Shree Renuka Sugars Limited

Annual Report 2012-13

CONSOLIDATE. STRENGTHEN. INTEGRATE.

CONTENTS

Forward-looking statements

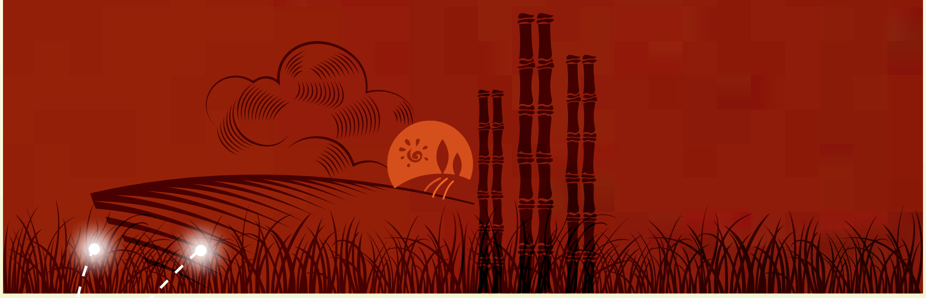
In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Every business that grows at a rapid pace, encounters cycles of consolidation, strengthening and integration.

Over the past few years, we have spent our energies in consolidating and strengthening our business and achieving better integration across our global platform, thereby preparing our organisation for **sustainable profitability both in India and Brazil**.

We strengthened our operations in India by **climbing up the value chain** and pursuing sales of branded sugar and increasing capacity utilisation of our port based refineries and distilleries. In Brazil, we planted more cane to increase crushing in the coming season and revitalised our team with members who have proven track record in **running sizeable plantation operations.**



CONSOLIDATE. STRENGTHEN. INTEGRATE.

2012-13 AT A GLANCE: THE YEAR OF CONSOLIDATING **AND STRENGTHENING OPERATIONS**

Over the past 12 months, our efforts were focussed on consolidating and strengthening our business both in India and in Brazil – that of stabilising our operations and balance sheet with emphasis on turning around our operations in Renuka do Brasil.

BRAZIL – THE MOVE WE MADE

The key improvement we have to report on the Brazil front has been an increase of 15% in cane crushing which touched **9.5 million** tons in crop season 2012, and an additional cane planting in the period which will increase cane availability in the current season.

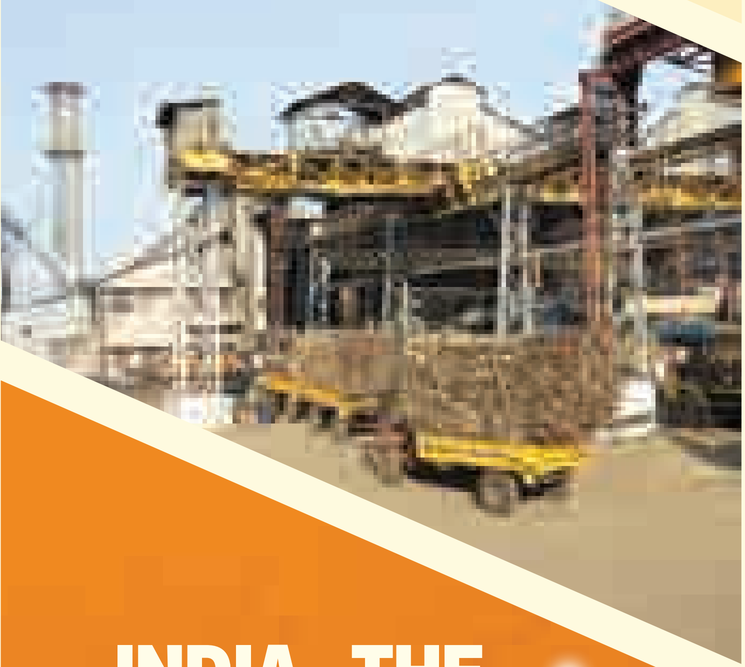
Total sugar produced in Brazil during the crop season 2012 increased by **31%** reaching **0.73 million** tons as against **0.55 million** tons in the previous crop season.

Energy sales from co-generation plants stood at 331 MWh in crop season 2012 as against 205 MWh in crop season 2011.

THE RESULT IT YIELDED

In our Brazilian operations, we have improved our EBITDA margin for the year to **26% from 24%** in the previous year.

The overall EBITDA reported in Brazil is **₹ 8,023 million**. We see a **much better performance operationally and financially going forward.** More cane availability will help significantly.



INDIA - THE MOVE WE MADE

In India, our main focus was on increasing the capacity utilisation of our **refining** division where we doubled the capacity utilisation compared to the previous year. Since October, 2012 we have been running our refineries at almost **full capacity**, delivering a growth of **29%** in sugar segment sales in the year ended March 2013 as compared to 18 months ended March 2012.

THE RESULT IT YIELDED

The Indian standalone business has reported a net profit of ₹ **518 million** for the year ended March 2013.

Increased capacity utilisation at our refineries helped us not only offset the decline in production of our cane sugar, but also supported our profitability as **refining spreads have remained healthy**.

We **successfully leveraged our ability** to purchase raw sugar on credit thus bringing down our total interest cost.

Meanwhile, the Indian sugar price scenario has turned more bearish than it was a year back because of production being at the higher end of estimates, and this has resulted in muted prices. As a result the EBITDA margin in Indian operations has gone down, even though profits from the refining operations cushioned matters to an extent. High cane prices also impacted the margin expectation, as **increase in cane prices was more than the increase in sugar prices**.

LETTER FROM THE **MANAGING DIRECTOR**

In global terms, the sugar industry was in a surplus, with sugar production outstripping consumption for the third year in a row. The total sugar production was higher by **1.4%** to **174.5 million** MT.

There comes a time in the life of every Company when you shrug off the vagaries of nature and circumstances, and focus on consolidating operations. For us at Shree Renuka Sugars, this year was one such time. Over the past years, we have focussed our energies in consolidating and strengthening our organisational capability in preparation for sustained growth.

During the past 12 months, we focussed on improving our operations and balance sheet as well as turning around our operations in our Brazilian subsidiaries. We have taken significant strides in this direction, though there is more work to be done. While progress has been made, this is an ongoing agenda that will come to fruition in the years ahead.

The Indian standalone operations reported a net profit of ₹ 518 million for the 12-months ended March 2013.

In global terms, the sugar industry was in a surplus, with sugar production outstripping consumption for the third year in a row. The total sugar production was higher by 1.4% to 174.5 million MT. This overhang of supply impacted prices which reached a level of US$ 17 cents per lb as against the last two years' average of US$ 25 cents per lb. With sugar prices near a 3-year low, there is a healthy demand for the commodity for current consumption and restocking from most of the importing countries.

With sugar prices near a 3-year low, there is a **healthy demand for the commodity** for current consumption and restocking from most of the **importing countries**

During the year, we noticed a marked contrast in our performance in Brazil and India, though there was commonality in terms of good news from the regulatory front.

Growing strength in the India Operations

In the sugar business in India, there has been a landmark decision, when the Government declared the partial de-control of the sugar sector in April 2013.

By eliminating levy sugar purchased at a discount of 40% to the market price and moving to the open market purchase of PDS requirement, the Government has at one stroke enhanced the earnings ability of sugar companies. We estimate that your Company will make substantial savings annually.

Quantitative restrictions on domestic and export sales of sugar have been removed and it is our view that the ability to market our product at the time of our choice will lead to companies becoming more competitive with the ability to manage their cash flows according to their inventory management and price scenario. However, we are presently witnessing an adjustment period wherein smaller companies in the sector with high working capital requirements are aggressively selling their stock, thereby applying pressure on the prices.

This year Maharashtra & Karnataka suffered from an unprecedented drought with a large area of the state facing scarcity of drinking water. In this context, many voices were raised about the viability of producing a water intensive crop, when even drinking water was scarce. We have since inception been conscious of our duties and have initiated measures to ensure that water usage and waste from our manufacturing process is minimised and we are moving towards becoming water neutral in our industrial operations.

During the year 2012-13, one of the highlights of our standalone operations was the improved performance of our refining business. Our port-based refineries at Haldia and Kandla increased capacity utilisation levels and almost doubled their output. This helped our profitability as the refining spreads remained healthy.

We were also able to access raw sugar on extended credit terms, thereby reducing our working capital requirement and bring down our interest cost.

We expect both the refineries to operate at full capacity in the foreseeable future, delivering healthy refining margins that will add to our consolidated bottomline.

Sugar prices towards the end of the year in India fell with many companies facing working capital paucity aggressively liquidating stocks. In many states, the selling price of sugar is close to or lower than its cost of production.

In our Ethanol business, there was good news at hand. In January 2013, the Government of India notified the Fuel Ethanol mandate requiring OMC's to blend 5% ethanol with petrol on an all India basis. As against the fixed pricing, the Government allowed sugar companies to participate in tenders based on competitive bidding. We have received good orders for fuel ethanol and this augurs well for the profitability of this segment going forward.

In our continuing attempts to deleverage our balance sheet, we have pared down our debt from ₹ 4,328 crores to ₹ 2,612 crores in the past one year.

With increase in refining capacity utilisation, improvement in cane crushing in Brazil, upside of Ethanol both in India and Brazil, we are poised to achieve sustainable growth.

Stable growth in the Brazil Operations

Sugar production for the Brazilian subsidiaries improved, led by higher sugarcane cultivation and increased diversion towards sugar. Our Brazilian operations are stabilising and we have increased our crushing during the year to 9.5 million tons from last year's total crushing of 8.3 million tons. We have planted more cane and we anticipate that this will increase cane availability for the coming year's crushing operations. In FY 2013-14, we expect to increase crushing to the level of 11 million tons.

Though volume increased, profitability was impacted mainly due to non cash items like depreciation and foreign exchange fluctuations. On the positives in Brazil, we have improved our EBITDA margin for the year to 26%.

As the Brazilian Real depreciates, sugar from Brazil is getting more and more competitive in the export market compared to other exporting countries.

There has been positive development on the Ethanol front in Brazil too, since the government has mandated a blend of 25% ethanol from the present 20% in gasoline. With flex-fuel cars that can use either ethanol or blended gasoline accounting for about 57% of the total car fleet in Brazil, this move is expected to increase consumption of anhydrous ethanol by 2 billion litres and thus, would be encouraging for the long-term growth prospects of the sugarcane industry. The Brazilian Government has also announced a tax credit on hydrous ethanol which will positively impact our bottomline. The tax credit is pegged at R$120 per KL which converts to about US$ 60 per KL which will go to the mills that produce ethanol.

These facts have already impacted ethanol pricing which is ruling above the equivalent prevailing raw sugar prices for most of this year. To meet this incremental demand, the Brazilian sugar-ethanol industry will end up shifting the production share towards ethanol and away from sugar. This shift will result in a substantial reduction of the global sugar surplus paving the way for better prices in 2014.

Given our objective to reduce capital usage in our Brazilian operations, we plan to increase the share of third party sugarcane supplies to 50% from the existing 35% over the next 2-3 years. This will also enable equitable sharing of the cane risk with farmers and reduce our capital expenditure.

With increase in refining capacity utilisation, improvement in cane crushing in Brazil, upside of Ethanol both in India and Brazil, we are poised to achieve sustainable growth.

After the consolidation and strengthening, it is time for significant deleveraging in the next two years on the back of higher capacity utilisation across the group and select strategic initiatives.

I take this opportunity to thank our board members, senior management, our staff both in India and Brazil, our customers, our bankers and the Governments of India and Brazil with whose co-operation we are making progress.

Warm regards,
Narendra Murkumbi

There has been positive development on the Ethanol front in Brazil, since the government has mandated a blend of **25%** ethanol from the present **20%**. This will immediately raise the demand for anhydrous ethanol by **2 billion** litres.

FROM CONSOLIDATING TO **STRENGTHENING OPERATIONS IN BRAZIL**

We experienced the toughest two years in the decade with successive drought and unusual conditions of frost and flowering of sugarcane which resulted in a drop in our cane harvesting. These acts of nature had impacted our operations and setback our plans to stabilise our Brazil operations. This year we returned to good weather. After the 11.5% decline in 2011-12, sugarcane availability in Centre-South Brazil improved by 8% to 533 million MT in 2012-13.

As part of our turnaround strategy, we unified our management in Brazil. **Stronger emphasis** is being placed on management reporting and technical aspects of our operations. Good weather, increased planting and the expectations of a **better yield will lead us to a position of strength**.

During this year, we have taken the **first steps to strengthening our capacity utilisation** and we have increased cane crushing for our Brazilian operations from a low of **8.3 million** tons of cane crushed in 2011-12 to about **9.5 million** tons of cane crushed in 2012-13. By the next year, we expect to crush **11 million** tons of cane, which on a total capacity of **13.6 million** tons amounts to an **81%** capacity utilisation.

CONSOLIDATION AND STRENGTHENING OUR SUGAR PRODUCTION

The dawn of a better tomorrow can also be seen in our sugar production, which increased from **553,612** tons in the last season to **725,137** tons which is **31%** higher.

STRENGTHENING YIELDS BY INCREASED PLANTING IN OWN ACREAGE AND STABILISING RATIO OF OWN CANE AND BOUGHT CANE

Cane availability is one of the key factors to ensure a **better tomorrow** in our Brazil operations.

In Brazil, we increased availability of cane in the coming year by **planting additional cane in the past 12 months**. This will ensure higher levels of cane availability for the coming season and support our efforts to take crushing to a higher level.

Currently, we own **65%** of the cane we crush with **35%** coming from supplier cane. We intend to gradually take this ratio to **50-50%**, so as to increase the availability of cane and reduce the weather risk.

GROWING PROFITABILITY OF OUR RENUKA DO BRASIL OPERATIONS

During the year, our focus was to turn around our operations in Renuka do Brasil. Key to this is our efforts to increase cane availability and deleverage our balance sheet from higher debt. In Renuka do Brasil, the debt has remained almost constant last year. In Renuka Vale do Ivai, we have started repayment of our debt given the lapsing of the moratorium period and we have reduced debt from ₹ **960 crores** to ₹ **867** crores so we paid off **9.7%** of our debt last year.

STRENGTHENING PROFITABILITY OF OUR ETHANOL OPERATIONS

The decision of the Government of Brazil to increase the blending of anhydrous ethanol from **20% to 25%** will increase demand for ethanol by **2 billion** litres. Added to this is the tax credit that is expected to benefit ethanol producers by R$ 120 per kl adding to the profitability of ethanol operations. During the year, we produced **276 million** litres of Ethanol as compared to **288 million** litres in the last season. Since sugar was more profitable, we devoted **63%** of the ATR towards sugar production as against **56%** in the last season.

STRENGTHENING OUR BUSINESS IN INDIA

During the year, our refineries in India were operating at near to full capacity. This is evident in the rise in raw sugar processed which touched 1,032,367 MT for the full year ended March 2013 against 606,989 MT in the previous 18 months. During the year, we produced a total of nearly 1.5 million MT of sugar in India alone.

Currently, the Haldia refinery is marketing nearly 90% of its sugar in the domestic market and the Kandla refinery is completely focussed on exports.

Increasing the capacity utilisation of the refineries delivered another benefit. Since raw sugar is available on credit, we were able to do enhanced volumes without increasing our interest cost. The spreads in refining also remained firm, contributing to our profitability.

CONSOLIDATING GAINS FROM REGULATORY CHANGES

SUGAR DECONTROL

After a hiatus of years and months of speculation, the government finally announced its deregulation of the sugar marketing activities. It abolished the mandatory levy sugar system that entailed mills to sell **10%** of their sugar production at a **40%** discount to the market price to supply to the Public Distribution System (PDS) stores for a period of two years. As PDS sugar is sold at ₹ **13.5**/kg against the market price of ₹ **32**/kg, the government will bear the burden of subsidising sugar to the extent of ₹ **18.5**/kg for two years. As per the new policy, the quarterly release mechanism of sugar has also been dropped, enabling sugar mills to sell sugar into the domestic market or export it at will. This move is expected to free up cash flows for mills and enable them to better meet their cane payments to farmers, thus improving mill- farmer relationships.

The elimination of the levy sugar and sale of sugar at market rates will result in additional revenues in FY 2013-14.

ETHANOL BUSINESS

The Govt. has notified the Fuel Ethanol mandate requiring Oil Marketing Companies to sell ethanol blended petrol up to **10%** of its volume, while maintaining the mandatory blending at **5%** across the country as a whole. In response to the directive, the OMC's have announced a domestic tender for procurement of approximately **1.4 billion** litres from the domestic sector along with an international procurement of **0.8 billion** litres. This move will increase profitability of our Ethanol business and add to our bottomline.

POSITIVES IN BRANDING SUGAR

Sugar has for long been sold as a commodity. **Shree Renuka Sugars is one of the first to package and brand sugar** and market it like a fast moving consumer good. **Our brand - Madhur**, launched in 2007, is today an established brand delivering the benefits of natural sweetness, sulphur-free processing, consistent quality, and advanced processing technology. Madhur has emerged as the fastest growing brand in the sugar category with a CAGR of **71%** over a period of 5 years and has a significant presence in local kirana stores in Karnataka, Gujarat, Maharashtra and Rajasthan, besides finding a place of pride on the shelves of leading food malls and food chains.

MADHUR

The Sweet Journey to Success

Madhur Sugar was launched in 2007 by Shree Renuka Sugars Limited. From the very beginning it has focused on providing pure and hygienic sugar to its customers. Today, Madhur is the leading sugar brand in India.

The Madhur Edge:

Natural Sweetness	Sulphur Free Processing	Consistent Quality	Advanced Production Technology
Made from superior quality sugarcane.	Stringent quality control and sulphur-free refining process ensure Madhur Sugar is healthy for consumption.	Refined, sparkling white, moisture free and easy to dissolve crystals.	Manufactured, packed, stored and shipped in a state-of-the-art refinery that complies with International standards to ensure every crystal is untouched by hand.

Supported by these inherent advantages and backed by strong Marketing and Sales support, it is not surprising that Madhur is the leader in most of the markets it is present in, from the local kirana stores to leading modern retail chains across the country.

Pure AND WHITE CRYSTALS | **100%** HYGIENIC & SULPHUR FREE PROCESSING* | **Quality** THAT'S INTERNATIONAL#

T&C: * Stringent quality control and sulphur free refining process ensure that the sugar you use is healthy for consumption. #Madhur Sugar is manufactured, packed, stored and shipped in a state-of-the-art refinery that complies with International Standards.

madhur™
Pure & Hygienic Sugar

Currently, Madhur Sugar enjoys strong presence in the states of Gujarat, Maharashtra, Delhi, Rajasthan & Karnataka. Madhur is also increasingly making its presence felt in many other parts of India including Haryana, Madhya Pradesh, Andhra Pradesh, Kerala, Punjab and Jammu & Kashmir.

Commercially, Madhur Sugar has shown a rapid growth at a compounded annual growth rate of 71.4% over a period of 5 years. In the current year, we are targeting to grow from the current levels of 20,000MT to 50,000MT, making Madhur the leading branded sugar in India.

The real success of the brand lies in its commitment to deliver the promise of pure and hygienic sugar to the customer. Madhur ensures that every sugar crystal contributes to the moments of delight and celebration in one's life.

Madhur Sugar sweetens the taste in the kitchens of:

- ***Jammu & Kashmir:*** Jammu
- ***Punjab:*** Chandigarh, Patiala, Mansa
- ***Haryana:*** Ambala, Karnal, Kurukshetra, Panipat, Nissing, Sonipat
- ***Delhi NCR***
- ***Rajasthan:*** Bikaner, Jodhpur, Jaipur, Udaipur, Banswada, Sikar, Alwar, Sumerpur, Sojat, Pali, Tonk, Baran, Nokha
- ***Madhya Pradesh:*** Neemach, Mandsaur, Ratlam, Ujjain, Bhopal, Indore
- ***Gujarat:*** Ahmedabad, Anand, Vadodara, Bharuch, Ankaleshwar, Surat, Valsad, Vapi, Daman, Silvassa, Chikhli, Billimora, Daman, Dadra and Nagar Haveli, Mehsana, Kadi, Kalol, Gandhinagar, Deesa, Palanpur, Himmatnagar, Idar, Gandhidham, Bhuj, Anjar, Modasa, Rajkot, Gondal, Junagadh, Porbander, Amreli, Jamnagar, Dwarka, Okha, Bhavnagar, Morbi, Surendranagar, Godhra, Dahod
- ***Maharashtra:*** Jalgaon, Nagpur, Nasik, Mumbai, Pune, Kolhapur, Jalna, Wardha, Yavatmal, Chandrapur, Dhule, Akola
- ***Karnataka:*** Hubli, Hassan, Chitradurga, Chikmangalur, Belgaum, Tumkur, Davangere, Bhatkal, Shikaripura, Dharwar, Mangalore, Bengaluru, Madikeri, Mysore, Shimoga, Bellari, Gadag, Gangavathi, Sirsi, Karwar, Toranagal, Ramdurg, Bailhongal, Savadatti, Yellapur, Mundgod, Sagara, Kargal
- ***Andhra Pradesh:*** Hyderabad, Vishakhapatnam, Kodad
- ***Kerala:*** Ernakulum, Calicut
- ***Chattisgarh:*** Raipur

MADHUR

madhur™
Pure & Hygienic Sugar

To propagate the brand Madhur, a wide range of initiatives were taken up this year.

A multimedia campaign was launched in the Mumbai market that helped in establishing the key features of the product like sulphur free process, untouched by hand, pure and hygienic sugar. The media used were leading newspapers, outdoor and train branding. In addition, intense branding initiatives were taken across major cities of the country such as auto rickshaw branding, point of sale collaterals at retail shops and participation in fairs and exhibitions and many more.

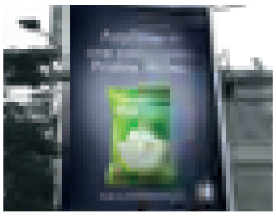
Here is a glimpse of how it all panned out...

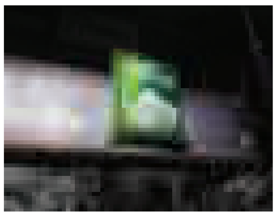
Print Ads

Released in leading newspapers of Mumbai like Times of India, Hindustan Times, Maharashtra Times and Gujarat Samachar.

Outdoor

An outdoor campaign was launched at key locations of Mumbai to support the print advertising. This activity included bus shelters, billboards, gantry and train wraps to increase brand visibility and brand recall.





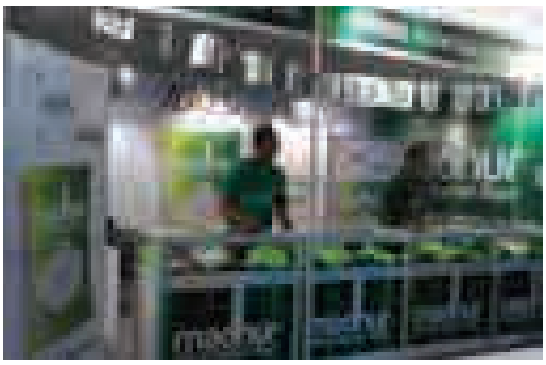
madhur™
Pure & Hygienic Sugar

Ambient Media

Branding on auto rickshaws and theatre slides to catch attention.

Shop Branding

Customised dealer boards, posters, danglers and shelf strips across major cities of India to increase visibility and drive brand salience at point of sale.



Fairs and Exhibitions

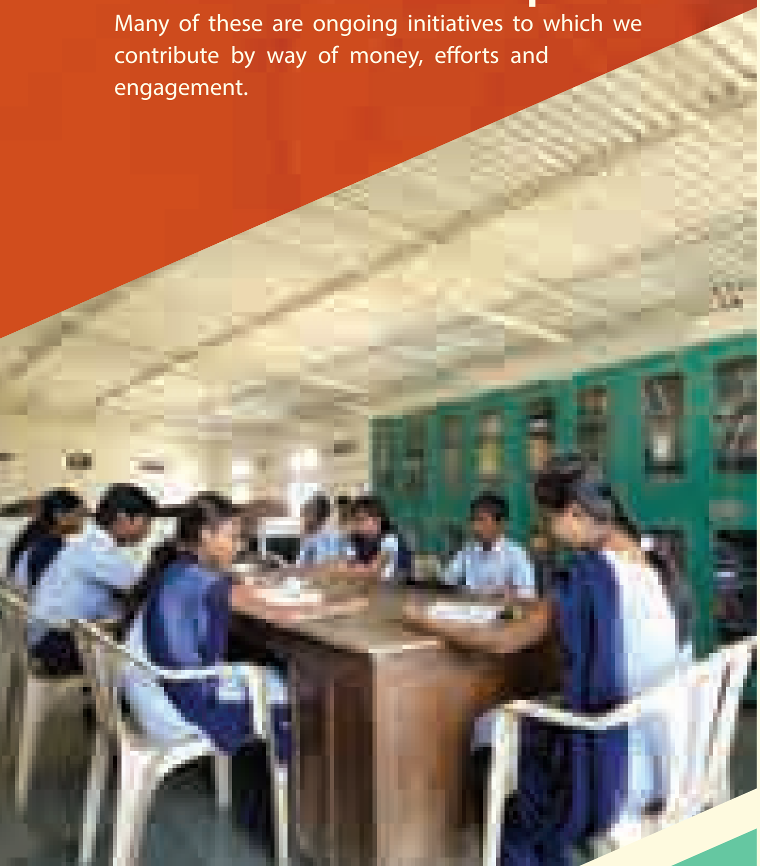
Madhur participated in various fairs and exhibitions to engage with its customers and propagate the benefits of the brand.

BEYOND BUSINESS

Conducting our business profitably and delivering good returns to our stakeholders is but a part of our full agenda. Our agenda is complete when we are able to share a part of our business proceeds with the communities within which we operate. We seek to benefit these communities through our CSR activities that are focused on education, healthcare, and employability training.

STRENGTHENING OUR CSR INITIATIVES

Shree Renuka Sugars Ltd. has initiated a series of after profit **Corporate Social Responsibility** programs to positively impact communities we are connected with in and around our **11 plant sites**. Many of these are ongoing initiatives to which we contribute by way of money, efforts and engagement.



CONTRIBUTING TO WELFARE OF PEOPLE IN MUNOLI VILLAGE, SAUNDATTI TALUKA

Saundatti is a taluka centre that is 90 kms away from the district headquarters of Belgaum. The Company has instituted a **CBSE syllabus primary and higher primary school at Munoli** that caters to students studying from 1st to 6th standards. This school offers **education in the English Medium**, enabling rural students to assimilate into the mainstream of education in the country. We have also established a Dispensary at our sugar factory premises with a Resident Medical Officer who caters to the medical requirements of employees and villagers in the vicinity of the plant. Since **safe drinking water** is an issue in villages, we have taken the initiative to install a Reverse Osmosis plant in the Munoli village. The Plant caters to the requirement of villagers as well as pilgrims who visit the Yellammadevi temple at Saundatti. We have also established a **Sakhar Shala to educate the children of the cane harvesting workers**. We have provided children of the cane harvesters with text books and note books, and other teaching materials.

LEARNING, TRAINING AND HEALTHCARE AT KOKATNUR, ATHANI TALUKA

Kokatnur is a village in vicinity of Athani town in Belgaum district of Karnataka, India. It is 150 km away from Belgaum city and 75 km from Bijapur. The river Krishna flows through Athani Taluka, and **consequently it is a place where agriculture is predominant**.

In an effort to provide **quality education** to the village citizens, we have set up a **CBSE school** in the Kokatnur village. Students from 1st to 8th standards study in this school, preparing themselves for a **brighter future**. The school features **well equipped laboratories, a library, a computer lab** with good internet connectivity, and a playground.

In an effort to make more villagers employable we have established a **Sugar Institute at Kokatnur** that is approved by the Directorate General of Employment and Training, New Delhi. Students are offered training in two courses- viz. Sugar House Operator (Process) and Sugar House Operator (Engg.).

In the city of Athani, we have set up a **High Technology laboratory** for medical diagnostic services enabling people in the vicinity to get localised medical services. The centre was set up with an investment of ₹ **1.5 crore** and offers pathological, biological, biochemistry and radiological investigations and medical diagnosis.

Shree Renuka Institute for Rural Development & Research (SRIRDR), an **NGO sponsored** by the company, has also instituted a **well equipped Ambulance** with trained manpower, dedicated to the service of the people of Athani and its vicinity.

MULTIPLE INITIATIVES FOR WELFARE OF CITIZENS OF AFZALPUR, GULBARGA DISTRICT

Afzalpur is a panchayat town in the district of Gulbarga and it is also the headquarters of Afzalpur Taluka. **We have taken many initiatives to increase the well being** of residents of this town.

For educating the young of Afzalpur, we have established a **CBSE school at secondary level**. This school has over **600 local students** studying in it. The school has a **well equipped laboratory**, a library stocking a variety of books and periodicals, a computer lab with internet access, and an **excellent playing ground** for students to indulge in their favourite sports.

We have also set up a Medical Dispensary at our plant with a Resident Medical Officer who offers treatment to both employees and villagers. **We have also installed a Reverse osmosis plant** at Gattarga village of the Afzalpur taluka to **deliver clean water** to villagers.

Other initiatives in Afzalpur include a **Sakhar Shala that offers employability training**, runs a Goshala that caters to the care of animals, a vegetable market, a community hall for public meetings, a shopping complex that caters to the local community. Our NGO SRIRDR has also **built 349 Asare homes** at a cost of ₹ **5 crores** for the flood affected and displaced people of Ramdurga taluka of Belgaum district.

We have also set up a **Self Help Group** with a Rural Library.

EDUCATION AND SCHOLARSHIPS FOR STUDENTS IN BELGAUM

We have established a **Boys Hostel** in Belgaum City in the memory of the Late Shri Madhusudan Murkhumbi to enable rural students to carry on their further studies in the city. It accommodates **30 students**. We also offer **merit scholarships** to the poor and needy students and children of cane suppliers, employees and farmers of nearby areas.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Vidya M. Murkumbi
Executive Chairperson

Mr. Narendra M. Murkumbi
Vice Chairman & Managing Director

Mr. Nandan V. Yalgi
Executive Director

Mr. Vijendra Singh
Executive Director

Mr. S. M. Kaluti
Non Executive Director

Mr. S. K. Tuteja
Independent Director

Mr. Sanjay K. Asher
Independent Director

Mr. J. J. Bhagat
Independent Director

Mr. Robert Taylor
Independent Director

Mr. Hrishikesh Parandekar
Independent Director

AUDITORS:

M/s. Ashok Kumar,
Prabhashankar & Co.
Chartered Accountants,
Bangalore.

REGISTERED OFFICE:

BC 105, Havelock Road, Camp,
Belgaum-590 001.
Tel.: 91-831-2404000
Fax: 91-831-2404961

CORPORATE OFFICE:

7th Floor, Devchand House,
Shiv Sagar Estate,
Dr. Annie Besant Road, Worli,
Mumbai-400 018.
Tel: 91-22-2497 7744 / 4001 1400
Fax: 91-22-2497 7747

BANKERS:

Axis Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
ING Vysya Bank Ltd.
Royal Bank of Scotland N.V.
State Bank of India
Standard Chartered Bank
The Ratnakar Bank Ltd.
Yes Bank Ltd.

PLANT LOCATIONS (BRAZIL)

Renuka do Brasil S/A

Unit I - Usina Madhu
Promissao, Sao Paulo
Brazil

Unit II - Usina Revati
Brejo Alegre, Sao Paulo
Brazil

Renuka Vale do Ivai S/A

Unit I - Usina Sao Pedro do Ivai
Sao Pedro do Ivai, Parana
Brazil

Unit II - Usina Cambui
São Miguel do Cambuí, Parana
Brazil

PLANT LOCATIONS (INDIA)

Unit I - Munoli
Sugar, Distillery, Co-Generation and
Sugar Refinery
Gavase, Taluka: Saundatti,
Dist: Belgaum, Karnataka

Unit II - Athani
Sugar, Distillery, Co-Generation and
Sugar Refinery
Taluka: Athani
Dist: Belgaum, Karnataka

Unit III - Havalga
Sugar, Distillery, Co-Generation and
Sugar Refinery
Taluka: Afzalpur,
Dist: Gulbarga, Karnataka

Unit IV - Raibag (Leased)
Sugar
Taluka: Raibag,
Dist: Belgaum, Karnataka

Unit V - Pathri
Sugar
Deonandra, Taluka: Pathri
Dist: Parbhani, Maharashtra

Unit VI - Gokak
Sugar and Co-Generation
Kolavi, Taluka: Gokak
Dist: Belgaum, Karnataka

Unit VII - Ajinkyatara (BOOT)
Co-Generation
Shahunagar, Shendre Tal / Dist: Satara,
Maharashtra

Unit VIII - Arag (BOOT)
Co-Generation
Taluka: Miraj,
Dist: Sangli, Maharashtra

Unit IX - Panchaganga (Leased, BOOT)
Sugar & Co-Generation
Ganganagar, Ichalkaranji,
Taluka: Hatkanangle
Dist: Kolhapur, Maharashtra

Unit E1 - Khopoli
Ethanol Distillery
Donvat, Taluka: Khalapur, Maharashtra

Unit R1 - Haldia
Sugar Refinery & Co-Generation
Kolkata, West Bengal

Unit R2 - Kandla
Sugar Refinery & Co-Generation
Kandla, Gujarat

KBK Chem Engineering Pvt. Ltd.
Engineering, Procurement &
Construction of Distillery Plants
Taluka: Mulshi
Dist: Pune, Maharashtra

MANAGEMENT DISCUSSION & ANALYSIS

Sugar production in Brazil, the largest sugar producer in the world, rose by **6.4%** to **38.2 Million** MT due to favourable climate in the key Centre - South region.

GLOBAL SUGAR INDUSTRY

Industry facts

- 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
- India, the EU, China, Brazil and U.S. are the major sugar consuming countries
- More than 80% of 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

Production and consumption

The global sugar production continued to surpass consumption for the third consecutive year in the season 2012/13. Global sugar production rose by 1.4% to 174.5 Million MT. A recovery in sugarcane crop in Centre-South Brazil and a better crop in China, U.S. and Mexico contributed to the overall surplus in production. Sugar production in Brazil, the largest sugar producer in the world, rose by 6.4% to 38.2 Million MT due to favourable climate in the key Centre-South region. Sugar production in India, which declined by around 6.6%, still remained higher than the domestic consumption levels. Among other key producing nations, China reported a 13.2% rise, whereas EU and Thailand reported a 13.7% and 3.3% decline in production.

Consumption growth, which remained subdued in 2009/10 and 2010/11 on account of high sugar prices, recovered in 2011/12 to 2.9%. The trend was maintained in 2012/13 with consumption rising by 3.0%, as low sugar prices and restocking from importing nations buoyed the demand. Three consecutive years of production surplus resulted in a further increase in closing inventory levels and stock to consumption ratio in 2012/13 season.

World Centrifugal Sugar Production, Supply and Distribution (Million MT, Raw Value)

Marketing Year	Beginning Stocks	Total Sugar Produced	Total Imports	Total Supply	Total Exports	Total Consumed	Ending Stocks	Consumption Growth (%)
2008/09	43.3	144.0	43.1	230.4	45.8	154.1	30.5	1.87%
2009/10	30.5	153.4	48.1	232.1	48.9	154.2	28.9	0.09%
2010/11	28.9	161.9	48.9	239.8	55.0	154.9	29.9	0.47%
2011/12	29.9	172.0	48.9	250.8	56.0	159.5	35.3	2.94%
2012/13	35.3	174.5	49.9	259.7	56.9	164.4	38.4	3.04%
2013/14(E)	38.4	174.9	52.3	265.6	59.2	168.1	38.2	2.30%

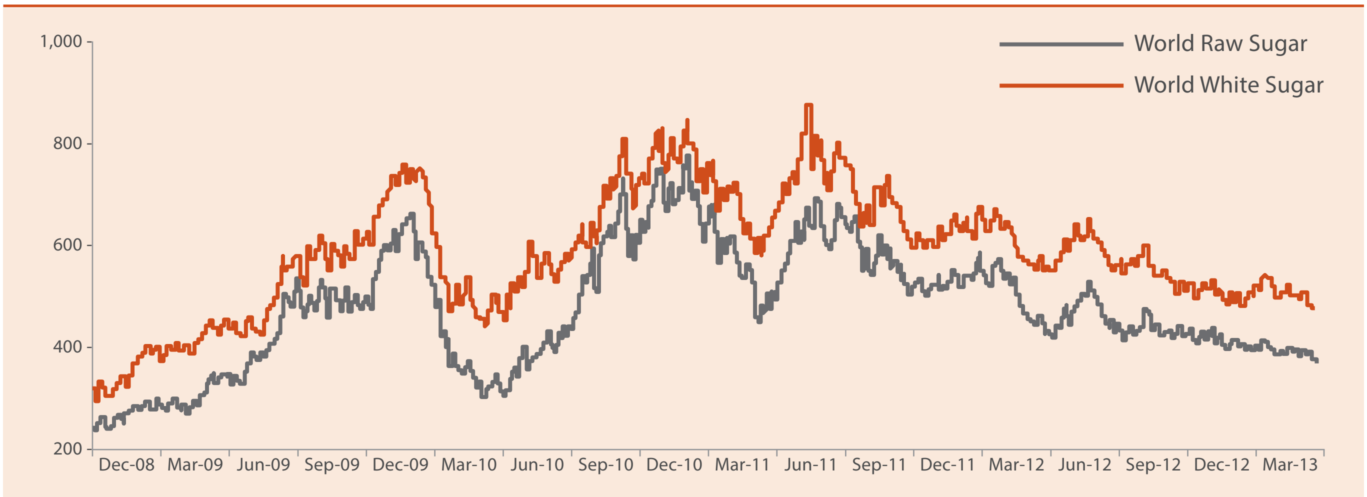
Source: United States Department of Agriculture (USDA)

Global sugar price trend

After peaking in February 2011, global sugar prices have remained weak for a large part since then, as sugar production continued to surpass consumption even in 2012/13 for a third consecutive year. Better sugarcane crop in Brazil, China, U.S. and Mexico helped offset lower sugar production in India, resulting in a rise in global inventory levels. Additionally, expectation of a further 11% rise in sugarcane plantation in Brazil and continued surplus scenario for 2013/14 has kept prices under pressure. This along with depreciation of currencies of major sugar producing countries (₹ and R$) against US $ has pushed the prices down to the levels of about $17 cents/lbs.

With sugar prices near a 3-year low, there is a healthy demand for the commodity for current consumption and restocking from most of the importing countries. Furthermore, with favourable economics in Brazil for producing more ethanol than sugar and expected fall in sugar production in India, there are indications that prices would remain stable to firm going forward.

Global sugar price trend ($/MT)



Source: Intercontinental Exchange Inc., The London International Financial Futures and Options Exchange (LIFFE)

BRAZILIAN SUGAR INDUSTRY

Industry facts

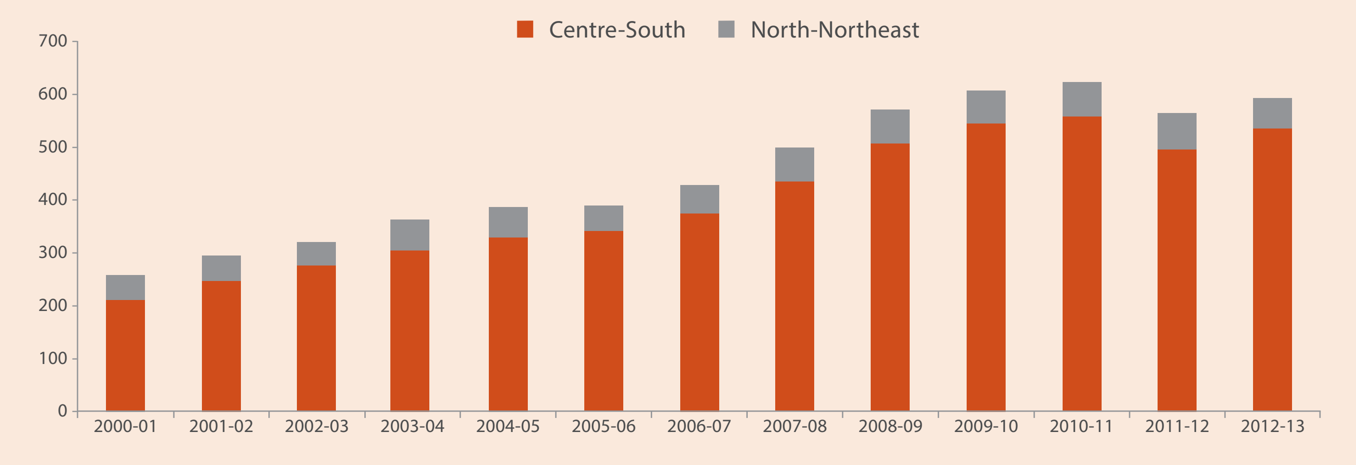
- Largest producer and exporter and amongst the lowest-cost producers of sugar in the world
- Accounts for about 49% of the total sugar exports
- Sugarcane plantations largely concentrated in two regions i.e. Centre-South and North-Northeast, wherein Centre-South accounts for over 89% of the total sugarcane plantations
- Large cane fields facilitate the use of high level of mechanisation for agricultural operations
- 6% CAGR increase in sugarcane plantations over the last 10 years

After the 11.5% decline in 2011/12, sugarcane planting in Centre-South improved by 8% to 533 Million MT in 2012/13 as a result of favourable weather conditions and better yields. However, drought conditions in the North-Northeast, a region which contributes 11% of sugar and 8% of ethanol production, sugarcane production declined by 15.8% to 56 Million MT. Accordingly, total sugarcane planting improved by 5.2% to 588 Million MT in 2012/13. With 49.5% sugarcane being used for sugar in Centre-South, sugar production rose by 8.9% to 34 Million MT, whereas ethanol production rose by 4% to 21.4 Billion Litres. Including North-Northeast region, total sugar and ethanol production in Brazil rose by 6.4% and 2.3% to 38.2 Million MT and 23.2 Billion Litres respectively.

As per estimates by Brazilian sugarcane industry association (UNICA), sugarcane availability in the Centre-South region is expected to further improve by 10.7% to 589.6 Million MT as a result of 6.5% expansion in acreage in the 2013/14 season. Looking at current profitability and prices, production share of sugar vis-à-vis ethanol, which was increasing for the last two years, is expected to reverse in 2013/14. Sugar is now expected to account for 46.2% of total sugarcane usage compared to 49.5% in 2012/13. Accordingly, despite a 10.7% improvement in sugarcane availability, sugar production is expected to rise by only 4.1% to 35.5 Million MT. Sugar exports are also expected to go up from 24.3 Million MT in 2012/13 to 25.8 Million MT in 2013/14.

Included in the UNICA estimates is a possibility of twelve mills, with a crushing capacity of 18 Million MT, not operating in the season due to financial stress. Adjusting for the new mills being launched, the net estimated loss of processing capacity relating to sugar in the Centre-South region may be around 500,000 MT.

Trend in sugarcane production in Brazil (Million MT)



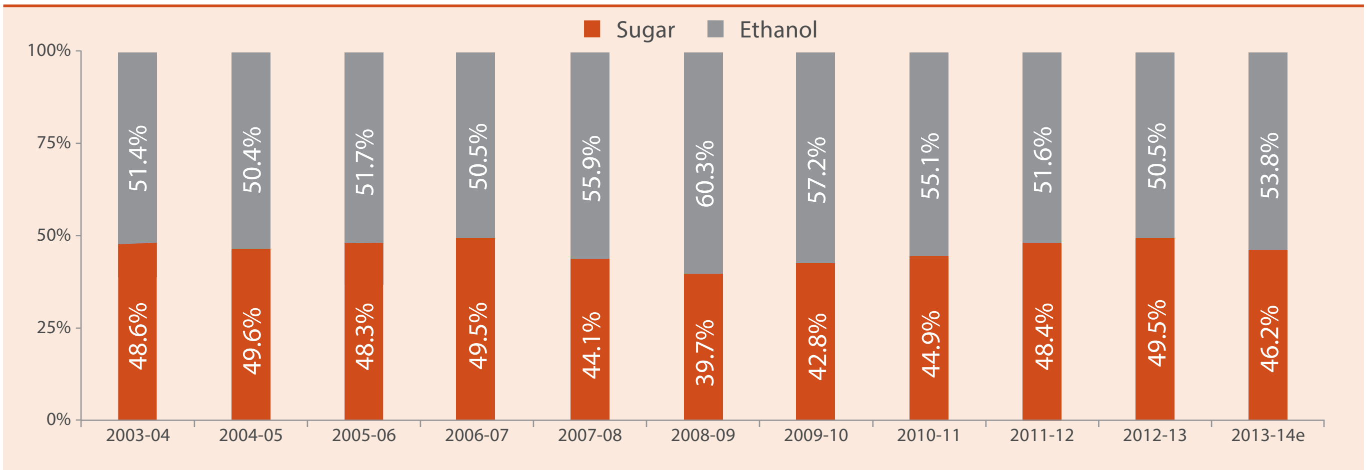
Source: Brazilian Sugarcane Industry Association (UNICA)

Production data in Centre-South Brazil

	Unit	2010/11	2011/12	2012/13	2013/14e
Sugarcane	Million MT	556.9	493.2	532.8	589.6
Production					
Sugar	Million MT	33.5	31.3	34.1	35.5
Anhydrous ethanol	Billion litres	7.4	7.5	8.7	11.2
Hydrous ethanol	Billion litres	18.0	13.1	12.6	14.2
Total Ethanol	Billion litres	25.4	20.5	21.4	25.4
ATR	Kg/MT of cane	140.5	137.5	135.6	136.7
Production share					
Sugar	%	44.9%	48.4%	49.5%	46.2%
Ethanol	%	55.1%	51.6%	50.5%	53.8%
Exports					
Sugar	Million MT	24.6	22.1	24.3	25.8
Ethanol	Billion litres	1.8	1.8	3.5	2.7

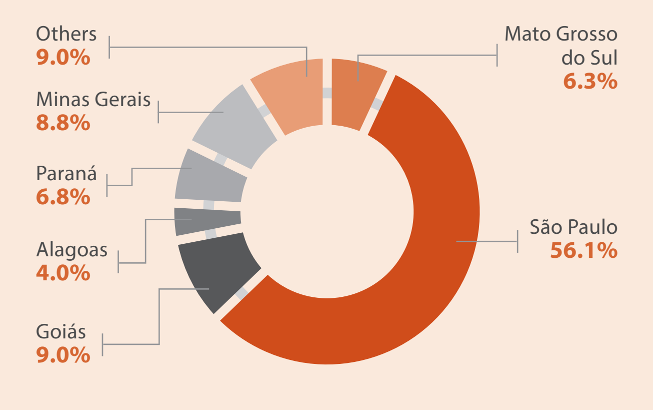
Source: UNICA (estimates for 2013/14e released on 29th April, 2013)

Sugar-Ethanol mix in Centre-South Brazil



Source: UNICA

State-wise sugarcane plantation in Brazil (2012/13)



Source: UNICA

Key developments in Brazil to boost Ethanol consumption

Brazil is the second largest producer of ethanol globally after the U.S. The Brazilian ethanol industry which uses sugarcane to produce Ethanol received a major boost with the favourable thrust provided by the Brazil government during 2013.

Since the beginning of the calendar year 2013, three key developments have taken place in Brazil, which will not only boost ethanol demand but also lower the diversion of sugarcane to sugar production.

- A 6.6% increase in gasoline price by state oil firms in January 2013
- Reinstated the mandatory ethanol blending ratio in gasoline to 25% from 20% w.e.f. May 2013 which will increase the demand for ethanol and improve the prices
- Increase in credit on federal taxes on sale of ethanol which will improve the net realisation for producers

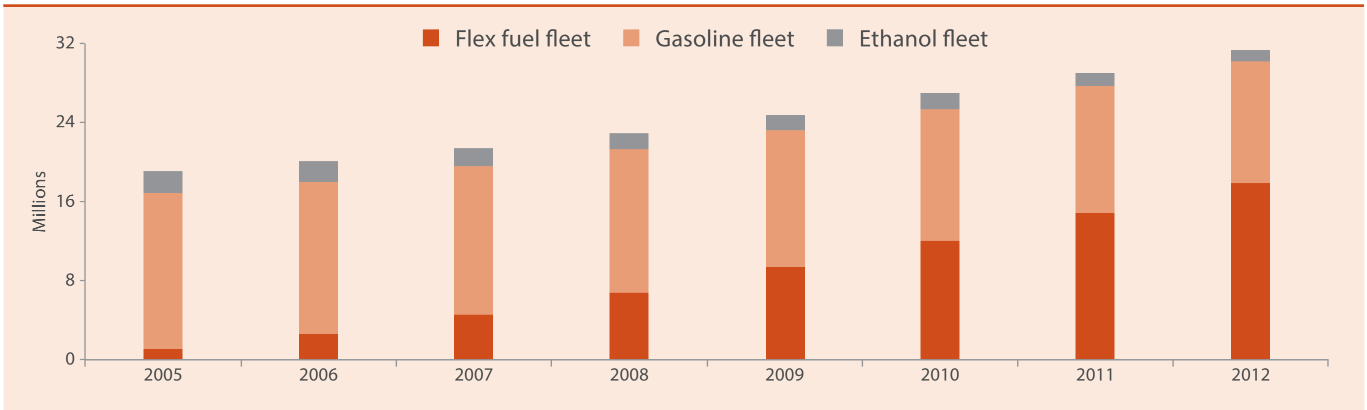
While the 6.6% increase in gasoline prices improved the competitiveness of ethanol in the blending, increase in the mandatory blending ratio to 25% will create an additional demand for around 2 Billion Litres of ethanol. In the past, Brazil had a blending ratio of ethanol in gasoline in the ratio of 18% and 25%. The fall in the production of sugarcane in 2011 had seen this ratio drop to 20%.

Additionally, increase in tax credit would bring in additional revenues of around R$ 120 per Kilolitre to ethanol producers.

All the three measures are likely to boost the ethanol consumption in Brazil by about 3.6 Billion Litres and will divert approximately 47 Million MT of incremental sugarcane and bring down the potential sugar surplus.

Flex-fuel cars, which can use either ethanol or blended gasoline, in Brazil account for about 57% of the total car fleet. The proportion of the flex-fuel cars are expected to cross 80% by 2020. Currently, the Brazilian light vehicle fleet has been increasing by 11.3% y-o-y since 2004 with currently 92% of the new vehicles being flex-fuel cars. Thus, there exists an increasing demand in Brazil for ethanol which is encouraging for the long-term growth prospects of the sugarcane industry.

Brazilian automobile and light vehicle fleet (Otto Cycle)



Source: UNICA

INDIAN SUGAR INDUSTRY

Industry facts

- Second largest producer and the largest consumer of sugar in the world
- Key developments in the sector impact global demand-supply dynamics and prices
- Second largest agro processing industry after cotton, involving over 60 Million farmers and dependants
- Sugarcane is cultivated in over 5.3 Million hectares in 2012/13, with Uttar Pradesh and Maharashtra accounting for a combined 64% of the total acreage
- Unique industry structure with large number of stakeholders including millers, farmers, Government, industrial and retail consumers
- 65% of sugar consumed by bulk consumers
- Average farm size of around 1 hectare to 2 hectares

Production and consumption

Sugar production is estimated to decline by 6.6% in 2012/13 to 24.6 Million MT compared to 26.3 Million MT in 2011/12. While there was a decline in production, the same was higher than the initial estimates of around 24 Million MT as Maharashtra surprised positively with better than expected yields and harvesting sugarcane meant to be used as seeds for the new planting crop. Farmers harvested part of the seed crop in Maharashtra as low water availability made it difficult to maintain the crop. With consumption in India estimated at around 23 Million MT, closing inventory would rise to around 8.5 Million MT.

In 2012/13, sugarcane was planted in around 5.3 Million hectares, with Uttar Pradesh and Maharashtra accounting for 64% of the total acreage. Maharashtra State witnessed one of the worst droughts last year, which made planting sugarcane difficult. Initial estimates indicate that acreage could drop by around 0.5 Million hectares in India for 2013/14, largely led by Maharashtra.

Indian Sugar Production, Supply and Distribution (In Million MT)

	06-07	07-08	08-09	09-10	10-11	11-12	12-13(P)	13-14(E)
Opening Stock as on 1st October	4.3	11.0	10.5	4.4	5.0	5.5	6.5	8.5
Production during the Season	28.4	26.4	14.5	18.9	24.4	26.3	24.6	23.0
Imports	-	-	2.4	4.1	-	-	0.4	1.3
Total Availability	32.7	37.4	27.4	27.4	29.4	31.8	31.5	32.8
Off-take								
I) Internal Consumption	19.9	21.9	22.9	21.3	20.8	22.0	23.0	23.7
II) Exports	1.7	5.0	0.2	0.2	2.6	3.4	-	0.6
Total off-take (I) + (II)	21.6	26.9	23.1	21.6	23.4	25.4	23.0	24.3
Closing Stock as on 30th September	11.0	10.5	4.4	5.8	6.0	6.5	8.5	8.5
Months of Inventory	6.7	5.8	2.3	3.3	3.5	3.5	4.4	4.3

Source: Indian Sugar Mills Association (ISMA), 2013-14 estimates are from media release

Trend in domestic sugar prices

Domestic sugar prices remained stable in the initial two to three months of the financial year 2012/13. However, prices started to firm up post June 2012 on account of healthy festive demand coupled with government's decision to allow exports and continued to remain firm till the commencement of crushing season. Commencement of crushing activities coupled with amendment to release mechanism from monthly to four month order (from December 2012 to March 2013) resulted in prices weakening from November 2012 onwards. With greater freedom given to mills in meeting open market release orders, companies facing working capital pressure liquidated their inventories in an aggressive way. Prices have fallen below the cost of production in some States and are close to production costs in States which have relative flexibility in pricing sugarcane.

Domestic Sugar Prices (₹/MT)

Source: National Commodity & Derivatives Exchange Ltd. (NCDEX)

Positive Regulatory measures

Partial Decontrol of Sugar Industry

The Cabinet Committee on Economic Affairs (CCEA) of the Government of India, on 4th April, 2013, accepted the recommendations of the Committee chaired by Dr. C. Rangarajan on the decontrol of the sugar sector. Accordingly, three recommendations have been accepted namely:

- Abolishment of Release Mechanism: The regulated release mechanism on sugar is dispensed with and there would be no quantitative restrictions on sugar sales either in domestic or export market.
- Scrapping of Levy Sugar Obligation: Companies, which were earlier mandated to sell 10% of sugar produced to government at subsidised rates, are no longer required to meet the obligation w.e.f. October 2012 onwards. The State Governments will buy sugar for Public Distribution System directly from the mills at market rates and the Central Government will subsidise the difference up to a gap of ₹ 18.50 per kg. Any additional subsidy, if required, will have to be borne by the State Governments.
- Free Trade Policy: The import and export of sugar is completely free except for import and export duty

The report also recommends rationalising the pricing of sugarcane and linking it with revenues of sugar and by-products in a phased manner. Such a revenue sharing formula for sugarcane pricing will be beneficial for all the stakeholders i.e. the farmers, mills and the consumers.

Sugarcane pricing system in selected countries

Country	Sugarcane payment system	Industry revenues to be shared	Grower's revenue share
Australia	Revenue share (variable)	Raw sugar (millers retain molasses)	62-67%
Brazil	Revenue share (variable)	Sugar and ethanol	56-61%
Fiji	Revenue share (fixed)	Sugar, molasses and other by-products	70% plus
India	Fixed price	Varies by states	Fixed price
Mexico	Revenue share (fixed)	Standard sugar, millers retain molasses	57%
South Africa	Revenue share (fixed)	Raw/refined sugar and molasses	62-63%
Thailand	Revenue share (fixed)	Raw/white/refined sugar and by-products	70% plus

Source: The Commission for Agricultural Costs and Prices (CACP), International Sugar Organisation (ISO)

Integrated mills to benefit from Ethanol Blending Programme

In January 2013, Government of India notified the Fuel Ethanol mandate requiring the Oil Marketing Companies (OMCs) to sell 5% ethanol blended petrol across the country. In this regard, OMCs have announced a domestic tender for procurement of approximately 1.4 Billion Litres and international tender for procurement of approximately 0.8 Billion Litres of ethanol. Against the earlier price of ₹ 27 per Litre, OMCs would award the tenders based on competitive biddings. Given the price differential between ethanol and petrol prices, there is sufficient room for a healthy increase in ethanol prices from the earlier ₹ 27 per Litre. This will improve the profitability on ethanol sales and provide much-needed cash flow support to integrated sugar mills.

COMPANY OVERVIEW

Shree Renuka Sugars is a global agribusiness and bio-energy company. The Company is one of the largest sugar producers in the world, the leading manufacturer of sugar in India, and one of the largest sugar refiners in the world.

Shree Renuka Sugars operates in four segments: Sugar, Trading, Ethanol and Power.

Snapshot

	India	Brazil	Total
Crushing capacity (TCD)	42,000	59,520	101,520
Annual crushing capacity (Million MT)	8.4	13.6	22
Ethanol production capacity (KLPD)	930	3,230	4,160
Sugar refining capacity (TPD)	10,000	0	10,000
Power generation capacity (MW)	271	313	584
Power exportable (MW)	150	221	371
Own cane plantation (Hectares)	0	100,000	100,000

TPD: Tons Per Day

Sugar: The Company operates eleven mills globally with a total crushing capacity of 22 million tonnes per annum (MTPA) or 101,520 tons crushed per day (TCD).

The Company operates seven sugar mills and two port-based sugar refineries in India with a total crushing capacity of 8.4 MTPA and total refining capacity of 2.3 MTPA (including 0.6 MTPA sugar mills off-season refining).

The Company also has significant presence in Centre-South Brazil, through acquisition of Renuka Vale do Ivai (100% owned) and Renuka do Brasil (59.4% owned). The combined crushing capacity of the Brazilian subsidiary companies is 13.6 MTPA.

Trading: Operates a trading hub in Dubai to capitalise on trade opportunities in the Asian region.

Power: Shree Renuka Sugars produces power from bagasse (a sugarcane byproduct) for captive consumption and sale to the state grids in India and Brazil.

Ethanol: Shree Renuka Sugars manufactures fuel grade ethanol that can be blended with petrol. Global distillery capacity is 4,160 Kilo Litres per day (KLPD) with Indian distillery capacity at 930 KLPD (630 KLPD from molasses to ethanol and 300 KLPD from rectified spirit to ethanol) and Brazil distillery capacity at 3,230 KLPD.

Consolidated year-on-year performance (₹ in million)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-12 (18 Months)	2012-13
Total Income	9,635	21,295	28,225	77,195	124,831	104,158
EBITDA	1,449	2,678	4,721	12,252	19,551	15,635
PBT	1,066	1,608	2,968	8,739	-672	-4,903
PAT	830	1,339	2,235	7,034	-310	-3,740
Pro-forma EPS (₹)	3.35	4.85	7.05	10.75	-0.46	-5.57
Net worth	4,217	8,320	15,274	23,479	18,820	14,597
Net block	5,623	7,516	14,149	72,821	92,023	86,963

Key Ratios (%)

Particulars	12M ended 31st Mar' 13	18M ended 31st Mar' 12	12M ended 30th Sept' 10
EBITDA/Total income	15.01%	15.66%	15.87%
PBT/Total income	-4.71%	-0.54%	11.32%
PAT/Total income	-3.59%	-0.25%	9.11%

Financial Highlights (₹ in million)

Particulars	12M ended 31st Mar'13	18M ended 31st Mar'12
Net sales	104,158	124,831
Operating EBIDTA	15,635	19,551
% Margin	15.01%	15.66%
Foreign exchange gain/(loss)	-2987	381
Net Profit	-3,740	-310
% Margin	-3.59%	-0.25%
Basic EPS (₹)	-5.57	-0.46
Diluted EPS (₹)	-5.57	-0.46

Segmental Operational Performance (India)

Particulars	2012/13 Season Oct' 12 - Apr' 13	2011/12 Season Oct' 11 - Apr' 12	2011/12 Season Oct' 11 - Sept' 12	2010/11 Season Oct' 10 - Sept' 11	2009/10 Season Oct' 09 - Sept' 10
(I) Sugar Mills					
Sugarcane Crushed (MT)	4,817,465	4,903,810	4,903,810	5,226,242	4,030,068
Recovery (weighted average)	10.85%	12.02%	12.02%	11.60%	11.15%
Sugar produced from Cane (MT) (A)	522,510	586,980	586,980	605,833	449,263
(II) Refining					
Raw Sugar Processed (MT)	940,023	262,179	480,602	379,182	876,157
Sugar produced from Raw Sugar (MT) (B)	917,285	259,459	467,457	359,041	829,000
Total Sugar produced (MT) (A + B)	1,439,795	846,438	1,054,437	964,874	1,278,263
(III) Cogeneration Plant					
Generation of Power (Million KWH)	629	490	528	609	634
Captive Consumption (Million KWH)	261	243	256	237	237
Power Exported (Million KWH)	368	254	272	372	397
(IV) Ethanol Plant					
Ethanol Produced (Million Litres)	70	83	101	111	77

Segmental Operational Performance (Brazil)

Particulars	Crop Season 2012		Crop Season 2011		Crop Season 2010		Crop Season 2009	
	RdB	RVdI	RdB	RVdI	RdB	RVdI	RdB	RVdI
Sugarcane crushed ('000 MT)	7,254	2,264	6,009	2,264	8,872	1,550	7,527	1,648
ATR (kg/MT of sugarcane)	131	130	129	128	131	129	114	120
Sugar produced ('000 MT)	526	200	389	164	537	135	313	103
Ethanol produced ('000 KL)	233	43	221	67	368	39	327	57
Energy exported (MWh)	331	0	205	0	394	0	327	0
Sugar mix (%)	61	71	55	59	49	71	39	54

Renuka do Brasil (RdB), Renuka Vale do Ivai (RVdI)

FINANCIAL REVIEW (STANDALONE)

Production (SY wise)

A total of 4,817,465 Million MT of cane was crushed in the SY 2012-13 compared to 4,903,810 Million MT in SY 2011-12. Sugar produced from sugarcane in the SY 2012-13 stood at 522,510 MT compared to 586,980 MT in the SY 2011-12. Sugar yield (recovery) per tonne of cane decreased to 10.85% in the SY 2012-13 from 12.02% in the SY 2011-12. Total sugar produced in the refineries from raw sugar increased to 917,285 MT in the period from Oct' 12 to Apr' 13 from 259,459 MT in the same period last year.

Total power generation and ethanol production stood at 629 Million KWH and 70 Million Litres in the period from Oct' 12-Apr'13 compared to 490 Million KWH and 83 Million Litres in the same period last year respectively.

The closing sugar stock was recorded at 559,009 MT (including 473,951 MT of white sugar and 85,058 MT of raw sugar) as on 31st March, 2013. Inventory of ethanol and molasses was 57,012 KL and 105,322 MT, respectively.

Financials

While the current financial year 2012-13 consists of 12 months, the previous financial year 2010-12 consisted of 18 months on account of change in the financial year ending to March from September earlier. Thus, the numbers for the current financial year are not comparable with previous financial year.

Revenues

At SRSL, our total turnover (including total revenues net of excise duty and including other income) stood at ₹ 64,104 million for the financial year, compared to ₹ 63,632 million in FY12. The increment was as a result of the following:

i. Revenues of sugar segment stood at ₹ 50,105 million in the current year from ₹ 38,851 million in the previous year

ii. Trading segment contributed ₹ 10,798 million to revenues in the current year compared to ₹ 18,471 million in the previous year

iii. Revenues from cogeneration stood at ₹ 4,094 million vis-à-vis ₹ 5,817 million in the previous year

iv. Ethanol segment reported revenues of ₹ 2,350 million in the current year compared to ₹ 4,592 million in the previous year

The segment sales of manufactured sugar increased to 1,550,376 MT from 1,284,074 MT in the previous year, with an average net realisation of ₹ 31,673 per MT for the year, compared to ₹ 29,209 per MT in the previous year.

Co-generation sales volumes and realisation declined by 37% and 8% to 359 million units and ₹ 4.57 per unit respectively.

Sales from Ethanol division during the year stood at 78,454 KL against 164,240 KL in the previous year. The average realisation improved to ₹ 29,960 per KL vis-à-vis ₹ 27,902 per KL in the previous year.

Expenditure

The total expenditure (excluding provisions for tax, interest and depreciation) stood at ₹ 58,006 million for the financial year vis-à-vis ₹ 56,234 million in the previous year.

Raw materials

Cumulative raw material consumption touched ₹ 53,103 million for the financial year vis-à-vis previous year's ₹ 48,754 million. Raw material cost as a percentage to sales was 82.8% vs. 76.6% previous year.

Interest

The interest cost as a percentage of total revenues decreased to 5.7% for the current financial year from 5.8% in the previous year. The interest cost declined marginally to ₹ 3,671 million from ₹ 3,699 million in the previous year.

Profit before tax

The profit before tax stood at ₹ 758 million for the current financial year against ₹ 1,350 million in the previous year due to changes in various revenue and cost items discussed above.

Provision for income tax

Income tax provision stood at ₹ 240 million for the current financial year against ₹ 509 million in the previous year due to a fall in taxable income.

Profit after tax

Profit after tax stood at ₹ 518 million for the current financial year, down from ₹ 841 million in the previous year, primarily due to lower operating profits.

Internal Controls

The Company has in place adequate systems for internal control that are commensurate with its size and the nature of operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information complying with applicable statutes, safeguarding assets from unauthorized use or losses executing transactions with proper authorization and ensuring compliance of corporate policies.

To have a strong monitoring system in place, the Company has an Audit Committee. The Company has also appointed an independent Internal Audit Firm. This firm of Independent Chartered Accountants conducts audit on the basis of Annual Audit Plan, as approved by the Audit Committee of the Board, covering all the factories and locations of the Company. The objective of such audits is to ensure adequacy of internal control systems and processes, adherence to the Company's policies and guidelines and compliance with applicable statutes.

These audits also determine whether adequate controls are in place to mitigate risks. Internal Audit has a follow-up process in place to verify the implementation of recommendations made. Special audits are also conducted as directed by the Management/Audit Committee.

The Audit Committee of the Board of Directors inter-alia reviews the observations made by the internal auditors on the control mechanism and the adequacy of the internal control system, recommendations for corrective actions and implementation thereof, compliance related matters, operations of the Company, adherence to the laid down processes and guidelines.

The Company has implemented SAP at all its units to ensure effective IT security and systems, thus ensuring real time availability of information at various locations.

Risks & Concerns

Risks are an integral part of any business and the risk profile, to a great extent, depends on the climatic conditions, economic and business conditions and the markets and customers we serve.

The Company has adopted a 'Risk management Policy' which is reviewed on a periodic basis in order to recognize and reduce exposure to risks wherever possible. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved. Few of the risks associated with our businesses are enumerated below:

- Fluctuations in demand and price for finished products viz. sugar, ethanol and power
- Fluctuations in the price and availability of key raw materials, including sugarcane, raw sugar, energy prices
- Increase in interest rates
- Adverse fluctuations in the exchange rate of the Rupee against major international currencies
- Increasing transportation costs
- Strikes or work stoppages
- Changes in government policies affecting the sugar industry in India or globally
- Accidents, natural disasters or outbreaks of disease

Human Resources

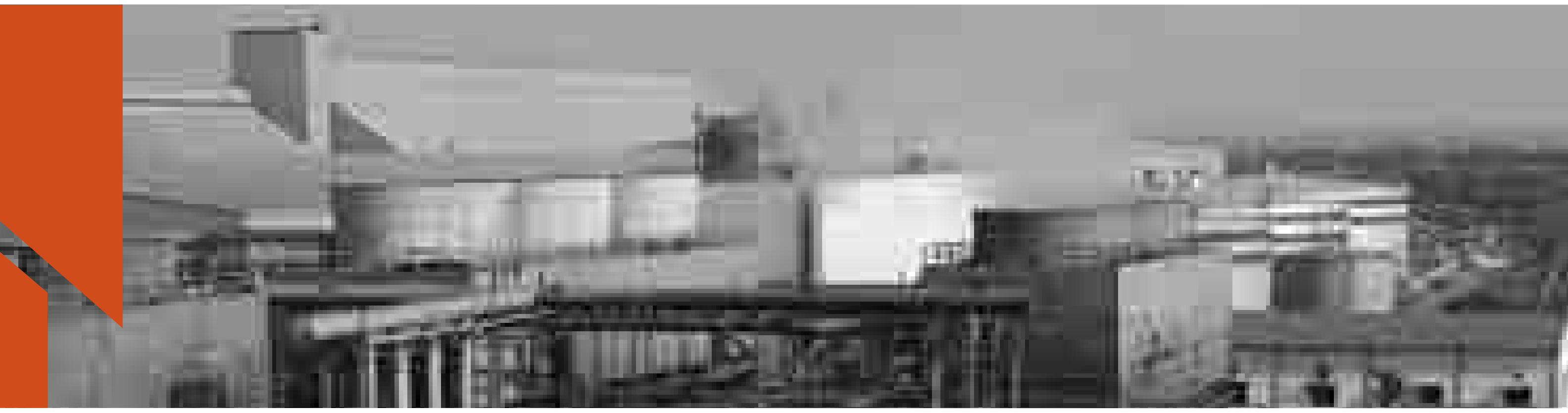
Besides the strategic thrust, systems and processes, for a Company that had embarked on the steps to building resilience in its business and delivering value, human resource is a key foundation. It is the commitment of the people that has always played an important role in growth trajectory of the Company and this continues to be an important driver in building for the future.

The HR function continued to focus on strengthening the people practices and in creating an amicable work environment conducive to productivity. The HR policies are dovetailed to the overall strategic thrust that believes in enabling growth for all employees by providing a platform that channelises their skills and fosters their creativity. The Company has well-documented policies to cater to its global stature and respects the fundamental rights at work and believes in creating a safe and healthy workplaces and facilitating work-life balance.

As a leading industry player with global footprints and an organisation committed to its people and their growth, the Company will continue to re-evaluate and evolve its employee policies to match the global standards and match the best-in-class global practices.

In terms of employee relations, the 12-month period ended 31st March, 2013 continued to be one of industrial and employee harmony and peace. As on 31st March, 2013, there were 10,930 employees on the Company's rolls in India and Brazil.

DIRECTORS' REPORT



Dear Members,

The Board of Directors is pleased to present the Seventeenth Annual Report of your Company together with the audited financial statements for the year ended 31st March, 2013.

FINANCIAL RESULTS:

(₹ in Million)

Particulars	Year ended 31st March, 2013	18 Months period ended 31st March, 2012
Revenues	64,104	63,632
Profit before financial expenses and depreciation	6,098	7,398
Financial expenses	3,671	3,699
Depreciation	1,592	1,455
Profit before provision for tax and Exceptional Items	835	2,244
Exceptional Items	77	894
Provision for taxation :		
- Current	13	89
- Deferred Tax	227	420
Net Profit	518	841
Profit brought forward from the previous year	2,841	3,288
Profit available for appropriation	3,359	4,129
Transfer to General Reserves	52	85
Transfer to Debenture Redemption Reserve	473	423
Interim Dividend on equity shares	-	671
Proposed Dividend on equity shares	335	-
Dividend tax	57	109
Retained in the Profit & Loss Account	2,442	2,841

OPERATING HIGHLIGHTS:

The Company achieved a turnover of ₹64,104 Million for the year (12 months) ended 31st March, 2013 as against ₹63,632 Million for the previous year (18 months). The EBITDA for the year under review stood at ₹6,098 Million as compared to ₹7,398 Million for the previous year, while the Net profit stood at ₹518 Million as compared to ₹841 Million for the previous year. Analysis of operating performance is covered under "Management Discussion and Analysis" which forms part of this Report.

The figures under review for the year ended 31st March, 2013 is for a period of 12 months and that the figures for the previous year ended 31st March, 2012 is for 18 months period and hence not comparable.

DIVIDEND:

Your Directors are pleased to recommend for your consideration, a dividend of 50 paise (50%) per equity share on the Face Value of ₹1/- each for the financial year 2012-13. The Dividend, if approved, will be paid to the eligible members well within the stipulated period.

TRANSFER TO RESERVES:

The Company has transferred ₹52 Million to the General Reserves and an amount of ₹473 Million to the Debenture Redemption Reserve out of the amount available for appropriation. An amount of ₹2,442 Million is proposed to be retained in the Profit & Loss Account.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public within the meaning of provisions of Sections 58A and 58AA of the Companies Act, 1956.

DEBENTURES:

The Company has raised long term funds through issue of Non-Convertible Debentures (NCDs) aggregating to ₹1,000 Million, while NCDs aggregating to ₹2,045 Million were redeemed.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the business and operations of the Company is attached to this Report.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

During the year under review, Shree Renuka Tunaport Pvt. Ltd. was incorporated as a wholly owned subsidiary of the Company for the purpose of carrying on the business of infrastructure development in the form of constructing and building ports, jetties, wharfs, docks, harbours, etc.

Renuka Commodities DMCC, wholly owned subsidiary of the Company incorporated in Dubai, is proposed to be amalgamated into the Company to achieve better synergies and increase net worth of the Company, which will facilitate effective and fast mobilization of financial resources for meeting increased capital expenditure.

In accordance with the Accounting Standards 21 and 23 issued by the Institute of Chartered Accountants of India on Consolidated Financial Statements, attached are the Consolidated Financial Statements, which forms part of this Annual Report. These Consolidated Financial Statements provide financial information about your Company and its subsidiaries after elimination of minority interest, as a single entity.

As per the provisions of Section 212 of the Companies Act, 1956, the holding company has to attach the copies of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and of the Auditors and other documents of all its Subsidiary Companies to its Balance Sheet at the end of every financial year. Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 ("the Act"), the Ministry of Company Affairs vide its General Circular No. 2/2011 dated 8th February, 2011, granted a general exemption to holding companies from complying with the provisions of Section 212 of the Act, subject to certain conditions being fulfilled. Accordingly, the Company has not attached the said documents of the Subsidiary Companies in this Annual Report.

A statement containing brief financial details of each of the Subsidiary Companies is included in the Annual Report, in terms of the aforesaid circular. The Annual Accounts of the Subsidiary Companies and related detailed information will be made available to the Members at any point of time for inspection at the registered office of the Company and its respective subsidiaries. The Company will make available the documents of the subsidiaries upon request by any Member of the Company/ Subsidiaries of the Company interested in obtaining the same.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. S. K. Tuteja and Mr. Robert Taylor, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

Mr. J. J. Bhagat, Director of the Company also retires by rotation alongwith the aforementioned Directors at the ensuing Annual General Meeting. He has expressed his unwillingness to be re-appointed as Director. The Members of the Board place on record their deep sense of appreciation for his valuable advice during his association with the Company.

During the year, Mr. Jonathan Kingsman, Director, resigned from the office of Director with effect from 31st October, 2012. The Members of the Board place on record its appreciation for the valuable guidance rendered by him during his tenure as Independent Director of the Company.

Brief resume of the Directors seeking re-appointment, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the section on Corporate Governance, which forms part of this Annual Report.

AUDITORS AND AUDITORS' REPORT:

M/s. Ashok Kumar, Prabhashankar and Co., Chartered Accountants, Bangalore, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended by the Board of Directors for re-appointment. Certificate from the said Auditors has been obtained to the effect that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

The Auditors' Report to the Members on the Accounts of the Company for the year ended 31st March, 2013 does not contain any qualification.

COST AUDITOR:

The Board has appointed M/s. R. J. Goel & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the financial year 2012-13, the Cost Audit Report for which will be submitted to the Central Government before the due date i.e. 30th September, 2013.

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

Information as per the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are forming part of this Report and are annexed hereto.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956 ("the Act") and based on the representations received from the management, the Directors confirm that:

a) in preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures from the same, if any;

b) the accounting policies selected have been applied consistently and judgment made and estimates given are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on 31st March, 2013 and the Profit of the Company for the year ended on that date;

c) the proper and sufficient care have been taken 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; and

d) the annual accounts have been prepared on a "going concern" basis.

CORPORATE GOVERNANCE:

Your Company complies with all mandatory requirements as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges. The Report on Corporate Governance along with the Auditors' Certificate on its compliance, forms part of this Report and are annexed hereto.

CEO/CFO CERTIFICATION:

As required under Clause 49 of the Listing Agreement, the CEO/CFO Certification is attached with the Annual Report.

PARTICULARS OF EMPLOYEES:

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in an Annexure forming part of this Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all Members of the Company.

Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

HUMAN RESOURCES (HR):

The Company's HR policies and procedures are designed to recruit and retain the best talent to support the growth momentum of your Company and to align the interest of employees with the long term organisational goals.

EMPLOYEE STOCK OPTION PLAN:

Your Company has formulated and designed various Employees Stock Option Schemes for employees. The required disclosures to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended, are appended herewith and forms part of this Report.

APPRECIATION & ACKNOWLEDGEMENTS:

The Board wishes to place on record their gratitude for the assistance and co-operation received from the Financial Institutions, Banks, Government Authorities, Customers, Vendors and cane growers and finally to all its members for their trust and confidence reposed on the Company. The Board further wishes to record their sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the growth of the Company.

For and on behalf of the Board,

Place: Mumbai
Date: 29th May, 2013

Vidya Murkumbi
Executive Chairperson

ANNEXURE TO DIRECTORS' REPORT

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

- **Panchaganga** – Vapour Cell quadruple evaporator system was converted into a modified quintuple vapour bleeding arrangement to reduce the process steam consumption.
- **Athani** - Installation of 520 M2 Vapour Line Juice Heater (VLJH) in "A" continuous pan vapour line for waste heat recovery.
- Commissioned a highly efficient 67 ata, extraction condensing Steam Turbo Generator (STG) resulting in stoppage of less efficient 45 ata back pressure STG resulting in addition power generation.
- Installation of Bio gas burner in 130 TPH boilers for burning the bio gas generated from Bio methanisation system.
- **Ajinkyatara SSK (Host Sugar Factory)** - Installation of flash steam recovery system, VLJH and Modification of pan vapour from1st effect to 2nd effect to reduce the process steam consumption in order to optimize the power plant operation.
- **Haldia** - Switching from domestic to imported coal consumption led to saving of 50 Ton per day of coal consumption and ash reduction is seen from earlier 50% to about 10%. In imported coal ash percentage is low (10% approx.) so service compressor load is low giving us savings of 250 KWH per day. The electrical load in Electro-Static Precipitapor (ESP) has decreased by 50% or power saving 1100 KWH per day by using imported coal. Coal Handling Plant running hours have reduced by 30% resulting in saving of 1450 KWH per day.
- Evaporator Liquor Flow pattern change to parallel resulted in reduction in 2 stages of pumping (savings of 60 KW).
- Installation of Variable Frequency Drives (VFD) for screw conveyors, liquor feed to "Ion Exchange System".

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: NIL

c) Impact of the measures taken:

Process steam reduction achieved in Panchaganga – 6.5%

Process steam reduction achieved in Ajinkyatara SSK – 4%

Power generation efficiency at Athani was improved by 15% while comparing operation of 67 ata STG over 45 ata STG.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the Rules is as follows:

FORM A

Disclosure of Particulars with respect to Conservation of Energy

Particulars	Year ended 31st March, 2013	18 Months period ended 31st March, 2012
A. POWER AND FUEL CONSUMPTION :		
ELECTRICITY		
Purchased units (Kwh)	22,695,569.79	44,915,765.22
Total Amount (₹)	258,480,851.57	350,194,788.10
Own Generation		
i) Through Diesel Generator (Units in Kwh)	591,443.00	858,690.00
Units per liter of diesel (Kwh/liter)	3.50	3.52
ii) Through steam turbine generation	660,011,148.00	1,043,383,946.57
KG of Bagasse/Coal (Average) required for one KWH power	3.02	3.43
iii) Total units generated	660,602,591.00	1,044,242,636.57
Total/ cost in ₹/Units	2.59	2.25
B. CONSUMPTION PER UNIT OF SUGAR PRODUCTION :		
Total generation of electricity Kwh	660,602,591.00	1,044,242,636.57
Less: Consumption of cogen plant Kwh	113,260,666.00	125,586,666.68
Less: Consumption of distillery plant Kwh	36,068,056.00	60,390,494.28
Less: Consumption of BioFerl Plant Kwh	316,498.00	131,001.00
Less: Export to grid Kwh	358,934,230.00	582,505,930.74
Consumption for sugar plant Kwh	174,718,711.00	320,544,309.09
Electricity-Kwh/MT of Sugar	117.00	191.00

B. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption as per Form B of the Annexure to the Rules is as follows:

FORM B

Disclosure of Particulars with respect to Technology Absorption

Research & Development (R&D):

Project DRISHTICANE is Real time Android based Mobile system, designed primarily to further automate Cane Management System by providing real time inputs and has been implemented in October 2012. Application is developed on 7" Samsung Galaxy Tab and implemented at four plant locations namely at Munoli, Athani, Havalga & Kolavi (Gokak Sugars Ltd.). The system involves two major components – Mobile Software and Portal Reports. Mobile Software is basically for capturing field data and Portal for providing Reports.

Objective of this implementation is to automate Cane Management System to:

1. Increase speed of Communication.
2. Improve Business Intelligence.
3. Improve Quality of Cane Received & Sugar Productivity.
4. Establish Performance based control between Cane and Process Departments.

Benefits derived as a result of above R&D:

1. Data entry errors eliminated.
2. Access to master data and real time reports on Tablet.
3. Validating cane registration area through GPS based Geo Fencing calculation.
4. Reporting BRIX of cane to be harvested & validating it later at plant.
5. Cutting order generation at Circle offices.

Sr. No.	Particulars	Previous	Current
1	Cane Registration data	Delays & Errors in manual system was 8 - 15 days	Real Time
2	Cane Quality Control		
	Field BRIX to Plant	Manual – 8 days	Real Time
	Lab Test results to supervisors	No	Real Time
3	Management Reports	Manual – 15 Days	Real Time

Expenditure Incurred

1. Capital – ₹8.06 Million
2. Recurring – ₹0.84 Million

Future Plan of Action

Looking at the success of present implementation at 4 plants, Drishticane will be rolled out to 3 other plants.

Technology absorption, adaptation & innovation:

Project Drishticane:

1. Mobile application developed on Android
2. Validating cane registration area through GPS based calculation, which is the first of its kind in Sugar Industry.
3. Bluetooth based battery operated thermal printers used for cutting order generation.
4. Portal developed using HTML5 technology with SSL security.

Condensate Polishing Unit (CPU) in Distillery

CPU installed at distilleries in Munoli (CPU capacity 1000 M3 per day) & Athani (CPU capacity 1500 M3 per day) for reduction of BOD & COD of spent lees and distillery process condensate resulting in saving of fresh water usage.

Benefits derived from adapting of the above technology:

Project Drishticane:

1. GPS based area calculation provides more precise area of cane registration and area plotting on Google Map for better decision making.
2. Portal reports can be opened on any device supporting web browser and data getting transmitted over internet has highest security level and can be monitored by the management easily.
3. Battery operated Bluetooth printers used to overcome electrical load shedding at villages and to minimize the maintenance. These help in issuance of real time cutting orders which were earlier issued up to 15 days in advance.

Condensate Polishing Unit (CPU) in Distillery

100% treated spent lees and process condensate is reutilized in the distillery thereby reduction of about 650 M3/ day & 1200 M3/ day of fresh water intake at Munoli & Athani distilleries respectively.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans;

As the Company deals with regulated commodities there is limited scope for export promotion.

b) Foreign exchange earnings and outgo:

Foreign Exchange earnings: ₹36,308.85 Million

Foreign Exchange outgo: ₹29,932.88 Million

The applicable disclosures as stipulated under the SEBI Guidelines as at 31st March, 2013, pertaining to ESOP are as under:

Sr. No.	Particulars	ESOS 2006	ESOP 2011
		Scheme 1	Scheme 1
a)	Options granted	*4,760,000	5,000,000
b)	Pricing Formula	The options granted to eligible employees are granted at the closing price of the Equity Shares of the Company at National Stock Exchange of India Ltd. (NSE) prior to the date of the meeting of the Board of Directors in which options are granted.	The options granted to eligible employees are granted at the closing price of the Equity Shares of the Company at NSE prior to the date of the meeting of the Board of Directors in which options are granted.
c)	Options Vested	4,760,000	2,500,000
d)	Options exercised	1,519,650	-
e)	Total number of shares arisen as a result of exercise of Options	1,519,650	-
f)	Options lapsed	1,444,000	-
g)	Variation in terms of options	-	-
h)	Money realised by exercise of option	₹44,905,658/-	-
i)	Total number of Options in force	1,796,350	5,000,000
j)	Employee wise detail of Options granted to :		
	1) Any employee who received a grant in any one year of Options amounting to 5% or more of options granted during that year	-	-
	2) Identified employees who were granted Options, during any one year, equal to or exceeding 1% or more of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	-	-
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard 20 'Earnings per share'	0.77	0.77

Note: 1

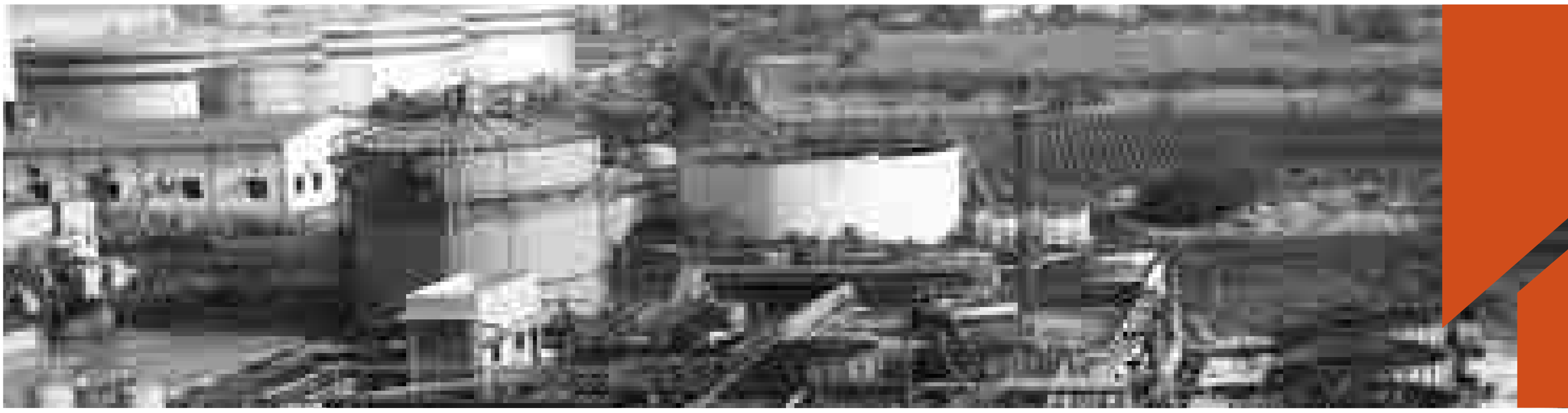
The exercise price of the above schemes is the market price prior to the date of the meeting of the Board of Directors in which options are granted i.e. closing price of the NSE and the taxes/perquisites as may be applicable is borne by the respective employees /Directors of the Company. Hence, the issuance of options does not, and the consequent exercise of the options will not affect the Profit & Loss Account of the Company.

Note: 2

The Company has received a Certificate from the Auditors of the Company that the aforesaid schemes have been implemented in accordance with the SEBI Guidelines and in accordance with the resolution passed at the Annual General Meetings held on 28th December, 2006 and 29th March, 2012, respectively. The Certificate will be placed at the Annual General Meeting for inspection of members.

*After adjusting for split/bonus shares.

CORPORATE GOVERNANCE REPORT



1. COMPANY PHILOSOPHY:

Shree Renuka Sugars Ltd., is committed to good governance practices that create long term sustainable shareholder value. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the Government and the lenders.

2. BOARD OF DIRECTORS:

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The strength of the Board of Directors as on 31st March, 2013 was ten, four being Executive Directors including Executive Chairperson and Vice Chairman & Managing Director and six being Non-Executive Directors, out of which five Directors are Independent Directors.

Five Board Meetings were held during the financial year ended 31st March, 2013, the dates of the Board Meetings were as follows:

- 29th May, 2012
- 14th August, 2012
- 2nd November, 2012
- 31st January, 2013
- 21st March, 2013

The composition of Board of Directors' attendance at the Board Meetings during the year and at the last Annual General Meeting (AGM) as also number of other Directorships and membership of the Committees of the Board as on 31st March, 2013 are as follows :

Sr. No.	Name of Director	Nature of Directorship	No. of Board Meetings attended	Attendance at last AGM	Number of other Director-ships*	Number of Committee positions held in other Public Companies	
						Member	Chairman
1	Mrs. Vidya Murkumbi	Executive Chairperson	4	Yes	1	-	-
2	Mr. Narendra Murkumbi	Vice Chairman & Managing Director	5	No	5	-	-
3	Mr. Sanjay Asher	Independent Director	5	Yes	14	8	2
4	Mr. S. K. Tuteja	Independent Director	5	No	14	9	5
5	Mr. Hrishikesh Parandekar	Independent Director	5	No	2	-	-
6	Mr. Robert Taylor	Independent Director	5	No	-	-	-
7	Mr. Jonathan Kingsman**	Independent Director	1	No	-	-	-
8	Mr. J. J. Bhagat	Independent Director	4	No	1	-	-
9	Mr. S. M. Kaluti	Non-Executive Director	5	Yes	2	-	-
10	Mr. Nandan Yalgi	Whole Time Director	4	Yes	3	-	-
11	Mr. Vijendra Singh	Whole Time Director	5	No	1	-	-

*excludes Private/Foreign Companies.
** part of the year

3. BOARD COMMITTEES:

Currently, the Board has four Committees, Audit Committee, Remuneration/Compensation Committee, Investor Grievance Committee and Risk Management Committee. The Board is responsible for constituting, assigning, co-opting Committee Members to various Committees.

The Vice Chairman & Managing Director, in consultation with the Executive Chairperson, determines the frequency of meetings and the quorum for meetings is either two members or one-third of the members of the committees, whichever is higher.

4. AUDIT COMMITTEE:

Composition:

The Audit Committee comprises of three Independent Directors. The Audit Committee met five times during the year on 29th May, 2012, 14th August, 2012, 28th September, 2012, 2nd November, 2012 and 31st January, 2013. Attendance of the members at the meetings were as under:

Sr. No.	Name	Status	No. of meetings attended
1	Mr. Sanjay Asher	Chairman	4
2	Mr. Robert Taylor	Member	5
3	Mr. Hrishikesh Parandekar	Member	5

The Chief Financial Officer, Internal Auditors and Executives of the Company are invitees to the meeting. The Company Secretary is the Secretary of the Committee.

Terms of Reference and Powers:

- Oversee Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend the appointment and removal of statutory auditor and cost auditor, fixing audit fees and also approval for payment for any other service;
- Review with management the quarterly, half yearly and annual financial statements before submission to the Board;
- Review with the Management, External and Internal Auditors, adequacy of internal control system;
- Review the adequacy of internal audit function and discussion with the Internal Auditors, any significant findings and follow up thereon;
- Review the findings of any internal investigation by the Internal Auditors into matters where there is suspected fraud;
- Discussion with External Auditors before the audit commences nature and scope of audit as well as post audit discussion to ascertain any areas of concern;
- Review Company's Financial Risk Management Policies and also to look into the reasons for substantial defaults in payments to shareholders and creditors;
- Review any matter in relation to the items specified in Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose shall have full access to information contained in the records of the Company and obtain external professional advice, if necessary.

5. REMUNERATION/COMPENSATION COMMITTEE:

The Board has constituted a Remuneration/Compensation Committee, comprising of three Independent Directors. The Committee has been constituted to recommend/ review remuneration of the managerial personnel, based on their performance and defined assessment criteria and to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders. The Committee also monitors and administers the implementation of Employees' Stock Option Schemes. During the year, one Committee meeting was held on 29th May, 2012. Attendance of the members at the said meeting were as under:

Sr. No.	Name	Status	Meeting attended
1	Mr. S. K. Tuteja	Chairman	1
2	Mr. Sanjay Asher	Member	1
3	Mr. J. J. Bhagat	Member	1

Details of remuneration paid/payable to Executive Directors for the year ended 31st March, 2013:

(₹ in Million)

Name of the Director	Salary/ Perquisite/ Ex Gratia	Retirement Benefits	Commission
Mrs. Vidya Murkumbi	15.37	1.51	7.59
Mr. Narendra Murkumbi	16.42	1.44	7.59
Mr. Nandan Yalgi	7.92	0.36	-
Mr. Vijendra Singh	16.74	0.58	-

The details of sitting fees paid to Non-Executive Independent Directors of the Company during the year were as under:

(₹ in Million)

Sr. No.	Name	Sitting Fees
1	Mr. J. J. Bhagat	0.10
2	Mr. Sanjay Asher	0.28
3	Mr. Robert Taylor	0.24
4	Mr. Jonathan Kingsman*	0.02
5	Mr. S. K. Tuteja	0.20
6	Mr. Hrishikesh Parandekar	0.20

* part of the year

6. INVESTORS' GRIEVANCE COMMITTEE:

Composition:

The Investors' Grievance Committee comprises of 2 Independent Directors and 2 Executive Directors. The Chairman of the Committee is an Independent Director. The Committee met 4 times during the year on 29th May, 2012, 14th August, 2012, 2nd November, 2012 and 31st January, 2013. Attendances of the members at the meetings were as under:

Sr. No.	Name	Status	No. of meetings attended
1	Mr. Sanjay K. Asher	Chairman	4
2	Mr. S. K. Tuteja	Member	4
3	Mrs. Vidya Murkumbi	Member	3
4	Mr. Narendra Murkumbi	Member	4

Chief Financial Officer and Company Secretary are the invitees to the Committee.

Terms of Reference: Redressal of shareholder and investor complaints like transfer of shares, non-receipt of Balance Sheet, non-receipt of dividend, etc.

At the beginning of the year, 1 investor complaint was pending and during the year 88 investor complaints were received and 89 complaints were resolved and there were no investor complaints pending at the end of the year 31st March, 2013.

7. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee comprises of Mr. Robert Taylor, Independent Director as its Chairman and Mr. Narendra Murkumbi and Mr. Nandan Yalgi, Executive Directors as members. The Committee meets at regular intervals to monitor price fluctuation of commodities and review financial and risk management policies of the Company.

8. GENERAL BODY MEETING:

A) Annual General Meeting (AGM)

Location and Time of last three Annual General Meetings:

Year	Location	Date & Time	Special Resolutions Passed
2008-09	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	4th March, 2010 9.30 a.m.	One Special Resolution was passed at the 14th AGM.
2009-10	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	29th March, 2011 9.30 a.m.	Two Special Resolutions were passed at the 15th AGM.
2010-12	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	27th July, 2012 9.30 a.m.	Two Special Resolutions were passed at the 16th AGM.

All the resolutions, including Special Resolutions, were passed by the shareholders as set out in the respective Notices.

B) Postal Ballot:

No resolution was passed by Postal Ballot in the last financial year.

9. SHARES HELD BY NON EXECUTIVE DIRECTORS:

Sr. No.	Name of the Director	No. of Shares held
1.	Mr. S. M. Kaluti	499,290
2.	Mr. J. J. Bhagat	2,230,000
3.	Mr. Sanjay Asher	810,000
4.	Mr. Robert Taylor	55,450
5.	Mr. S. K. Tuteja	60,000

10. OTHER DISCLOSURES:

i. During the year there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.

ii. There were no instances of non-compliance on any matter related to capital markets, during the last three years.

iii. A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd, (NSDL) and Central Depository Services (India) Ltd, (CDSL) and the total issued and listed capital. The said Audit Report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical mode and the total number of shares held in demat mode with NSDL and CDSL.

11. COMPLIANCE OFFICER:

Mr. D. V. Iyer is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreements with the Stock Exchanges in India.

12. MEANS OF COMMUNICATION:

The Company publishes quarterly financial results, notices and other advertisements in Financial Express and The Economic Times (English Daily) and Kannada Prabha (Kannada Daily) regularly. The Company also regularly releases press notes to enable the stakeholders to apprise the important developments and updates about the Company. Additionally, the results and other important information are displayed on the Company's website: www.renukasugars.com

13. GENERAL SHAREHOLDER INFORMATION:

i.	**Annual General Meeting**	Date : 28th August, 2013 Time : 10.30 a.m. Venue: Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.
ii.	**Financial Year**	The Financial Year of the Company is from 1st April to 31st March.
iii.	**Tentative Financial Calendar 2013-14**	
	1st Quarterly results	on or before 14th August, 2013
	2nd Quarterly results	on or before 14th November, 2013
	3rd Quarterly results	on or before 14th February, 2014
	4th Quarterly results	before end of May, 2014
iv.	**Date of Book Closure**	Wednesday, 21st August, 2013 to Wednesday, 28th August, 2013 (both days inclusive)
v.	**Dividend Payment Date**	by 20th September, 2013

vi. Unclaimed Shares

As per the provisions of Clause 5A.I(a) of the Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. Details of unclaimed equity shares of the Company are as follows:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year, 1st April, 2012;	4	2,080
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	-	-
3	Number of shareholders to whom shares were transferred from suspense account during the year;	-	-
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, 31st March, 2013;	4	2,080

The voting rights on these shares shall remain frozen till the rightful owner claims the shares.

vii. Listing on Stock Exchanges

The Company's Shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid the listing fees for the year 2013-14.

viii. Stock Code

BSE: 532670

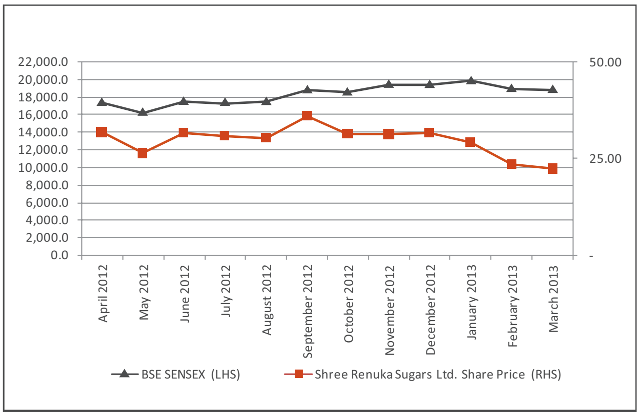
NSE: RENUKA

ix. Market Price Data

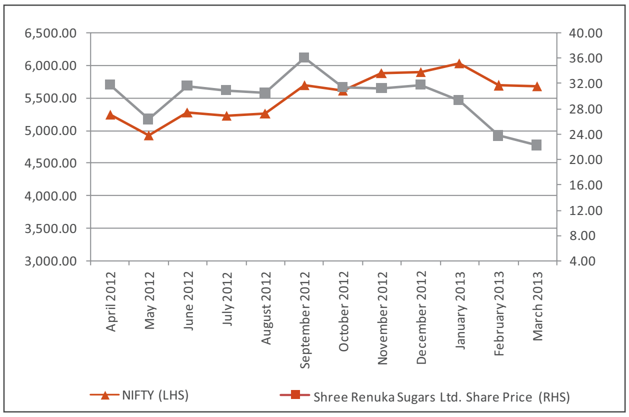
Month	NSE			BSE		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April, 2012	34.40	29.90	31.80	34.40	29.90	31.75
May, 2012	35.00	25.40	26.35	32.80	25.40	26.40
June, 2012	31.95	25.10	31.60	31.95	25.00	31.65
July, 2012	39.50	29.05	30.90	35.40	29.00	30.85
August, 2012	34.85	29.40	30.45	34.95	29.45	30.30
September, 2012	38.25	30.35	36.05	38.20	30.35	36.05
October, 2012	38.40	30.35	31.45	38.80	30.40	31.45
November, 2012	32.00	28.45	31.20	32.40	28.50	31.20
December, 2012	34.55	26.00	31.75	35.90	30.10	31.70
January, 2013	34.40	26.90	29.30	34.60	27.00	29.25
February, 2013	30.35	22.60	23.75	30.30	22.65	23.55
March, 2013	27.55	21.10	22.20	27.55	21.15	22.30

x. Performance Comparison :

SRSL v/s BSE Sensex



SRSL v/s Nifty



xi. Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd.
Unit: Shree Renuka Sugars Ltd.
Plot No. 17-24, Vittal Rao Nagar,
Madhapur,
Hyderabad 500081.
Tel. No. +91 40 4465 5000
Fax No. +91 40 2342 0814
E-mail: einward.ris@karvy.com

xii. Share Transfer System

The Company's shares are traded on the stock exchanges compulsorily in demat mode. Shares in physical mode, which are lodged for transfer, are processed and returned within the stipulated time period.

xiii. Distribution of Shareholding as on 31st March, 2013

Category	No. of Cases	% of Cases	Total Shares	Amount (₹)	% of Amount
1 – 5,000	210,237	97.56	89,641,588	89,641,588	13.35
5,001 – 10,000	3,182	1.48	25,459,836	25,459,836	3.79
10,001 – 20,000	1,082	0.50	15,738,589	15,738,589	2.35
20,001 – 30,000	329	0.15	8,311,322	8,311,322	1.24
30,001 – 40,000	134	0.06	4,732,560	4,732,560	0.71
40,001 – 50,000	115	0.05	5,373,226	5,373,226	0.80
50,001 – 100,000	191	0.09	13,717,895	13,717,895	2.04
100,001 & Above	225	0.11	508,344,634	508,344,634	75.72
Total	**215,495**	**100.00**	**671,319,650**	**671,319,650**	**100.00**

xiv. Categories of shares as on 31st March, 2013

Category	Shareholding	%
Promoters	257,391,592	38.34
Mutual Funds	36,543,721	5.44
Financial Institutions / Banks	20,814,512	3.10
Foreign Institutional Investors	112,374,885	16.74
Foreign Nationals	1,200,000	0.18
Bodies Corporate	34,970,378	5.21
Non Resident Indians	12,516,285	1.86
Trusts	23,247,574	3.46
Indian Public	174,170,703	25.94
Total	**671,319,650**	**100.00**

xv. Dematerialization of shares and liquidity

As on 31st March, 2013, 9,252,011 equity shares of the Company (representing 1.38% of the total issued capital) were held in physical mode and 6,620,67,639 equity shares (representing 98.62% of the total issued capital) were held in dematerialized form. Registrar and Transfer Agents are appointed for transfer of shares in physical mode.

Under the Depository system the ISIN allotted to the Company's shares is INE087H01022.

xvi. Outstanding GDRs / ADRs / Warrants or any convertible instrument.

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xvii. Address for Correspondence:

A) Shareholders correspondence for transfer / Dematerialization of shares, payment of dividend and any other query should be directed to:	Karvy Computershare Pvt. Ltd. **Unit: Shree Renuka Sugars Ltd.** Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad 500081. Tel. No. +91 40 4465 5000 Fax No. +91 40 2342 0814 E-mail: einward.ris@karvy.com
B) All other queries on Annual Report should be directed to:	**Shree Renuka Sugars Ltd.** BC 105, Havelock Road, Camp, Belgaum 590001. Tel No. +91 831 2404000 Fax No. +91 831 2404961 E-mail: iyer.dv@renukasugars.com

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of the Director	Mr. S. K. Tuteja	Mr. Robert Taylor
Date of Birth	15th June, 1945	9th January, 1971
Date of Appointment	25th January, 2007	9th May, 2005
Expertise in specific functional Area	Retired from IAS as Secretary, Food & Public Distribution, Government of India. He is having rich experience in diverse fields which includes District Administration, Education, Sugar Industry, Trade, Commerce, Finance and Company Law matters.	Mr. Robert Taylor was Market Analyst E D & F Man Sugar and later the Head of Market Research and Analyst for Tate and Lyle International. He is having rich knowledge and experience in sugar industry especially in world markets.
Qualification	1. IAS (Retired), 2. Bachelor and Master's degree in Commerce and 3. Fellow member of the Institute of Company Secretaries of India	1. Bachelor's degree in Science (Economics) from London School of Economics and 2. Master's degree in Science (Agricultural Economics) from Oxford University

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Directorship held in other public companies	1. SML Isuzu Ltd. 2. A2Z Maintenance & Engineering Services Ltd. 3. Adani Logistics Ltd. 4. Daawat Foods Ltd. 5. Trident Corporation Ltd. 6. Axis Private Equity Ltd. 7. Havells India Ltd. 8. Intas Pharmaceuticals Ltd. 9. Shree Renuka Energy Ltd. 10. Adani Enterprises Ltd. 11. Gujarat Foils Ltd. 12. LT Foods Ltd. 13. PTC India Financial Services Ltd. 14. Small Industries Development Bank of India	Nil
Membership / Chairman of the Committees of the Board of other Public Limited Companies in which he is a Director as on 31st March, 2013 (includes only Audit & Shareholders' / Investors' Grievance Committee)	1. Chairman of Audit Committee and Member of Share Transfer /Investors' Grievance Committee - SML Isuzu Ltd. 2. Chairman of Audit Committee – A2Z Maintenance & Engineering Services Ltd. 3. Chairman of Audit Committee – Gujarat Foils Ltd. 4. Chairman of Audit Committee and Member of Share Transfer/ Investors' Grievance Committee - Adani Enterprises Ltd. 5. Chairman of Audit Committee - Intas Pharmaceuticals Ltd. 6. Member of Audit Committee - Axis Private Equity Ltd. 7. Member of Audit Committee –Trident Corporation Ltd.	Nil
Number of shares held in the Company as on 31st March, 2013	60,000	55,450

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SHREE RENUKA SUGARS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shree Renuka Sugars Limited, for the year ended 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further 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.

For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Camp: Mumbai
Dated: 29th May, 2013

CEO/CFO CERTIFICATION

We, Narendra Murkumbi, Vice Chairman & Managing Director and K. K. Kumbhat, Chief Financial Officer of SHREE RENUKA SUGARS LIMITED, to the best of our knowledge and belief, hereby certify that:

(A) We have reviewed the financial statements and cash flow statements for the year ended 31st March, 2013, and that based on our knowledge and belief:

(i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading; and

(ii) these statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.

(B) Based on our knowledge and information, there are 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 along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls and that we have:-

(i) evaluated the effectiveness of the internal control systems of the Company; and

(ii) disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We along with Company's other certifying officers, have indicated to the Auditors and the Audit Committee of the Company, the following:

(i) significant changes in internal control 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 they 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.

Place: Mumbai
Date: 29th May, 2013

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to certify that all the members of the Board of Directors and Senior Management Personnel have confirmed compliance with the Company's Code of Conduct for the year ended 31st March, 2013.

For Shree Renuka Sugars Limited

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Date: 29th May, 2013

INDEPENDENT AUDITORS' REPORT

To the Members of

SHREE RENUKA SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHREE RENUKA SUGARS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

(a) In the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the ***Annexure*** a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

   c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report is in agreement with the books of account;

   d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;

   e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn No.004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Camp: Mumbai
Date: May 29, 2013

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of **Shree Renuka Sugars Limited** for the year ended March 31, 2013. We report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, all fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

   c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. a. As explained to us, inventories have been physically verified by the management at regular intervals.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management is reasonable and is adequate in relation to the size of the Company and nature of its business.

   c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. In respect of the loans, secured or unsecured granted or taken by the company to / from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 :

   a. The company has not taken any loans during the year.

   b. The Company has given loans to Nine Subsidiary companies. In respect of the said loan, the maximum amount outstanding at any time during the year was ₹3,095.51 Millions and the year end balance is ₹1,953.33 Millions.

   c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions, are not prima facie prejudicial to the interest of the company.

   d. The principal amount is repayable on demand and there is no repayment schedule. The company is regular in payment and receipt of interest.

   e. In respect of the said loan, the same is repayable on demand and therefore the question of overdue amount does not arise. In respect of interest there is no overdue amount.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

5. a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance contracts or arrangements, that needed to be entered in the register, maintained under Section 301 of the Companies Act, 1956 have been so entered.

   b. In our opinion and according to the information and explanations given to us where such transaction is in excess of ₹5 lacs, the transaction has been made at prices which is prima facie reasonable having regard to the prevailing market prices at the relevant time and they are not prejudicial in the interest of the Company.

6 According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Hence clause (vi) of the order is not applicable.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. The Central Government has prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for some products of the company. We have broadly reviewed these records of the company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.

9. a. According to the records of the Company and as per the information and explanations given to us, the Company does not have any undisputed statutory dues including ESI, Provident Fund, Income-tax, Sales tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues which are outstanding for a period in excess of six months as on March 31, 2013. The Company did not have any dues on account of Investor Education and Protection Fund.

   b. The disputed statutory dues aggregating to ₹689.06 Million that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (₹ in Mn)	Period to which the amount relates	Forum where Dispute is pending
Karnataka Sales Tax Act, 1957	Purchase Tax	12.4	2006-07 & 2007-08	Joint Commissioner of Commercial Tax Appeal
		9.88	2006-07 & 2007-08	High Court
Central Excise Act, 1944	Excise Duty and Service Tax	407.86	Various Years (2004-2012)	Central Excise and Service Tax Appellate Tribunal
		7.29	2003	High Court
		2.59	2005-2009	Commissioner of Central Excise
Customs Act, 1962	Customs Duty	249.03	2004	Supreme Court
Total		**689.06**		

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

11. 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 dues to financial institutions or banks or debentureholders.

12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order 2003 are not applicable to the Company.

14. The Company is trading in shares, securities and other investments. In our opinion proper records have been maintained of the transactions and contracts entered by the Company and timely entries have been made therein. These investments are held by the Company in its own name.

15. The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.

16. The term loans borrowed during the year have been utilised for the purposes for which they were raised.

17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.

18. a. The Company has not made preferential allotment of shares to companies/parties covered in the register maintained under Section 301 of the Companies Act, 1956.

    b. As the Company has not made any preferential allotment of shares, the question of commenting of the terms of such issue does not arise.

19. During the year covered by our Audit Report, the Company has issued Redeemable Non-Convertible Debentures. As per the information and explanations given to us, the Company has created security in respect of such Debentures issued.

20. The company has not raised any money by way of public issues during the year.

21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn No.004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Camp: Mumbai
Date: May 29, 2013

BALANCE SHEET
AS AT 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Notes	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	671.32	671.32
(b) Reserves and Surplus	2	17,258.64	17,133.72
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	3	11,957.66	17,559.84
(b) Deferred Tax Liabilities (Net)	4	2,430.87	2,203.88
(c) Other Long-Term Liabilities	5	6.71	329.64
(d) Long-Term Provisions	6	24.94	26.88
(3) Current Liabilities			
(a) Short-Term Borrowings	7	7,908.54	22,298.79
(b) Trade Payables	8	30,860.24	7,805.25
(c) Other Current Liabilities	9	8,309.10	7,389.53
(d) Short-Term Provisions	10	406.14	1.36
Total		**79,834.16**	**75,420.21**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	27,273.62	26,783.55
(ii) Intangible Assets	11B	77.33	46.97
(iii)Capital Work-in-Progress-Tangible	12	270.41	1,204.83
(b) Non-Current Investments	13	20,128.87	20,134.90
(c) Deferred Tax Assets (Net)		-	-
(d) Long-Term Loans and Advances	14	4,016.68	3,394.73
(e) Other Non-Current Assets	15	12.08	36.76
(2) Current Assets			
(a) Inventories	16	20,588.38	17,191.61
(b) Trade Receivables	17	1,735.05	1,765.12
(c) Cash and Bank Balances	18	914.72	103.91
(d) Short-Term Loans and Advances	19	4,792.34	4,732.63
(e) Other Current Assets	20	24.68	25.20
Total		**79,834.16**	**75,420.21**

See Accompanying notes 1 to 32 forming part of the financial Statements

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Dated: May 29, 2013

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Notes	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Revenue from Operations	21	64,858.44	64,705.55
Less: Excise Duty		904.14	1,084.56
		63,954.30	**63,620.99**
Other Income	22	150.00	11.31
Total Revenue		**64,104.30**	**63,632.30**
EXPENDITURE			
Cost of Material Consumed	23	44,384.54	34,989.43
Purchase of Stock-in-trade		10,351.35	17,646.56
Changes in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(1,633.01)	(3,881.37)
Employee Benefit Expenses	25	1,290.37	1,444.35
Financial Costs	26	3,670.98	3,698.72
Depreciation and Amortisation Expense	11A&B	1,592.02	1,454.73
Other Expenses	27	3,612.41	6,036.38
Total Expenses		**63,268.66**	**61,388.80**
Profit before exceptional and extraordinary items and tax		**835.64**	**2,243.50**
Exceptional Items	28	(77.12)	(893.92)
Profit before extraordinary items and tax		**758.52**	**1,349.58**
Extraordinary items		-	-
Profit Before Tax		**758.52**	**1,349.58**
Current Tax	29	13.11	89.31
Deferred tax		226.99	419.75
Profit / (Loss) for the period		**518.42**	**840.52**
Earnings per Share	30		
Basic		0.77	1.25
Diluted		0.77	1.25
[Nominal value of shares ₹1/- each]			

See Accompanying notes 1 to 32 forming part of the financial Statements

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Dated: May 29, 2013

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	758.52	1,350.53
Adjustments to reconcile profit before tax to Net cash provided by operating activities:		
Depreciation and Amortisation	1,592.02	1,457.07
Financial Expenses	3,670.98	3,698.72
Loss/(Profit) on Sale of Fixed Assets	(11.98)	5.97
Dividend Income	(8.86)	(6.97)
Loss on Sale of Investments	2.83	1.96
Exchange Fluctuations (Net)	77.12	893.92
Amortisation of Expenses	25.20	37.90
Operating profit before working capital changes	**6,105.83**	**7,439.10**
Changes in operating assets and liabilities:		
Trade Receivables	30.07	1,394.28
Other Receivables	(634.35)	(2,009.45)
Inventory	(3,396.77)	(5,832.11)
Trade and Other Payables	20,779.79	(7,094.27)
Cash generated from operations	**22,884.57**	**(6,102.45)**
Income Tax (Net)	(60.42)	(655.63)
Net cash flow from operating activities	**22,824.15**	**(6,758.08)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(779.49)	(8,760.01)
Proceeds from Sale of Fixed Assets	86.92	19.28
Proceeds from Sale of Investments	3.30	2.78
Purchase of Investments	(0.10)	(3,746.84)
Dividend Income	8.86	6.97
Net cash flow from investing activities	**(680.51)**	**(12,477.82)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Equity Shares	-	27.71
Exchange Fluctuations (Net)	(9.71)	(826.80)
Dividend Paid	(0.41)	(1,334.13)
Proceeds from Long-Term Borrowings	1,328.15	12,134.67
Repayment of Long-Term Borrowings	(4,609.49)	(5,744.96)
Net Increase/(Decrease) in Working Capital Borrowings	(14,390.25)	18,343.21
Repayment of Deferred Purchase Tax	(52.13)	(100.71)
Finance Cost	(3,598.99)	(3,393.89)
Net cash flow from financing activities	**(21,332.83)**	**19,105.10**
Net increase in cash and cash equivalents	**810.81**	**(130.80)**
Opening Cash and Cash Equivalents	103.91	234.71
Closing Cash and Cash Equivalents	**914.72**	**103.91**

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Dated: May 29, 2013

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 1: Share Capital		
a) Authorised		
25,000,000 Preference Shares of ₹10/- each	250.00	250.00
800,000,000 Equity Shares of ₹1/- each	800.00	800.00
	1,050.00	**1,050.00**
b) Issued, Subscribed and Paid up		
671,319,650 Equity Shares of ₹1/- each fully paid	671.32	671.32
	671.32	**671.32**

c) Details of Shareholders holding more than 5% shares in the Equity Share Capital of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Murkumbi Investments Private Limited	121,414,000	18.09	121,414,000	18.09
Khandepar Investments Private Limited	75,400,000	11.23	75,400,000	11.23
Narendra Madhusudan Murkumbi	12,712,905	1.89	33,602,705	5.01
Agri Venture Trading And Investment Private Ltd.	37,522,295	5.59	13,122,295	1.95

	As at 31st March, 2013	As at 31st March, 2012
Note 2: Reserves and Surplus		
a) Capital Reserve		
i) Subsidy received towards Co-Generation		
As per last Balance Sheet	18.75	18.75
ii) Others		
As per last Balance Sheet	0.26	0.26
Closing Balance	**19.01**	**19.01**
b) Securities Premium		
As per last Balance Sheet	10,574.05	10,547.28
Addition during the year	-	26.77
Closing Balance	**10,574.05**	**10,574.05**
c) General Reserve		
As per last Balance Sheet	3,114.02	3,029.02
Add : Transfer from Profit and Loss Account	52.00	85.00
Closing Balance	**3,166.02**	**3,114.02**
d) Debenture Redemption Reserve		
As per last Balance Sheet	663.33	240.00
Add : Transfer from Profit and Loss Account	473.08	423.33
Closing Balance	**1,136.41**	**663.33**
e) Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(77.90)	-
Add : Addition during the year	(0.79)	(77.90)
Closing Balance	**(78.69)**	**(77.90)**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
f) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	2,841.21	3,289.23
Profit for the year	518.42	840.52
Less: Appropriation		
Dividend on Equity Shares	335.66	-
Interim Dividend on Equity Shares	-	671.31
Corporate Dividend Tax	57.05	108.90
Transfer to Debenture Redemption Reserve	473.08	423.33
Transfer to General Reserve	52.00	85.00
Net Surplus in Statement of Profit and Loss	**2,441.84**	**2,841.21**
Total	**17,258.64**	**17,133.72**

	As at 31st March, 2013	As at 31st March, 2012
NON-CURRENT LIABILITIES		
Note 3: Long-Term Borrowings		
1) Secured:		
a) Non-Convertible Debentures		
i) 600 Redeemable Non-Convertible Debentures (11.95%) of ₹1,000,000 each	600.00	600.00
ii)1,100 Redeemable Non-Convertible Debentures (11.50%) of ₹1,000,000 each	1,100.00	1,100.00
iii)2,900 Redeemable Non-Convertible Debentures (Floating Rate) of ₹1,000,000 each	2,900.00	2,900.00
iv)1,500 Redeemable Non-Convertible Debentures (11.70%) of ₹1,000,000 each	1,500.00	1,500.00
v)1,000 Redeemable Non-Convertible Debentures (11.30%) of ₹1,000,000 each	1,000.00	-
b) Term-Loans		
From Banks and Financial Institutions	9,710.73	13,276.45
From others:		
Sugar Development Fund	1,222.84	1,393.96
Interest Accrued but not due	104.92	88.89
2) Unsecured:		
Sugar Development Fund	-	2.80
Deferred Purchase Tax	68.21	120.34
	18,206.70	**20,982.44**
Less: Current Maturity of Long term borrowings transferred to Other Current Liabilities (Refer Note 9)	6,249.04	3,422.60
	11,957.66	**17,559.84**

Nature of Security

a) Non-Convertible Debentures:

i) 600 Redeemable Non-Convertible Debentures (11.95%) of ₹1,000,000 each, secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on August 03, 2014.

(ii) & (iii) Total 4,000 Redeemable Non-Convertible Debentures of ₹1,000,000 each, secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par in the ratio of 25:25:25:25, due on April 07, 2013, Oct 07, 2013, April 07, 2014 and Oct 07, 2014 respectively or on exercise of put/call option.

(iv) 1,500 Redeemable Non-Convertible Debentures of ₹1,000,000 each, secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on April, 2017.

(v) 1,000 Redeemable Non-Convertible Debentures of ₹1,000,000 each, secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on Dec 24, 2017.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

b) Term-Loans:

From Banks & Financial Institutions are secured by first pari-passu charge on movable and immovable assets of the company.

From Others:

SDF loans are secured by second charge on movable and immovable assets of the company.

Interest Accrued but not due represents interest on certain long-term borrowings, where the payment of interest has also been deferred for a period of time and is therefore considered to be in the nature of borrowings and included as a part of secured loans.

Terms of Repayment:

Particulars	Amount O/s. as on 31st March, 2013		Date of Maturity	Amt of Each Installment
	Current	Non Current		
Non-Convertible Debentures:				
i) Non-Convertible Debentures (₹600 Mn)	-	600.00	August 03, 2014	600.00
ii) Non-Convertible Debentures (₹4,000 Mn)	2,696.70	1,303.30	October 07, 2014	1,000.00
iii) Non-Convertible Debentures (₹1,500 Mn)	-	1,500.00	April 02, 2017	1,500.00
iv) Non-Convertible Debentures (₹1,000 Mn)	-	1,000.00	December 24, 2017	1,000.00
Term-Loans from Banks/Financial Institutions:				
A) Rupee Term-Loans:				
i) IDBI Bank Ltd.	450.00	1,350.00	March 31, 2017	112.50
ii) EXIM Bank	260.88	1,239.12	December 31, 2018	65.22
iii) IREDA				
Loan I	80.50	543.38	December 31, 2020	20.12
Loan II	65.60	229.73	September 30, 2017	16.40
B) Foreign Currency Loans:				
ICICI Canada (USD Loan)	1,053.03	-	June 16, 2013	1,053.03
ICICI Canada (CAD Loan)	274.82	1,992.47	February 22, 2016	133.79
ANZ Singapore (USD Loan)				
Tranch I	1,085.60	-	March 30, 2014	1,085.60
Tranch II	-	1,085.60	June 30, 2014	1,085.60
Term-Loan from Others-Sugar Development Fund:				
i) Cane Development Projects	16.25	-	March 31, 2014	-
ii) Refinery Projects	16.50	-	March 31, 2014	-
iii) Havalga Co-Generation	63.30	253.19	March 31, 2018	31.65
iv) Athani Sugar	-	216.75	March 31, 2021	43.35
v) Havalga Sugar	-	267.08	March 31, 2021	53.41
vi) Havalga Distillery	35.54	53.31	September 30, 2015	17.77
vii) Munoli Sugar	57.17	171.52	March 31, 2017	57.17
viii) Havalga Sugar	23.08	46.16	March 31, 2016	23.08
ix) Munoli Power	2.97	-	September 30, 2013	2.97
Deferred Purchase Tax	52.13	16.08		
Interest Accrued but not due on loans	14.97	89.97		
Total Long Term Borrowings	**6,249.04**	**11,957.66**		

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 4: Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Depreciation	2,445.49	2,224.12
Gross Deferred Tax Liability	**2,445.49**	**2,224.12**
Deferred Tax Asset		
Leave Encashment	12.45	11.07
Sugar Cane Purchase Tax	2.17	9.17
Gross Deferred Tax Asset	**14.62**	**20.24**
Deferred Tax Liabilities (Net)	**2,430.87**	**2,203.88**
Note 5: Other Long-Term Liabilities		
Purchase Tax Payable	378.67	350.83
Less: Payable within one year (transferred to Other current liabilities, Refer Note 9)	371.96	21.19
	6.71	**329.64**
Note 6: Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Leave Encashment (Refer Note 32 (xv))	38.37	28.24
Less: Short-Term (transferred to short-term provisions, Refer Note 10)	13.43	1.36
	24.94	**26.88**
CURRENT LIABILITIES		
Note 7: Short-Term Borrowings		
Secured:		
Working Capital from Banks:		
Rupee Borrowings	3,710.44	15,337.84
Foreign Currency Borrowings	3,698.10	2,755.81
Unsecured:		
Working Capital Borrowings	-	2,955.14
Commercial Papers	500.00	1,250.00
	7,908.54	**22,298.79**

Nature of Security:

Working Capital facilities from banks are secured by hypothecation of stocks & book debts and a third charge on movable and immovable assets of the company.

	As at 31st March, 2013	As at 31st March, 2012
Note 8: Trade Payables		
For Goods and Services*	30,860.24	7,805.25
Others	-	-
	30,860.24	**7,805.25**

* There is no principal amount and interest overdue to the Micro and Small Enterprises. During the year no interest has been paid to such parties. This information have been determined to the extent such parties have been identified on the basis of information available with the company.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 9: Other Current Liabilities		
Current maturity of Long-Term Borrowings (Refer Note 3)	6,249.04	3,422.60
Interest accrued but not due on Borrowings	474.63	418.68
Advance from Customers	749.78	3,161.62
Purchase Tax Payable (Refer Note 5)	371.96	21.19
Unclaimed Dividend	12.37	12.78
Other Payables	451.32	352.66
	8,309.10	**7,389.53**
Note 10: Short-Term Provisions		
Provision for Leave Encashment (Refer note 6)	13.43	1.36
Provision for Equity Dividend	335.66	-
Provision for Corporate Dividend Tax	57.05	-
	406.14	**1.36**

NON-CURRENT ASSETS

11A. Tangible Assets

PARTICULARS	01st April, 2012	Additions	Disposal	Effects of Foreign Currency Exchange Difference	As on 31st March, 2013
Gross Carrying Value (A)					
Lease Hold Land	136.58	-	-	-	136.58
Free Hold Land	433.74	61.63	69.55	-	425.82
Buildings	4,814.99	652.17	-	-	5,467.16
Plant & Equipment	24,764.40	922.06	2.33	473.54	26,157.67
Furniture & Fixtures	254.44	26.13	3.08	-	277.49
Vehicles	123.91	9.58	5.87	-	127.61
Total	**30,528.06**	**1,671.57**	**80.83**	**473.54**	**32,592.33**
Previous Year	*18,010.61*	*10,368.51*	*36.76*	*2,185.70*	*30,528.06*
Accumulated Depreciation (B)					
Lease Hold Land	-	-	-	-	-
Free Hold Land	-	-	-	-	-
Buildings	423.07	170.35	-	-	593.42
Plant & Equipment	3,192.85	1,371.63	0.54	-	4,563.94
Furniture & Fixtures	92.99	25.57	2.54	-	116.02
Vehicles	35.60	12.53	2.80	-	45.33
Total	**3,744.51**	**1,580.08**	**5.88**	**-**	**5,318.71**
Previous Year	*2,310.91*	*1,445.11*	*11.51*	-	*3,744.51*
Net Carrying Value (A-B)					
Lease Hold Land	136.58				136.58
Free Hold Land	433.74				425.82
Buildings	4,391.92				4,873.74
Plant & Equipment	21,571.55				21,593.73
Furniture & Fixtures	161.45				161.47
Vehicles	88.31				82.28
Total	**26,783.55**				**27,273.62**
Previous Year	*15,699.70*				*26,783.55*

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

11B. Intangible Assets

PARTICULARS	01st April, 2012	Additions	Disposal	Effects of Foreign Currency Exchange Difference	As on 31st March, 2013
Gross Carrying Value (A)					
Computer Software	62.47	42.30	-	-	104.77
Total	**62.47**	**42.30**	**-**	**-**	**104.77**
Previous Year	*14.36*	*48.11*	-	-	*62.47*
Accumulated Depreciation (B)					
Computer Software	15.50	11.94	-	-	27.44
Total	**15.50**	**11.94**	**-**	**-**	**27.44**
Previous Year	*3.54*	*11.96*	-	-	*15.50*
Net Carrying Value (A-B)					
Computer Software	46.97				77.33
Total	**46.97**				**77.33**
Previous Year	*10.82*				*46.97*

	As at 31st March, 2013	As at 31st March, 2012
Note 12: Capital Work-in-Progress:Tangible		
Assets under Construction - Building	51.89	662.18
Assets under Construction - Plant & Equipment	216.72	529.96
Assets under Construction - Pre-Operative Expenses	1.80	12.69
	270.41	**1,204.83**
Note 13: NON-CURRENT INVESTMENTS		
Trade Investments		
Investment in Equity Instruments		
In Subsidiary Companies:		
Un-Quoted:		
Renuka Commodities DMCC, Dubai	4.97	4.97
40 Equity Share of AED 10,000 each		
Parana Global Trading (FZE)	1.67	1.67
1 Equity Share of AED 150,000		
Shree Renuka Agri Ventures Ltd.	2.50	2.50
250,000 Equity Shares of ₹10 each		
KBK Chem-Engineering Pvt Ltd.	547.92	547.92
169,143 Equity Shares of ₹100 each		
Nandur Sugars Ltd.	1.50	1.50
150,000 Equity Shares of ₹10 each		
Gokak Sugars Ltd.	187.26	187.26
32,937,140 Equity Shares of ₹10 each		
Monica Realators & Investments Pvt. Ltd	171.52	171.52
10,000 Equity Shares of ₹10 each		
Shree Renuka Global Ventures Ltd.	18,215.74	18,215.74
395,199,975 Equity share of USD 1 each		

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Shree Renuka East Africa Agriventures PLC	5.19	5.19
9,999 shares of Ethiopian Birr 180 each		
Shree Renuka Tunaport Pvt. Ltd.	0.10	-
10,000 shares of ₹10 Each		
Other Investments:		
Equity shares (Unquoted):		
Esugar India Clearing Corporation Ltd.	0.05	0.05
5,000 Equity Shares of ₹10 each		
Pachhapur Urban Co-op Bank Ltd., Pachhapur	-	-
10 Equity Shares of ₹100 each (Nominal value of ₹1,000)		
Belgaum DCC Bank Ltd., Belgaum	0.50	0.50
100 Equity Shares of ₹5,000 each		
National Commodity & Derivatives Exchange Ltd.	895.19	895.19
6,336,000 Equity Shares of ₹10 each		
Equity shares (Quoted):		
Simbhaoli Sugar Mills Ltd.	-	6.13
Previous Year 1,32,376 Equity Shares of ₹10 each		
Ugar Sugar works Ltd.	94.71	94.71
5,001,000 Equity Shares of ₹1 each		
Government Securities:		
National Savings Certificate	0.05	0.05
	20,128.87	**20,134.90**
Aggregate value of the quoted investments	94.71	100.84
Aggregate value of the un-quoted investments	20,034.01	20,034.01
Market value of the quoted investments*	50.36	62.56
*(The Dimunition in the value of Quoted Investments is temporary in nature, hence no provision has been considered.)		
Note 14 : Long-Term Loans and Advances		
Unsecured and Considered good		
Capital Advances	143.91	271.53
Advances to Subsidiary Companies	830.04	543.40
Deposits	1,789.73	1,712.67
Prepaid Expenses	45.21	-
Others:		
Export Incentives Receivable	205.54	253.85
MAT Credit Entitlement	693.78	555.81
Other Advances	308.47	57.47
	4,016.68	**3,394.73**
Note 15: Other Non-Current Assets		
Miscellaneous Expenditure to the extent not written off:		
Deferred Revenue Expenditure	31.74	53.61
Goodwill on Amalgmation	5.01	8.35
	36.75	**61.96**
Less: To be amortised within one year (transfered to other Current Assets-Refer Note 20)	24.67	25.20
	12.08	**36.76**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
CURRENT ASSETS		
Note 16: Inventories		
Raw Materials and Components	1,637.91	991.43
Stores and Spares	667.67	707.42
Intermediate Product	189.97	151.45
Finished Goods:		
Manufactured	16,371.36	14,776.87
Trading	1,721.47	564.44
	20,588.38	**17,191.61**
Note 17: Trade Receivables		
Unsecured & Considered good:		
Debts over six months	226.68	171.47
Others	1,508.37	1,593.65
	1,735.05	**1,765.12**
Note 18: Cash and Bank Balances		
Cash on hand	3.29	2.23
Balances with Banks:		
In Current Accounts	890.57	78.03
In Deposit Accounts	20.86	23.65
	914.72	**103.91**
Note 19: Short-Term Loans and Advances		
Unsecured and Considered Good:		
Loans and Advances to related parties:		
Advances to Subsidiary Companies	1,123.29	439.39
Others:		
Interest Accrued	14.16	13.98
Interest Receivable from Govt. of India	114.99	-
Prepaid Expenses	304.37	150.65
Deposits	124.96	124.96
Balances with Customs, Excise, etc.	1,245.84	1,468.71
Income Tax Refund Due (Net)	408.25	498.91
Other Advances	1,456.48	2,036.03
	4,792.34	**4,732.63**
Note 20: Other Current Assets		
Miscellaneous Expenditure to be amortised within one year:		
Deferred Revenue Expenditure (Refer Note 15)	21.34	21.86
Goodwill on Amalgmation (Refer Note 15)	3.34	3.34
	24.68	**25.20**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

		Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Note 21: Revenue from Operations			
Sale of Products (Gross)			
Sale of Manufactured Sugar		49,554.27	37,960.00
Sale of Traded Sugar and Ethanol		10,799.41	18,470.81
Sale of Power		4,092.56	5,814.32
Sale of Ethanol and Allied products		2,544.90	4,934.97
Sale of By-products and Others		1,320.47	1,691.78
		68,311.61	**68,871.88**
Less: Inter-Segment Sales		3,453.17	4,166.33
		64,858.44	**64,705.55**
Less: Excise Duty		904.14	1,084.56
		63,954.30	**63,620.99**
Note 22: Other Income			
Dividend on Investments		8.86	6.97
Profit on Sale of Investments		-	0.01
Profit on Sale of Assets		14.15	0.20
Others		126.99	4.13
		150.00	**11.31**
Note 23: Cost of Materials Consumed			
Opening Stock		991.43	1,831.86
Add: Purchases		46,030.83	35,359.87
Less: Intersegment transfers		999.81	1,210.87
		46,022.45	**35,980.86**
Less: Closing Stock		1,637.91	991.43
		44,384.54	**34,989.43**
Note 24: Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade			
Opening Stock		14,928.32	7,433.07
Trial run stock of finished goods and intermediate products		-	3,613.88
	A	**14,928.32**	**11,046.95**
Less: Closing stock		16,561.33	14,928.32
	B	**16,561.33**	**14,928.32**
Net (Increase)/Decrease in stock	**(A-B)**	**(1,633.01)**	**(3,881.37)**
Note 25: Employee Benefit Expenses			
Salaries, Wages and Bonus		1,096.52	1,231.40
Remuneration to Directors:			
Remuneration		59.62	59.05
Commission		15.17	27.56
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits		69.78	75.40
Staff Welfare Expenses		49.28	50.94
		1,290.37	**1,444.35**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

		Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Note 26: Finance Costs			
Interest:			
On Term-Loans		1,121.32	1,039.50
On Working Capital		1,594.11	2,317.44
On Debentures		804.89	208.46
Others:			
Bank and Other Finance Charges		150.66	133.32
		3,670.98	**3,698.72**
Note 27: Other Expenses			
A. Manufacturing Expenses			
Consumption of Stores and Spares		462.57	632.40
Consumption of Chemicals, Consumbles, Oil and Lubricants		350.95	469.89
Sugar House Loading, Un-loading and Handling charges		184.55	293.41
Packing Materials		709.40	633.25
Power and Fuel		2,722.55	3,476.71
Lease Rentals		125.35	157.91
Repairs and Maintenance:			
Plant and Machinery		162.45	138.33
Buildings		1.75	58.94
Other Manufacturing Expenses		111.76	83.86
Less: Intersegment expenses		(2,453.36)	(2,979.26)
	A	**2,377.97**	**2,965.44**
B. Administrative Expenses			
Rent, Rates and Taxes		67.40	138.83
Insurance		44.90	66.34
Travelling and Conveyance		55.06	111.94
Printing and Stationery		9.64	12.93
Communication Expenses		21.01	29.55
Legal and Professional Fees		143.35	128.86
Directors' Sitting Fees		3.91	1.90
Auditors' Remuneration		6.46	9.45
Safety and Security Expenses		52.76	66.00
Donations and Contributions		1.69	6.54
Loss on Sale of Fixed Assets		2.17	6.17
Loss on Sale of Long-Term Investments		2.83	1.97
Books, Periodicals, Subscription and Membership Expenses		9.01	18.10
Sundry Balances Written Off		3.21	6.22
Research and Development		0.27	4.88
Repairs and Maintenance - Others		64.24	46.95
Prior Period Expenses		4.34	0.09
Others		24.17	48.00
	B	**516.42**	**704.72**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
C. Selling and Distribution Expenses		
Freight and Forwarding Charges	573.45	1,400.80
Advertising and Sales Promotion	70.42	43.82
Cost of Open General Licence for Exports	-	758.53
Warehousing Expenses	7.61	61.53
Brokerage and Discounts	28.18	26.83
Commission and Market Development Expenses	13.16	36.90
C	**692.82**	**2,328.41**
D. Miscellaneous Expenditure-Written Off		
Pre-Operative Expenses	21.86	32.80
Goodwill On Amalgamation	3.34	5.01
D	**25.20**	**37.81**
(A+B+C+D)	**3,612.41**	**6,036.38**
Note 28: Exceptional Items		
Foreign Exchange gain/(loss)	(77.12)	(893.92)
	(77.12)	**(893.92)**
Note 29: Current Tax		
Current Tax	151.08	265.33
MAT Credit Entitlement	(137.97)	(176.02)
	13.11	**89.31**
Note 30: Earnings per Share		
The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.		
Reconciliation of earnings		
Profit for the year ended 31st March, 2013	518.42	840.53
Net profit attributable to equity shareholders	**518.42**	**840.53**
Reconciliation of number of shares	**Shares**	**Shares**
Shares outstanding at the beginning of the period	671,319,650	670,382,000
Shares outstanding at the end of the period	671,319,650	671,319,650
Weighted average number of equity shares	**671,319,650**	**671,236,995**
Basic and Diluted Earnings Per Share (in Rupees)	0.77	1.25
[Nominal value of shares ₹1/- each]		

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies

(All amounts in million Indian Rupees, unless otherwise stated.)

a. Basis of presentation:

The accompanying financial statements have been presented for the year ended 31st March, 2013 along with comparative information for the Eighteen months period ended 31st March, 2012. The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP") and the relevant provisions prescribed in the Companies Act, 1956, besides the pronouncements/ guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. Use of estimates:

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

c. Fixed assets:

Fixed assets (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been reduced from value of the respective assets.

d. Borrowing costs:

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognised in the statement of profit and loss in the period in which they are incurred .

e. Depreciation:

Depreciation is provided at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The Companies assets are depreciated using the straight line method. As per estimates of the management, these rates are representative of the economic useful life of these assets. No depreciation is provided on assets held for sale.

f. Leases:

Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term. In case of long- term leases, the expenditure to the profit and loss account is recognized on the basis of equated lease rentals arrived at by allocating the total outflow of lease rentals on the entire contractual period over the period of the lease.

g. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Current investments are carried at lower of cost or fair value/ market value, determined on an individual investment basis. Non-Current Investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Profit/loss on sale of investments is computed with reference to their average cost.

h. Amalgamation:

Accounting for Amalgamation is as per AS-14 of the Indian Accounting Standards as prescribed by The Institute of Chartered Accountants of India. The Goodwill arising on Amalgamation is amortised on the basis over its useful life but shall not exceed five years.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

i. Inventories:

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost and net realisable 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 ('FIFO') basis.

Finished goods

Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.

Work-in-process

Lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

By- products

By-products are valued at cost. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

j. Revenue recognition:

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, excise duty, sales returns.

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 parties.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Dividend income on investments is accounted for as and when the right to receive the payments is established.

Income against claims of the company, viz., export incentives, insurance claims, etc., is recognised on accrual/right to receive basis.

k. Foreign currency transactions:

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences is charged to the revenue account except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith, and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

l. Derivative transactions:

Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India, the Company, in accordance with the principle of prudence as enunciated in AS – 1, "Disclosure of Accounting Policies", provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any net unrealized gains arising on such mark to market are not recognized as income.

m. Employee benefits:

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.
- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.
- The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

n. Income tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

o. Miscellaneous expenditure:

Preliminary expenses are written-off over a period of five years from the year of commencement of commercial production.

The Deferred Revenue Expenditure comprises of debenture issue expenses which is written off over a period of 5 years & expenses incurred on the lease units upto the date of production which is written off in proportion to the period of lease unexpired or 1/5th in case of long lease period.

p. Government grants:

Government grants in the nature of promoter's contribution are credited to capital reserve and treated as a part of Shareholders' funds. Other Government grants/ subsidy have been reduced from value of the respective assets.

q. Financial derivatives and commodity futures:

Transactions in financial derivatives and commodity futures are accounted based on the mode of final settlement. Transactions, which are ultimately settled net, without taking delivery, are recorded net with the gains/losses being recognised as income/expenses in the financial statements. Transactions, which stipulate physical delivery of the goods and where the company intends to take delivery, are recorded at gross, as purchases and sales as a part of the company's sugar manufacturing activities.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

r. Provisions, contingent liabilities and contingent assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognised nor disclosed.

s. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t. Segment reporting:

The accounting policies adopted for segment reporting are in line with the accounting policies adopted by the Company, with the following additional policies for segment reporting:

(i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.

(ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.

(iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

u. Impairment of assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

a. The provision for impairment loss, if any, required or

b. The reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

v. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements

(All amounts in million Indian Rupees, unless otherwise stated.)

i. Excise Duty on Finished Goods

Excise duty is generally provided on manufacture of goods, which are not exempt from the payment of duty. However, since the Company's finished goods are not segregated at the time of production into those for sale in domestic markets and those for sale in export markets, the Company is unable to determine the exact liability towards excise duty on finished goods. Accordingly, excise duty is provided/ paid only at the time of clearance of the goods from the factory.

ii. Leases Payable

The Company has entered into various operating leases for office, residential and factory premises. These are generally short-term leases and cancellable by serving adequate notice. The minimum amount of lease rentals payable on non-cancelable leases is as follows:

- Within a period of one year – ₹124.96 million (Previous year ₹124.96 million).
- Period from one year to five years – ₹499.82 million (Previous year ₹499.82 million).
- Period from five years and above- ₹1,814.99 million (Previous Year 1,939.95 million).
- Lease Rent charged to Profit and loss account for the year ended 31st March, 2013 is ₹125.35 million (Previous Year ₹157.91 million).

iii. Leases Receivable

The Company has entered into various operating leases for office, residential and factory premises. These are generally short-term leases and cancellable by serving adequate notice. The minimum amount of lease rentals receivable on non-cancelable leases is as follows:

- Within a period of one year – ₹10.02 million (Previous year Nil).
- Period from one year to five years – Nil (Previous year Nil).
- Period from five years and above - Nil (Previous Year Nil).
- Lease Rent received for the year ended 31st March, 2013 is ₹5.01million (Previous Year Nil).

iv. Outstanding Commitments

As at 31st March, 2013, the Company had the following outstanding commitments:

- Bank Guarantees outstanding – ₹2,480.85 million (Previous Year ₹5,555.00 million).
- Corporate Guarantees outstanding ₹16,682.00 million (Previous Year ₹14,096.00 million).
- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹55.16 million (Previous year ₹534.83 million).

v. Contingent Liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March, 2013	As at 31st March, 2012
Income Tax Demands	5.64	5.64
Excise and Service Tax Demands	464.95	261.25
Sales Tax/VAT Demands	36.32	36.32
Customs Demand	465.12	465.12
Total	**972.03**	**768.33**

vi. Balances appearing under the head sundry creditors, sundry debtors, loans and advances are subject to confirmation, adjustments, if any, on the receipt/reconciliation of such accounts.

vii. In terms of accounting standard AS 28 on impairment of assets, there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognised during the year under review.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

viii. Value of Direct Imports (CIF Value)

		Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
a	Raw Materials	23,800.92	9,656.21
b	Cost of traded goods	5,319.92	12,465.29
c	Components, stores and spares	72.61	190.75
d	Capital Goods	Nil	365.54
	Total	**29,193.45**	**22,677.79**

ix. Consumption of Raw Material, Stores and Spares

	Year Ended 31st March, 2013		18 Months Ended 31st March, 2012	
	₹ in million	**% of total consumption**	**₹ in million**	**% of total consumption**
Raw material				
Imported	27,017	61%	4,172	12%
Domestic	17,368	39%	30,817	88%
Total	**44,385**	**100%**	**34,989**	**100%**
Stores & Spares				
Imported	23	5%	32	5%
Domestic	440	95%	600	95%
Total	**463**	**100%**	**632**	**100%**

x. Expenditure in Foreign Currency

		Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
a	Interest	714.34	804.00
b	Travelling expenses	15.23	3.00
c	Others	9.86	31.00
	Total	**739.43**	**838.00**

xi. Dividends remitted in Foreign Currency

	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
Dividends remitted in Foreign Currency	Nil	2.40
Year to which dividend relates		2009-10 & 2010-12
Number of non-resident shareholders		1
Number of shares held by them		1,200,000
Face value of the share		₹1

xii. Earnings in Foreign Currency

	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
Direct Exports of Goods and Services	36,308.85	34,125.64

xiii. Auditors' Remuneration

		Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
a	Audit Fee	4.60	6.20
b	Certification charges	0.75	0.75
c	Tax audit services	0.60	0.90
d	Reimbursement of expenses	0.51	1.60

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

xiv. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011 as per AS-11,the Company exercised the option of adjusting exchange differences arising on long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the period of loan.

xv. Defined Benefit Plans

		Gratuity Benefits		Compensated Absences	
		Year Ended 31st March, 2013	18 Months Ended 31st March, 2012	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Components of Employer Expenses**				
	Current Service cost	10.38	12.66	6.92	8.55
	Adjustment for Prior period interest	0.00	1.34	0.00	0.00
	Interest Cost	3.33	3.46	1.77	1.61
	Expected return on plan assets	(4.76)	(5.44)	0.00	0.00
	Actuarial Losses /(Gain)	3.23	(1.42)	17.46	10.88
	Total Expenses recognised in P&L	**12.19**	**10.59**	**26.15**	**21.04**
2	**Actual Contribution and benefits paid during the year**				
	Actual Benefits paid	2.96	1.82	16.01	5.84
	Actual Contribution	6.16	14.67	0.00	0.00
3	**Net Assets/(Liability) recognised in the balance sheet as on 31st March, 2013**				
	Present Value of Defined Benefit Obligation (DBO)	(54.73)	(40.69)	(38.37)	(28.24)
	Fair Value of Plan Asset	59.36	51.34	-	-
	Net Assets/(Liability) recognised in the balance sheet	**4.63**	**10.66**	**(38.37)**	**(28.24)**
4	**Change in DBO during the year ended 31st March, 2013**				
	Present value of DBO at beginning of the year	40.69	27.93	28.24	13.03
	Current Service Cost	10.38	12.66	6.92	8.55
	Interest Cost	3.33	3.46	1.77	1.61
	Actuarial Losses/(Gains)	3.29	(1.54)	17.46	10.88
	Benefit paid	(2.96)	(1.82)	(16.01)	(5.84)
	Present value of DBO at end of the year	**54.73**	**40.69**	**38.37**	**28.24**
5	**Change in Fair Value of Assets during the year ended 31st March, 2013**				
	Plan Assets at beginning of the year	51.34	33.17	-	-
	Actual return on plan Assets	4.76	5.44	-	-
	Actual Company contribution	6.16	14.67	-	-
	Actuarial (Losses)/Gains	0.06	(0.12)	-	-
	Benefits paid	(2.96)	(1.82)	-	-
	Plan Assets at end of the year	**59.36**	**51.34**	**-**	**-**
6	**Actuarial Assumptions**				
	Discount Rate	8.10%	8.25%	8.10%	8.25%
	Expected Return on Plan Assets	9.00%	9.00%	NA	NA
	Salary Escalation	5.00%	5.00%	5.00%	5.00%

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

xvi. Segment Reporting for the year ended 31st March, 2013

Particulars	SUGAR		TRADING		CO-GENERATION		ETHANOL		OTHER		ELIMINATIONS		TOTAL	
	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12
REVENUE														
External sales	49,104.71	37,639.91	10,798.20	18,470.81	1,640.83	2,838.11	2,350.50	4,591.57	60.06	80.59	-	-	63,954.30	63,620.99
Inter-segment sales	999.81	1,210.87	-	-	2,453.36	2,979.26	-	-	-	-	(3,453.17)	(4,190.13)	-	-
Total Revenue	**50,104.52**	**38,850.78**	**10,798.20**	**18,470.81**	**4,094.19**	**5,817.37**	**2,350.50**	**4,591.57**	**60.06**	**80.59**	**(3,453.17)**	**(4,190.13)**	**63,954.30**	**63,620.99**
Results	2,837.84	2,409.84	323.15	465.06	1,112.56	2,704.32	770.08	1,319.14	13.96	30.48	-	-	5,057.59	6,928.84
Unallocated corporate expenses													700.97	997.93
Operating profit													**4,356.62**	**5,930.91**
Financial expenses													3,670.98	3,698.72
Other income													150.00	11.31
Profit from ordinary activities													**835.65**	**2,243.50**
Exceptional items													(77.12)	(893.92)
Net Profit													**758.52**	**1,349.58**
OTHER INFORMATION														
Segment assets	39,360.59	37,667.23	2,738.93	1,238.68	8,288.04	8,950.04	4,698.68	4,333.32	125.60	129.40	-	-	55,211.85	52,318.67
Unallocated corporate assets													24,622.32	22,623.63
Total Assets	**39,360.59**	**37,667.23**	**2,738.93**	**1,238.68**	**8,288.04**	**8,950.04**	**4,698.68**	**4,333.32**	**125.60**	**129.40**	**-**	**-**	**79,834.16**	**74,942.30**
Segment liabilities	28,752.00	11,054.29	3,033.23	78.34	344.58	447.75	199.45	216.92	5.63	4.75	-	-	32,334.90	11,802.05
Unallocated corporate liabilities													29,569.30	45,813.12
Total Liabilities	**28,752.00**	**11,054.29**	**3,033.23**	**78.34**	**344.58**	**447.75**	**199.45**	**216.92**	**5.63**	**4.75**	**-**	**-**	**61,904.20**	**57,615.17**
Capital expenditure	478.68	6,453.60	-	-	206.82	3,290.04	35.50	141.88	3.74	3.79	-	-	724.74	9,889.31
Unallocated corporate capital expenditure													54.75	84.75
Total Capital Expenditure	**478.68**	**6,453.60**	**-**	**-**	**206.82**	**3,290.04**	**35.50**	**141.88**	**3.74**	**3.79**	**-**	**-**	**779.49**	**9,974.06**
Depreciation	883.52	803.72	-	-	521.19	402.70	153.20	205.03	5.00	6.99	-	-	1,562.91	1,418.44
Unallocated corporate depreciation													29.12	36.29
Total Depreciation	**883.52**	**803.72**	**-**	**-**	**521.19**	**402.70**	**153.20**	**205.03**	**5.00**	**6.99**	**-**	**-**	**1,592.02**	**1,454.73**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

xvii. Related Party Disclosures

Related parties

A) Subsidiary Companies

i. Renuka Commodities DMCC, Dubai (UAE)
ii. Parana Global Trading (FZE), Sharjah (UAE)
iii. Shree Renuka Agri Ventures Limited
iv. KBK Chem-Engineering Private Limited
v. Gokak Sugars Limited
vi. Nandur Sugars Limited
vii Shree Renuka Global Ventures Limited, Mauritius
viii Lanka Sugar Refinery Company (Private) Limited, Sri lanka
ix. Monica Realators & Investments Private Limited
x. Shree Renuka East Africa Agriventures PLC, Ethiopia
xi. Shree Renuka Tunaport Pvt. Ltd.

B) Associate Companies

i. Khandepar Investments Private Limited
ii. Vantamuri Trading And Investments Limited
iii. Murkumbi Investments Private Limited
iv. Shree Renuka Energy Limited
v. Renuka Energy Resource Holdings (FZE), Sharjah
vi. Damodar Resource Holdings (FZE), Sharjah
vii Ravindra Energy Limited
viii Agri Venture Trading and Investment Pvt. Ltd.

C) Key Managerial Persons

i. Mrs. Vidya Murkumbi
ii. Mr. Narendra Murkumbi
iii. Mr. Nandan Yalgi
iv. Mr. Vijendra Singh

A) Transactions with Subsidiary Companies:

i) Renuka Commodities DMCC, Dubai

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	716.18	2,021.81
	Outstanding as at the end of the period	12.09	Nil
2	**Nature of transaction**	**Interest Received**	**Interest Received**
	Volume of transactions during the period	9.45	155.88
	Outstanding as at the end of the period	0.01	Nil
3	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	4.97	4.97

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

ii) **Parana Global Trading (FZE)**

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	Nil	1.13
	Outstanding as at the end of the period	23.31	23.31
2	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	1.67	1.67

iii) **Shree Renuka Agri Ventures Ltd.**

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	-	55.83
	Outstanding as at the end of the period	Nil	Nil
2	**Nature of transaction**	**Purchase/Sale**	**Purchase/Sale**
	Advance for Purchase	2,670.15	Nil
	Purchases	2,668.86	Nil
	Sales	964.67	Nil
	Rent	5.13	Nil
	Outstanding as at the end of the period	971.09	Nil
3	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	2.50	2.50

iv) **KBK Chem Engineering Pvt. Ltd.**

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advance paid**	**Advance paid**
	Volume of transactions during the period	250.22	239.50
	Outstanding as at the end of the period	533.34	253.68
2	**Nature of transaction**	**Purchase and sale**	**Purchase and sale**
	Purchase of Plant & Equipment	21.62	204.22
	Outstanding as at the end of the period	0.59	Nil
3	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	4.50
	Investment in subsidiary	547.92	547.92
4	**Nature of transaction**	**Interest Received**	**Interest Received**
	Volume of transactions during the period	32.71	15.75
	Outstanding as at the end of the period	8.98	14.18

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

v) Gokak Sugars Ltd.

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	187.26	187.26
2	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	732.30	573.12
	Outstanding as at the end of the period	1,084.63	416.09
3	**Nature of transaction**	**Purchase and sales**	**Purchase and sales**
	Purchases and others	196.09	206.20
	Sales and others	2.85	Nil
	Sale of Services	49.50	Nil
4	**Nature of transaction**	**Interest Receivable**	**Interest Receivable**
	Volume of transactions during the period	89.34	183.57
	Outstanding as at the end of the period	31.07	28.03

vi) Nandur Sugars Limited (Formely SRSL Ethanol Ltd.)

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	1.50	1.50

vii) Shree Renuka Global Ventures Ltd., Mauritius

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
	Nature of transaction	**Investment**	**Investment**
	Volume of transactions during the period	Nil	3,576.43
	Investment in subsidiary	18,215.74	18,215.74
	Nature of transaction	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	3.26	Nil
	Outstanding as at the end of the period	3.26	Nil

viii) Monica Realators and Investments Private Limited

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	Nil
	Investment in subsidiary	171.52	171.52
2	**Nature of transaction**	**Inter Corporate Deposit**	**Inter Corporate Deposit**
	Volume of transactions during the period	13.50	221.09
	Outstanding as at the end of the period	279.30	263.24
3	**Nature of transaction**	**Advances Refund**	**Advances Refund**
	Volume of transactions during the period	13.40	Nil
	Outstanding as at the end of the period	13.05	26.45

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

viii) Monica Realators and Investments Private Limited contd.

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
4	**Nature of transaction**	**Rent Paid**	**Rent Paid**
	Volume of transactions during the period	21.57	28.89
	Outstanding as at the end of the period	Nil	Nil
5	**Nature of transaction**	**Interest Received**	**Interest Received**
	Volume of transactions during the period	32.85	17.30
	Outstanding as at the end of the period	6.72	17.30

ix) Shree Renuka East Africa Agriventures, PLC

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Investment**	**Investment**
	Volume of transactions during the period	Nil	5.19
	Investment in subsidiary	5.19	5.19
2	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	Nil	0.03
	Outstanding as at the end of the period	0.03	0.03

x) Lanka Sugar Refinery Company (Private) Limited, Srilanka

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	0.31	Nil
	Outstanding as at the end of the period	0.31	Nil

xi) Shree Renuka Tunaport Pvt. Ltd.

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	4.32	Nil
	Outstanding as at the end of the period	4.32	Nil
2	**Nature of transaction**	**Investments**	**Investments**
	Volume of transactions during the period	0.10	Nil
	Invesment in Subsidiary	0.10	Nil

B) Transactions with Associate Companies:

i) Renuka Energy Resource Holding (FZE)

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	168.29	59.97
	Outstanding as at the end of the period	Nil	Nil
2	**Nature of transaction**	**Purchases**	**Purchases**
	Volume of transactions during the period	1.95	Nil
	Outstanding as at the end of the period	Nil	Nil

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

ii) Shree Renuka Energy Ltd.

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	144.99	500.08
	Purchases	145.00	Nil
	Sales	826.55	Nil
	Outstanding as at the end of the period	0.01	Nil
2	**Nature of transaction**	**Interest Paid**	**Interest Paid**
	Volume of transactions during the period	Nil	0.55
	Outstanding as at the end of the period	Nil	0.55

iii) Vantamuri Trading And Investments Limited (formerly Shree Renuka Infraprojects Limited)

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Purchase**	**Purchase**
	Volume of transactions during the period	369.60	Nil
	Outstanding as at the end of the period	Nil	Nil

C) Transactions with key Management Personnel:

Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
Remuneration including contributions to PF	59.62	58.02
Outstanding remuneration payable	0.12	0.12
Outstanding Commission payable	15.17	27.56
Outstanding Ex-gratia Payable	-	-
Nature of transaction	**Rent Paid**	**Rent Paid**
Volume of transactions during the year	2.35	2.97
Outstanding as at the end of the year	Nil	2.33

xviii. Derivative instruments and unhedged foreign currency exposure

a) Category wise nominal value of derivatives instruments outstanding is as under:

- For Hedging currency and interest rate risks:

₹ in million

Sr. No	Particulars	31st March, 2013	31st March, 2012
1	Forwards	54	2,764
2	Currency Swaps	3,553	2,254
3	Currency Options	12,001	9,823
4	Interest Rate Swaps	2,681	5,805
	TOTAL	**18,289**	**20,646**

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

- For Hedging commodity risks:

Quantity in MT

Particulars	31st March, 2013	31st March,2012
For White Sugar Sales	138,300	5,600

b) Unhedged foreign currency exposures is as under :

₹ in million

Particulars	31st March, 2013	31st March,2012
Payables	24,577	15,253
Receivables	2,764	Nil

xix. a) Previous period's figures are for 18 months and hence not comparable with current year's figures which are of 12 months.

b) As the revised schedule VI has became applicable to the company in the current financial year i.e. 2012-13, consequently the figures of the previous year have been regrouped/ reclassified wherever necessary.

To be read with our report of even date

For and on behalf of the Board

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Dated: May 29, 2013

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31ST MARCH, 2013

(₹ Millions)

Sr. No.	Name of the Subsidiary	Reporting Currency	Capital	Reserves	Total Assets*	Total Liabilities**	Investment other than investment in subsidiary	Turnover (including other income)	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
1	Renuka Commodities DMCC, Dubai	AED	4.97	7,555.05	22,256.64	14,696.62	-	18,226.57	907.88	-	907.88	-
2	Parana Global Trading (FZE) (Formerly Shree Renuka Biofuels Holdings (FZE)), Sharjah	AED	1.67	(0.66)	24.39	23.38	-	-	(1.36)	-	(1.36)	-
3	Shree Renuka Southern Africa Holdings (FZC), Sharjah	AED	1.77	(3.22)	-	1.45	-	-	(1.38)	-	(1.38)	-
4	Shree Renuka Agri Ventures Ltd.	INR	2.50	15.56	2,783.10	2,765.35	-	2,668.86	23.73	(7.54)	16.19	-
5	KBK Chem-Engineering Pvt. Ltd.	INR	16.91	(18.14)	953.21	954.44	-	190.47	(226.18)	0.19	(225.99)	-
6	Gokak Sugars Ltd.	INR	351.75	93.53	2,563.16	2,117.88	-	1,259.77	(29.02)	(21.88)	(50.90)	-
7	Nandur Sugars Ltd. (Formerly SRSL Ethanol Ltd.)	INR	1.50	(0.49)	1.02	0.01	-	-	(0.18)	-	(0.18)	-
8	Shree Renuka Global Ventures Ltd., Mauritius	USD	22,635.03	41.40	22,680.03	3.61	-	-	(1.64)	-	(1.64)	-
9	Monica Realators & Investments Pvt. Ltd (Formerly Monika Realators Pvt. Ltd.)	INR	0.10	(12.89)	281.01	293.80	-	32.77	(9.79)	(3.22)	(13.01)	-
10	Shree Renuka Tunaport Pvt. Ltd.	INR	0.10	-	4.45	4.35	-	-	-	-	-	-
11	Shree Renuka East Africa Agriventures PLC, Ethiopia	USD	5.19	0.53	6.35	0.63	-	-	-	-	-	-
12	Lanka Sugar Refinery Company (Private) Limited, Sri Lanka	LKR	3.09	(2.30)	1.70	0.91	-	-	(1.92)	-	(1.92)	-
13	Shree Renuka do Brasil Participações Ltda.	BRL	22,137.19	(3,653.42)	22,087.39	3,603.62	-	-	(73.68)	-	(73.68)	-
14	Shree Renuka São Paulo Participações Ltda.	BRL	16,839.84	(3,661.90)	17,898.77	4,720.82	-	-	(1.32)	-	(1.32)	-
15	Renuka do Brasil S/A	BRL	33,536.55	(33,273.60)	42,349.13	42,086.18	-	20,968.47	(8,080.26)	509.85	(7,570.41)	-
16	Revati S.A- Acucar e Alcool (Formerly Biopav S.A- Acucar e Alcool)	BRL	8,236.72	(1,952.73)	18,873.51	12,589.52	-	7,965.29	(827.62)	493.28	(334.34)	-
17	Renuka Geradora de Energia Elétrica Ltda. (Formerly Equipav Geradora de Energia Electrica Ltda.)	BRL	773.40	53.48	3,714.14	2,887.26	-	1,306.47	(567.95)	0.09	(567.86)	-
18	Revati Agropecuária Ltda. (Formerly Canapav Agropecuaria Ltda.)	BRL	14,859.39	(9,131.86)	20,160.86	14,433.32	0.08	4,898.66	(2,780.76)	423.55	(2,357.21)	-
19	Renuka Cogeração Ltda. (Formerly Biopav Ltda.)	BRL	3,405.08	(2.26)	3,402.83	-	-	-	(1.28)	-	(1.28)	-
20	Revati Geradora de Energia Elétrica Ltda. (Formerly Bioenergia Geradora Electrica Ltda.)	BRL	5,969.00	886.65	7,656.66	801.01	-	1,040.51	(172.91)	117.00	(55.92)	-
21	Renuka Trading Ltd.	BRL	-	-	-	-	-	-	-	-	-	-
22	Renuka Vale do Ivai S/A	BRL	4,707.90	(566.14)	15,531.25	11,389.49	693.99	7,452.03	(514.56)	205.09	(309.47)	-
23	Ivaicana Agropecuaria Ltda.	BRL	1,384.23	(319.21)	5,870.36	4,805.34	2.81	1,831.24	(325.76)	-	(325.76)	-
24	Biovale Comercio de Leveduras Ltda.	BRL	376.63	329.03	797.31	91.65	-	520.49	129.04	(18.63)	110.41	-
25	Ivai Logistica Ltda.	BRL	0.43	0.43	0.43	-	-	-	-	-	-	-
26	Apoena Logistica E Comercio De Productos Agricolas Ltda	BRL	0.27	(5.02)	0.23	4.98	-	-	(2.82)	-	(2.82)	-

Assets and liabilities have been converted from reporting currency UAE Dirham (AED) into Rupees @ 14.8234 as on 31st March, 2013.
Assets and liabilities have been converted from reporting currency United States Dollar (USD) into Rupees @ 54.28 as on 31st March, 2013.
Assets and liabilities have been converted from reporting currency Brazillian Reais (BRL) into Rupees @ 26.9023 as on 31st March, 2013.
Assets and liabilities have been converted from reporting currency Sri Lankan Rupee (LKR) into Rupees @ 0.4294 as on 31st March, 2013.

*Total assets includes Current and non current assets.
**Total liabilities include current liabilities and non current liabilities.

For and on behalf of the Board

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

Place: Mumbai
Dated: May 29, 2013

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

SHREE RENUKA SUGARS LIMITED

We have audited the accompanying consolidated financial statements of **Shree Renuka Sugars Limited** (" the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at March 31, 2013 , the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

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

a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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

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

Other Matters

a) The accounts include total assets of ₹3,527.17 millions and total revenue of ₹1,450.24 millions and cash flow amounting to ₹1.28 millions relating to Four Subsidiary Companies which have been audited by us and consolidated on the basis of audited accounts.

b) We did not audit the financial statements of Six Subsidiary Companies which reflect total assets of ₹136,083.64 millions as at March 31, 2013, total revenue of ₹52,440.74 millions and cash flow amounting to ₹1,629.91 millions for the year ended as on that date. These financials have been audited by other auditors whose reports have been furnished to us. Our opinion is based solely on the reports of the Other Auditors.

Our opinion is not qualified in respect of Other Matters.

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn No.004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Camp: Mumbai
Date: May 29, 2013

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Notes	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	671.32	671.32
(b) Reserves and Surplus	2	13,925.90	18,149.02
(2) Minority Interest		32.58	35.81
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	51,208.29	57,076.61
(b) Deferred Tax Liabilities (Net)	4	272.25	1,555.76
(c) Other Long-Term Liabilities	5	2,487.87	4,602.21
(d) Long-Term Provisions	6	1,033.37	1,091.59
(4) Current Liabilities			
(a) Short-Term Borrowings	7	14,261.51	29,299.51
(b) Trade Payables	8	45,721.38	17,695.71
(c) Other Current Liabilities	9	26,075.32	24,516.83
(d) Short-Term Provisions	10	411.52	4.69
Total		**156,101.31**	**154,699.06**
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11A	74,101.21	77,787.63
(ii) Intangible Assets	11B	10,047.84	10,588.28
(iii) Capital Work-in-Progress-Tangible	12	2,814.51	3,646.73
(b) Non-Current Investments	13	2,270.03	1,891.63
(c) Deferred Tax Assets (net)		-	-
(d) Long-Term Loans and Advances	14	7,768.58	7,517.57
(e) Other Non-Current Assets	15	437.05	203.69
(2) Current Assets			
(a) Current Investments		83.66	43.38
(b) Inventories	16	40,820.20	32,993.01
(c) Trade Receivables	17	2,590.14	3,127.69
(d) Cash and Bank Balances	18	3,208.96	766.99
(e) Short-Term Loans and Advances	19	11,886.95	16,073.33
(f) Other Current Assets	20	72.18	59.13
Total		**156,101.31**	**154,699.06**

See Accompanying notes 1 to 32 forming part of the financial Statements

To be read with our report of even date
For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Place: Mumbai
Dated: May 29, 2013

For and on behalf of the Board

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Notes	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Revenue from Operations	21	106,358.25	127,314.30
Less: Excise Duty		2,782.08	3,623.10
		103,576.17	**123,691.20**
Other Income	22	582.45	1,140.09
Total Revenue		**104,158.62**	**124,831.29**
EXPENDITURE			
Cost of Material Consumed	23	64,032.47	56,221.17
Purchase of Stock-in-Trade		16,069.60	37,600.15
Changes in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(1,907.84)	(4,156.52)
Employee Benefit Expenses	25	2,664.63	4,016.27
Financial Costs	26	8,682.67	10,380.50
Depreciation and Amortisation Expense	11A&B	8,868.30	10,222.92
Other Expenses	27	7,664.68	11,600.31
Total Expenses		**106,074.51**	**125,884.80**
Profit before exceptional and extraordinary items and tax		**(1,915.89)**	**(1,053.51)**
Exceptional Items	28	(2,987.44)	381.38
Profit before Extraordinary items and tax		**(4,903.33)**	**(672.13)**
Extraordinary items		-	-
Profit Before tax		**(4,903.33)**	**(672.13)**
Current Tax	29	159.28	381.37
Deferred Tax		(1,319.04)	(751.51)
Profit / (Loss) after tax but before minority interest		**(3,743.57)**	**(301.99)**
Profit/(Loss) attributable to Minority Shareholders		(3.24)	8.26
Profit/(Loss) for the year		**(3,740.33)**	**(310.25)**
Earnings per Share	30		
Basic		(5.57)	(0.46)
Diluted		(5.57)	(0.46)
[Nominal value of shares ₹1/- each]			

See Accompanying notes 1 to 32 forming part of the financial Statements

To be read with our report of even date

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Place: Mumbai
Dated: May 29, 2013

For and on behalf of the Board

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	(4,903.33)	(668.77)
Adjustments to reconcile profit before tax to net cash provided by operating activities:		
Depreciation and Amortisation including preoperative	8,868.30	10,452.67
Financial expenses	8,682.67	10,380.51
Loss/(Profit) on sale of fixed assets	141.75	28.80
Dividend Income	(23.60)	(7.16)
Loss from sale of investments	(17.70)	(78.58)
Exchange Fluctuations (net)	2,987.44	565.62
Adjustment in Opening Surplus in Statement of Profit and Loss	-	(1,198.92)
Foreign Currency Translation Reserve	1,046.98	377.57
Amortisation of Expenses	26.93	42.57
Operating profit before working capital changes	**16,809.44**	**19,894.31**
Changes in operating assets and liabilities:		
Trade receivables	282.83	1,956.01
Other receivables	3,925.19	(9,539.31)
Inventory	(7,827.17)	(12,689.99)
Trade and other payables	23,689.76	(2,089.30)
Cash generated from operations	**36,880.05**	**(2,468.28)**
Income-tax paid	(157.41)	1,213.66
Net Cash Flow From Operating Activities	**36,722.64**	**(1,254.62)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including goodwill)	(3,675.39)	(28,202.59)
Proceeds from sale of fixed assets	284.56	8,003.57
Purchase of Investments (net)	(400.98)	(667.34)
Dividend Income	23.60	7.16
Net Cash Flow From Investing Activities	**(3,768.21)**	**(20,859.20)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in capital	-	0.94
Share premium	-	26.77
Exchange Fluctuations (net)	(2,987.44)	(565.62)
Dividend paid	(0.41)	(1,341.69)
Proceeds/(Repayment) from long-term borrowings	(3,781.62)	10,904.34
Proceeds/ (Repayment) from short-term borrowings	(15,038.00)	18,530.52
Repayment of purchase Tax Deferment	(52.13)	(100.71)
Interest paid	(8,652.86)	(10,592.84)
Net Cash Flow From Financing Activities	**(30,512.46)**	**16,861.71**
Net increase in cash and cash equivalents	**2,441.97**	**(5,252.11)**
Opening cash and cash equivalents	766.99	6,019.10
Closing cash and cash equivalents	**3,208.96**	**766.99**

To be read with our report of even date

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Place: Mumbai
Dated: May 29, 2013

For and on behalf of the Board

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 1: Share Capital		
a) Authorised		
25,000,000 Preference Shares of ₹10/- each	250.00	250.00
800,000,000 Equity Shares of ₹1/- each	800.00	800.00
	1,050.00	**1,050.00**
b) Issued, Subscribed and Paid up		
671,319,650 Equity Shares of ₹1/- each fully paid	671.32	671.32
	671.32	**671.32**

c) Details of Shareholders holding more than 5% shares in the Equity Share Capital of the Company:

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Murkumbi Investments Private Limited	121,414,000	18.09	121,414,000	18.09
Khandepar Investments Private Limited	75,400,000	11.23	75,400,000	11.23
Narendra Madhusudan Murkumbi	12,712,905	1.89	33,602,705	5.01
Agri Venture Trading And Investment Private Ltd.	37,522,295	5.59	13,122,295	1.95

	As at 31st March, 2013	As at 31st March, 2012
Note 2: Reserves and Surplus		
a) Capital Reserve		
i) Subsidy received towards Co-Generation		
As per last Balance Sheet	18.75	18.75
ii) Others		
As per last Balance Sheet	0.26	0.26
Closing Balance	**19.01**	**19.01**
b) Securities Premium		
As per last Balance Sheet	10,574.05	10,547.28
Addition during the year	-	26.77
Closing Balance	**10,574.05**	**10,574.05**
c) General Reserve		
As per last Balance Sheet	3,114.02	3,029.02
Add : Transfer from profit and loss account	52.00	85.00
Closing Balance	**3,166.02**	**3,114.02**
d) Debenture Redemption Reserve		
As per last Balance Sheet	663.33	240.00
Add : Transfer from profit and loss account	473.08	423.33
Closing Balance	**1,136.41**	**663.33**
e) Reserves on Consolidation		
As per last Balance Sheet	366.87	366.87
Add : Transfer from profit and loss account	-	-
Closing Balance	**366.87**	**366.87**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
f) Foreign Currency Translation Reserve		
Balance As Per Last Financial Statement	428.84	65.70
Additions during the year	1,046.98	363.14
Closing Balance	**1,475.82**	**428.84**
g) Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(2,950.66)	-
Additions during the year	(1,137.06)	(2,950.66)
Closing Balance	**(4,087.72)**	**(2,950.66)**
h) Surplus /(Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	5,933.56	8,554.86
Add: Gain on acquisition of additional stake	-	176.40
Less: Other Adjustments	-	(1,198.92)
Profit for the year	(3,740.33)	(310.24)
Less: Appropriation		
Dividend on equity shares	335.66	-
Interim Dividend on Equity Shares	-	671.31
Corporate Dividend Tax	57.05	108.90
Transfer to Debenture Redemption Reserve	473.08	423.33
Transfer to General Reserve	52.00	85.00
Net Surplus in Statement of Profit and Loss	**1,275.44**	**5,933.56**
Total	**13,925.90**	**18,149.02**

NON-CURRENT LIABILITIES

Note 3: Long-Term Borrowings

	As at 31st March, 2013	As at 31st March, 2012
1) Secured:		
a) Non-Convertible Debentures		
i) 600 Redeemable Non-Convertible Debentures (11.95%) of ₹1,000,000 each	600.00	600.00
ii) 1,100 Redeemable Non-Convertible Debentures (11.50%) of ₹1,000,000 each	1,100.00	1,100.00
iii) 2,900 Redeemable Non-Convertible Debentures (Floating Rate) of ₹1,000,000 each	2,900.00	2,900.00
iv) 1,500 Redeemable Non-Convertible Debentures (11.70%) of ₹1,000,000 each	1,500.00	1,500.00
v) 1,000 Redeemable Non-Convertible Debentures (11.30%) of ₹1,000,000 each	1,000.00	-
b) Term-Loans		
From Banks and Financial Institutions	62,011.21	64,572.86
From others :		
Sugar Development Fund	1,222.84	1,393.96
Interest Accrued but not due	104.92	88.89
2) Unsecured :		
Sugar Development Fund	-	2.80
Deferred Purchase Tax	68.21	120.34
	70,507.18	72,278.85
Less: Current Maturity of Long term borrowings transferred to Other Current Liabilities (Refer Note 9)	19,298.89	15,202.24
	51,208.29	**57,076.61**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 4: Deferred Tax Liabilities (Net)		
Deferred Tax Liability		
Depreciation	2,720.37	3,160.89
Others	1,037.56	-
Gross Deferred Tax Liability	**3,757.93**	**3,160.89**
Deferred Tax Asset		
Leave Encashment/Gratuity	12.96	10.30
Unabsorbed Depreciation Loss/Speculative Loss	1,772.96	1,585.67
Others	1,699.76	9.16
Gross Deferred Tax Asset	**3,485.68**	**1,605.13**
Deferred Tax Liabilities (Net)	**272.25**	**1,555.76**
Note 5: Other Long-Term Liabilities		
Others:		
Advance from Customers	11.46	2,134.48
Trade Payables	1,008.38	1,400.71
Other Liabilities	1,461.32	737.38
Purchase Tax Payable	378.67	350.83
Less: Payable within one year (transferred to Other current liabilities, Refer Note 9)	371.96	21.19
	2,487.87	**4,602.21**
Note 6: Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	1.04	2.79
Provision for Leave Encashment	43.19	30.88
Less: Short Term (transferred to Short-term provisions, Refer Note 10)	13.43	1.36
Other Provisions	1,002.57	1,059.28
	1,033.37	**1,091.59**
CURRENT LIABILITIES		
Note 7: Short-Term Borrowings		
Secured:		
Working Capital from Banks:		
Rupee Borrowings	4,096.12	16,623.63
Foreign Currency Borrowings	9,665.39	9,328.16
Unsecured:		
Working Capital Borrowings	-	2,097.72
Commercial Papers	500.00	1,250.00
	14,261.51	**29,299.51**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 8: Trade Payables		
For Goods and Services	45,721.38	17,695.71
Others	-	-
	45,721.38	**17,695.71**
Note 9: Other Current Liabilities		
Current maturity of Long-Term Borrowings (Refer note 3)	19,298.89	15,202.24
Interest accrued but not due on Borrowings	510.58	480.77
Advance from Customers	3,530.00	3,653.17
Purchase Tax Payable (Refer Note 5)	371.96	21.19
Unclaimed Dividend	12.37	12.78
Other Payables	2,351.52	5,146.68
	26,075.32	**24,516.83**
Note 10: Short-Term Provisions		
Provision for Gratuity	3.40	2.97
Provision for Leave Encashment (Refer note 6)	15.41	1.72
Provision for Equity Dividend	335.66	-
Provision for Corporate Dividend Tax	57.05	-
	411.52	**4.69**

NON-CURRENT ASSETS

11A. Tangible Assets

PARTICULARS	01st April, 2012	Additions	Disposal/ Adjustment	Effects of Foreign Currency Exchange Difference	As on 31st March, 2013
Gross Carrying Value (A)					
Lease Hold Land	136.58	-	-	-	136.58
Free Hold Land	2,539.16	61.63	69.55	(801.44)	1,729.80
Buildings	8,478.18	682.21	15.44	965.41	10,110.36
Plant & Equipment	76,195.35	2,901.82	5.54	2,047.18	81,138.81
Furniture & Fixtures	491.65	64.37	9.34	(10.16)	536.52
Vehicles	8,003.27	746.83	12.41	(5,309.72)	3,427.97
Total	**95,844.19**	**4,456.86**	**112.28**	**(3,108.73)**	**97,080.04**
Previous Year	*71,822.38*	*28,018.52*	*11,327.40*	*7,330.69*	*95,844.19*
Accumulated Depreciation (B)					
Lease Hold Land	-	-	-	-	-
Free Hold Land	-	-	-	-	-
Buildings	1,341.58	324.90	-	(308.17)	1,358.32
Plant & Equipment	14,718.42	5,509.00	156.60	327.64	20,398.46
Furniture & Fixtures	210.60	65.22	5.16	(0.78)	269.88
Vehicles	1,785.97	295.10	63.56	(1,065.34)	952.17
Total	**18,056.57**	**6,194.22**	**225.32**	**(1,046.65)**	**22,978.83**
Previous Year	*12,969.46*	*7,542.49*	*3,289.87*	*834.48*	*18,056.57*

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

PARTICULARS	01st April, 2012	Additions	Disposal/ Adjustment	Effects of Foreign Currency Exchange Difference	As on 31st March, 2013
Net Carrying Value (A-B)					
Lease Hold Land	136.58				136.58
Free Hold Land	2,539.16				1,729.80
Buildings	7,136.60				8,752.04
Plant & Equipment	61,476.93				60,740.35
Furniture & Fixtures	281.05				266.64
Vehicles	6,217.31				2,475.80
Total	**77,787.63**				**74,101.21**
Previous Year	*58,852.91*				*77,787.63*

11B. Intangible Assets

PARTICULARS	01st April, 2012	Additions	Disposal/ Adjustment	Effects of Foreign Currency Exchange Difference	As on 31st March, 2013
Gross Carrying Value (A)					
Goodwill on Consolidation	10,168.31	-	517.74	-	9,650.57
Transmission Rights	393.20	-	20.82	-	372.38
Computer Software	200.63	50.30	21.86	-	229.07
Total	**10,762.14**	**50.30**	**560.42**	**-**	**10,252.02**
Previous Year	*8,616.24*	*2,253.21*	*119.40*	*12.08*	*10,762.14*
Accumulated Depreciation (B)					
Goodwill on Consolidation	-	-	-	-	-
Transmission Rights	50.25	24.91	2.74	-	72.42
Computer Software	123.61	23.04	14.89	-	131.76
Total	**173.86**	**47.95**	**17.63**	**-**	**204.18**
Previous Year	*83.77*	*86.04*	*0.06*	*4.12*	*173.86*
Net Carrying Value (A-B)					
Goodwill on Consolidation	10,168.31				9,650.57
Transmission Rights	342.95				299.96
Computer Software	77.02				97.31
Total	**10,588.28**				**10,047.84**
Previous Year	*8,532.48*				*10,588.28*

	As at 31st March, 2013	As at 31st March, 2012
Note 12: Capital Work-in-Progress:Tangible		
Assets under Construction -Building	61.86	667.32
Assets under Construction -Plant & Equipment	2,750.85	2,966.61
Assets under Construction -Pre-Operative Expenses	1.80	12.80
	2,814.51	**3,646.73**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 13: Non-Current Investments		
Other Investments (At cost):		
In Equity Shares (Unquoted)	895.75	895.74
In Equity Shares (Quoted)	94.71	100.84
Investment in Associates Companies (Unquoted)	1,279.52	895.00
Government Securities	0.05	0.05
	2,270.03	**1,891.63**
Note 14 : Long-Term Loans and Advances		
Unsecured & Considered good:		
Capital Advances	165.79	294.48
Deposits	2,088.36	1,913.63
Prepaid Expenses	597.54	652.25
Others:		
Export Incentives Receivable	205.54	253.85
Balances with Customs, Excise, etc.	2,100.53	2,066.06
MAT Credit Entitlement	709.54	571.98
Other Advances	1,901.28	1,765.32
	7,768.58	**7,517.57**
Note 15: Other Non-Current Assets		
Long Term Trade Receivable	418.65	163.94
Miscellaneous Expenditure to the extent not written off:		
Deferred Revenue Expenditure	38.99	57.53
Goodwill on Amalgmation	5.01	8.35
	462.65	229.82
Less: to be amortised within one year (transfered to Other Current Assets- Refer Note 20)	25.60	26.13
	437.05	**203.69**
CURRENT ASSETS		
Note 16: Inventories		
Raw Materials and Components	1,796.87	1,513.42
Biological Assets	15,000.18	13,276.05
Work-in-Progress	89.97	39.42
Stores and Spares	1,206.75	1,225.19
Intermediate Product	241.22	165.21
Finished Goods:		
Manufactured	17,913.33	16,125.50
Trading	4,571.88	648.22
	40,820.20	**32,993.01**
Note 17: Trade Receivables		
Unsecured & Considered good:		
Debts over six months	340.17	414.73
Others	2,249.97	2,712.96
	2,590.14	**3,127.69**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

	As at 31st March, 2013	As at 31st March, 2012
Note 18: Cash and Bank Balances		
Cash on hand	13.05	12.34
Balances with Banks:		
In Current Accounts	3,173.76	623.49
In Deposit Accounts	22.15	131.16
	3,208.96	**766.99**
Note 19: Short-Term Loans and Advances		
Unsecured and Considered Good:		
Others:		
Interest Accrued	14.16	13.98
Interest Receivable from Govt. of India	114.99	-
Prepaid Expenses	520.19	344.96
Deposits	125.65	125.15
Balances with Customs, Excise, etc.	2,292.04	2,730.60
Income Tax Refund Due (Net)	564.48	703.91
Other Advances	8,255.44	12,154.73
	11,886.95	**16,073.33**
Note 20: Other Current Assets		
Miscellaneous Expenditure to be amortised within one year:		
Deferred Revenue Expenditure (Refer Note-15)	68.84	55.79
Goodwill on Amalgmation (Refer Note-15)	3.34	3.34
	72.18	**59.13**

	Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Note 21: Revenue from Operations		
Sale of Products (Gross)		
Sale of Manufactured Sugar	69,281.69	57,769.69
Sale of Traded Sugar and Ethanol	18,256.83	37,462.51
Sale of Power	7,362.57	9,246.42
Sale of Ethanol and Allied products	12,624.94	23,593.92
Sale from Engineering Division	177.73	1,432.53
Sale of By-products and Others	2,283.94	2,273.51
	109,987.70	**131,778.58**
Less: Inter-Segment Sales	3,629.45	4,464.28
	106,358.25	**127,314.30**
Less: Excise Duty	2,782.08	3,623.10
	103,576.17	**123,691.20**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

		Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Note 22: Other Income			
Dividend on Investments		23.60	7.16
Profit on Sale of Investments		20.52	80.55
Profit on Sale of Assets		22.66	8.55
Others		515.67	1,043.83
		582.45	**1,140.09**
Note 23: Cost of Materials Consumed			
Opening Stock		14,789.18	1,978.09
Add : Purchases		66,471.55	56,606.98
Less : Intersegment transfers		1,065.15	1,210.87
		80,195.58	**57,374.20**
Less: Closing Stock		16,163.11	1,153.03
		64,032.47	**56,221.17**
Note 24: Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade			
Opening Stock:			
Work in progress		39.42	163.04
Finished goods and intermediate products		16,374.49	7,659.79
Trial run stock of finished goods and intermediate products		-	3,613.88
	A	**16,413.91**	**11,436.71**
Less: Closing stock:			
Work in progress		89.97	16.58
Finished goods and intermediate products		18,231.78	15,576.65
	B	**18,321.75**	**15,593.23**
Net (Increase)/Decrease in stock	**(A-B)**	**(1,907.84)**	**(4,156.52)**
Note 25: Employee Benefit Expenses			
Salaries, Wages and Bonus		2,322.00	3,731.85
Remuneration to Directors:			
Remuneration		64.90	68.73
Commission		15.17	27.56
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits		79.25	119.10
Staff Welfare Expenses		183.31	69.03
		2,664.63	**4,016.27**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

		Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Note 26: Finance Costs			
Interest:			
On Term-Loans		5,351.12	6,423.96
On Working Capital		1,604.23	2,930.65
On Debentures		1,305.68	571.16
Others:			
Bank and Other Finance Charges		421.64	454.73
		8,682.67	**10,380.50**
Note 27: Other Expenses			
A. Manufacturing Expenses			
Consumption of Stores and Spares		489.32	680.98
Consumption of Chemicals, Consumables, Oil and Lubricants		364.41	584.94
Sugar House Loading, Un-loading and Handling Charges		189.16	303.58
Packing Material		734.20	678.84
Direct Expenses (Engineering)		33.52	182.44
Power and Fuel		2,865.40	3,819.02
Lease Rentals		168.89	288.11
Repairs and Maintenance:			
Plant and Machinery		206.48	190.28
Buildings		3.08	59.32
Other Manufacturing Expenses		132.05	83.83
Less: Intersegment expenses		(2,564.30)	(3,177.00)
	A	**2,622.21**	**3,694.34**
B. Administrative Expenses			
Rent, Rates and Taxes		888.84	1,604.06
Insurance		144.72	220.51
Travelling and Conveyance		132.75	216.19
Printing and Stationery		10.26	14.15
Communication Expenses		82.98	112.71
Legal and Professional Fees		645.90	745.94
Directors' Sitting Fees		3.91	2.11
Auditors' Remuneration		25.14	255.14
Safety and Security Expenses		60.38	66.00
Donations and Contributions		10.07	23.97
Loss on Sale of Fixed Assets		164.41	37.35
Loss on Sale of Investments		2.83	1.97

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

(All amounts in million Indian Rupees, unless otherwise stated.)

		Year Ended 31st March, 2013	18 Months period Ended 31st March, 2012
Books, Periodicals, Subscription and Membership Expenses		12.96	18.10
Sundry Balances Written Off		3.21	6.22
Research and Development		1.73	4.88
Repairs and Maintenance - Others		69.42	46.95
Prior Period Expenses		4.34	2.49
Others		111.71	300.98
	B	**2,375.56**	**3,679.72**
C. Selling and Distribution Expenses			
Freight and Forwarding Charges		2,533.54	2,680.57
Advertising and Sales Promotion		73.66	661.01
Cost of Open General Licence for Exports		-	758.53
Warehousing Expenses		7.63	62.84
Brokerage and Discounts		3.47	28.24
Commission and Market Development Expenses		21.68	(2.75)
	C	**2,639.98**	**4,188.44**
D. Miscellaneous Expenditure-Written Off			
Pre-Operative Expenses		23.59	32.80
Goodwill On Amalgamation		3.34	5.01
	D	**26.93**	**37.81**
	(A+B+C+D)	**7,664.68**	**11,600.31**
Note 28: Exceptional Items			
Foreign Exchange gain/(loss)		(2,987.44)	381.38
		(2,987.44)	**381.38**
Note 29: Current Tax			
Current Tax		297.25	557.39
MAT Credit Entitlement		(137.97)	(176.02)
		159.28	**381.37**
Note 30: Earnings per Share			
The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.			
Reconciliation of earnings			
Profit for the year ended 31st March, 2013		(3,740.33)	(310.25)
Net profit attributable to equity shareholders		**(3,740.33)**	**(310.25)**
Reconciliation of number of shares			
Shares outstanding at the beginning of the period		671,319,650	670,382,000
Shares outstanding at the end of the period		671,319,650	671,319,650
Weighted average number of equity shares		**671,319,650**	**671,236,995**
Basic and Diluted Earnings Per Share (in Rupees)		(5.57)	(0.46)
[Nominal value of shares ₹1/- each]			

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies:

(All amounts in million Indian Rupees, unless otherwise stated.)

a. Basis of presentation:

The accompanying financial statements have been presented for the year ended 31st March, 2013 along with comparative information for the Eighteen months period ended 31st March, 2012. The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP") and the relevant provisions prescribed in the Companies Act 1956, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. Consolidation:

The accompanying Consolidated Financial Statements comprise the accounts of Shree Renuka Sugars Limited and its direct and indirect subsidiaries after eliminating all material inter-company accounts, transactions, profits and losses. A subsidiary is an entity in which the Group has either direct or indirect majority ownership interest and has the power to control the financial and operating policies of that entity.

c. Use of estimates:

In preparing the Company's financial statements in conformity with accounting principles generally accepted in India, the Company's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period, the actual results could differ from those estimates. Difference between actual results and estimates are recognised in the period in which the results are known or materialise.

d. Fixed assets:

Fixed assets (Tangible and Intangible) are stated at cost less accumulated depreciation. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. Expenditure incurred during construction period has been added to the cost of the assets. These expenses have been allocated to the sugar, power generation and ethanol units on a reasonable basis. Subsidy received from the Government has been reduced from value of the respective assets.

e. Borrowing costs:

Interest and other costs in connection with the borrowings of funds to the extent attributable to the acquisition or construction of qualifying assets or capitalized as part of the cost of such asset till such time the asset is ready for its intended use.

All other borrowings costs are recognised in the statement of profit and loss in the period in which they are incurred.

f. Depreciation:

Depreciation is provided at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956. The Companies assets are depreciated using the straight line method. As per estimates of the management, these rates are representative of the economic useful life of these assets. No depreciation is provided on assets held for sale.

g. Leases:

Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term. In case of long-term leases, the expenditure to the profit and loss account is recognized on the basis of equated lease rentals arrived at by allocating the total outflow of lease rentals on the entire contractual period over the period of the lease.

h. Investments:

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Current investments are carried at lower of cost or fair value/ market value, determined on an individual investment basis. Non-Current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Profit/loss on sale of investments is computed with reference to their average cost.

i. Amalgamation:

Accounting for Amalgamation is as per AS-14 of the Indian Accounting Standards as prescribed by The Institute of Chartered Accountants of India. The Goodwill arising on Amalgamation is amortised on the basis over its useful life but shall not exceed five years.

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

j. Inventories:

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost and net realisable 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 ('FIFO') basis.

Finished goods

Lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods excludes excise duty.

Work-in-process

Lower of cost up to estimated stage of process and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

By- products

By-products are valued at cost. Inter-unit transfers of by- products also include the cost of transportation, duties, etc.

k. Revenue recognition:

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, excise duty, sales returns.

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 parties.

Income from services is recognised as they are rendered (based on agreement/arrangement with the concerned customers).

Dividend income on investments is accounted for as and when the right to receive the payments is established.

Income against claims of the company, viz., export incentives, insurance claims, etc., is recognised on accrual/right to receive basis.

l. Foreign currency transactions:

Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate at the date of the Balance Sheet. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and investments in foreign companies are recorded at the exchange rates prevailing on the date of making the investments.

Exchange Differences

Exchange Differences is charged to the revenue account except arising on account of such conversion related to the purchase of fixed assets is adjusted therewith, and other long term monetary items is adjusted in the Foreign Currency Monetary Item Translation Difference Account.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the period.

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

m. Derivative transactions:

Pursuant to the announcement on accounting for derivatives issued by the Institute of Chartered Accountants of India, the Company, in accordance with the principle of prudence as enunciated in AS – 1, "Disclosure of Accounting Policies", provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any net unrealized gains arising on such mark to market are not recognized as income.

n. Employee benefits:

- Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.
- The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.
- The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.
- The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

o. Income tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

p. Miscellaneous expenditure:

Preliminary expenses are written-off over a period of five years from the year of commencement of commercial production.

The Deferred Revenue Expenditure comprises of debenture issue expenses which is written off over a period of 5 years & expenses incurred on the lease units upto the date of production which is written off in proportion to the period of lease unexpired or 1/5th in case of long lease period.

q. Government grants:

Government grants in the nature of promoter's contribution are credited to capital reserve and treated as a part of Shareholders' funds. Other Government grants/ subsidy have been reduced from value of the respective assets.

r. Financial derivatives and commodity futures:

Transactions in financial derivatives and commodity futures are accounted based on the mode of final settlement. Transactions, which are ultimately settled net, without taking delivery, are recorded net with the gains/losses being recognised as income/ expenses in the financial statements. Transactions, which stipulate physical delivery of the goods and where the company intends to take delivery, are recorded at gross, as purchases and sales as a part of the company's sugar manufacturing activities.

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

31. Significant Accounting Policies contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

s. Provisions, contingent liabilities and contingent assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- The Company has a present obligation as a result of a past event
- A probable outflow of resources is expected to settle the obligation and
- The amount of the obligation can be easily estimated.

Contingent Liability is disclosed in the case of

- A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A possible obligation, unless the probability of outflow of resources is remote.

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are disclosed as contingent liabilities. In respect of statutory matters, contingent liabilities are disclosed only for those demand(s) that are contested by the Company.

Contingent Assets are neither recognised nor disclosed.

t. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u. Segment reporting:

The accounting policies adopted for segment reporting are in line with the accounting policies adopted by the Company, with the following additional policies for segment reporting:

(i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.

(ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

(iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.

(iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

v. Impairment of assets:

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine,

a. The provision for impairment loss, if any, required or

b. The reversal, if any, required of impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

w. Classification of Assets and Liabilities as Current and Non-Current:

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current, non-current classification of assets and liabilities.

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements

(All amounts in million Indian Rupees, unless otherwise stated.)

i. Excise Duty on Finished Goods

Excise duty is generally provided on manufacture of goods, which are not exempt from the payment of duty. However, since the Company's finished goods are not segregated at the time of production into those for sale in domestic markets and those for sale in export markets, the Company is unable to determine the exact liability towards excise duty on finished goods. Accordingly, excise duty is provided/paid only at the time of clearance of the goods from the factory.

ii. Leases Payable

The Company has entered into various operating and financial leases for office, residential and factory premises. These are generally short-term leases and cancellable by serving adequate notice. The minimum amount of lease rentals payable on non-cancelable leases is as follows:

- Within a period of one year – ₹641.83 million (Previous year ₹215.89 million).
- Period from one year to five years – ₹1,930.70 million (Previous year ₹710.28 million).
- Period from five years and above- ₹1,814.99 million (Previous Year 1,939.95 million).
- Lease Rent charged to Profit and loss account for the year ended 31st March, 2013 is ₹216.28 million (Previous Year ₹288.11 million).

iii. Outstanding Commitments

As at 31st March, 2013, the Company had the following outstanding commitments:

- Bank Guarantees outstanding – ₹2,480.85 million (Previous Year ₹1,562.00 million).
- Corporate Guarantees outstanding ₹163.00 million (Previous Year ₹2,247.00 million).
- Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for ₹64.74 million (Previous year ₹911.91 million).

iv. Contingent Liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March, 2013	As at 31st March, 2012
Income Tax Demands	5.64	5.64
Excise and Service Tax Demands	467.22	261.25
Sales Tax/VAT Demands	36.32	36.32
Customs Demand	465.12	465.12
Brazilian Taxes	803.17	411.39
Other Matters	793.16	1,008.59
Total	**2,570.63**	**2,188.31**

v. Balances appearing under the head sundry creditors, sundry debtors, loans and advances are subject to confirmation, adjustments if any, on the receipt/reconciliation of such accounts.

vi. In terms of accounting standard AS 28 on impairment of assets there was no impairment indicators exist as of reporting date as per the internal management estimates done and hence no impairment charge is recognized during the year under review.

vii. Other Adjustments of Nil (Previous year ₹1,198.92 million) to Surplus are related to:

(a) Renuka do Brasil S.A. and Renuka Vale do Ivai S.A. amounting to Nil [Previous year i) ₹369.43 (debit) million on assets surrendered during the period, ii) ₹844.47(debit) million on reversal of deferral charges and iii) ₹11.45 (credit) million on foreign currency translation difference].

(b) Shree Renuka Agri Ventures Ltd. amounting to Nil (Previous year ₹3.53 (credit) million) towards reversal of charge of earlier years.

viii. In accordance with Companies (Accounting Standards) Amendment Rules 2009 as amended by Companies (Accounting Standards) (Second Amendment) Rules 2011, the Company exercised the option of adjusting exchange differences arising on long term foreign currency monetary items related to acquisition of depreciable capital assets in the cost of assets to be depreciated over the balance life of the assets and other long term monetary item in the "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the period of loan.

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

ix. Segment Reporting for the year ended 31st March, 2013

Particulars	SUGAR		TRADING		CO-GENERATION		ETHANOL		Engineering		OTHER		ELIMINATIONS		TOTAL	
	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12	2012-13	2010-12
REVENUE																
External sales	79,582.88	76,243.65	18,055.57	37,159.89	3,358.01	4,537.87	2,350.50	4,591.57	169.15	1,073.57	60.06	84.65	-	-	103,576.17	123,691.20
Inter-segment sales	1,065.15	1,287.29	-	-	2,564.30	3,176.99	-	-	-	-	-	-	(3,629.45)	(4,464.28)	-	-
Total Revenue	**80,648.03**	**77,530.94**	**18,055.57**	**37,159.89**	**5,922.31**	**7,714.86**	**2,350.50**	**4,591.57**	**169.15**	**1,073.57**	**60.06**	**84.65**	**(3,629.45)**	**(4,464.28)**	**103,576.17**	**123,691.20**
Results	15,774.38	19,855.44	1,784.42	1,106.29	880.88	3,433.92	770.08	1,319.14	(171.22)	104.29	23.44	49.13	-	-	19,061.98	25,868.21
Unallocated corporate expenses															12,877.65	17,681.30
Operating profit															**6,184.33**	**8,186.91**
Financial expenses															8,682.67	10,380.51
Other income															582.45	1,140.09
Profit from ordinary activities															**(1,915.88)**	**(1,053.51)**
Exceptional items															(2,987.44)	381.38
Net Profit															**(4,903.33)**	**(672.13)**
OTHER INFORMATION																
Segment assets	73,648.56	92,308.88	27,759.42	21,559.03	20,075.83	15,467.42	4,698.68	4,333.32	96.78	447.62	5,565.00	129.40	-	-	131,844.27	134,245.67
Unallocated corporate assets															24,257.05	20,453.39
Total Assets	**73,648.56**	**92,308.88**	**27,759.42**	**21,559.03**	**20,075.83**	**15,467.42**	**4,698.68**	**4,333.32**	**96.78**	**447.62**	**5,565.00**	**129.40**	**-**	**-**	**156,101.32**	**154,699.06**
Segment liabilities	30,975.85	19,037.46	14,486.60	7,577.96	4,144.88	5,203.22	199.45	216.92	421.09	307.64	5,893.96	4.75	-	-	55,700.76	32,347.95
Unallocated corporate liabilities															85,770.75	103,494.96
Total Liabilities	**30,975.85**	**19,037.46**	**14,486.60**	**7,577.96**	**4,144.88**	**5,203.22**	**199.45**	**216.92**	**421.09**	**307.64**	**5,893.96**	**4.75**	**-**	**-**	**141,471.51**	**135,842.91**
Capital expenditure	3,364.68	23,379.43	0.41	63.64	206.94	3,365.44	35.50	141.88	2.89	3.52	3.74	3.79	-	-	3,614.15	26,957.70
Unallocated corporate capital expenditure															61.24	238.41
Total Capital Expenditure	**3,364.68**	**23,379.43**	**0.41**	**63.64**	**206.94**	**3,365.44**	**35.50**	**141.88**	**2.89**	**3.52**	**3.74**	**3.79**	**-**	**-**	**3,675.39**	**27,196.11**
Depreciation	7,806.33	9,214.36	4.87	4.12	862.18	743.88	153.20	205.03	7.17	11.13	5.00	6.99	-	-	8,838.76	10,185.51
Unallocated corporate depreciation															29.54	37.41
Total Depreciation	**7,806.33**	**9,214.36**	**4.87**	**4.12**	**862.18**	**743.88**	**153.20**	**205.03**	**7.17**	**11.13**	**5.00**	**6.99**	**-**	**-**	**8,868.30**	**10,222.92**

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

x. Related Party Disclosures

Related Parties

A) Associate Companies

i. Khandepar Investments Private Limited
ii. Vantamuri Trading And Investments Limited (formerly Shree Renuka Infraprojects Limited)
iii. Murkumbi Investments Private Limited
iv. Shree Renuka Energy Limited
v. Renuka Energy Resource Holdings (FZE), Sharjah
vi. Damodar Resource Holdings (FZE), Sharjah
vii Ravindra Energy Limited
viii Agri Venture Trading and Investment Pvt. Ltd.

B) Key Managerial Persons

i. Mrs. Vidya Murkumbi
ii. Mr. Narendra Murkumbi
iii. Mr. Nandan Yalgi
iv. Mr.Vijendra Singh

C) Transactions with Associate Companies

i) Renuka Energy Resource Holding (FZE)

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	168.29	59.97
	Outstanding as at the end of the period	Nil	Nil
2	**Nature of transaction**	**Purchases**	**Purchases**
	Volume of transactions during the period	1.95	Nil
	Outstanding as at the end of the period	Nil	Nil

ii) Shree Renuka Energy Ltd.

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Advances Paid**	**Advances Paid**
	Volume of transactions during the period	144.99	500.08
	Purchase of Coal	145.00	Nil
	Sales	826.55	Nil
	Outstanding as at the end of the period	0.01	Nil
2	**Nature of transaction**	**Interest Paid**	**Interest Paid**
	Volume of transactions during the period	Nil	0.55
	Outstanding as at the end of the period	Nil	0.55

iii) Vantamuri Trading And Investments Limited (formerly Shree Renuka Infraprojects Limited)

Sr. No	Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
1	**Nature of transaction**	**Purchases**	**Purchases**
	Volume of transactions during the period	369.60	Nil
	Outstanding as at the end of the period	Nil	Nil

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

32. Other Notes to the Financial Statements contd.

(All amounts in million Indian Rupees, unless otherwise stated.)

D) Transactions with key Management Personnel

Particulars	Year Ended 31st March, 2013	18 Months Ended 31st March, 2012
Remuneration including contributions to PF	64.90	68.73
Outstanding remuneration payable	0.12	0.12
Outstanding Commission payable	15.17	27.56
Outstanding Ex-gratia Payable	-	-
Nature of transaction	**Rent Paid**	**Rent Paid**
Volume of transactions during the year	2.35	2.97
Outstanding as at the end of the year	Nil	2.33

xi. Derivative instruments and unhedged foreign currency exposure (Consolidated)

a) Category wise nominal value of derivatives instruments outstanding is as under:

- For Hedging currency and interest rate risks:

₹ in million

Sr. No	Particulars	31st March, 2013	31st March, 2012
1	Forwards	54	3,375
2	Currency Swaps	3,553	2,254
3	Currency Options	13,467	14,402
4	Interest Rate Swaps	2,681	6,440
	Total	**19,755**	**26,471**

- For Hedging commodity risks:

Quantity in MT

Particulars	31st March, 2013	31st March,2012
For White Sugar Sales	162,500	129,750
For Raw Sugar Sales	473,558	344,627

b) Unhedged foreign currency exposures is as under :

₹ in million

Particulars	31st March, 2013	31st March,2012
Payables	53,917	41,587
Receivables	2,863	154

xii. a) Previous period's figures are for 18 months and hence not comparable with current year's figures which are of 12 months.

b) As the revised schedule VI has became applicable to the company in the current financial year i.e. 2012-13, consequently the figures of the previous year have been regrouped/ reclassified wherever necessary.

To be read with our report of even date

For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

K. N. Prabhashankar
Partner
Membership No. 19575

Place: Mumbai
Dated: May 29, 2013

For and on behalf of the Board

Vidya Murkumbi
Executive Chairperson

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of Shree Renuka Sugars Ltd. will be held on Wednesday, 28th August, 2013 at Maratha Mandir Hall, Near Railway Over Bridge, Khanapur Road, Belgaum 590006 at 10:30 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. S. K. Tuteja, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Robert Taylor, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors
for **Shree Renuka Sugars Ltd.**

Place: Mumbai
Date: 29th May, 2013

D. V. Iyer
Company Secretary

Regd. Office:
BC 105, Havelock Road,
Camp, Belgaum 590001.

NOTES

1. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.** The proxy form duly completed must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. All documents referred to in the accompanying Notice is open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. up to the date of Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 21st August, 2013 to Wednesday, 28th August, 2013 (both days inclusive).
4. The dividend on equity shares as recommended by the Board of Directors, if approved, by the Members at the ensuing Annual General Meeting, will be paid by 20th September, 2013 as under:
   i) to the Members holding shares in physical mode, whose names appear in the Company's Register of Members as on 28th August, 2013.
   ii) to the Beneficial Owners, whose names appear in the beneficial owners list to be furnished for this purpose by the National Securities Depository Ltd. and the Central Depository Services (India) Ltd. as on the close of business hours on 20th August, 2013.

5. Members holding shares in physical mode are requested to advise about change of address to Karvy Computershare Pvt. Ltd. and Members holding shares in electronic mode are requested to intimate their respective Depository Participants (DPs) about any change of address or Bank mandate and NOT to the Company or Registrar and Transfer Agents.

6. The Securities and Exchange Board of India (SEBI) has vide its Circular No. CIR/MRD/DP/10/2013 dated 21st March, 2013 directed all companies whose securities are listed on Stock Exchanges to use electronic mode of payment such as Local Electronic Clearing Service (LECS) / Regional Electronic Clearing Service (RECS) / National Electronic Clearing Service (NECS), National Electronic Fund Transfer (NEFT) etc. for distribution of dividends or other cash benefits to the investors.

   In view of the above, Members holding shares in physical mode are requested to update/provide bank account details to Karvy Computershare Pvt. Ltd. (R&T) and Members holding shares in electronic mode are requested to furnish the said details to their respective DPs.

7. Members/proxies are requested to hand over the duly filled-in and signed Attendance Slip, at the entrance of the Hall while attending the meeting.

8. Members who have not yet encashed their dividend warrants for the previous years are advised to forward such warrants to Registrar and Transfer Agents, Karvy Computershare Pvt. Ltd. for revalidation. Pursuant to the provisions of the Section 205A of the Companies Act, 1956, dividend which remains unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government.

9. Members may note that pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on the date of the last Annual General Meeting i.e. 27th July, 2012 on the website of the Company.

10. As required under Clause 49 IV(G) of the Listing Agreement, the relevant information in respect of the Directors seeking re-appointment at the Annual General Meeting is provided in the Report on Corporate Governance forming part of the Annual Report.

11. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

By Order of the Board of Directors
for **Shree Renuka Sugars Ltd.**

Place: Mumbai
Date: 29th May, 2013

D. V. Iyer
Company Secretary

Regd. Office:
BC 105, Havelock Road,
Camp, Belgaum 590001.

Important Communication to Shareholders

The Ministry of Corporate Affairs, Govt. of India (MCA) as a part of its "Green Initiative in the Corporate Governance", has allowed paperless compliances by companies permitting service of all notices/documents including Annual Reports by Companies to its shareholders, through electronic mode, instead of physical mode. Shareholders are therefore requested to register their e-mail addresses, in respect of their electronic holdings through their concerned Depository Participants (DPs), to support the Green Initiative of the MCA.

Shree Renuka Sugars Limited

Regd Office: BC 105, Havelock Road, Camp, Belgaum 590001.

FORM OF PROXY

DP Id No. ....

Folio No. ....

Client Id No. ....

No. of Shares ....

I/We .... of .... in the district of .... being a member/members of Shree Renuka Sugars Limited, hereby appoint .... of .... in the district of ....or failing him/her .... of .... in the district of .... as my/our proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Wednesday, the 28th August, 2013 at 10.30 a.m. at Maratha Mandir Hall (Near Railway Over Bridge), Khanapur Road, Belgaum 590006 and any adjournment thereof.

Signed this .... day of....................................., 2013

₹ 1/-
Revenue
Stamp

....
Signed by the said Shareholder

Note: The Proxy Form duly signed and completed must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. The proxy need not be a Member of the Company.

Shree Renuka Sugars Limited

Regd Office: BC 105, Havelock Road, Camp, Belgaum 590001.

ATTENDANCE SLIP

DP Id No. ....

Folio No. ....

Client Id No. ....

No. of Shares ....

Name of the Shareholder.. holding .... shares of the Company, hereby record my/our presence at the 17th Annual General Meeting of the Company held at Maratha Mandir Hall (Near Railway Over Bridge), Khanapur Road, Belgaum 590006 on Wednesday, the 28th August, 2013 at 10.30 a.m.

....
Signature of the Shareholder/Proxy

Proxy's Full Name ....

Notes:

1. Please fill this Attendance Slip and hand over at the entrance of the Meeting Hall.
2. Duplicate slips will not be issued at the entrance of the Hall.
3. Shareholders are requested to bring their copy of the Annual Report.

Shree Renuka Sugars Limited

Registered Office

BC 105, Havelock Road, Camp, Belgaum-590 001.
Tel.: 91-831-2404000/2424961 | Fax: 91-831-2469891

www.renukasugars.com

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