2017	(25000)	Sale	-0.06	52000	0.12
	11/08/2017	(9000)	Sale	-0.02	43000	0.10
	25/08/2017	(27365)	Sale	-0.06	15635	0.04
	01/09/2017	(15635)	Sale	-0.04	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00
13	**JASWINDER THANDI#**					
	At the beginning of the year		200000	0.46	200000	0.46
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	02/06/2017	(1300)	Sale	0.00	198700	0.45
	04/08/2017	(98700)	Sale	-0.23	100000	0.23
	01/09/2017	(49368)	Sale	-0.11	50362	0.12
	03/09/2017	(34346)	Sale	-0.08	16016	0.04

	27/10/2017	(1016)	Sale	0.00	15000	0.03
	03/11/2017	(15000)	Sale	-0.03	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00
14	**SANDHYA ASHOKKUMAR DHOOT#**					
	At the beginning of the year		167377	0.38	167377	0.38
	Date wise increase / Decrease in Share holding during the Year, specifying the reason					
	Date	Transactions(sales/ purchase)	Reason			
	28/04/2017	(34975)	Sale	-0.08	132402	0.30
	05/05/2017	(18003)	Sale	-0.04	114399	0.26
	12/05/2017	(7000)	Sale	-0.02	107399	0.25
	02/06/2017	(40925)	Sale	-0.09	66474	0.15
	09/06/2017	(5000)	Sale	-0.01	61474	0.14
	16/06/2017	(35261)	Sale	-0.08	26213	0.06
	22/06/2017	(14500)	Sale	-0.03	11713	0.03
	23/06/2017	(1056)	Sale	0	10657	0.02
	30/06/2017	(10657)	Sale	-0.02	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00
15	**R S CHATWAL#**					
	At the beginning of the year		151000	0.35	151000	0.35
	Date wise increase / Decrease in Share holding during the Year, specifying the reason					
	Date	Transactions(sales/ purchase)	Reason			
	04/08/2017	(5985)	Sale	0.01	145015	0.33
	11/08/2017	(45015)	Sale	-0.1	100000	0.23
	18/08/2017	(44950)	Sale	-0.1	55050	0.13
	01/09/2017	(35050)	Sale	-0.08	20000	0.05
	08/09/2017	(1)	Sale	0.00	19999	0.05
	03/11/2017	(19999)	Sale	-0.05	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00
16	**LALITHA RAJESH RANKA#**					
	At the beginning of the year		140391	0.32	140391	0.32
	Date wise increase / Decrease in Share holding during the Year, specifying the reason					
	Date	Transactions(sales/ purchase)	Reason			
	15/12/2017	(15391)	Sale	-0.04	125000	0.29
	22/12/2017	(75000)	Sale	-0.17	50000	0.11
	29/12/2017	(50000)	Sale	-0.11	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00

17	**G S JULKA#**					
	At the beginning of the year		125000	0.29	125000	0.29
	Date wise increase / Decrease in Share holding during the Year, specifying the reason:					
	Date	Transactions(sales/ purchase)	Reason			
	09/06/2017	(23056)	Sale	-0.05	101944	0.23
	16/06/2017	(23811)	Sale	-0.05	78133	0.19
	21/07/2017	(28133)	Sale	-0.06	50000	0.11
	04/08/2017	(15000)	Sale	-0.03	35000	0.08
	13/10/2017	(2000)	Sale	0.00	33000	0.08
	31/10/2017	(15020)	Sale	-0.03	17980	0.04
	03/11/2017	(17980)	Sale	-0.04	0	0.00
	At the End of the year (or on the date of separation, if separated during the year)				0	0.00

* Not in the list of top 10 shareholders as on 01-04-2017. The same has been included above since the shareholder was one of the top 10 shareholders as on 31-03-2018.

ceased to be in the list of top 10 shareholders as on 31-03-2018. The same is included above since the shareholder was one of the top 10 shareholders as on 01-04- 2017.

(v) Shareholding of Directors and Key Managerial Personnel:

S.No	For Each of the Directors and KMP		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	of total % shares of thecompany	No. of shares	% of total shares of thecompany
	At the beginning of the year	1.TV. Sandeep Kumar Reddy 2.T. Indira Subbarami Reddy 3. V.R. Prasad	6763031 3793508 6804	15.47 8.68 0.01	6763031 3793508 6804	15.47 8.68 0.01
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer /bonus/ sweat equity etc):	There is no Increase/Decrease in the Directors and Key Managerial Personnel shareholding during the year.				
	At the End of the year	1.TV.Sandeep Kumar Reddy 2.T.Indira Subbarami Reddy 3. V.R. Prasad	6763031 3793508 6804	15.47 8.68 0.01	6763031 3793508 6804	15.47 8.68 0.01

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment **(Amount ₹ in Lakhs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13,665.22	2,259.85	—	15,925.07
ii) Interest due but not paid	1242.81	—	—	1,242.81
iii) Interest accrued but not due	275.25	—	—	275.25
Total (i+ii+iii)	**15,183.28**	**2,259.85**		**17,443.13**
Change in Indebtedness during the financial year				
Addition	9.29	—	—	9.29
Reduction	1605.53	—	—	1605.53
Net Change	**(1596.24)**	—	—	**(1596.24)**
Indebtedness at the end of the financial year				
i) Principal Amount	12,152.62	2,259.85	—	14,412.47
ii) Interest due but not paid	1,403.38	—	—	1403.38
iii) Interest accrued but not due	31.04	—	—	31.04
Total (i+ii+iii)	**13,587.04**	**2,259.85**	—	**15,846.89**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount ₹ in Lakhs)

S. No.	Particulars of Remuneration	Name of Managing Director Mrs. T. SARITA REDDY	Total Amount
1	Gross salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.50	38.50
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	4.23	4.23
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2	Stock Option	—	—
3	Sweat Equity	—	—
4	Commission - as % of profit - others, specify...	—	—
5	Others, please specify Provident Fund Contribution	3.24	3.24
	Total (A)	**45.97**	**45.97**
	Ceiling as per the Act	—	**48 Lakhs**

B. Remuneration to other Directors: **(Amount ₹ in Lakhs)**

S.No	Particulars of Remuneration	Name of Directors			Total Amount
		TR Rajagopalan	J N Karamchetti	Raghuraj Suresh Bhaleraoo	
	1.Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.29	0.23	0.20	0.72
Total (1)		0.22	0.23	0.20	0.72
		T Indira Subbarami Reddy	**T V Sandeep Kumar Reddy**		
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0.25	0.20		0.45
Total (2)		0.25	0.20		0.45
Total (B) = (1)+(2)					1.17
Total Managerial Remuneration					**1.17**
Overall Ceiling as per the Act		—	—	—	—

C. Remuneration to key managerial personnel other than MD/MANAGER/ WTD:

(Amount ₹ in Lakhs)

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	3.26	19.73	22.59
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission- as % of profit- others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total (A)	—	**3.26**	**19.73**	**22.59**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type Act	Section of theCompanies	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any(give Details)
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT			NIL		
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

For and on behalf of the Board

(T. SARITA REDDY)
Managing Director
DIN: 00017122

(T.V. SANDEEP KUMAR REDDY)
Vice Chairman
DIN: 00005573

Place: Hyderabad
Date: 13.08.2018

Y. KOTESWARA RAO
Practicing Company Secretary

H.No. 48-345, Ganeshnagar Colony,
Chinthal, HMT Road,
Hyderabad - 500 054.
Phone : 040-40210182 (Office)
Cell : 98491-69831

ANNEXURE –III

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,
M/s. Gayatri Sugars Limited
Hyderabad, Telangana.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Gayatri Sugars Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me/us 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 ended on 31st March, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Gayatri Sugars Limited** for the period ended on 31st March, 2018 according to the provisions of:

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

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

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

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act'**) to the extent applicable to the Company:-

   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, 1992;

   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 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28th October, 2014 (**Not Applicable during the audit period**);

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable during the audit period**);

   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 (**Not Applicable during the audit period**) and;

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable during the audit period**);

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

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

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 etc mentioned above.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws applicable specifically to the Industry to which the Company belongs, as identified by the management, that is to say;

a) Sugar Cess Act, 1982

b) Food Safety and Standards Act, 2006

c) Essential Commodities Act, 1955

d) Boilers Act, 1923

e) Export (Quality Control and Inspection) Act, 1963 **(as intimated by the Company, not applicable to it during the audit period under review)**

f) Agricultural and Processed Food Products Export Act, 1986 **(as intimated by the Company, not applicable to it during the audit period under review)**

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. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance except when board meetings were called by giving less than seven days notice in accordance with the provisions of section 173 of the act 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.

All decisions at the Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be and majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

Y. KOTESWARA RAO
ACS No.:3785
C.P. No.: 7427

Place: Hyderabad
Date: 13.08.2018

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

Y. KOTESWARA RAO
Practicing Company Secretary

H.No. 48-345, Ganeshnagar Colony,
Chinthal, HMT Road,
Hyderabad - 500 054.
Phone : 040-40210182 (Office)
Cell : 98491-69831

'ANNEXURE A'

To,
The Members
M/s. GAYATRI SUGARS LIMITED
Hyderabad, Telangana

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

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

Y. KOTESWARA RAO
ACS No.:3785
C.P. No.: 7427

Place: Hyderabad
Date: 13.08.2018

ANNEXURE - IV

MANAGEMENT DISCUSSION AND ANALYSIS:

INDUSTRY STRUCTURE AND DEVELOPMENTS :

Global Economic Outlook :

The World economic growth strengthened in 2017 to 3.8% and is expected to continue strong growth in Asia and Europe. The Global growth is expected to touch up to 3.9% in 2018 and 2019 supported by strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States. Among emerging market and developing economies, growth prospects are becoming more uneven, amid rising oil prices, higher yields in the United States, escalating trade tensions, and market pressures on the currencies of some economies with weaker fundamentals. Growth projections have been revised down for Argentina, Brazil, and India, while the outlook for some oil exporters has strengthened.

Indian Economy

As per the advance estimates of national income released by the Central Statistics Office in February 2018, real Gross Domestic Product (GDP) at constant prices is estimated to grow at 6.6% for 2017-18. The Indian economy achieved an impressive growth rate of 7.2%, a five-quarter high during the third quarter (Oct-Dec) of FY18 as opposed to 6.5% in the second quarter. India also regained its tag of the fastest growing major economy in the third quarter. Gross Value Added (GVA) at basic constant prices for 2017-18 is expected to be around 6.4% as against 7.1% in 2016-17.

The Industrial growth also recovered with the Index of Industrial production (IIP) registering an impressive growth rate of 7.5% in January 2018 as compared to 2.4% in January 2017. The cumulative growth for the period April-Jan 2017-18 stood at 3.7% in contrast to 5.1% growth registered during April-Jan 2016-17.

Indian exports exhibited cumulative value for the period April-Feb 2017-18 at US$ 273 billion expanded by around 11% over the same period during 2016-17.

Indian Economy out look

The year 2017 was marked by a number of key structural changes for sustainable growth in the future. The growth in the first half of the year suffered despite global tailwinds. However, the weakness witnessed at the beginning of 2017 seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales and exports having shown some uptick. It is expected that the India's economic outlook remains promising for FY17-18 and is expected to strengthen further in FY18-19. The biggest challenges for 2018 are as to how the economy can maintain its recovery in the face of increasing inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden. The key to this conundrum lies in the revival of consumer demand and private investment.

The Government of India introduced Goods and Services Tax (GST) on July 1, 2017 all over India and all states approved their State GST by replacing existing indirect taxes like Excise duty, Service Tax, VAT, Luxury Tax, Entertainment Tax etc. GST had been introduced to reduce the tax burden on both companies and consumers. GST integrated most of the taxes into one

single tax, where the consumers are benefited. This method provides Input Tax credit paid on the purchase of goods and services, which can be offset with the tax to be paid on the supply of goods and services. As a result, this reduces the overall cost, with the end customer paying less. Impact of GST on Indian Economy is varied such as **Increase in competitiveness, Simple Tax Structure, Economic Union of India, Uniform Tax Regime, Greater Tax Revenues etc.**

Global Sugar scenario

Sugar is one of the world's major agro-based industries and is also one of the most actively traded soft commodities on the exchanges. Brazil, India, the EU, China and Thailand rank amongst the top global producers of sugar. Around 80% of the sugar is produced from sugarcane while the balance is from sugar beet. Brazil and India are the largest sugar producers from sugarcane and EU and U.S are the major sugar producers from beet. India, the EU, China, Brazil and U.S are the major sugar consuming countries.

Global trends in sugar

The global sugar production for the sugar year 2017-18 is up by 11.075 million metric tonnes (raw value) to 179.448 million following highest production in Brazil, India, European Union, China and Thailand. It is estimated that the surplus of sugar for the year 2017-18, is bigger than the deficit for the years 2015-16 and 2016-17 put together. Due to the global surplus of Sugar Stock, the global prices have fallen down from US$ 465.10 to US$ 354.10 per tonne decline by 23.9%.

Domestic Scenario

Sugar Production and Consumption:

The domestic sugar production increased by 58.54% to 321.83 Lakh MT during Sugar Year 2018 from 203.00 Lakh MT in Sugar Year 2017, mainly driven by an expected recovery in sugar production from the key sugar producing states of Maharashtra, Uttar Pradesh and Karnataka. The Sugar mills in Maharashtra have produced 106.50 Lakh MT, mills in UP produced 112 Lakh MT and in Karnataka, mills produced 36.30 Lakh MT and other states produced 45.65 Lakh MT.

The domestic sugar consumption increased to around 255.00 Lakh MT for sugar year 2018 from 245.00 Lakh MT in sugar season 2017. An opening stock of 40 Lakh tonnes coupled with Sugar Production of 321.83 Lakh MT, it is likely to result in an overall sugar availability of 362.00 lakh MT. This is expected to meet the domestic consumption of around 255 Lakh MT till October 2018 resulting in closing stocks of around 117.00 lakh MT as on October, 2018.

The domestic Sugar prices have fell down from the beginning of the Sugar season from Rs36.00 per Kg to Rs 28.00 till March 2018 and further fallen down to Rs 26.50 per Kg; that is fall of 23%. During April and May, the prices further fell to Rs 26.50 per Kg.

Price for Sugar Cane:

The cane Fair and Remunerative Price (FRP) for the current sugar season 2018-19 have been increased. The Central Government has fixed (FRP) at Rs255/quintal against Rs.230/quintal of SY 2017-18, with a premium of 2.68% for every 0.1% increase in above 9.5% level of Recovery.

Indian Biofuel sector overview:

Sugar Mills produce ethanol from molasses which is a by-product of Sugar manufacture. The Government of India is keen on encouraging environmental friendly vehicles and imposed compulsory blending of Ethanol. Ethanol supply to Oil Marketing Companies for blending is expected to rise to 71% in the season 2017-18.

Policies by the Central Government, 2017-18

- In July 2017, the import duty on sugar was hiked from 40% to 50%.
- In August 2017, the Central Government imposed a stock holding limit on Sugar that did not allow any sugar manufacturer to hold stocks in > 21% and reduced the same to > 8% for the month of September and October respectively.
- In December 2017, this stock holding limit was withdrawn to ensure adequate availability of sugar across the country, thereby increasing demand and propping up sugar prices.
- In February 2018, the import duty on Sugar was increased to 100% and imposed limit on sugar and imposed to hold stock of 83% for February 2018 and 86% for March 2018.
- In March 2018, the Central Government allowed the export of 20 lakh tonnes of Sugar by September 2018, under the minimum indicative export quota.
- In March 2018, the Central Government allowed the export of Sugar till September, 2018 under the duty free import authorisation scheme.
- In March 2018, the Central Government scrapped the 20% export duty on raw, white or refined sugar to encourage exports.
- In June 2018, Central Government announced Minimum selling price (MSP) of Rs 29/- per Kg on Sugar. Sugar Mills cannot sell below MSP.
- The Central government announced compulsory blending of Ethanol upto 10% as per BIS specification by OMC's

OPPORTUNITIES AND THREATS:

Opportunities:

The long term outlook for sugar remains positive and promising on account of:

- The above mentioned Government policies will enable the sugar industry to get out of financial crisis to get more Revenue year on Year.
- Mandatory blending of Ethanol with petrol will boost the revenue of sugar mills and profitability.
- Growing energy consumption in India allowing the sugar industry to play a vital role.
- Environmental friendly power generated by Cogeneration Units equipped with high-pressure boilers and turbines that intelligently use the fuel to get optimum energy output.
- Expected flow of funds from Trading of Renewable Energy Certificate (REC).
- More emphasize on Bio-composting process and consequent efforts to convert organic and inorganic matter into bio-manure to ensure zero discharge from the distillery combining with press mud.
- Growing demand for bio manure, which works as the perfect soil conditioner. Bio manure made from distillery and organic matter does not allow leaching of chemicals and hence can offer a solution to the problem of depletion of soil productivity.

Threats:

Sugar industry is at present confronted by the following threats:

- Dearth in availability of farm labour for harvesting, transportation, loading and unloading of sugar cane and sugar.
- Cyclical nature of industry and local climatic conditions over the crop affecting both the quantity and quality of cane available.

- Short crushing season.
- Shrinkage of sugarcane area under cultivation due to growing urbanisation and availability of many alternate cash crops.

SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE

Sugar:

During the year under review, the crushing operations for the crushing season 2017-18 were started at Kamareddy Unit on November 15, 2017 and closed the operations on March 18, 2018. The operations at Nizamsagar Unit started on November 13, 2017 and closed on March 27, 2018.

During the Crushing Season 2017-18, at both the units, 7.00 Lakh Tonnes of Sugar Cane was crushed and 7.99 Lakh Quintals of sugar produced with an average recovery of 11.41% comparing to the previous season figures of 2.09 Lakh Tonnes of Sugar Cane and Sugar of 2.33 Lakhs Quintals with an average recovery of 11.12% respectively. In detail, at Kamareddy Unit, 3.60 Lakh Tonnes of Sugar Cane was crushed (Previous Season 1.59 Lakh Tonnes) and produced sugar of 4.16 Lakhs Quintals (Previous Season 1.80 Lakh Quintals) with an Average Recovery of 11.56% (Previous Season 11.31%) and at Nizamsagar Unit 3.40 Lakh Tonnes (Previous Season 0.49 Lakh Tonnes) of Sugar Cane and produced sugar of 3.83 Lakhs Quintals (Previous Season 0.52 Lakh Quintals) with an Average Recovery of 11.26% (Previous Season 10.52%).

Distillery:

During the Financial Year, the Distillery unit produced Rectified Spirit (RS) - 2.30 Lakh Liters and Impure Spirit (IS) - 2.16 Lakh Liters and Ethanol - 63.63, totalling to 68.09 lakh Liters (compared to the previous year of Rectified Spirit (RS) - 15.98 Lakh Liters and Impure Spirit (IS) 1.96 Lakhs and Ethanol - 42.80, totalling to 60.74 lakh Liters).

Power:

The Export of Power during the crushing season 2017-18 was to the extent of 249.25 Lakh kwh (Kamareddy Unit 52.25 Lakh kwh & Nizamsagar Unit 196.99 lakh kwh) as compared to the previous year season of 48.44 Lakh kwh (Kamareddy Unit 22.76 Lakh kwh & Nizamsagar Unit 25.68 lakh kwh).

Manufacturing:

The Company is continuously implementing better manufacturing methods to increase operational efficiencies and to eliminate process losses.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has well-established processes and clearly-defined roles and responsibilities for people at various levels. The control mechanism also involves well documented policies, authorisation guidelines commensurate with the level of responsibility and standard operating procedures specific to the respective businesses. Adherence to these processes is ensured through frequent internal audits and adequate and effective internal audit system that employs periodic checks on on-going process. The internal audits conducted are reviewed by the Audit Committee and requisite guidelines and procedures augment the internal controls. The internal control system is designed to ensure that financial and other records are reliable for preparing financial statements and other information which ensures that all transactions are properly reported and classified in the financial records.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

The Financial Statements of the Company for the year 2017-18 has been prepared in accordance with the Accounting Principles Generally Accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2015 (as amended). Accordingly, the figures for the Financial Year 2016-17 and 2015-16 have been restated in accordance with the applicable Accounting Standards.

During the Financial Year 2017-18, the Overall performance of the Company is as under:

Production:

Details	Financial Year 2017-18	Financial Year 2016-17
Total Cane Crushed	**7,00,399 Tones**	2,09,482 Tonnes
Sugar Production	**7,99,523 Quintals**	2,33,028 Quintals
Recovery	**11.41 %**	11.12 %
Molasses production (Tonnes)	**32,127 Tones**	7,021 Tonnes
Power Exported (lakh units)	**249.25 lakh Bulk Units**	48.44 lakh Bulk Units
Distillery Unit: Ethanol/Rectified Spirit (RS) & Impure Spirit (IS) Production	 **63.63 lakh Liters** **4.46 lakh Liters**	 42.80 lakh Liters 17.93 lakh Liters

Financial Review:

Capital:

There was no increase in the capital structure of the Company. However, the Preference Share Capital has been reclassified as Borrowings (Financial Liability) under the Head "Non – Current Liabilities" as per the Indian Accounting Standards applicable to the Company from the current Financial Year.

Net Worth:

The net worth of the Company eroded due to losses incurred by the Company during the previous years.

Long Term Debt:

The Borrowings including current maturities of the Company decreased from Rs. 14,175.60 lakhs to Rs. 12,328.70 lakhs with a net effect of Rs. 1,846.90 lakhs. The Company has repaid the Term Loan to an extent of Rs. 1,856.19 lakhs.

Working Capital:

There were no additional working capital borrowings other than sanctioned limits during the year.

Gross Block of Assets:

The gross block of the Company was increased from Rs. 26,281.00 lakhs to Rs. 26,531.95 lakhs because of capital expenditure incurred on ethanol plant. During the year, the Company provided depreciation and amortization of Rs. 1,007.51 lakhs as per the provisions of Schedule II of the Companies Act, 2013.

Inventories:

The value of inventories stood at Rs. 9,270.82 lakhs as at 31st March, 2018 against Rs. 4,055.68 lakhs as at 31st March, 2017.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

In a challenging and competitive environment, the Company believes that people are the key to success and continues to focus on people capabilities by leveraging technology and creating a learning environment. The Human Resources function proactively develops innovative and business focused methods to attract, develop, motivate and retain talent. Human resources strategy is closely aligned to key business and stems from the organisation purpose which is – "To build Credible, Reliable & Capable Human Capital to deliver superior Individual and Business performance". This vision is delivered by a high level of policy deployment initiatives and contemporary HR practices focusing key imperatives such as Capability Development, Talent Management, Employee Engagement, Productivity & Cost and HR excellence.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CAUTIONARY STATEMENT:

The management discussion and analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement. Your Company's operation may inter-alia be affected by the supply and demand situations, input price and the availability, changes in the government regulations, tax laws and other factors. The Company cannot guarantee the accuracy of the assumptions and perceived performance of the Company in future.

ANNEXURE - V

REPORT ON REMUNERATION TO DIRECTORS AND EMPLOYEES IN TERMS OF RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION RULES) 2014

a) Managerial Remuneration:

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year, 2018.

Sl.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1.	Ms. T. Sarita Reddy	21.93:1

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sl.	Name of the KMP	Percentage increase in remuneration
1.	Mrs. T. Sarita Reddy	14.07%
2.	Mr. V.R. Prasad, CFO	15.35%
3.	Ms. Munmun Baid *	3.78%
4.	Mr. Chetan Kumar Sharma #	—

* Part of the Year # Not applicable

(iii) The percentage increase in the median remuneration of employees in the financial year : 8.36%

(iv) The number of permanent employees on the rolls of company: 636 Employees

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

- Average percentile increase in the salaries of the employees other than the managerial personnel in the last financial year is 9.49% and there has been increase in the managerial remuneration during the last financial year.

(vi) The key parameters for any variable component of remuneration availed by the directors; Nil

(vii) Affirmation that the remuneration is as per the remuneration policy of the company.- Yes

b) There are no Employees drawing remuneration more than Rs. 1,02,00,000 per annum if employed throughout the financial year and Rs. 8,50,000 per month, if employed for the part of the financial year during the year.

ANNEXURE - VI

CORPORATE GOVERNANCE REPORT

(As required by Regulation 34 read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

A. MANDATORY REQUIREMENTS

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is a firm believer in core values of Corporate Governance Code. The Company fully understands the rights of its shareholders to have information on the performance of the company and considers itself a trustee of its shareholders. The Company is committed to good corporate governance, adherence to Statutory and regulatory prescriptions, care for environment and social responsibility. Before making any business decision, we take into account stakeholders' interest.

Company has adopted Code of Conduct which articulates the values, ethics and business principles and serves as a guide to the Company, its directors and employees supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

B. Board of Directors

The composition of the Board is well balanced with expertise drawn from Industry, Management, Financial and Agriculture. The Company has Non executive Chairperson.

i) Composition and category of directors as on 31st March 2018

Category	No. of Directors
Executive Directors	1
Non Executive Non Independent Directors	2
Non Executive Independent Directors	3

ii) Attendance of each director at the Board meetings held during the year and at the last Annual General meeting and the Number of other Boards / Board committees in which the Directors are either Member or Chairperson.

Key information pertaining to Directors as on 31st March, 2018

	Mrs. T. Indira Subbarami Reddy	**Mrs. T. Sarita Reddy**	**Mr. T. V. Sandeep Kumar Reddy**	**Mr. T.R. Rajagopalan**	**Mr. J.N. Karamchetti**	**Mr. Raghuraj Suresh Bhalerao**
Category	**Chairperson Promoter Director**	**Managing Director**	**Non-Executive Director**	**Independent Non-Executive Director**	**Independent Non-Executive Director**	**Independent Non-Executive Director**
Date of appointment	21/07/2005	21/07/2005	15/06/1995	01/06/2001	30/09/2014	11/11/2016
No. of other Directorships	18	17	16	3	4	—
Chairmanship in Committees of Board of other Companies*	—	1	1	1	2	—
Membership in Committees of Board of other Companies*	1	2	3	1	4	—
No. of Board Meetings held / attended	5/5	5/5	4/5	5/5	4/5	4/5
Attendance at the last AGM held on September 29, 2017	No	Yes	No	Yes	No	No
No. of Shares Held as on 31/03/2018	37,93,508	—	67,63,031	—	—	— —
Inter-se relationship	Mother of T. V. Sandeep Kumar Reddy and Mother in law of T. Sarita Reddy	Spouse of T.V. Sandeep Kumar Reddy and Daughter in law of T. Indira Subbarami Reddy	Son of T. Indira Subbarami Reddy and spouse of T. Sarita Reddy	—	—	— —

* includes only membership and chairmanship in Audit and Stakeholder Relationship Committee

Details of the familiarization programmes imparted to Independent Directors are disclosed in the company's website: http://www.gayatrisugars.com/CorpPolicies.html

BOARD MEETINGS:

Our Secretarial Department in consultation with the Key Managerial Personnels, Managing Director and with Board decided the dates on Board Meetings, the schedule of Board Meetings and Board Committee Meetings are communicated in advance to all the Directors to enable them to schedule their meetings.

Our Board met 5 times in the Financial Year 2017–18 on 29.05.2017, 14.08.2017, 10.11.2017, 27.12.2017 and 02.02.2018.

Details in pursuance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	**Mrs. T. Indira Subbarami Reddy**	**Mrs. T. Sarita Reddy**
Director Identification No	00009906	00017122
Date of Birth	13.03.1951	14.04.1971
Date of first appointment on the Board	21.07.2005	21.07.2005 (Appointed as Managing Director w.e.f. 01.05.2016)
Terms and Conditions of Reappointment :	As per section 152(6), liable to retire by rotation.	Proposed to be reappointed as Managing Director as per resolution at item No. 3 of Notice read with explanatory statement
Occupation	Industrialist	Industrialist
Relationship between directors inter-se	Mother of Mr. T. V. Sandep Kumar Reddy and Mother in law of Mrs. T. Sarita Reddy.	Spouse of Mr. T.V. Sandeep Kumar Reddy and Daughter-in-law of Mrs. T. Indira Suubarami Reddy
Nature of expertise in specific functional area	25 years of experience in the Construction Industry.	18 Years experience in the Management, Execution of Projects and running of the Companies.
Directorship in Listed Entities as on March 31, 2018	Gayatri Projects Limited Gayatri Tissue and Papers Limited	Gayatri Bioorganics Limited
Membership of Committees of other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on March 31, 2018	1	2
Shareholding in the Company	3793508 equity shares of Rs. 10/- each	0

The Company Secretary prepares the Agenda and Explanatory notes, in consultation with the Chairperson and Managing Director for each meeting and circulates the same in advance to the Directors. A tentative annual calendar for the meetings of the Board and Audit Committee to be held in each quarter has been circulated to facilitate and assist the Directors to plan their schedules for the meetings for meaningful, informed and focused decisions. Every Director is free to suggest the inclusion of items on the agenda. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. The Board is given presentation covering industry environment, project implementation, project financing and operations of the Company. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairperson. Senior executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary.

The Company has an effective post meetings follow up, review and reporting process mechanism for the decisions taken by the Board/Committees. Action taken report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the members.

The Company Secretary while preparing the agenda notes, minutes etc., of the meeting is responsible for and is required to ensure adherence to all applicable laws, rules, regulations including the Companies Act, 2013 read with rules made there under.

III. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the Regulations 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

i) Powers of Audit Committee:

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain an outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii) Role of Audit Committee:

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
   b. Changes, if any, in accounting policies and practices and reasons for the same.
   c. Major accounting entries involving estimates based on the exercise of judgment by Management.
   d. Significant adjustments made in the financial statements arising out of audit findings.
   e. Compliance with listing and other legal requirements relating to financial statements.
   f. Disclosure of any related party transactions.
   g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

iv) The previous Annual General Meeting of the Company was held on 29.06.2017 and Chairman of the Audit Committee, attended previous AGM.

v) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

Four Audit Committee Meetings were held during the year. The dates on which the said meetings were held are as follows: 29.05.2017, 14.08.2017, 10.11.2017 and 02.02.2018. The maximum gap between any two meetings is not more than 4 months.

Audit Committee Meetings and Attendance:

Name	Designation	Category	No. of Audit Committee meetings	
			Held	Attended
Mr. T R Rajagopalan	Chairman	NED (I)	4	4
Mrs. T. Sarita Reddy	Member	ED	4	4
Mr. J.N. Karamchetti	Member	NED(I)	4	3

NED (I) : Non Executive Independent Director
ED : Executive Director

The necessary quorum was present at all the meetings.

IV. NOMINATION AND REMUNERATION COMMITTEE

The broad terms of reference of the Nomination and Remuneration Committee are as under:

a) To ensure that the level and composition of remuneration is reasonably and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, and involves a balance between fixed and incentive pay.

b) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees

c) To identify persons who may be appointed in senior management in accordance with the criteria laid down.

d) To carry out evaluation of every director's performance and recommend to the board his/her appointment and removal based on the performance.

The composition of the Nomination and Remuneration Committee is given below:

Nomination and Remuneration Committee Meetings and Attendance:

Name	Designation	Category	No. of Nomination and Remuneration Committee Meetings	
			Held	Attended
Mr. T.R. Rajagopalan	Chairman	NED (I)	1	1
Mr. J.N. Karamchetti	Member	NED (I)	1	1
Mrs. T. Indira Subbarami Reddy	Member	NED	1	1

NED (I) : Non Executive Independent Director

During the financial year 2017-2018, one (1) meeting of the Nomination and Remuneration Committee was held on 02.02.2018.

The Remuneration Policy of the Company is annexed as Annexure-I.

Remuneration and sitting fees paid to directors during the Financial year 2017-18.

Name of the Director	Category	Remuneration payable /paid	
		Salary & Perks (₹ in Lakhs)	Sitting fees (₹ in Lakhs)
Mrs. T. Indira Subbarami Reddy	Non Executive Chairperson	—	0.25
Mr. T.V. Sandeep Kumar Reddy	Non Executive Vice Chairman	—	0.20
Ms. T. Sarita Reddy	Managing Director	45.97	—
Mr. T.R. Rajagopalan	Non Executive/ Independent	—	0.29
Mr. J.N. Karamchetti	Non Executive/ Independent	—	0.23
Mr. Raghuraj Suresh Bhalerao	Non Executive/ Independent		0.20

Performance Evaluation Criteria for Independent Directors

The Board has carried out the annual performance evaluation of Independent Directors individually. A structured questionnaire was prepared after taking into consideration various aspects such as adequacy of the composition of the Independent Directors, effectiveness in developing corporate governance structure to fulfil its responsibilities, execution and performance of specific duties etc. The Board decided that the performance of independent directors is excellent.

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) A Stakeholders Relationship Committee of Directors reviews the following:

- Transfer/transmission of shares / debentures
- Issue of duplicate share certificates.
- Review of shares dematerialized and all other relevant matters.
- Monitors expeditious redressal of investor's grievances.
- Non receipt of Annual Reports and declared dividend.
- All other matters related to shares/debentures.

The Constitution of Stakeholders Relationship Committee is as follows:

Name	Designation	Category	No. of Stakeholders Relationship Committee Meetings	
			Held	Attended
Mr. J.N. Karamchetti	Chairman	NED (I)	1	1
Mr. T.V. Sandeep Kumar	Member	NED	1	0
Mrs. T. Sarita Reddy	Member	ED	1	1

NED (I) : Non Executive Independent Director **NED :** Non Executive Director

ED : Executive Director

The Stakeholders Relationship Committee meeting was held during the Financial year 2017-18 on 02.02.2018.

b) Name and Address of Compliance Officer

CS CHETAN KUMAR SHARMA
Company Secretary & Compliance Officer
B2, 2nd Floor, TSR Towers,
Raj Bhavan Road, Somajiguda,
Hyderabad - 500 082.
Tel: +91 40 2341 4823 Fax: +91 40 2341 4827
E Mail: cs.gsl@gayatri.co.in.

c) Details of complaints/requests received and redressed:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

VI. The Constitution of Corporate Social Responsibility Committee is as follows :

Name	Designation	Category
Mr. J.N. Karamchetti	Chairman	NED (I)
Mr. T.V. Sandeep Kumar Reddy	Member	NED
Mrs. T. Sarita Reddy	Member	ED

NED (I) : Non Executive Independent Director **NED :** Non Executive Director
ED : Executive Director

VII. MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 02.02.2018 to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

The Company had also further during the year, conducted Familiarization programme for Independent Directors of the Company and the details of such familiarization programmes are disseminated on the website of the Company (http://www.gayatrisugars.com/Investors/Corporate Governance/Policies/Familiarization Programme).

VIII. General Body Meetings

a) (i) Annual General Meeting

Location, date and time of last three Annual General Meetings (AGMs) and Special Resolutions passed there at:

Year	Venue	Day and Date	Time	Special Resolution passed
2016-17	FTAPCCI Auditorium The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad - 500 004.	Thursday the 29th day of June, 2017	10:30 A.M.	1. Considering the appointment of Mr. Raghuraj Suresh Bahlerao as Independent Director.
2015-16	FTAPCCI Auditorium The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad - 500 004.	Monday the 26th day of September, 2016	3:00 P.M.	1. Considering the appointment of Ms. T. Sarita Reddy as the Managing Director.
2014-15	Surana Udyog Hal, FTAPCCI, Federation House, D.No 11-6-841, Red Hills, Hyderabad-500004.	Saturday the 26th day of September, 2015	11:30 A.M	1. Reference to the Board for Industrial and Financial Reconstruction (BIFR) on the erosion of Net Worth of the Company. 2. Adoption of new set of Articles of Company interalia pursuant to the Companies Act, 2013.

All the Special Resolutions placed before the shareholders at the above meetings were approved.

(ii) Special Resolutions passed through postal ballot during the financial year 2017-18:

NIL

b. Disclosures:

i) Disclosures on materially significant related party transactions

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management, their subsidiaries or relatives which may have potential conflict with the interests of the Company. The necessary disclosures regarding the transactions with Related Parties are given in the Notes to the Accounts.

Registers under Section 188 / 189 of the Companies Act, 2013 are maintained and particulars of transactions are entered in the Register, wherever applicable.

ii) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The company has complied with all the requirements of the listing agreement and SEBI (LODR) Regulations, 2015 with the stock exchanges as well as regulations and guidelines of SEBI. No penalties or strictures imposed by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to the capital markets during the last three years.

iii) Disclosure relating to Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

Company has established a Vigil Mechanism System/Whistle blower policy for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Further, as per the provisions of the Companies Act, 2013 the Audit Committee of the company oversees the Vigil Mechanism System/ Whistle blower policy in the company and no personnel has been denied access to the Audit Committee.

iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

The Company has complied with all the mandatory requirements of corporate governance and are being reviewed from time to time.

v) Web link for policy on dealing with related party transactions.

http://www.gayatrisugars.com/CorpPolicies.html

vi) Risk Management

Risk Risk Management Committee has formed to identify risks and then manage threats that could severely impact or bring down the organization and identifying potential threats to the organization and the likelihood of their occurrence, and then taking appropriate actions to address the most likely threats.

The company has constituted a Risk Management Committee with the following directors:

1. T. Sarita Reddy, Managing Director - Chairperson
2. T. V. Sandeep Kumar Reddy, Director - Member
3. J.N. Karamchetti, Independent Director - Member
4. V.R. Prasad, Chief Financial Officer - Member

Term of Reference:

- To consider the Company's risk management strategies.
- To consider, review and approve risk management policies and guidelines.
- To decide on risk levels, risk appetite and related resource allocation.
- To approve major decisions affecting the Company's risk profile or exposure and give such directions as it considers appropriate.
- To approve major risk management activities such as hedging transactions.
- To review the Company's approach to risk management and approve changes or improvements to key elements of its processes and procedures.
- Provide any information/reports as and when required by the Board.
- And any other matters as per the risk policy of the Company.

vii) Means of Communication

The quarterly, half yearly un-audited financial results and the annual audited financial results are published in leading News Papers namely, Financial Express and Andhra Prabha. The results are also displayed on the Company's website www.gayatrisugars.com and Official news releases, presentations made to media, if any, are also displayed on the Company's website.

Management Discussion and Analysis a detailed report is forming part of this Annual Report.

viii) Compliance of Insider Trading Norms

The Company has adopted the code of internal procedures and conduct for Listed Companies notified by the Securities Exchange Board of India prohibiting insider trading.

ix) General Shareholders' Information

a) Date, Time and Venue of Annual General Meeting:

Financial Year	**2017-2018**
Day, Date and Time	Wednesday, September 19, 2018
Venue	FTAPCCI Surana Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad-500 004.

b) Financial Calendar (tentative): Financial Year 1st April, 2018 to 31st March, 2019

Quarter Ending	**Release of Results**
June 30, 2018	Second week of August, 2018
September 30, 2018	Second week of November, 2018
December 31, 2018	Second week February, 2019
March 31, 2019	Third/Fourth Week of May, 2019*

*instead of publishing quarterly results, the Company has to publish Audited Annual Accounts within 60 days from the end of the financial year as per Stock Exchange Guidelines.

c) Date of Book closure : from September 12, 2018 to September 19, 2018 (both days inclusive).

d) Dividend Payment date : Not Applicable.

e) Listing on Stock Exchanges : The Bombay Stock Exchange Ltd.
PJ Towers, Dalal Street, Fort, Mumbai 400001.

f) Scrip code : 532183

g) Scrip Id : GAYATRI

h) Depository for Equity Shares : NSDL and CDSL

i) Demat ISIN Number : INE622E01023

j) Market Price data : High/ Low during each month in the Financial year 2017-18

Month	BSE SHARE PRICE		BSE SENSEX	
	High	Low	High	Low
Apr-17	12.90	8.77	30,184.22	29,241.48
May-17	11.70	8.99	31,255.28	29,804.12
Jun-17	09.95	6.91	31,522.87	30,680.66
Jul-17	10.49	7.79	32,672.66	31,017.11
Aug-17	10.85	8.21	32,686.48	31,128.02
Sep-17	09.40	7.63	32,524.11	31,081.83
Oct-17	11.45	7.61	33,340.17	31,440.48
Nov-17	12.00	8.35	33,865.95	32,683.59
Dec-17	10.60	9.24	34,137.97	32,565.16
Jan-18	12.80	9.83	36,443.98	33,703.37
Feb-18	12.50	9.59	36,256.83	33,482.81
Mar-18	10.88	9.20	34,278.63	32,483.84

k) Share transfer system

Transfers of shares held on dematerialized form are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with the Registrars at the above mentioned addresses. Transfers of shares in physical form are normally processed within 15 days from the date of receipt, if the documents are complete in all respects. The Directors, the Chief Finance Officer and the Company Secretary are severally empowered to approve transfers.

l) Categories of shareholders as on 31st March, 2018

Shareholders	As on 31.03.2018		As on 31.03.2017	
	No. of Shares	%	No. of Shares	%
Promoters	25040888	57.30	25040888	57.30
Financial Institutions and Banks	—	—	—	—
Private corporate bodies	9673387	22.13	8512430	19.48
Indian Public	8919930	20.41	10085781	23.07
NRI/OCB	69438	0.16	64544	0.15
Total	**43703643**	**100**	**43703643**	**100**

m) Distribution of Shareholding as on 31st March, 2018

Nominal Value	Holders		Amount	
	No.	% to Total	In ₹	% to Toal
Upto - 5000	11,055	82.38	17997980	4.12
5001 - 10000	1,181	8.8	9114800	2.09
10001 - 20000	606	4.52	9276640	2.12
20001 - 30000	168	1.25	4284210	0.98
30001 - 40000	117	0.87	4253200	0.97
40001 - 50000	62	0.46	2821040	0.65
50001 - 100000	124	0.92	9417260	2.15
100001 and above	106	0.79	379871300	86.92
TOTAL	**13,419**	**100**	**43,70,36,430**	**100.00**

n) Dematerialization of shares and liquidity

Shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialized form.

Status of Dematerialization of shares as on March 31, 2018.

Held in NSDL: 2,49,67,266 shares

Held in CDSL: 1,87,08,387 shares

o) ADR's / GDR's

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the Equity share capital of the Company.

p) Registrar and Transfer Agents : (RTA)

Physical and Demat Share Transfer Agents and Registrars
Venture Capital and Corporate Investments Private Limited
Unit: Gayatri Sugars Limited
House No. 12-10-167, Bharat Nagar, Hyderabad - 500018
Ph: 23818475, 23818476
E-mail : info.vccipl.com

q) Plant Loactions:

Kamareddy Unit

Adloor Yellareddy Village,
Sadasivanagar Mandal,
Nizamabad District, Telangana.
Phone No: (08468) 203331

Nizamsagar Unit

Maagi Village, Nizamsagar Mandal,
Nizamabad District, Telangana.
Phone No: (08465) 275577
Fax No: (08465) 275800

r) Address for correspondence and contact persons for investor queries

Registered Office:
Gayatri Sugars Limited
B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhvan Road,
Somajiguda, Hyderabad – 500 082.

Contact Person:
Sri.VR Prasad, Chief Financial Officer /
Mr. Chetan Kumar Sharma, Compliance Officer
Phone: 040-23414823, Fax: 040-23414827
Email : cs.gsl@gayatri.co.in / compliance.gayatrisugars@gayatri.co.in

s) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web based complaints redressal system. The salient features of this system are centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Your Company has been registered on SCORES and makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

B. COMPLIANCE REPORT ON DISCRETIONARY REQUIREMENTS

1. The Board - Chairperson's Office:

The Chairperson of Gayatri Sugars is a Non-Executive Promoter Director and is not maintaining any office and has not incurred any expenses during the year.

2. Shareholders Rights:

We display our quarterly and half yearly results on our web site, www.gayatrisugars.com and also publish our results in widely circulated newspapers. We did not send half yearly results to each household of the shareholders in the financial year 2017-18.

3. Audit Qualifications:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and the qualifications have been addressed is Board's Report.

4. Reporting of Internal Auditor:

The Internal Auditor of the company directly reports to the Audit Committee.

5. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a Reconciliation of Share Capital Audit is carried out by an Independent Practicing Company Secretary on quarterly basis to confirm reconciliation of the issued and listed capital, shares held in dematerialised and physical mode and the status of the register of members.

CEO AND CFO CERTIFICATION

To
The Board of Directors
GAYATRI SUGARS LIMITED

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of GAYATRI SUGARS LIMITED ("the Company"), to the best of our knowledge and belief certify that:

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

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.

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

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

e) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.

(T.SARITA REDDY)
Managing Director
DIN : 00017122

(V.R. PRASAD)
Chief Financial Officer

Place: Hyderabad
Date : 13.08.2018

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

To
The Members of Gayatri Sugars Limited

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management and the same has been placed on the Company's website. All Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct in respect of the financial year ended 31st March, 2018.

For Gayatri Sugars Limited

(T. SARITA REDDY)
Managing Director
DIN : 00017122

Place: Hyderabad
Date : 13.08.2018

Y. KOTESWARA RAO
Practicing Company Secretary

H.No. 48-345, Ganeshnagar Colony,
Chinthal, HMT Road,
Hyderabad - 500 054.
Phone : 040-40210182 (Office)
Cell : 98491-69831

CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To
The Members of
Gayatri Sugars Limited
Hyderabad, Telangana.

I have examined the compliance of conditions of corporate governance by M/s. Gayatri Sugars Ltd (CIN: L15421TG1995PLC020720) ('the Company'), for the year ended 31st March 2018, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

The compliance of conditions of corporate governance is the responsibility of the management. My examinations has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

I state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Y. KOTESWARA RAO
ACS No. : 3785
C.P. No. : 7427

Place: Hyderabad
Date: 13.08.2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Gayatri Sugars Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Gayatri 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 Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015,(as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 standalone Ind AS financial statements.

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

Basis for Qualified Opinion

We invite attention of the members to the matters detailed in Note 28.15 to the accompanying standalone Ind AS financial statements, regarding the High Court dismissing the writ filed by the Company challenging the levy of electricity duty by the State Government on consumption of electricity by captive generating units, the sub sequential dismissal of special leave petition by the Honorable Supreme Court and the pending matter before the Board for Industrial and Financial Reconstruction (BIFR) being abated. As stated in the said note, the Company has treated the estimated duty amount aggregating ₹ 283.99 Lakhs as a contingent liability and no provision has been made in respect of the same.

In view of the above, we are unable to comment on the ultimate outcome of the matter and the consequential impact, if any on these financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the effects of the matter described in the Basis of Qualified Opinion paragraph, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

(Note No's referred hereunder are with reference to respective notes forming part of standalone Ind AS financial statements)

We draw member's attention to the following matter as stated in Note 28.16, regarding the preparation of financial statements on a going concern basis.

Our Opinion is not qualified in respect of the above matter.

Other Matters

The financial statements of the Company as at and for the year ended 31st March, 2017 and 31st March, 2016 have been audited by the Company's previous auditor, who vide their report dated 29th May, 2017 for the year ended 31st March, 2017 expressed a qualified opinion in respect of levy of electricity duty by the state government on sale and consumption of electricity by captive generation units and treatment of the same as a contingent liability. The figures for the year ended 31st March, 2017, and the opening Balances as on 1st April, 2016 included in this financial statements under report, were drawn up and restated in accordance with Ind AS based on previously audited financial statements as at and for the year ended 31st March, 2017 and 31st March, 2016 respectively and have been regrouped and/or reclassified wherever necessary.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and, except for the matter described in the Basis of Qualified Opinion paragraph above, obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) Except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above, 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 Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act and Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) The Going Concern matter described under Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

(f) 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;

(g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".** Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(i) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. As stated in Note No. 28.2 of the Standalone Ind AS financial statements, the Company has disclosed the impact of pending litigations on its standalone Ind AS financial statements.

ii. As per the information and explanations given by the Company, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. As per the information and explanations given by the Company, there has been no delay in transferring the amounts which are required to be transferred to Investor Education & Protection Fund.

iv. The disclosures regarding details of specified bank notes held and transacted during 8th November, 2016 to 30th December, 2016 has not been made since the requirement does not pertain to financial year ended 31st March, 2018.

For **M O S & Associates LLP**
Chartered Accountants
(Firm's Registration No.001975S/S200020)

(Oommen Mani)
(Partner)
(Membership No. 234119)

Place : Hyderabad
Date : 18th May, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

i. In respect of Fixed Assets:

   a. In our opinion and as per the information and explanations given to us, the Company has maintained proper records showing particulars, including quantitative details and situation of fixed assets;

   b. The management of the company has verified the fixed assets at reasonable intervals during the year. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

   c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. According to the information and explanations given to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records, which in our opinion were not material, have been properly dealt with.

iii. According to the information and explanation given to us, the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3 (iii) (a), 3(iii) (b), 3(iii) (c) of the order are not applicable.

iv. According to inforamtion and explanations given to us and in our opinion, the company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities.

v. According to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly the provisions of clause 3(v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues

   a. According to the information and explanations given to us, and based on our examination of records of the Company, amounts deducted/ accrued in the books of accounts in respect of statutory dues including provident fund, income tax, value added tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with appropriate statutory authorities, except for dues relating to Cane Development Council Fund and Income Tax.

   b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, goods and service tax, duty of custom, duty of excise, value added tax, Cess and other

material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable, except as given below;

Name of the statute	Nature of Dues	Period to which the amount relates	Amount involved ₹ in Lakhs
Income Tax Act, 1961	Dividend Distribution Tax	2006-07	8.03

c. According to the information and explanation given to us, there are no dues of Sales tax, Income Tax, Wealth Tax, Service Tax, Customs Duty, Goods and Service Tax, and Cess which have not been deposited as on 31st March, 2018 on account of any dispute, except the following:

Name of the statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ in Lakhs
Central Excise Act, 1944	Excise Duty (excluding interest and penalty)	Customs Excise and Service Tax Appellate Tribunal	Various periods covering the period 2006 to 2010	58.54
		Customs Excise and Service Tax Appellate Tribunal	Various periods covering the period 2008 to 2013	80.28

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to any financial institution, bank or Government as on the Balance Sheet date, except as under.

Lender name	Principal ₹ in lakhs	Period of default (In days)	Interest ₹ in lakhs	Period of default (In days)
Andhra Bank – Excise duty term loan	52.75	2-61	9.58	2-61
Andhra Bank – Soft Loan	36.40	2-61	18.61	2-61
Andhra Bank – Corporate Loan	39.60	2-61	17.12	2-61
Union Bank of India - Excise duty term loan	32.33	2-61	6.45	2-61
Union Bank of India – Soft Loan	22.35	2-61	11.07	2-61
Bank of Baroda - Excise duty term loan	29.00	2-61	6.37	2-61
Bank of Baroda – Soft loan	20.00	2-61	10.50	2-61
Bank of Baroda – Corporate Loan	21.75	1-60	6.87	2-61
Punjab National Bank - Excise duty term loan	7.49	1-60	—	—
Punjab National Bank – Soft Loan	5.15	1-60	2.25	1-60
Punjab National Bank - Corporate loan	5.60	1-60	2.01	1-60
Sugar Development Fund Term Loan	1,792.44	134-1595	1,232.03	134-1595
State Bank of India – FCNRDTL	—	—	7.42	1
State Bank of India – FCNRTL	—	—	3.73	1

ix. According to information and explanations given to us, the company has not raised moneys by way of public offer (including debt instruments). Based on our audit procedures and according to the information and explanations given to us, in our opinion, the Term loans availed by the Company were, prima facie, applied for the purpose for which they were obtained. However, a cheque received towards unsecured loan of ' 565 lakhs is not presented for realisation.

x. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the management.

xi. In our opinion and according to the information and explanations given to us, the company has paid or 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. As the Company is not a Nidhi Company, provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on examination of records of the Company, transactions with related parties are in compliance of Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the company.

xv. According to the information and explanations given to us and based on examination of records of the Company, the Company has not entered into any non-cash transaction with directors or persons connected with them. Hence, Clause 3(xv) of the Order is not applicable for the current year under report.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **M O S & Associates LLP**
Chartered Accountants
(Firm's Registration No.001975S/S200020)

(Oommen Mani)
(Partner)
(Membership No. 234119)

Place : Hyderabad
Date : 18th May, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2018:

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

We have audited the internal financial controls over financial reporting of **Gayatri Sugars Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Basis for Qualified opinion

According to the information and explanations given to us and based on our audit, material weaknesses have been identified as at March 31, 2018 relating to inadequate internal financial controls over financial reporting in respect of certain reconciliations between various accounting systems and period-end adjustments as fully described in Note 28.19 to the financial statements, and Management's assessment of estimating potential liability relating to a disputed matter as described in Note 28.16 to the financial statements. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2018, and these material weaknesses did not affect our opinion on the said financial statements of the Company, except in respect of the qualification relating to the Management's assessment of estimating potential liability relating to a disputed matter, in respect of which, we have issued a qualified opinion on the financial statements of the Company.

For **M O S & Associates LLP**
Chartered Accountants
(Firm's Registration No.001975S/S200020)

(Oommen Mani)
(Partner)
(Membership No. 234119)

Place : Hyderabad
Date : 18th May, 2018

BALANCE SHEET AS AT 31st MARCH, 2018

Particulars	Note No.	As at 31st March, 2018 ₹ in lakhs	As at 31st March, 2017 ₹ in lakhs	As at 1st April, 2016 ₹ in lakhs
ASSETS				
Non Current Assets				
(a) Property, Plant and Equipment	**2**	**11,378.87**	12,134.76	13,030.77
(b) Capital Work in Progress	**2**	**172.56**	9.23	—
(c) Intangible Asset	**2**	**1.23**	1.89	—
(d) Financial Asset				
(i) Other Financial Assets	**3**	**76.41**	74.59	—
(e) Other non current assets	**4**	**—**	17.03	—
Total Non-Current Assets		**11,629.07**	**12,237.50**	**13,030.77**
Current assets				
(a) Inventories	**5**	**9,270.82**	4,055.68	13,238.81
(b) Financial Asset				
(i) Trade receivables	**6**	**903.01**	1,606.40	498.46
(ii) Cash and cash equivalents	**7**	**984.80**	856.26	110.77
(iii) Other bank balances	**8**	**4.24**	4.23	—
(c) Other Current Assets	**9**	**1,893.86**	1,189.92	683.97
Total Current Assets		**13,056.73**	**7,712.49**	**14,532.01**
TOTAL ASSETS		**24,685.80**	**19,949.99**	**27,562.78**
EQUITY AND LIABILITIES				
Equity				
(a) Share capital	**10**	**4,370.05**	4,370.05	4,370.05
(b) Other Equity	**11**	**(11,372.63)**	(12,588.74)	(13,669.13)
Total Equity		**(7,002.58)**	**(8,218.69)**	**(9,299.08)**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**12**	**8,448.33**	10,254.18	11,568.40
(ii) Other Financial Liabilities	**13**	**264.11**	2,262.51	234.23
(b) Provisions	**14**	**430.70**	381.45	337.63
Total Non-Current Liabilities		**9,143.14**	**12,898.14**	**12,140.26**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	**15**	**6,902.81**	6,559.22	6,431.08
(ii) Trade payables	**16**	**4,280.24**	1,022.76	8,453.70
(iii) Other Financial Liabilities	**17**	**10,177.33**	6,460.21	7,361.68
(b) Other Liabilities	**18**	**1,087.72**	1,198.59	2,447.79
(c) Provisions	**19**	**97.14**	29.76	27.35
Total Current Liabilities		**22,545.24**	**15,270.54**	**24,721.60**
TOTAL EQUITY AND LIABILITIES		**24,685.80**	**19,949.99**	**27,562.78**
Coporate information and Significant accounting policies	1			
Other notes forming part of the Financial Statements	28			

As per our report attached

For M O S & Associates LLP
Chartered Accountants

Oommen Mani
Partner

Place : Hyderabad
Date : 18th May, 2018

For and on behalf of the Board of Directors

T. Indira Subbarami Reddy
Chairperson

T.V. Sandeep Kumar Reddy
Vice Chairman

V.R. Prasad
Chief Financial Officer

Chetan Kumar Sharma
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Particulars	Note No.	For the Year Ended 31st March, 2018 ₹ in lakhs	For the Year Ended 31st March, 2017 ₹ in lakhs
I	Revenue from operations	**20**	**25,138.10**	24,777.79
II	Other income	**21**	**19.18**	5.49
III	**Total revenue (I+II)**		**25,157.28**	**24,783.28**
IV	**Expenses**			
	(a) Cost of materials consumed	**22**	**20,743.54**	6,793.82
	(b) Purchases of Stock-in-Trade	**23**	**408.33**	-
	(c) Changes in inventories of finished goods, work-in-process and Stock in Trade	**24**	**(5,160.80)**	9,193.59
	(d) Excise duty		**49.45**	599.12
	(e) Employee benefits expense	**25**	**1,663.17**	1,554.32
	(f) Finance costs	**26**	**2,007.81**	2,059.75
	(g) Depreciation and amortisation expense	**2**	**1,007.51**	993.66
	(h) Other expenses	**27**	**3,142.77**	2,678.49
	Total expenses (IV)		**23,861.78**	**23,872.75**
V	**Profit/(Loss) before Exceptional items and Tax (III-IV)**		**1,295.50**	910.53
VI	Exceptional items		**—**	150.47
VII	**Profit / (Loss) before tax (V+VI)**		**1,295.50**	1,061.00
VIII	Tax expense		**—**	—
IX	**Profit for the year (VII-VIII)**		**1,295.50**	1,061.00
X	**Other Comprehensive Income (OCI)**			
	Items that will not be reclassified to profit or loss :			
	i) Re-measurement gains/(losses) on actuarial valuation of Post Employment defined benefits		**(79.39)**	19.39
	ii) Income tax relating to Items that will not be reclassified to profit or loss		**—**	—
	Total Other Comprehensive Income (X)		**(79.39)**	19.39
XI	**Total Comprehensive Income for the Year (IX+X)**		**1,216.11**	**1,080.39**
XII	Earnings per equity share (of ₹ 10/- each)			
	Basic (₹)	**28.11**	**2.28**	1.91
	Diluted (₹)	**28.11**	**1.75**	1.53

Corporate information and Significant accounting policies	**1**
Other Notes forming part of the Financial Statements	**28**

As per our report attached

For M O S & Associates LLP
Chartered Accountants

Oommen Mani
Partner

Place : Hyderabad
Date : 18th May, 2018

For and on behalf of the Board of Directors

T. Indira Subbarami Reddy
Chairperson

T.V. Sandeep Kumar Reddy
Vice Chairman

V.R. Prasad
Chief Financial Officer

Chetan Kumar Sharma
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Particulars		For the Year Ended 31st March, 2018 ₹ in lakhs	For the Year Ended 31st March, 2017 ₹ in lakhs
Cash flow from operating activities:			
Profit before tax		**1,295.50**	1,061.00
Adjustments for:			
Depreciation and amortization expenses		**1,007.51**	993.66
Finance costs		**2,007.81**	2,059.75
Interest income		**(0.75)**	(0.56)
Operating profit before working capital changes		**4,310.07**	**4,113.85**
Adjustments for:			
(Increase) / Decrease in Trade Receivables		**703.39**	(1,107.94)
(Increase) / Decrease in non-current financial asset		**(0.29)**	(73.08)
(Increase) / Decrease in Other current assets		**(703.94)**	(505.95)
(Increase) / Decrease in Other non-current assets		**17.03**	(17.03)
(Increase) / Decrease in Inventory		**(5,215.14)**	9,183.13
Increase / (Decrease) in non-current financial liabilities		**(1,998.40)**	2,028.28
Increase / (Decrease) in current financial liabilities		**3,444.54**	(1,393.59)
Increase / (Decrease) in other current liabilities		**(110.87)**	(1,249.20)
Increase / (Decrease) in provisions		**37.24**	65.62
Increase / (Decrease) in Trade Payables		**3,257.48**	(7,430.94)
Cash generated from operations		**3,741.11**	**3,613.15**
Direct tax paid (net of refunds)		**—**	—
Net cash flow from/ (used in) operating activities	**(A)**	**3,741.11**	**3,613.15**
Cash flow from investing activities			
Capital expenditure on fixed assets		**(414.28)**	(108.77)
Fixed deposits placed		**(1.53)**	(1.51)
Changes in other Bank Balances		**(0.01)**	(4.23)
Interest received		**0.75**	0.56
Net cash used in investing activities	**(B)**	**(415.07)**	**(113.95)**
Cash flow from financing activities			
Repayment of long-term borrowings		**(1,846.90)**	(552.76)
Proceeds from short-term borrowings		**343.59**	128.14
Interest and other borrowing cost paid		**(1,694.19)**	(2,329.09)
Net cash (used in)/ flow from financing activities	**(C)**	**(3,197.51)**	**(2,753.71)**
Net increase / (decrease) in Cash and cash equivalents	**(A+B+C)**	**128.54**	745.49
Cash and Cash equivalents at the beginning of the year		**856.26**	110.77
Cash and Cash equivalents as at the end of year		**984.80**	**856.26**

Note:
Figures in brackets represent cash outflows.
See accompanying notes forming part of the financial statements.

As per our report attached

For M O S & Associates LLP
Chartered Accountants

Oommen Mani
Partner

Place : Hyderabad
Date : 18th May, 2018

For and on behalf of the Board of Directors

T. Indira Subbarami Reddy
Chairperson

T.V. Sandeep Kumar Reddy
Vice Chairman

V.R. Prasad
Chief Financial Officer

Chetan Kumar Sharma
Company Secretary

GAYATRI SUGARS LIMITED
STATEMENT OF CHANGES IN EQUITY

Equity Share Capital and Other Equity **(₹ in Lakhs)**

Particulars	Share Capital (Note 10)	Reserves and Surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Account	Retained earnings		
As at 01st April 2016	***4,370.05***	***215.84***	***(13,790.18)***	***(94.79)***	***(9,299.08)***
Changes in Equity Share Capital	—	—	—	—	—
Premium received on Shares issued during the year	—	—	—	—	—
Surplus / (Deficit) for the year	—	—	*1,061.00*	—	***1,061.00***
Comprehensive Income for the Year	—	—	—	*19.39*	***19.39***
As at 31st March 2017	**4,370.05**	**215.84**	**(12,729.18)**	**(75.40)**	**(8,218.69)**
Changes in Equity Share Capital	—	—	—	—	—
Surplus / (Deficit) for the year	—	—	*1,295.50*	—	***1,295.50***
Comprehensive Income for the Year	—	—	—	*(79.39)*	***(79.39)***
As at 31st March, 2018	**4,370.05**	**215.84**	**(11,433.68)**	**(154.79)**	**(7,002.58)**

As per our report attached

For M O S & Associates LLP
Chartered Accountants

Oommen Mani
Partner

Place : Hyderabad
Date : 18th May, 2018

For and on behalf of the Board of Directors

T. Indira Subbarami Reddy
Chairperson

T.V. Sandeep Kumar Reddy
Vice Chairman

V.R. Prasad
Chief Financial Officer

Chetan Kumar Sharma
Company Secretary

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

CORPORATE INFORMATION:

Gayatri Sugars Limited was established in the year 1995 and its registered office is located at B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082. The company is registered with Bombay Stock Exchange (BSE).

The Company is into manufacture of sugar and allied products and it also operates a power generation unit, the output of which is captively used and also exported to the grid. The Company's products include sugar, distillery products like Rectified Spirit, Impure spirit, Ethanol and by-products like Molasses and Bagasse.

1. Significant Accounting Policies:

1.1. (a) Compliance with Indian Accounting Standards (Ind AS)

The Company's Financial statements have been prepared to comply with generally accepted accounting principles in accordance with the Indian Accounting Standards (herein after referred to as "Ind AS") as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("the Act") read with rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendments rules 2016.

(b) First time adoption of Ind AS

These Financial statements for the financial year ended 31st March, 2018, is the first year that the company has prepared the Financial Statements as per Ind AS. The financial statements for the year ended 31st March, 2017, and the opening Balance Sheet as on 1st April, 2016 have been restated in accordance with Ind AS for comparative information. Reconciliation and effects of the transition from previous GAAP to Ind AS of the financials are provided in the Note No. 28.4.

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The following exemptions are availed by the company in first time adoption of Ind AS:

(i) The Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on 01st April, 2016.

1.2. Basis of Preparation and Presentation of Financial Statements

The Financial statements are prepared on accrual basis following the historical cost convention except in case of certain financial instruments which are measured at fair values. The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed under Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Indian Accounting Standard (Ind AS) - 7 on "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with other notes required to be disclosed under the notified Ind AS and the Listing Agreement. Further, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulgations viz. SEBI guidelines override the same requiring a different treatment. Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy used previously.

Fair value for measurement adopted in these financial statements is determined on such a basis, except leasing transactions that are within the scope of Ind AS 17, Net Realizable value as per Ind AS 2 or value in use in Ind AS 36.Fair value measurements under Ind AS are categorized as below based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or Liability.

1.3. Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management of the Company to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as on the date of the financial statements. Actual results may differ from these estimates. The Company evaluates these estimations and assumptions on a continuous basis based on the historical experience and other factors including expectation of future events believed to be reasonable. Examples of such estimates include the useful lives of tangible and intangible fixed assets, allowance for doubtful debts/ advances, future obligations in respect of retirement benefit plans, estimation of costs as a proportion to the total costs, etc., Difference, if any, between the actual results and estimates is recognized in the period in which the results are known/materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, are disclosed in the Notes to Account.

1.4 Inventories

(a) Raw materials, Stock-in-trade, Stores and Spares and Consumables are valued at lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First-in-First out basis and Cost includes applicable taxes, duties, transport and handling costs.

(b) Finished goods are valued at lower of cost or net realizable value. Cost is average cost and includes all material costs, direct and indirect expenditure.

(c) Work-in-progress is valued at lower of cost up to estimated stage of process and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(d) By-products are valued at estimated net realisable value as the cost is not ascertainable.

1.5 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, whereby the profit before extraordinary items and tax is adjusted for the effects of:

i. transactions of a non-cash nature; and

ii. any deferrals or accruals of past or future operating cash receipts or payments.

Items of income or expense associated from investing or financing cash flows of the company are segregated based on the available information.

Cash and cash equivalents (including bank balances) are reflected as such in the Statement of Cash Flows.

Cash and cash equivalents, comprise cash on hand, balances in current, Cheque-on-hand pending to be presented in Bank and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.6 Depreciation and amortization

In respect of Property, Plant and Equipment (other than Land and Capital Work in Progress) depreciation is charged on a straight line basis over the useful lives as specified in Schedule II to the Companies Act 2013.

Software is amortised over a period of 3 years.

Individual assets costing less than ₹ 5,000/- are fully depreciated in the year of acquisition.

The Company has elected to consider the carrying values for all property, plant and equipment as deemed cost at the date of the transition i.e on 01st April, 2016.

1.7 Revenue Recognition

- Revenue from Operations

(a) Sale of products

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales returns, Goods and Service Tax but inclusive of excise duty.

(b) Sale of power

Revenue from sale of power is recognised when the units generated are transmitted to the pooling station, in accordance with the terms and conditions of the power purchase agreement entered into by the Company with the purchasing party.

- Other income

(a) Interest Income is recognised on a time proportionate method using underlying Effective interest rates.

(b) Insurance and other claims/refunds are accounted for as and when admitted by appropriate authorities.

(c) Harvesting income is recognized when the sugar cane growers have utilized the harvesting machinery in the respective fields and the sugar cane is been supplied to the factory.

1.8 Functional and presentation currency and Foreign Currency Transactions:

(a) The reporting currency of the company is Indian Rupee. Foreign Currency Transactions are translated at the functional currency spot rates prevailing on the date of transactions. Initial recognition.

(b) Monetary assets and current liabilities related to foreign currency transactions remaining unsettled are translated at the functional currency spot rates prevailing on the balance

sheet date. The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

(c) Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.9. Property, Plant and Equipment:

(a) Tangible and Intangible:

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation thereon. Expenditure which are capital in nature are capitalized at cost, which comprise of purchase price (net of rebates and discounts), import duties, levies, financing costs and all other expenditure directly attributable to bringing the asset to its working condition for its intended use. Freehold land is not depreciated.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(b) Capital Work in Progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

1.10 Employee Benefits

Liability for employee benefits, both short and long term, for present and past service which are due as per the terms of employment are recorded in accordance with Indian Accounting Standard 19 "Employee Benefits" issued by the Companies (Accounting Standard) Rules, 2015. Re-measurement gains /losses on post-employment defined benefits comprising gains/ losses is reflected immediately in the balance sheet with a charge or credit to other comprehensive income in the period in which it arises.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment. Vesting occurs upon completion of five years of service.

(b) Provident Fund

In accordance with applicable local laws, eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan to which both the employee and employer contributes monthly at a determined rate (currently up to 12% of an employee's salary). These contributions are either made to the respective Regional Provident Fund Commissioner, or the Central Provident Fund under the State Pension Scheme, and are recognized as expenses incurred.

(c) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

1.11 Borrowing Cost

Borrowing costs net of any investment income from the temporary investment of related borrowings that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

1.12 Leases

(a) Finance Leases

Assets taken on finance lease are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is

created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

(b) Operating Leases

Operating Leases range from 11 months to 36 months and are usually cancellable / renewable by mutual consent on agreed terms. Further Lease payments under an operating lease are recognized as an expense in the Statement of Profit and Loss.

1.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organization and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

- Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.
- Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.14 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. The basic earnings per share ("EPS") are calculated by dividing the profit / (loss) after tax by the weighted average number of Equity Shares outstanding. Diluted earnings per share is computed by dividing net profits for the year, adjusted for the effects of dilutive potential equity shares, attributable to the Equity Shareholders by the weighted average number of the equity shares and dilutive potential equity shares outstanding during the year except where the results are anti-dilutive. Dilutive potential equity shares are deemed to be converted as of the beginning of the year, unless they have been issued at a later date.

1.15 Taxes on Income

(a) Current Tax

Provision for Current tax is made based on the liability computed in accordance with the relevant tax rates and provisions of Income Tax Act, 1961 as at the balance sheet date and any adjustments to taxes in respect of the previous years, penalties if any related to income tax are included in the current tax expense.

(b) Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(c) Deferred Tax

Deferred Tax is the tax expected to be payable or recoverable on differences between the carrying amount of the assets and liabilities for financial reporting purpose and the corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized.

Current and deferred tax is recognized in profit or loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

1.16 Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognized in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the Assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.
- In assessing Value in Use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified with the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

  Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through the Statement of Profit and Loss.

1.17 Financial Instruments

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets and Financial Liabilities (other than Financial Assets and Financial Liabilities at fair value through profit or loss) are added to or deducted from the fair value of the Financial Assets or Financial Liabilities, as appropriate, on initial

recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.18 Financial Assets

Financial Asset is any Asset that is -

(a) Cash

(b) Equity Instrument of another Entity,

(c) Contractual right to -

i. receive Cash / another Financial Asset from another Entity, or

ii. exchange Financial Assets or Financial Liabilities with another Entity under conditions that are potentially favourable to the Entity.

(d) a contract that will or may be settled in the entity's own equity instruments and is:

i. a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or

ii. a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

Financial Liabilities

Financial liabilities are recognized at fair value net of transaction costs and are subsequently held at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit and loss are measured at fair value with changes in fair value recognized in the profit and loss account. Interest bearing bank loans are initially measured at fair value and subsequently measured at amortized cost using the effective interest rate method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

De-recognition of Financial Instruments

A Financial Asset is derecognized when the rights to receive cash flows from the asset have expired or the company has transferred substantially all the risks and rewards or the right to receive the cash flows under a contractual arrangement or has transferred the asset.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. In the case where the existing liability is replaced by another liability either from the same lender or otherwise such an exchange is treated as de-recognition of the original liability and recognition of a new liability. Any change in the carrying amount of a liability is recognized in the Statement of Profit and Loss.

1.19 Provisions and Contingencies

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources to settle the obligation in respect of which reliable estimate can be made as on the balance sheet date. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities are present obligations arising from a past event, when it is not probable / probability is remote that an outflow of resources will be required to settle the obligation and they are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements except where it has become virtually certain that an inflow of economic benefit will arise, the asset and the related income are recognized in financial statements of the period in which the change occurs Provisions for Contingent Liabilities and Contingent Assets are reviewed at the end of Balance Sheet date.

1.20 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.21 Exceptional items

Items of income and expenditure within profit and loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items are disclosed separately as Exceptional Items.

1.22 Commitments

(a) Commitments are future liabilities for contractual expenditure.

(b) Commitments are classified and disclosed as follows:

- Estimated amount of contracts remaining to be executed on capital account and not provided for;
- Uncalled liability on shares and other investments partly paid;
- Funding related commitment to subsidiary, associate and joint venture companies and
- Other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

(c) Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.23 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

a) Ind AS 115 – Revenue from Contracts with Customers:

As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The model specifies that revenue should be recognised when (or as) an entity transfer 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 revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

i. Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

ii. Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant.

b) Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies(Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2. Property, Plant and Equipment, Capital Work In Progress and Intangible Assets

Particulars	Property, Plant and Equipment							Intangible Assets		Capital work In Progress(C)
	Free hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Total (A)	Software	Total (B)	
I Gross Block										
Balance at April 1, 2016	333.95	3,651.77	22,013.71	20.59	86.99	76.52	**26,183.53**	-	**-**	-
Additions	-	0.90	94.09	0.03	0.61	1.84	**97.47**	2.07	**2.07**	9.23
Deletions/Capitalised	-	-	-	-	-	-	**-**	-	**-**	-
Balance at March 31, 2017	333.95	3,652.67	22,107.80	20.62	87.60	78.36	**26,281.00**	2.07	**2.07**	**9.23**
Additions	-	8.11	212.87	0.04	16.87	13.06	**250.95**	-	**-**	172.56
Deletions/Capitalised	-	-	-	-	-	-	**-**	-	**-**	9.23
Balance at March 31, 2018	333.95	3,660.78	22,320.67	20.66	104.47	91.42	**26,531.95**	2.07	**2.07**	**172.56**
II Depreciation and impairment										
Balance at April 1, 2016	-	1,524.73	11,457.39	20.05	76.46	74.13	**13,152.76**	-	**-**	-
Eliminated on disposals	-	-	-	-	-	-	**-**	-	**-**	-
Depreciation expense	-	113.09	876.85	0.22	2.17	1.15	**993.48**	0.18	**0.18**	-
At March 31, 2017	-	1,637.82	12,334.24	20.27	78.63	75.28	**14,146.24**	0.18	**0.18**	**-**
Eliminated on disposals	-	-	-	-	-	-	**-**	-	**-**	-
Depreciation expense	-	113.20	886.59	0.23	3.47	3.35	**1,006.85**	0.66	**0.66**	-
At March 31, 2018	-	1,751.02	13,220.83	20.50	82.10	78.63	**15,153.09**	0.84	**0.84**	**-**
II Net Block										
At April 1, 2016	**333.95**	**2,127.04**	**10,556.32**	**0.54**	**10.53**	**2.39**	13,030.77	**-**	**-**	**-**
At March 31, 2017	**333.95**	**2,014.85**	**9,773.56**	**0.35**	**8.97**	**3.08**	12,134.76	**1.89**	**1.89**	**9.23**
At March 31, 2018	**333.95**	**1,909.76**	**9,099.84**	**0.16**	**22.37**	**12.79**	11,378.87	**1.23**	**1.23**	**172.56**

Financial Assets **(₹ in lakhs)**

3 Other financial assets

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(Unsecured and considered good)			
a. Deposits with Govt. Depts and others	**73.37**	73.08	—
b. Margin Money Deposits against Bank Guarantees	**3.04**	1.51	—
Total	**76.41**	**74.59**	**—**

4 Other non current assets **(₹ in Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Capital Advances	**—**	10.29	—
b. Prepaid Expenses	**—**	6.74	—
Total	**—**	**17.03**	—

5 Inventories **(₹ in Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Finished goods	**7,868.66**	3,014.00	11,797.35
b. Stock-in-trade	**133.63**	—	—
c. Stores and spares	**494.12**	344.61	334.15
d. By-Products	**774.41**	697.07	1,107.31
Total	**9,270.82**	**4,055.68**	**13,238.81**
(i) **Finished goods**			
a. Sugar	**6,672.14**	2,294.98	11,064.29
b. Rectified spirits and ethanol	**1,196.23**	718.99	732.94
c. Carbondi-oxide (CO2)	**0.29**	0.03	0.12
Total	**7,868.66**	**3,014.00**	**11,797.35**
(ii) **By products**			
a. Molasses	**392.78**	361.35	683.67
b. Molasses in distillery	**157.42**	305.61	188.32
c. Bagasse	**183.21**	30.11	235.32
d. Filter cake	**30.00**	—	—
e. Ash	**11.00**	—	—
Total	**774.41**	**697.07**	**1,107.31**

Financial Assets

6 Trade Receivables **(₹ in Lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured and considered good	**903.01**	1,606.40	498.46
Total	**903.01**	**1,606.40**	**498.46**

7 Cash and cash equivalents **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Cash on hand	**1.76**	1.01	1.03
b. Cheques, drafts on hand	**565.00**	515.00	—
c. Balances with bank			
- In current accounts	**418.04**	340.25	109.74
Total	**984.80**	**856.26**	**110.77**

8 Other Bank Balances **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
In earmarked accounts :			
Margin Money Deposits against Bank Guarantees*	**4.24**	4.23	—
Total	**4.24**	**4.23**	—

* Margin money deposits amounting to (As at 31 March, 2018: ₹ 3.04 lakhs), (As at 31 March, 2017: ₹1.51 lakhs) and (As at 1 April, 2016: ₹ Nil) which have a maturity of more than twelve months from the Balance Sheet date have been classified under other financial assets (non current) in Note no. 3.

9 Other current assets **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Advances to suppliers and others			
Considered good	**825.46**	868.62	167.35
Considered doubtful	**41.47**	41.47	41.47
less: Provision for doubtful advances	**(41.47)**	(41.47)	(41.47)
b. Loans and advances to employees	**17.25**	14.35	10.01
c. GST/Cenvat credit receivable	**—**	28.92	57.13
d. Deposits with Govt departments	**12.22**	5.63	5.54
e. Prepaid expenses	**64.36**	53.34	53.66
f. Security deposit	**157.21**	153.91	231.55
g. Cane development incentive*	**781.13**	22.51	—
h. Interest subvention on excise duty term loan and soft loan	**36.23**	42.64	158.73
Total	**1,893.86**	**1,189.92**	**683.97**

* The cane development incentive will be paid by the Company to encourage farmers to harvest the sugar crop and supply sugarcane to the Company without any disruption in the upcoming season. Such incentives are determined based on contractual terms agreed with the farmers against supplies.

10 Share capital

(₹ in lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
(i) Authorised Share Capital						
Equity shares of ₹10/- each	65,000,000	6,500.00	65,000,000	6,500.00	65,000,000	6,500.00
Preference shares of ' 10/- each	45,000,000	4,500.00	45,000,000	4,500.00	45,000,000	4,500.00
	110,000,000	11,000.00	110,000,000	11,000.00	110,000,000	11,000.00
(ii) Issued Share Capital						
Equity shares of ₹10/- each	43,703,643	4,370.36	43,703,643	4,370.36	43,703,643	4,370.36
Preference shares of ' 10/- each	41,147,023	4,114.70	41,147,023	4,114.70	41,147,023	4,114.70
	84,850,666	8,485.07	84,850,666	8,485.07	84,850,666	8,485.07
(iii) Subscribed and fully paid up						
Equity shares of ₹10/- each	43,697,368	4,369.74	43,697,368	4,369.74	43,697,368	4,369.74
	43,697,368	**4,369.74**	**43,697,368**	**4,369.74**	**43,697,368**	**4,369.74**
Preference shares of ₹ 10/- each	41,147,023	4,114.70	41,147,023	4,114.70	41,147,023	4,114.70
	41,147,023	**4,114.70**	**41,147,023**	**4,114.70**	**41,147,023**	**4,114.70**
(iv) Subscribed but not fully paid up						
Equity shares of ₹ 10/- each (₹ 5 Paid up)	6,275	0.31	6,275	0.31	6,275	0.31
	6,275	0.31	6,275	0.31	6,275	0.31
Total		**4,370.05**		**4,370.05**		**4,370.05**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity shares						
At the Beginning of period	43,703,643	4,370.05	43,703,643	4,370.05	43,703,643	4,370.05
Issued during the year	-	-	-	-	-	-
Balance at the end of the year	**43,703,643**	**4,370.05**	**43,703,643**	**4,370.36**	**43,703,643**	**4,370.36**
6% Cumulative redeemable preference shares						
At the Beginning of period**	41,147,023	4,114.70	41,147,023	4,114.70	41,147,023	4,114.70
Issued during the year	-	-	-	-	-	-
Balance at the end of the year	**41,147,023**	**4,114.70**	**41,147,023**	**4,114.70**	**41,147,023**	**4,114.70**

**Includes 25,000,000 shares, allotted on account of conversion of unsecured loan.

(b) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity shares having a par value of ' 10 each. Each equity shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

(c) Rights, preferences and restrictions attached to preference shares:

a. 25,000,000 - 6% Cumulative redeemable preference shares of ₹10 each are due for redemption on or before 30th September, 2023.

b. Variation in terms of 9,536,813 - 6% Cumulative redeemable preference shares of ₹10 each which were due for redemption on 1st April, 2017, are as under:

i. Waiver of arrears of preference dividend till 1st April, 2017.

ii. Period of redemption extended from 1st April, 2017 to 1st April, 2029 with an early redemption right to the Company before the extended period of 12 years by giving 30 days notice.

These terms were approved by preference shareholders vide resolution dated 30th March, 2017.

c. Variation in terms of 6,610,210 - 6% Cumulative optionally convertible preference shares of ₹10 each which were due for redemption on 1st April, 2015, are as under:

i. Waiver of arrears of preference dividend till 1st April, 2015.
ii. Changing the nomenclature to 6% cumulative redeemable preference shares of ₹ 10 each w.e.f. 1st April, 2015.
iii. Period of redemption extended from 1st April, 2015 to 1st April, 2025 with an early redemption right to the Company before the extended period of 10 years by giving 30 days notice.
These terms were approved by preference shareholders vide resolution dated 20th March, 2015.

d. Refer note 28.4(b) on reclassification of 6% cumulative redeemable preference shares as Financial Liability

(d) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of share holder	As at 31st March, 2018 Number of shares held	% holding	As at 31st March, 2017 Number of shares held	% holding	As at 1st April, 2016 Number of shares held	% holding
Equity shares						
Mohan Project Contractors Private Limited	**7,522,789**	**17.21%**	7,522,789	17.21%	7,698,789	7.62%
Gayatri Fin-Holdings Private Limited	**7,169,450**	**16.40%**	7,169,450	16.40%	7,169,450	16%
T.V. Sandeep Kumar Reddy	**6,763,031**	**15.47%**	6,763,031	15.47%	6,763,031	15%
T. Indira Subbarami Reddy	**3,793,508**	**8.68%**	3,793,508	8.68%	3,793,508	9%
T. Subbarami Reddy	**3,255,814**	**7.45%**	3,255,814	7.45%	3,255,814	7%
T.S.R.Holdings Private Limited	**2,895,478**	**6.63%**	2,895,478	6.63%	2,895,478	7%
6% Cumulative redeemable preference shares						
Mohan Project Contractors Private Limited	**29,900,000**	**73%**	29,900,000	73%	29,900,000	73%
T.S.R.Holdings Private Limited	**9,536,813**	**23%**	9,536,813	23%	7,084,563	17%
IFCI Limited	**—**	**—**	—	—	2,452,250	6%

(e) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash:

a. **Equity shares:** Issued 12,829,043 shares pursuant to scheme of amalgamation between Gayatri Sugars Limited and GSR Sugars Private Limited on 29th April, 2011.

b. **6% Cumulative optionally convertible preference shares:** Issued 6,610,210 shares pursuant to scheme of amalgamation between Gayatri Sugars Limited and GSR Sugars Private Limited on 29th April, 2011.

(f) Details of calls unpaid on equity shares

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
- Number of shares	**6,275**	6,275	6,275
- Unpaid amount (₹)	**31,375**	31,375	31,375

(g) Arrears of fixed cumulative dividends on preference shares :

Dividend on 6% cumulative redeemable preference shares - ₹ 683.74 lakhs (31st March, 2017 ₹ 436.86 lakhs) (1st April, 2016 ₹ 762.18 Lakhs).

11 Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Securities Premium Account			
Opening balance	**215.84**	215.84	215.84
Add: Premium received on Shares issued	**—**	—	—
Closing balance	**215.84**	215.84	215.84
b. Retained earnings			
Opening balance	**(12,804.58)**	(13,884.97)	(13,884.97)
Add : Surplus / (Deficit) for the year	**1,216.11**	1,080.39	—
Closing balance	**(11,588.47)**	(12,804.58)	(13,884.97)
Total (a+b)	**(11,372.63)**	**(12,588.74)**	**(13,669.13)**

Non-Current Liabilities

(₹ in lakhs)

12 Borrowings

Pariculars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April 2016	
	Non-Current	Current*	Non-Current	Current*	Non-Current	Current*
Carried at amortised cost						
Secured						
a. Non-Convertible Debentures 69,50,500 (March 31, 2017: 69,50,500; April 1, 2016: Nil) 4% non-convertible, redemable debentures of ' 10 each.	**695.05**	**—**	695.05	—	—	—
b. Term Loans						
Rupee loans						
from Banks	**1,373.18**	**1,885.03**	2,985.42	2,128.98	4,596.37	1,765.84
from Sugar Development Fund (SDF)	**—**	**1,991.60**	199.16	1,792.44	597.48	1,394.12
c. Vehicle loan	**5.55**	**3.74**	—	—	—	—
Unsecured						
a. Cumulative redeemable preference shares (Refer note: 28.4)	**4,114.70**	**—**	4,114.70	—	4,114.70	—
b. Loans from others	**2,259.85**	**—**	2,259.85	—	2,259.85	—
Total	**8,448.33**	**3,880.37**	**10,254.18**	**3,921.42**	**11,568.40**	**3,159.96**

* Current maturities are included in note 17 - Other Financial Liabilities (Current

13 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 1s April, 2016
a. Crop Loan	**233.80**	2,162.67	—
b. Interest accrued but not due on borrowings	**—**	83.52	234.23
c. Interest on crop loan	**1.14**	14.95	—
d. Interest accrued but not due on non-convertible debentures	**29.17**	1.37	—
Total	**264.11**	**2,262.51**	**234.23**

14 Provisions **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Employee benefits (Refer note no. 28.9)	430.70	381.45	337.63
Total	**430.70**	**381.45**	**337.63**

Current Liabilities

15 Borrowings **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Secured			
a. Loan repayable on demand from banks	**6,902.81**	6,559.22	6,431.08
Total	**6,902.81**	**6,559.22**	**6,431.08**
Notes:			
Loans repayable on demand from banks:			
State Bank of India	**63.37**	1,138.94	1,123.90
State Bank of India - FCNR (B)	**1,122.69**	—	—
Bank of Baroda	**1,367.46**	1,346.60	1,160.67
Andhra Bank	**2,479.39**	2,208.74	2,307.12
Punjab National Bank	**351.29**	348.26	339.74
Union Bank of India	**1,518.61**	1,516.68	1,499.65
Total	**6,902.81**	**6,559.22**	**6,431.08**

Details of security for the short-term borrowings:

(i) First charge on all chargeable current assets of the Company (viz.) sugar, molasses, bagasse, stores and spares, ethanol, rectified spirit and receivables on pari-passu basis with other members of the consortium lenders.

(ii) Second charge on the Company's present and future fixed assets (both moveable and immovable) of sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District and sugar unit located at Maggi village, Kamareddy District of Telangana State on pari-passu basis with the other members of the Consortium, Sugar Development Fund and non-convertible debenture holders.

(iii) First pari-passu charge on pledge of 79 lakh shares of Gayatri Sugars Limited belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy, on pari-passu basis with other members of the consortium lenders.

(iv) Personal guarantee of Shri T.V. Sandeep Kumar Reddy, Smt. T Indira Subbarami Reddy and Smt. T. Sarita Reddy; Directors of the Company.

16 Trade payables **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade payables*	**4,280.24**	1,022.76	8,453.70
Total	**4,280.24**	**1,022.76**	**8,453.70**

*There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

17 Other financial liablities **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Current maturities of long-term debt	3,880.37	3,921.42	3,159.96
b. Interest accrued but not due on borrowings	0.73	175.41	164.82
c. Interest accrued and due on borrowings	1,403.38	1,242.81	1,332.64
d. Crop loan	4,511.54	1,066.99	2,460.58
e. Interest on crop loan	381.30	53.58	243.68
Total	**10,177.33**	**6,460.21**	**7,361.68**

18 Other liablities **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Statutory payables	232.70	431.17	1,035.90
b. Advances from customers	359.95	521.92	961.37
c. Payables against purchase of fixed assets	2.68	2.68	178.04
d. Other payables	492.39	242.82	272.48
Total	**1,087.72**	**1,198.59**	**2,447.79**

19 Short term provisions **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Employee benefits	89.11	21.73	19.32
b. Provision for tax on preference dividend*	8.03	8.03	8.03
Total	**97.14**	**29.76**	**27.35**

* The Company had made the provision towards preference dividend (6% Cumulative redeemable preference shares) of ₹ 57.22 lakhs and dividend distribution tax thereon of ₹ 8.03 lakhs during the year ended 31st March, 2007. In view of the carried forward losses in the books, the Company had not remitted the dividend and tax thereon and was in the process of obtaining consent for not remitting the same. Subsequently, the Company has remitted the amount to the preference shareholder.

Borrowings (contd..)

Notes: (i) Particulars of the security, terms of repayment, interest rates, etc. with respect to secured and unsecured long-term borrowings:

Secured Loans :

Non-convertable Debentures:

SL. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
1	4% ,Secured, Unlisted Non - convertible Debentures	Pari passu first charge on the fixed assets of the Company's Kamareddy Sugar unit including Distillery Unit along with other consortium member banks, situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District. Pari passu Second charge on the fixed assets of the Sugar Unit along with other consortium member banks and SDF , located at Maagi village, Kamareddy District, Telangana State.	Reedamable at face value in instalments in the ratio of 30%, 30% and 40% at the end of 4th,5th and 6th year respectively from the date of allotment, with an option to redeem early than the redemption date by giving 30 days notice.	At the rate of 4% per annum payable along with redemption.	30% - 48, 30% - 60 40% -72 respectively, with an option to redeem early than the redemption date by giving 30 days notice."	NA	695.05	695.05
	Term Loans :							
1	Andhra Bank-Harvesting Equipment Term Loan	Hypothecation of Two sugar cane harvesters, Four sugar cane infielders and Four Tractors purchased out of the bank finance. Personnal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy	7 Yearly equal instalments from February 2012.	1 yr MCLR+ 0.75% + 0.25 % = 10.45%	NA	NA	Closed on 28/02/2018	49.09
2	Bank of Baroda - Term Loan	Pari passu first charge on the fixed assets of the Company's Kamareddy Sugar unit including Distillery Unit along with other consortium member banks and NCD holders, situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District. Pari passu Second charge on the fixed assets of the Sugar Unit along with other consortium member banks, SDF and NCD holders , located at Maagi village, Kamareddy District, Telangana State. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	36 equal monthly instalments after initial moratorium period of 12 months from the date of first disbursement	@1.00% over 1 yr MCLR + SP i.e 9.60% p.a at present with monthly reset. However ROI should not be lower than that of Andhra Bank ROI.	NA	NA	NIL	444.44
3	Andhra Bank - Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Pari Passu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari passu second charge along with other consortium member banks, SDF and NCD holders, on Sugar Unit located at Maagi village, Kamareddy District of Telangana State. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) First pari-passu charge on Pledge of 79 lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly installments commencing after moratorium of 2 years	1 yr MCLR+ 2.75% + 0.25 % = 12.45% p.a	11	14 Monthly equal installments	245.96	456.95

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
4	Union Bank of India Excise Duty Term Loans	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Pari Passu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks and SDF on Sugar Unit located at Maagi village, Kamareddy District of Telangana State Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No; 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No; 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). First pari-passu charge on Pledge of 79 lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly installments commencing after moratorium of 2 years	Base rate +2.75% i.e. 12.75% p.a at resent. However ROI should not be lower than that of Andhra Bank ROI.	14	17 Monthly equal installments	183.21	302.83
5	State Bank of India - Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Pari Pasu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks, SDF and NCD holders, on Sugar Unit located at Maagi village, Kamareddy District of Telangana State. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No; 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) First pari-passu charge on Pledge of lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy, Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly installments commencing after moratorium of 2 years	7.10% above base rate (present effective rate 16.80% including tenor premium of 10 bps)	Converted into FCNR (B) Term Loan during the financial year 2017-2018			217.46
6	Bank of Baroda - Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Pari Pasu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks,SDF and NCD holders, on Sugar Unit located at Maagi village, Kamareddy District of Telangana State. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No; 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). First pari-passu charge on Pledge of 79 lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	5 years including moratorium of 2 years from date of first disbursement. The term loan is repayable in 36 equal monthly installments commencing after moratorium of 2 years	@ 3.40% over 1 yr MCLR + SP i.e 12.00% p.a at present , however ROI should not be lower than that of Andhra Bank ROI.	14	17 Monthly equal installments	164.15	280.33

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
7	Punjab National Bank Excise Duty Term Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company. Collateral Security: Pari Passu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks,SDF and NCD holders on Sugar Unit located at Maagi village, Kamareddy District of Telangana State. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). First pari-passu charge on Pledge of 79 lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. "Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	5 years including moratorium of 2 year from date of first disbursement. The term loan is repayable in 36equal monthly installments commencing after moratorium of 2 years.	Base Rate + 5.00% + TP i.e present effective 15.50%	16	21 Monthly equal installments	52.68	74.91
8	Andhra Bank - Soft Loan	Primary Security: Extension of pari-passu first charge on all chargeable current assets of the company along with other memeber banks in the Consortium Collateral Security: Pari Passu First Charge along with other consortium member banks on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks, SDF and NCD holders, on Sugar Unit located at Maagi village, Kamareddy District of TelanganaState. Pari Passu Second charge on the Immovable properties and Fixed Assets of the Sugar unit located at Maagi village, Kamareddy District of Telangana State. First pari passu charge (along with working capital lenders) on pledge on 79 lakh shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	1 yr MCLR+ 2.75% + 0.50 % = 12.70% p.a	40	43 Monthly equal installments	521.73	667.33
9	State Bank of India - Soft Loan	Primary Security: Pari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District of Telangana State along with other consortium member banks. Pari Passu Second charge on the Immovable properties and Fixed Assets of the Sugar unit located at Maagi village, Kamareddy District of Telangana State along with other consortium member banks."Mortgage of agricultural and admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-pasu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). Collateral Security: "Extension of pari-passu first charge on all chargeable current assets of the company present and future along with other member banks in the Consortium. First pari passu charge (along with working capital lenders) on pledge on 79 lakh shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	7.15 % above base rate (present effective rate 16.85% including tenor premium of 15 bps)	Converted into FCNR (B) Term Loan during the financial year 2017-2018		311.73

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
10	Punjab National Bank Soft Loan	Primary Security: Extension of pari-passu first charge along with other member banks in the consortium on all chargeable current assets of the company. Collateral security: Extension of Pari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit at Kamareddy along with WC lenders and TL of Bank of Baroda and SEFASU 2014 TL lenders. Extension of Pari Passu Second charge on the present and future Immovable properties and Fixed Assets of the Sugar unit at Nizam Sagar along with WC lenders. Extension of First pari passu charge (along with working capital lenders) on pledge of 79 lakh shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Any other security given to the consortium to cover their limit will also apply. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	Base Rate + 2.50% + 0.50% (tp) i.e 13% p.a at present floating	41	44 Monthly equal installments	75.52	94.92
11	Union Bank of India - Soft Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company, Collateral Security: Pari Passu First Charge on the Borrower's Building, Plant and Machinery of distillery unit at Kamareddy unit with other SEFASU 2014 TL Lenders. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders). Pari Passu First Charge on the Present and Future Immovable Properties and Fixed Assets of Sugar unit at Kamareddy along with working capital lenders and other SEFASU 2014 TL Lenders. Pari passu second charge on the Present and Future Immovable properties and fixed assets of sugar unit at Nizamsagar unit along with other SEFASU 2014 TL & Working Capital lenders. First pari-passu charge on Pledge of 79 lacs of shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. "Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	Base rate + 3.00% i.e 13.00% p.a at present	41	44 Monthly equal installments	327.80	417.20
12	Bank of Baroda - Soft Loan	Primary Security: First pari-passu charge on all chargeable current assets of the company, Collateral Security:"Pari Passu First Charge on the Borrower's fixed assets of Sugar unit at Kamareddy and distillery unit at Kamareddy. Pari passu first charge on the borrower's fixed assets of sugar unit at Nizam sagar. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) First pari-passu charge on Pledge of 79 lac shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	@ 1.40% over 1 yr MCLR + SP i.e 10.00% p.a at present with monthly rest. However ROI should not be lower than that of Andhra Bank ROI.	41	44 Monthly equal installments	293.33	373.33

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
13	State Bank of India - Corporate Loan	Primary Security:Pari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District of Telangana State along with other consortium member banks and NCD holders.Pari Passu Second charge on the Immovable properties and Fixed Assets of the Sugar unit located at Maagi village, Kamareddy District of Telangana State along with other consortium member banks, SDF and NCD holders. Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders)Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Collateral Security:Extension of pari-passu first charge on all chargeable current assets of the company present and future along with other member banks in the ConsortiumFirst pari passu charge (along with working capital lenders) on pledge on 79 lacs of shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy,Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	7.10 % above base rate (present effective rate 16.40% including tenor premium of 10 bps)	Converted into FCNR (B) Term Loan during the financial year 2017-2018			309.85
14	Andhra Bank - Corporate Corporate Loan	Primary Security:Extension of pari-passu first charge along with other member banks in the consortium on all chargeable current assets of the company. Collateral Security:Pari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District of Telangana State, along with other term lenders and NCD holders.Pari Passu Second charge on the present and future Immovable properties and Fixed Assets of the Sugar unit located at Maagi village, Kamareddy District of Telangana State along with other term lenders and NCD holders.First pari passu charge (along with working capital lenders) on pledge on 79 lacs of shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy,Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	1 yr MCLR+ 2.75% + 0.50 % = 12.70% p.a	33	36 Monthly equal installments	474.60	633.00
15	Punjab National Bank - Corporate Loan	Primary Security:Extension of pari-passu first charge along with other member banks in the consortium on all chargeable current assets of the company.Collateral security:Extension of Pari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit at Kamareddy along with TL lenders and NCD holders.Extension of Pari Passu Second charge on the present and future Immovable properties and Fixed Assets of the Sugar unit at Nizam Sagar along with other lenders, SDF and NCD holders.Extension of first pari passu charge (along with working capital lenders) on pledge of 79 lacs of Shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy,Any other security given to the consortium to cover their limit will also apply,Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	Base Rate + 5.00% + 0.50% (tp) present effective 15.50% p.a (Floating)	27	29 Monthly equal installments	54.99	75.33

Sl. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
16	Bank of Baroda - Corporate Loan	Primary Security:First pari-passu charge along with consortium term lenders for Term Loan SEFASU 2014, on fixed assets of Sugar unit and distillery unit at Kamareddy along with other term lenders and NCD holders.Collateral security:Pari passu Second charge on the borrower's fixed assets of sugar unit at Nizam sagar along with other term lenders, SDF and NCD holders.Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	6 years including moratorium of 1 year from date of first disbursement. The term loan is repayable in 60 equal monthly installments commencing after moratorium of 1 year.	@ 1.00% over 1 yr MCLR + SP i.e 9.60% p.a with monthly rests. However ROI should not be lower than that of Andhra Bank ROI.	41	45 Monthly equal installments	323.53	406.00
17	State Bank of India - FCNR (B) TERM LOAN	To the extent of Excise duty term loanPrimary Security: First pari-passu charge on all chargeable current assets of the company.Collateral Security:Pari Passu First Charge along with other consortium member banks and NCD holders on the Present and Future Immovable Properties and Fixed Assets of Sugar unit and distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District, and pari pasu second charge along with other consortium member banks, SDF and NCD holders. on Sugar Unit located at Maagi village, Kamareddy District of Telangana StateMortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders)Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders)First pari-passu charge on Pledge of 79 lakh shares of M/s Gayatri Sugars Limited belonging to Smt. T.Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy. Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.To the extent of Soft loan and corporate loanPari Passu First Charge on the present and future Immovable properties and Fixed Assets of the Sugar unit and Distillery unit situated at Adloor Yellareddy Village, Sadashivnagar Mandal, Kamareddy District of Telangana State along with other consortium member banks and NCD holders.Pari Passu Second charge on the Immovable properties and Fixed Assets of the Sugar unit located at Maagi village, Kamareddy District of Telangana State along with other consortium member banks, SDF and NCD holders.Mortgage of agricultural land admeasuring Ac 0.10 Gts situated at Survey No: 98/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders)Mortgage of agricultural land admeasuring Ac 3.00 Gts situated at Survey No: 161/A, Tekriyal Village, Kamareddy Mandal, Kamareddy District, Telangana State, owned by the company (on pari-passu basis with other TL lenders) Collateral Security:Extension of pari-passu first charge on all chargeable current assets of the company present and future along with other member banks in the ConsortiumFirst pari passu charge (along with working capital lenders) on pledge on 79 lacs of shares of M/s GSL belonging to Smt. T. Indira Subbarami Reddy and Sri T.V. Sandeep Kumar Reddy.Personal Guarantee of Mrs. T. Indira Subbarami Reddy, Mr. TV Sandeep Kumar Reddy and Mrs. T. Sarita Reddy.	Maximum tenor for FCNR (B) Term Loan will be 5 years, subject to reset of term loan on due date of renewal for every 12 Months	4% @ 6 Months Libor + Spread, with minimum of 12.20%	18 12 Subject	10 Monthly equal installments NA	1,991.60 540.70	1,991.60 —

SL. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
18	Sugar Development Fund Term Loan	Paripassu First Charge on the Fixed Assets of the Nizamsagar Unit along with paripassu second charge with Working Capital, term loan lenders and NCD holders. Paripassu First Charge on the Fixed Assets of the Nizamsagar Unit along with paripassu second charge with Working Capital, term loan lenders and NCD holders.	5 yearly instalments after moratorium of 8 years from date of disbursement.	4%	NA	5 Yearly equal instalments per tranche	1,991.60	1,991.60
19	Andhra Bank	Hypothecation of vehicle.	36 Monthly installments commenced from July, 2017	11.50%	27	NIL	9.29	NIL

Unsecured Loans

SL. No.	Loans	Security	Terms of Repayment	Applicable Interest rates	Period of Maturity with respect to balance sheet date (Months)	Number of Installments due	Outstanding as on March 31, 2018 ₹ in lakhs	Outstanding as on March 31, 2017 ₹ in lakhs
1	Mohan Project contractors	Unsecured	The Lender, has an option to convert the loan in full or partly into Equity or Preference shares of the company at any time during the tenure of term loan which is March 31, 2020.	9.50%	24	Refer terms of repayment	2,259.85	2,259.85

(ii) The Company has defaulted in repayment of loans and interest in respect of the following:

S.No.		As at 31 March, 2018		As at 31 March, 2017	
	Term Loans	**Period of Default (days)**	**Amount ₹ in lakhs**	**Period of Default (days)**	**Amount ₹ in lakhs**
1	Principal				
2	Andhra Bank – Excise duty term loan	2 to 61	52.75	25 to 84	52.75
3	Andhra Bank – Soft Loan	2 to 61	36.40	2 to 61	36.40
4	Andhra Bank – Corporate Loan	2 to 61	39.60	2 to 61	39.60
5	Andhra Bank – Harvesting Equipment Term Loan	—	—	32	23.59
6	Union Bank of India - Excise duty term loan	2 to 61	32.33	20 to 79	22.61
7	Union Bank of India – Soft Loan	2 to 61	22.35	2 to 61	22.35
8	Bank of Baroda - Excise duty term loan	2 to 61	29.00	14 to 73	29.03
9	Bank of Baroda – Soft loan	2 to 61	20.00	2 to 61	20.00
10	Bank of Baroda – Corporate Loan	1 to 60	21.75	1 to 60	21.75
11	Bank of Baroda Term Loan	—	-	19 to 78	166.67
12	Punjab National Bank - Excise duty term loan	1 to 60	7.49	16 to 44	4.99
13	Punjab National Bank – Soft Loan	1 to 60	5.15	3 to 32	3.43
14	Punjab National Bank - Corporate loan	1 to 60	5.60	15 to 43	3.73
15	Sugar Development Fund Term Loan	134 to 1595	1,792.44	134 to 1230	1,394.12
16	State Bank of India – Excise duty term loan	—	—	1 to 60	24.18
17	State Bank of India – Soft loan	—	—	1 to 60	16.70
18	State Bank of India – Corporate Loan	—	—	31 to 59	12.10
	Interest				
1	Andhra Bank – Excise duty term loan	2 to 61	9.58	1 to 60	15.81
2	Andhra Bank – Soft Loan	2 to 61	18.61	1 to 60	22.30
3	Andhra Bank – Corporate Loan	2 to 61	17.12	1 to 60	21.24
4	Andhra Bank – Harvesting Equipment Term Loan	—	—	1 to 60	1.42
5	Union Bank of India - Excise duty term loan	2 to 61	6.45	1 to 60	9.74
6	Union Bank of India – Soft Loan	2 to 61	11.07	1 to 60	13.38
7	Bank of Baroda - Excise duty term loan	2 to 61	6.37	1 to 60	9.45
8	Bank of Baroda – Soft loan	2 to 61	10.50	1 to 60	12.46
9	Bank of Baroda – Corporate Loan	2 to 61	6.87	1 to 60	13.55
10	Bank of Baroda Term Loan	—	—	1 to 60	15.88
11	Punjab National Bank - Excise duty term loan	—	—	1	0.40
12	Punjab National Bank – Soft Loan	1 to 60	2.25	1 to 32	2.01
13	Punjab National Bank - Corporate loan	1 to 60	2.01	1 to 32	1.87
14	Sugar Development Fund Term Loan	134 to 1595	1,232.03	134 to 1230	933.08
15	State Bank of India – FCNRDTL	1	7.42	—	—
16	State Bank of India – FCNRTL	1	3.73	—	—
17	State Bank of India – Excise duty term loan	—	—	1 to 60	9.16
18	State Bank of India – Soft loan	—	—	1 to 60	12.96
19	State Bank of India – Corporate Loan	—	—	1 to 60	12.61

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

20 Revenue from operations **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Sale of products (Refer Note (i) below)	**25,105.41**	24,746.20
b. Other operating revenues (Refer Note (ii) below)	**32.69**	31.59
Total	**25,138.10**	**24,777.79**

Notes:

(i) Sale of products comprises		
Manufactured goods		
Sugar	**20,969.05**	21,452.66
Rectified spirit	**333.89**	761.00
Ethanol	**2,502.26**	2,332.10
Power	**1,010.69**	175.50
Carbondi-oxide- CO2	**12.43**	15.09
Bagasse	**—**	9.85
Traded goods		
Fertilizers	**274.70**	—
Acetone	**0.69**	—
Benzene	**0.86**	—
Methanol	**0.84**	—
Total	**25,105.41**	**24,746.20**
(ii) Other operating revenues comprise:		
Sale of scrap	**5.88**	31.59
Sale of ash	**6.35**	—
Sale of filter cake	**20.46**	—
Total	**32.69**	**31.59**

21 Other income **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Interest income		
On fixed deposits with banks	**0.44**	0.30
On electricity deposits	**0.31**	0.26
b. Insurance claims	**—**	0.09
c. Harvesting machine receipts	**17.45**	3.91
d. Miscellaneous	**0.98**	0.93
Total	**19.18**	**5.49**

22 Cost of materials consumed **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Sugar cane	**20,505.38**	5,941.14
b. Molasses	**158.08**	750.49
c. Others	**80.08**	102.19
Total	**20,743.54**	**6,793.82**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23 Purchases of Stock-in-Trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Fertilizers	**408.33**	**—**
Total	**408.33**	**—**

24 Changes in inventories of finished goods, work-in-process and Stock in Trade

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Opening stock		
Finished goods (including by products)*	**3,615.90**	12,904.66
Fertilizers	**—**	—
b. Closing Stock		
Finished goods (including by products)	**8,643.07**	3,711.07
Fertilizers	**133.63**	—
(Increase) / Decrease in stock	**(5,160.80)**	**9,193.59**

**Note: Excise duty value of ₹ 95.17 Lakhs included in closing stock of previous year is not considered for the opening value.*

25 Employee benefits expense

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a. Salaries and wages	**1,459.96**	1,361.02
b. Contributions to provident and other funds	**93.27**	87.27
c. Gratuity	**61.14**	58.78
d. Staff welfare expenses	**48.80**	47.25
Total	**1,663.17**	**1,554.32**

26 Finance costs

(₹ in lakhs)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Interst expenses on :		
a. Borrowings	**1,657.57**	1,854.75
b. Non - convertible debentures	**27.80**	1.37
c. Others:		
Crop loans*	**292.25**	163.06
Interest on delayed payment of Tax deducted at source	**—**	6.55
d. Other borrowing costs	**30.19**	34.02
Total	**2,007.81**	**2,059.75**

(Net of interest recovered ' 107.36 lakhs (Previous year ₹ 12.63 lakhs))*

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27 Other expenses **(₹ in lakhs)**

	Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
a.	Consumption of stores and spare parts	**1,263.36**	884.39
b.	Transportation charges	**1,077.64**	894.64
c.	Distillery expenses	**23.58**	72.33
d.	Handling charges	**100.46**	67.42
e.	Power and fuel	**117.71**	167.70
f.	Rent	**18.10**	17.66
g.	Repairs and maintenance		
	- Buildings	**16.44**	9.77
	- Machinery	**197.93**	187.77
	- Vehicle	**44.46**	40.39
	- Others	**13.93**	15.91
h.	Insurance	**31.10**	28.56
i.	Rates and taxes	**70.76**	70.22
j.	Communication	**16.79**	16.27
k.	Travelling and conveyance	**18.99**	16.49
l.	Printing and stationery	**5.40**	5.91
m.	Sales commission	**0.94**	6.97
n.	Legal and professional	**21.41**	23.24
o.	Payments to auditors (Refer note: 28.12)	**6.00**	15.00
p.	Miscellaneous expenses	**97.79**	137.85
	Total	**3,142.77**	**2,678.49**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28 Other notes forming part of the financial statements

28.1 Disclosure under Indian Accounting Standard – 17 "Leases", issued by the Institute of Chartered Accountants of India.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognized as operating leases. Lease rentals under operating leases are recognized in the statement of profit and loss on a straight-line basis. The Company has taken various office premises under lease and license agreements for periods which generally range between 11 months to 3 years. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits. The lease payments are recognized in the Statement of Profit and Loss under Rent, Rates and Taxes.

28.2 Contingent liabilities and commitments

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
(i) Contingent liabilities			
(a) Excise Duty	**138.82**	138.82	138.82
(b) Dividend on 6% cumulative redeemable preference shares	**683.74**	436.86	762.18
(c) Bonus payable for 2014-15	**38.48**	38.48	38.48
(d) Electricity duty on captive consumption	**283.99**	283.99	—
(ii) Commitments			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances: ₹ Nil lakhs (As at 31 March, 2017: ₹ 10.29))	—	50.00	—
(b) Other commitments - for cane purchase agreements for the upcoming crushing season.	**24,000.00**	16,539.53	9,622.46

28.3 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Based on the information available with the Company, there are no dues/interest outstanding to micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at 31 March, 2018 (As at 31 March, 2017 : ₹ Nil) (As at 1 April, 2016 : ₹ Nil)

28.4 (1) The reconciliation of net profit/(loss) as previously reported (referred to in previous GAAP) and Ind AS is as under:

A. Reconciliation of Statement of Profit and Loss and Other Comprehensive Income

(₹ in lakhs)

Particulars	For the Year Ended 31st March, 2017
a. Net profit under previous GAAP	1,080.39
Adjustments:	-
b. Net profit to Ind AS	1,061.00
Reclassification of Actuarial gain arising in respect of the employees benefit scheme to other comprehensive income (OCI)	19.39
c. Total Comprehensive Income as per Ind AS	1,080.39

B. Reconciliation of equity as previously reported under Previous GAAP to Ind AS

(₹ in lakhs)

Particulars		As at 31st March, 2017	As at 1st April, 2016
a.	Equity reported under previous GAAP	**(4,103.99)**	(5,184.38)
	Adjustments:		
b.	Reclassification of Preference shares as liability	**(4,114.70)**	(4,114.70)
c.	Equity reported under Ind AS	**(8,218.69)**	(9,299.08)

28.4 (2) 6% Cumulative Redeemable Preference Shares, have been reclassified as "Financial Liability" owing to the nature of instrument i.e. mandatory redeemption on Transition Date (1st April, 2016), as per requirement of Indian Accounting Standards, further the Company has not made any provision for dividend in the books, as the Company has been incurring losses and as at 31st March, 2018, the accumulated losses has completely eroded the net worth and adhering to past events, whereby the company had waived the arrears of dividend.

28.5 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with other entities in the industry, the Company monitors its capital using the gearing ratio which is net debt divided by total equity.

	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A	**Debt**			
(i)	Non-Current Borrowings	**8,448.33**	10,254.18	11,568.40
(ii)	Current Maturities of Non-Current Borrowings	**3,880.37**	3,921.42	3,159.96
(iii)	Current / Short term Borrowings	**6,902.81**	6,559.22	6,431.08
(iv)	Less: Cash and Cash Equivalents	**(984.80**)	(856.26)	(110.77)
	Net Debt (A)	**18,246.71**	**19,878.56**	**21,048.67**
	B Equity			
(i)	Equity Share Capital	**4,370.05**	4,370.05	4,370.05
(ii)	Other Equity	**(11,372.63)**	(12,588.74)	(13,669.13)
	Total Equity (B)	**(7,002.58)**	**(8,218.69)**	**(9,299.08)**
	Net Debt to Equity ratio (Gearing Ratio) (A/B)	**(2.61)**	**(2.42)**	**(2.26)**

28.6 Financial Instruments

A. Categories of financial instruments **(₹ in lakhs)**

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
a. Financial Assets			
Measured at Amortised cost			
Other Financial Assets	**76.41**	74.59	—
Cash and Cash Equivalents	**984.80**	856.26	110.77
Other Bank Balances	**4.24**	4.23	—
b. Financial Liabilities			
Measured at Amortised cost			
Borrowings	**18,246.71**	19,878.56	21,048.67

B. Fair value hierarchy

Level 1, inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or Liability.

Certain Financial Assets and Financial Liabilities that are not measured at Fair Value but Fair value disclosures are required:

Particulars	As at 31st March, 2018 (Carrying Value & Fair Value (Level 2)	As at 31st March, 2017 (Carrying Value & Fair Value (Level 2)	As at 1st April, 2016 (Carrying Value & Fair Value (Level 2)
Fair Value Hierarchy			
Financial Assets:			
Other Financial Assets	**76.41**	74.59	-
Trade Receivables	**903.01**	1,606.40	498.46
Cash and Cash Equivalents	**984.80**	856.26	110.77
Other Bank Balances	**4.24**	4.23	-
Financial Liabilities			
Borrowings	**15,351.14**	10,254.18	11,568.40
Other Financial Liabilities			
- Non Current	**10,441.44**	2,262.51	234.23
Trade payables	**4,280.24**	1,022.76	8,453.70

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks like market risk, credit risk and liquidity risks. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) 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 price risk, such as equity price risk. Major financial instruments affected by market risk, includes loans and borrowings.

28.6 Financial Instruments (contd...)

a. Interest rate risk

The company's exposure to the risk of changes in market interest rate relates to the floating rate debt obligations.

Interest rate exposure

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Borrowings			
Non-Current - Floating*	3,258.21	5,114.40	6,362.21
Non-Current - Fixed*	9,070.49	9,061.20	8,366.15
Current	6,902.81	6,559.22	6,431.08

**(Includes Current Maturities)*

b. 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 currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than Indian Rupee.

c. Equity Price Risks:

Since the Company has not invested in equity investments, the changes of equity securities price would not have a effect on the profit or loss of the Company.

(ii) Comodity Price Risk

Commodity price risk arises due to fluctuation in prices of Sugar Cane, other raw material and products. Cost of Sugar cane is depend on Government policy on fixation of Fair and Remunerative Price (FRP) which is the major cost of production. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in commodity prices and freight costs. The company's commodity risk is managed centrally through well-established trading policies and control processes.

(iii) Credit Risk Management

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities.

The maximum exposure of the assets is contributed by trade receivables, cash and cash equivalents and other bank balances. Credit risk on trade receivables is limited as the customers of the Company mainly consist of the amount to be received from state government entities with respective sale of sugar and power. The company takes into account ageing of accounts receivables and the company's historical experience of the customers and financial conditions of the customers.

(iv) Liquidity Risk:

Liquidity Risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's management and finance department is responsible for liquidity, funding as well as its obligation for timely repayment. In addition, procedures and policies related to such risks are overseen by the senior management. The Company has been incurring losses over the past few years and as at 31st March, 2018, the accumulated losses amounting to ₹ 11,588.46 Lakhs have completely eroded the net worth and its current liabilities exceeded the current assets as on that date. The financial statements have been prepared on a going concern basis, based on a Comfort letter provided by the promoters for continued support to the Company to meet its financial obligations, in order to enable the Company to continue its operations in the foreseeable future.

28.6 Financial Instruments (contd...)

The following are the details regarding contractual maturities of Significant Financial Liabilities:

a) As at 31st March, 2018

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	9,166.83	1,616.35	8,448.33	—	19,231.51
Trade payables	4,280.24	—	—	—	4,280.24
Interest Accrued	1,403.38	—	—	—	1,403.38
Other financial Liabilities	—	4,893.58	264.11	—	5,157.69
Total	**14,850.45**	**6,509.93**	**8,712.44**	**—**	**30,072.82**

b) As at 31st March, 2017

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	6,559.22	3,921.42	5,861.46	4,392.72	20,734.82
Trade payables	1,022.76	—	—	—	1,022.76
Interest Accrued	1,242.81	—	—	—	1,242.81
Other financial Liabilities	—	1,295.98	2,262.51	—	3,558.49
Total	**8,824.79**	**5,217.40**	**8,123.97**	**4,392.72**	**26,558.88**

c) As at 1st April, 2016

Particulars	On demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	6,431.08	3,159.96	8,407.38	3,161.02	21,159.44
Trade payables	8,453.70	—	—	—	8,453.70
Interest Accrued	1,332.64	—	—	—	1,332.64
Other financial Liabilities	—	2,869.08	234.23	—	3,103.31
Total	**16,217.42**	**6,029.04**	**8,641.61**	**3,161.02**	**34,049.09**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 28.7 Related party disclosures

(i) Names of the related parties and their relationship:

Description of relationship	Names of related parties
Promoter / Shareholder	Dr. T Subbarami Reddy
Key Management Personnel (KMP)	Smt. T. Indira Subbarami Reddy - Chairperson Sri. T.V. Sandeep Kumar Reddy -Vice Chairman Smt. T. Sarita Reddy- Managing Director Mr. V.R. Prasad - Chief Financial Officer Ms. Munmun Baid - Company Secretary (till Nov' 17) Mr. Chetan Kumar Sharma - Company Secretary (from Feb' 18)
Enterprises in which KMP / Relatives of KMP are interested	Gayatri Projects Limited TSR Holdings Private Limited Deep Corporation Private Limited Gayatri Fin-Holdings Private Limited Gayatri Hi-tech Hotels Limited Gayatri Capital Ltd Gayatri Leasefin Private Ltd T. Gayatri Engg.Co.Private Ltd T. Rajeev Reddy Real Estates Developers Private Ltd Maheswari Hotels &Theatres Private Limited Maheswari Film Productions Private Limited Indira Publications Private Limited Parameswari Land Holdings Private Limited Gayatri Property Ventures Private Limited Maheswari Townships Private Limited Indira Constructions Private Limited Gayatri Hotel Ventures Private Limited Gayatri Hotels & Theatres Private Limited Gayatri Tissue & Papers Limited Gayatri Highways Limited Gayatri Bio Organics Limited Deep Land Holdings Private Limited Gayatri Hotels (Vizag) Private Limited Flynt Electric Private Limited Indira Energy Holdings Private Limited
Trust under Common Management	TSR Foundation

Note: Related parties have been identified by the Management.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(ii) Transactions with the related parties

₹ in lakhs

Particulars		Enterprises in which KMP/Relatives of KMP can exercise significant influence	Key Management Personnel	Trust under common management	Major Shareholder*	Total
Remuneration to Managing Director	2017-18	—	45.97	—	—	45.97
	2016-17	—	(41.87)	—	—	(41.87)
Remuneration to CFO	2017-18	—	19.73	—	—	19.73
	2016-17	—	(17.15)	-	-	(17.15)
Remuneration to CS*	2017-18	—	3.26	—	—	3.26
	2016-17	—	(3.70)	—	—	(3.70)
Rent, Power charges paid						
Deep Corporation Private Limited	2017-18	14.85	—	—	—	14.85
	2016-17	(14.99)	—	—	—	(14.99)
Conference Expenses						
Gayatri Hi-Tech Hotels Ltd	2017-18	—	—	—	—	—
	2016-17	(2.11)	—	—	—	(2.11)
Contribution towards donations						
TSR Foundation	2017-18	—	—	6.00	—	6.00
	2016-17	—	—	(6.00)	—	(6.00)
Closing balances - Debit	2017-18	—	—	—	—	—
	2016-17	—	—	—	—	—
	2015-16	—	—	—	—	—
Closing balances - Credit	2017-18	—	—	—	—	—
	2016-17	—	—	—	—	—
	2015-16	—	—	—	—	—

Notes forming part of the Financial Statements

Disclosures pursuant to Indian Accounting Standards (Ind AS) - 19 "Employee's Benefits":

28.9 Employee benefit plans

(a) Defined contribution plans

The Company makes provident fund to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 93.27 lakhs (31st March, 2017: ₹ 87.27 lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) **Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

i. Gratuity (Unfunded)

ii. Compensated Absences

The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements:

₹ in lakhs

	For the Year ended			
	31st March, 2018		31st March, 2017	
	Gratuity	**Compensated Absences**	**Gratuity**	**Compensated Absences**
Present Value of obligations at the beginning of the year	348.07	55.11	303.91	53.02
Current service cost	36.24	9.95	18.35	34.64
Interest cost	24.90	3.58	22.28	3.89
Actuarial losses				
Remeasurements - Due to Financial Assumptions	(20.77)	-	-	-
Remeasurements - Due to Experience Adjustments	69.26	30.90	13.35	(14.58)
Benefits paid	(16.82)	(20.61)	(9.82)	(21.86)
Present Value of obligations at the end of the year	**440.88**	**78.93**	**348.07**	**55.11**
Components of defined benefit cost recognised in profit or loss				
Current service cost	36.24	9.95	18.35	34.64
Interest cost	24.90	3.58	22.28	3.89
Net cost in profit or loss	61.14	13.53	40.63	38.53
Components of defined benefit cost recognised in Other Comprehensive income				
Re-measurement on the net defined benefit liability:				
Actuarial gains and losses arising from change in financial assumption	(20.77)	-	-	-
Actuarial gains and losses arising from experience adjustment	69.26	30.90	13.35	(14.58)
Net Cost in Other Comprehensive Income	48.49	30.90	13.35	(14.58)
Actuarial assumptions				
Discount rate	8.00%	8.00%	7.33%	7.33%
Salary escalation	6.00%	6.00%	6.00%	6.00%
Attrition	5.00%	5.00%	5.00%	5.00%
Normal Retirement Age	58 years	58 years	58 years	58 years
Mortality Rate as % of	IALM (2006-08)Ultimate Mortality table			

₹ in lakhs

Particulars	**2017-18**	**2016-17**	**2015-16**	**2014-15**	**2013-14**
Gratuity					
Present value of obligation	440.88	348.07	170.77	141.96	157.12
Compensated Absences					
Present value of obligation	78.93	55.11	37.93	32.38	31.66

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 28.10 SEGMENT REPORTING

The Company's reportable segments under Ind AS 108 on "Operating Segments" are Sugar and Distillery, for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided, and in respect of the following segments tabulated below.

Particulars	For the year ended 31 March, 2018				For the year ended 31 March, 2017			
	Operating Segments			Total	Operating Segments			Total
	Sugar	Distillery	Eliminations		Sugar	Distillery	Eliminations	
Revenue	22,289.52	2,848.58	—	25,138.10	21,669.60	3,108.19	-	24,777.79
Inter-segment revenue	942.96	—	942.96	-	762.04	-	762.04	-
Total	**23,232.48**	**2,848.58**	**942.96**	**25,138.10**	**22,431.64**	**3,108.19**	**762.04**	**24,777.79**
Segment result	2,129.53	1,154.60	—	3,284.13	2,853.13	281.52	—	3,134.65
Finance cost@	2,007.81	—	—	2,007.81	2,059.75	—	—	2,059.75
Operating Income	**121.72**	**1,154.60**	—	**1,276.32**	**793.38**	**281.52**	—	**1,074.90**
Other unallocable income (net)	—	—	—	19.18	—	—	—	5.49
Profit/(Loss) before taxes	**—**	—	—	**1,295.50**	**—**	—	**—**	**1,080.39**
Tax expense	—	—	—	—	—	—	—	—
Profit/(Loss) for the year	**—**	—	—	**1,295.50**	**—**	—	**—**	**1,080.39**
Segment assets	20,796.43	3,877.16	—	24,673.59	16,017.90	3,926.46	—	19,944.36
Unallocable assets	-	—	—	12.22	—	—	—	5.63
Total assets	**20,796.43**	**3,877.16**	—	**24,685.81**	**16,017.90**	**3,926.46**	—	**19,949.99**
Segment liabilities	31,575.68	104.67	—	31,680.35	23,922.53	123.42	—	24,045.95
Unallocable liabilities	-	—	—	8.03	—	—	—	8.03
Total liabilities	**31,575.69**	**104.67**	—	**31,688.38**	**23,922.54**	**123.42**	—	**24,053.98**
Net Assets	**(10,779.25)**	**3,772.49**	—	**(7,002.58)**	**(7,904.63)**	**3,803.04**	—	**(4,103.99)**

* Includes sale of power ₹ 1,010.69 lakhs (31 March, 2017: ₹ 175.50 lakhs), as the Product has not satisfied the condition of 10% of total revenue as stated in AS-17, the same has been included in Revenue of Sugar Segment.

@ Finance costs adjusted to Sugar results.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

28.11 Earnings per share **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
A. Earnings per share (Basic)		
Net Profit for the year	1,295.50	1,061.00
Less: Preference dividend and tax thereon	297.15	228.28
Net Profit for the year attributable to the equity shareholders	998.36	832.72
Weighted average number of equity shares	437.01	437.01
Par value per share (₹)	10.00	10.00
Earnings per share - Basic (₹)	**2.28**	**1.91**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
B. Earnings per share (Diluted)		
Net Profit for the year attributable to the equity shareholders	998.36	832.72
Add: Interest expense on convertible unsecured loan for the year	163.52	182.97
Net Profit for the year attributable to the equity shareholders on dilution	1,161.88	1,015.69
Weighted average number of equity shares for Basic EPS	437.01	437.01
Add: Effect of convertible un-secured Loan which is dilutive	225.99	225.99
Weighted average number of equity shares - for Diluted EPS	662.99	662.99
Par value per share (₹)	10.00	10.00
Earnings per share - Diluted (₹)	**1.75**	**1.53**

28.12 Details of Consumption of imported and indigenous items

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Raw materials		
Imported	—	—
Indigenous	20,743.54	6,793.82
	20,743.54	**6,793.82**
% Consumption		
Imported	—	—
Indigenous	100.00	100.00
	100.00	**100.00**
Spares & consumables		
Imported	9.94	—
Indigenous	1,253.42	884.39
	1,263.36	**884.39**
% Consumption		
Imported	0.79	—
Indigenous	99.21	100.00

28.13 Auditors remuneration **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Audit fee	4.00	9.00
Limited Review	2.00	6.00
Total	**6.00**	**15.00**

28.14 Deferred tax (Liabilities) / Asset **(₹ in lakhs)**

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Deferred tax liability in relation to		
Property, plant and equipment	**(1,951.83)**	(2,021.96)
Tax effect of items constituting deferred tax liability	**(1,951.83)**	(2,021.96)
Deferred tax Assets in relation to		
Provision for compensated absences, gratuity and other employee benefits	**160.62**	124.58
Provision for doubtful advances	**12.81**	12.81
Unabsorbed depreciation carried forward	**1,778.40**	1,884.57
Tax effect of items constituting deferred tax assets	**1,951.83**	2,021.96
Net deferred tax (liability) / asset	**—**	**—**

Note: In absence reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets, the Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the tax base of assets as per books and as per Income Tax.

28.15 There are no derivative contracts taken during the year and outstanding as at the year-end. Further, there are no foreign currency exposures as at the year-end.

28.16 The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh dismissed the Company's writ petition (along with the other petitions on the same matter filed by other companies) vide its common order dated May 19, 2016 ('the Order') in which it upheld the validity of levy of Electricity Duty @ 25 paisa per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. During the previous year, the Company filed a Special Leave Petition (SLP) in the Hon'ble Supreme Court which dismissed the SLP vide order dated September 27, 2016 on the grounds that these matters were pending before the Board for Industrial and Financial Reconstruction (BIFR), and unless payments were being made by the petitioners as directed in its interim orders @ 15 paisa per unit. The Hon'ble Supreme Court also granted liberty to the petitioners to revive the petitions after the decision is given by the BIFR. Currently, the case filed before BIFR stands abated and the Company has not initiated any proceedings before the NCLT.The management is of the view that as the case filed before BIFR stands abated and no demand notices were received thereafter for the payment, the Company has treated the estimated duty amount aggregating ₹ 284 lakhs as a Contingent Liability and no provision has been made in respect of the same. In the event of an unfavourable verdict/outcome in this matter, the Management based on the Supreme Court's interim orders and considering the inherent uncertainty in predicting the final outcome of the above litigation estimates the impact of the potential liability to be ₹170 lakhs.In view of the above, the auditors have made a qualification in their Audit Report about their inability to comment on the ultimate outcome of this matter and the consequential impact, if any, on these financials statement.

28.17 Over the last few years, the Company has been incurring losses and as at 31st March, 2018, the accumulated losses amounting to ₹11,588.46 Lakhs (31st March, 2017 ₹12,804.58 Lakhs) have completely eroded the net worth and its current liabilities exceeded the current assets as on that date.The financial statements have been prepared on a going concern basis, based on a Comfort letter provided by the promoters for continued support to the Company to meet its financial obligations, in order to enable the Company to continue its operations in the foreseeable future.

28.18 Cheques on Hand represent cheques received by the Company, pending to be presented to banks for deposit/ clearance as at the balance sheet date.

28.19 Financial Reporting Process. The Management conducted an assessment of the effectiveness of the internal control over financial reporting using the criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on this assessment, Management identified deficiencies in the internal control over financial reporting, that constitute material weaknesses, in respect of certain reconciliations between various accounting systems and the period-end

adjustments. The Company uses various subsystems, the output from which, is being used for accounting in the financial package maintained by the Company. Consequent to certain deficiencies in IT General and Application controls in the software platforms used for financial reporting, there were differences between sub-systems / sub- ledgers with the general ledger, which have been manually reconciled by the Company. Further, Management review controls over entity's financial reporting were ineffective as evidenced by recording of certain period-end adjustment entries. Whilst all necessary adjustment entries were passed in the books of account for the year ended 31st March 2018, the related material weakness in internal control was remediated after the year-end.

28.20 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report attached

For M O S & Associates LLP
Chartered Accountants

Oommen Mani
Partner

Place : Hyderabad
Date : 18th May, 2018

For and on behalf of the Board of Directors

T. Indira Subbarami Reddy
Chairperson

T.V. Sandeep Kumar Reddy
Vice Chairman

V.R. Prasad
Chief Financial Officer

Chetan Kumar Sharma
Company Secretary

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: L15421TG1995PLC020720
Name of the company: Gayatri Sugars Limited
Registered office: B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road, Somajiguda, Hyderabad – 500 082.

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

Name of the member (s): Registered address:		Email Id: Folio No./ Client Id No.: DP Id No.:	

1. Name: Address: E-Mail Id: Signature: or failing him	1. Name: Address: E-Mail Id: Signature: or failing him	1. Name: Address: E-Mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on 19.09.2018 at 10:30 A.M. at FTAPCCI Surana Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, Federation House, 11-6-841, Red Hills, P.B. 14, Hyderabad- 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution	**For**	**Against**
1. Adoption of Financial Statements for the Year ended 31.03.2018.		
2. Re-Appointment of Mrs. T. Indira Subbarami Reddy who retires by rotation.		
3. Re-Appoint Mrs. T. Sarita Reddy as Managing Director.		
4. Ratification of the remuneration of Cost Auditors for the financial year ending March 31, 2019		
5. Approval of guarantee(s), provide security (ies) in excess of the prescribed limit under section 186 of the Companies Act, 2013.		

Signed this..... day of..... 2018

Signature of shareholder:
Signature of Proxy holder(s):

Affix Re. 1/- revenue stamp

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.

GAYATRI SUGARS LIMITED

B2, 2nd Floor, 6-3-1090, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.

CIN: L15421TG1995PLC020720

ATTENDANCE SLIP

23rd Annual General Meeting

(To be handed over at the entrance of the Meeting Hall)

Name of the Member :

Members Folio No/DP ID / Client ID :

No of shares held :

Signature :

Name of Proxyholder :
(in case of Proxies only)
Signature

I hereby record my presence at the 23rd Annual General Meeting of the Company held on Wednesday, September 19, 2018 at 10:30 A.M. at FTAPCCI Surana Auditorium, the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, federation House, 11-6-841, Red Hills, Hyderabad - 500004

.....
*Member/Proxy Signature

*to be signed at the time of handing over the slip.

Google Maps TSR Towers to FAPCII, Hyderabad, Telangana Drive 3.1 km, 12 min

via Raj Bhavan Rd and NH 9 — 12 min

9 min without traffic · — 3.1 km

Details

via Raj Bhavan Rd	14 min
Hyderabad Decan Local	16 min

If undelivered, please return to :

GAYATRI SUGARS LIMITED
CIN: L15421TG1995PLC020720
B2, 2nd Floor, 6-3-1090, TSR Towers
Rajbhavan Road, Somajiguda,
Hyderabad - 500 082.