

Navigating challenges. Pursuing growth.



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FY20

A Year of Transformation

OPERATIONAL

30,81,677
MT

CANE CRUSHED

1,147,000
MT

SUGAR REFINED

477.56
MN kWh

ENERGY PRODUCED

FINANCIAL

4,567.94

(₹ in Crore)
OPERATING REVENUE

207.68

(₹ IN CRORE)
EBITDA

(551.20)

(₹ IN CRORE)
LOSS AFTER TAX

(2.88)

EPS (₹)

471.25

(₹ in Crore)
ETHANOL SOLD

ENVIRONMENT AND SOCIAL

239.97
MN kWh

ENERGY CONSUMPTION

6,62,310
KL

WATER RECYCLED/RE-USED

10,119

TREES PLANTED

Forward-looking statement

This Report and other statements – written and oral – state that we periodically make, may 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', 'expect', 'project', 'intend', 'plan', 'believe', and word 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 achievement of results is 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 bear 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.

Navigating challenges. Pursuing growth.

FY20 has been a year of challenges that began with global trade tensions, witnessing cyclical slowdown in the Indian economy in the latter half. Erratic weather posed a challenge to the performance of the agriculture sector, especially affecting sugarcane production.

At Shree Renuka Sugars Limited (SRSL), however, the year has been one of navigating challenges with confidence, to demonstrate a strong performance. We have managed to sail through and charge ahead, while remaining committed to our business priorities that are focused on growth.

Our consumer business Madhur outperformed the market, growing by over 32%. We intend to expand in the Northern region of the country with a local packaging presence for Madhur. We reinstated our focus on ethanol production and have pioneered an in-house process to manufacture ethanol out of sugarcane juice. Going forward, we intend to restart our Haldia refinery, as sugar pricing and exports improve.

The last quarter was overshadowed by the COVID-19 pandemic breaking out in India during mid-February, sparking major concerns over health and economy. Three months of lockdowns have ensued since the last week of March. Classified as essential products and services, our operations continued during the lockdowns. Meanwhile, we leaned on government incentives to boost our bottom line. Barring a few minor supply chain hiccups, we maintained business as usual while adhering to government guidelines on the health and safety of our people.

The current crisis represents a great deal of uncertainty and has highlighted the need for greater efficiencies; we have taken this as an opportunity to learn. We have simplified our processes and optimised our value chain for protecting our profitability. We are focused on becoming a better, stronger organisation.

One Company. Several strengths.

Shree Renuka Sugars Limited (SRSL) is an agri-business and bio-energy company, with a presence across sugar, ethanol, co-generation and trading. We are a subsidiary of Wilmar Sugar Holdings Pte Ltd, Singapore. Founded in 1995, we are one of the largest sugar manufacturers and refiners in India.

We pioneered sugar refining and the concept of leasing out sugar manufacturing units in India. With total of six sugar mills in the highly productive sugarcane belts of India including three integrated sugar complexes, as well as two port-based sugar refineries, we are focused on growing our presence in branded sugar, ethanol and undertaking power projects at third-party mills on a build-own-operate-transfer (BOOT) basis. We are the producers of India's #1 consumer packaged sugar brand, Madhur.

Vision

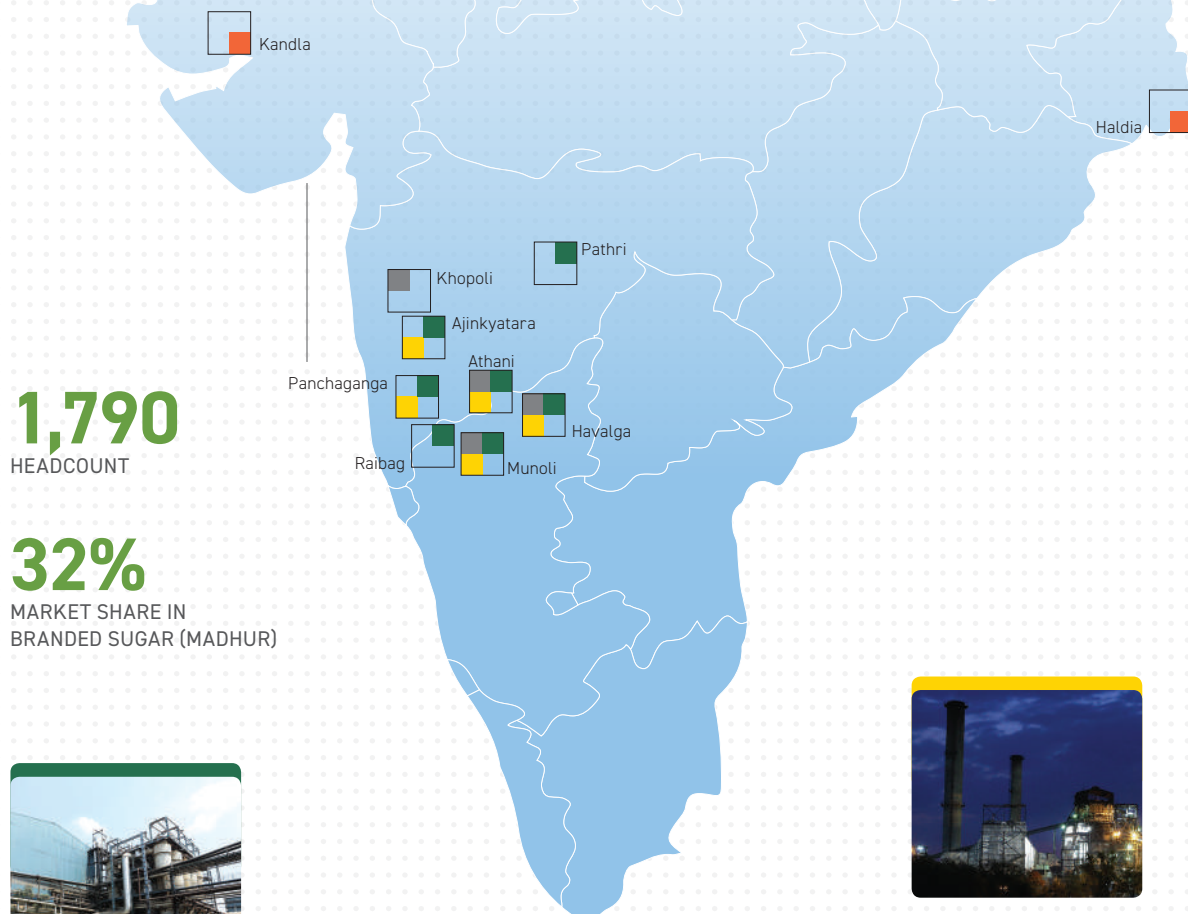
To be among the top three integrated sugar and ethanol companies in the world by harnessing our strengths and realising synergies through our global presence



Core Strengths

- Presence in one of the world's largest sugar-producing and consuming region, leveraging information flow for sustainable growth
- Indian operations conducted across southern and western parts of the country having good availability of quality sugarcane
- Strategically located port-based refineries in India cater competitively to the markets across India, South Asia and the Middle East
- One of the largest supplier of ethanol to oil marketing companies in India
- Madhur has achieved a high brand recall; it is the largest consumer brand in sugar in India

Geographical Presence



1,790
HEADCOUNT

32%
MARKET SHARE IN
BRANDED SUGAR (MADHUR)



Sugar Units (TCD)

Athani Sugar Unit

10,000

Munoli Sugar Unit

10,000

Havalga Sugar Unit

7,500

Panchaganga Sugar Unit

6,000

Raibag Sugar Unit

2,500

Pathri Sugar Unit

1,500



Distilleries (KLPD)

Athani Distillery

300

Munoli Distillery

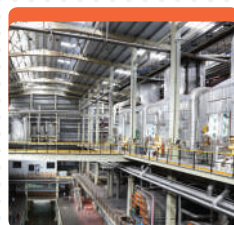
120

Havalga Distillery

210

Khopoli Distillery

100



Refineries (TPD)

Kandla Refinery

3,000

Haldia Refinery

2,500



Power Plants (MW)

Munoli

35.5

Athani

76

Havalga

33.5

Panchaganga

24

Haldia

15

Kandla

45

Total power produced

477.56 million kWh

TCD - Tonnes of Cane per Day

KLPD - Kilo Litres Per Day

TPD - Tonnes Per Day

kWh - kilowatt-hour

Balanced portfolio creating sustainable value

Sugar

Segment Overview

We have state-of-the-art fully integrated sugar mills to process sugarcane and manufacture sugar.

Molasses, bagasse and press mud, produced as by-products, are further used to manufacture value added products.

We have six mills in India with a total capacity of 36,500 TCD and two port-based sugar refineries with a total capacity of 5,500 TPD.

Product

White Sugar

The most commonly consumed sugar variety across all households and the food industry to produce processed foods and beverages, this variety of sugar is refined and washed, giving it a white appearance. Also called refined sugar, it contains 99.9% sucrose, and is relatively neutral in flavour.

SUGAR MILLS REVENUE

1,529.90
(₹ in Crore)

SUGAR REFINERIES
REVENUE

2,716.60
(₹ in Crore)

78.85%

Mills — 28.41%
Refineries — 50.44%

Cogeneration

Segment Overview

Our cogeneration power plants at Munoli, Athani, Havalga, Panchaganga, Ajinkyatara units use bagasse (the by-product from our sugar manufacturing process) to produce power, while the cogeneration power plants at Haldia and Kandla run on coal.

We have a capacity production of 567 million kWh of power, 49% of which is captively consumed within our plants and the remaining power is sold to the state electricity grid.

Most of our cogeneration process is based on renewable energy, which provides a significant reduction in GHG emissions.

DIVISIONAL REVENUE

372.21
(₹ in Crore)



DIVISIONAL REVENUE

471.25

(₹ in Crore)

8.75%

6.91%

Contribution to
total revenue

Listing and Market Capitalisation

Our shares are listed and actively traded on the National Stock Exchange (NSE) under the code RENUKA and on the Bombay Stock Exchange (BSE) under the code 532670. As on 31st March 2020, our market capitalisation was ₹ 891 Crore.

Ethanol

Segment Overview

Our distilleries manufacture potable grade alcohol and fuel-grade ethanol that can be blended with petrol.

We have a capacity production of 730 kilo litres per day (KLPD).

We also provide turnkey distillery, ethanol and certain sugar process equipment and biofuel plant solutions through our subsidiary, KBK Chem Engineering.

Product

Ethyl Alcohol

Ethanol or ethyl alcohol is produced through two methods — direct fermentation of cane juice or from molasses, a by-product of the sugar manufacturing process. In India, ethanol was mostly produced from molasses, but this approach has been undergoing transformation. To drive the Ethanol Blending Programme, the Indian government has recently allowed the use of sugarcane juice or an intermediate product called B-molasses to produce ethanol. Ethanol has various industrial uses such as blending with petrol as well as chemical industries, among others.

Organic Manure

We utilise all the by-products from our sugar manufacturing process. The press mud/filter cake obtained as waste, is mixed with effluents from our distillery operations to manufacture organic manure, which is eco-friendly as well as more cost-effective than chemical fertilisers.

Milestones in our journey of growth



Formation Stage

1998-2003

1998

Established SRSL by acquiring the assets of Nizam Sugars Ltd. in Andhra Pradesh

2000

Commissioned a cogeneration plant at Munoli, Karnataka

2001

Commissioned a 60 KLPD distillery at Munoli

2003

Leased the first co-operative mill

Strengthening the Foundation

2005-2009

2005

Completed Initial Public Offering (IPO) and established a greenfield sugar mill at Athani, Karnataka

2007

Acquired KBK Chem Engineering Pvt. Ltd. in Maharashtra

2008

Commissioned a 2,000 TPD sugar refinery at Haldia, West Bengal

2009

Commissioned a cogeneration facility in Maharashtra's Panchganga Co-operative Sugar Mill on BOOT basis



Gearing up for -Growth

2010-2015

2010

Acquired 100% stake in Renuka Vale do Ivai S/A and 50.34% stake in Renuka do Brasil S/A (Equipav Group)

2011

Commissioned a 3,000 TPD port-based refinery near Kandla, Gujarat

2012

Increased stake in Renuka do Brasil S/A to 59.4%

2014

Partnered with Wilmar Sugar Holdings Pte Ltd, Singapore, involving an equity infusion for equal stakes with the existing promoters

Towards a Sustainable Future

2016-2020

2018

Wilmar Sugar Holding Pte. Ltd. has become the holding company by acquiring 58.34% of stake

2019

- Sold stake in Shree Renuka Global Ventures Limited, Mauritius, the holding company of Brazilian operations
- First in Karnataka to produce Ethanol directly from cane juice

2020

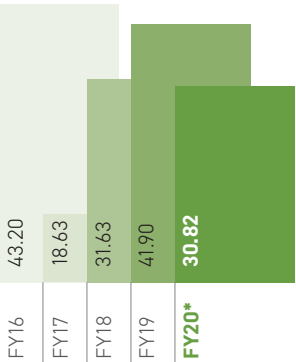
Minimal impact from COVID-19 pandemic (Instead, achieved 32% growth in sales)

Delivering on our commitment

Operational

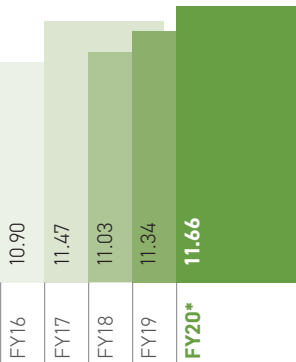
Sugarcane Crushed

(Lakh Tonnes)



Sugar Recovery

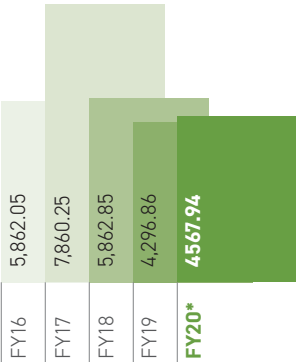
(%)



Profit and Loss Metrics (Standalone)

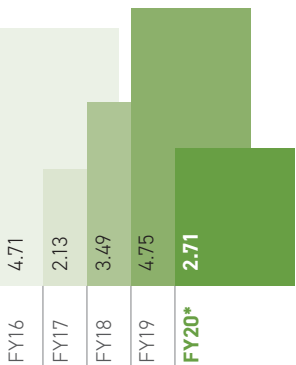
Revenue

(₹ in Crore)



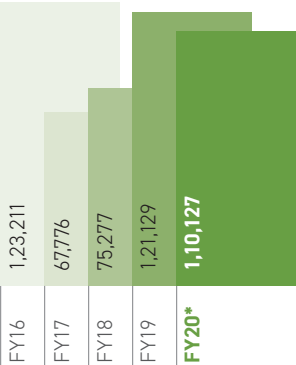
Sugar Produced from Cane Crushing

(Lakhs Tonnes)



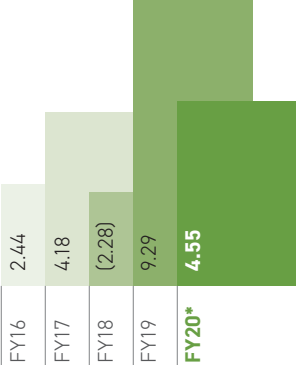
Alcohol Produced

(Kilo Litres)

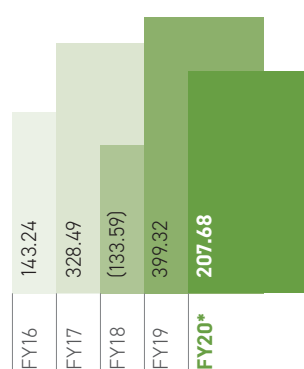


EBITDA Margin

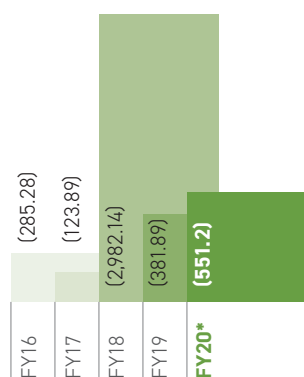
(%)



EBITDA (₹ in Crore)



Net Profit/(Loss) (₹ in Crore)



Key Ratios

RAW MATERIAL COSTS/
TOTAL TURNOVER

83.5%

INTEREST/
TOTAL TURNOVER

10.7%

CASH PROFIT/
TOTAL TURNOVER

4.6%

CAPITAL OUTPUT RATIO
(TURNOVER/ AVERAGE
CAPITAL EMPLOYED)

288.4%

Balance Sheet Ratios

INVENTORY
TURNOVER

132 DAYS

DEBT SERVICE
COVERAGE RATIO

0.1%

QUICK
RATIO

0.1%

INTEREST SERVICE
COVERAGE RATIO

0.1%

Value creation powered by innovation

Capitals	<div></div> <div>Financial Capital Refers to the funds available or invested in own or third-party businesses obtained through borrowings, provision of services and the supply of products to our customers. These include equity, retained earnings, internal accruals and investments, among others.</div>	<div></div> <div>Manufactured Capital Pertains to the state-of-the-art infrastructure for sugar production, including buildings, mills, systems and applications, logistics, warehousing, and sales. We manufacture best-in-class products in these facilities. We regularly upgrade the technology, and focus on improving safety and reliability of our facilities.</div>	<div></div> <div>Intellectual Capital Encompasses the intangible assets including our brand, the accumulated technical knowledge and our ability to innovate in the development of new products, services, and technologies, aimed at the perpetuity of our business.</div>
Processes	<div>Supply Chain Ensuring continued supply of raw materials for uninterrupted functioning of manufacturing process</div>	<div>Inbound Logistics Effective inbound logistics, ensuring timely supply throughout the process</div>	<div>Research and Development Extensive research with latest technologies for innovation and testing new products meticulously</div>
Outcomes	<div><ul style="list-style-type: none">• Total income: ₹4,567.94 Crore• EBITDA: ₹207.68 Crore• Maximising shareholder value• Sustained long-term business growth and profitability</div>	<div><ul style="list-style-type: none">• Total sugar production (mills & refinery): 1,390,617 MT• Total ethanol production: 110,127.32 KL• Market-share in Indian branded sugar: 32%• Scaling our operations depending on the market• Establishing strong brand equity and trust• Providing quality products across our regional footprint• Helping in the nation's vision of achieving 20% ethanol blending by 2030</div>	

At SRSI, our focus on innovation is a key enabler of our market leadership in a sector that witnesses intense competition. For more than two decades of our existence, our business model has continuously evolved to deliver value accretive growth.



Human Capital

Includes our employees, their knowledge, skills, capabilities, experience, diversity and level of motivation of direct and contractual employees. We are committed to providing them with an enabling ecosystem that is safe, takes care of their well-being, promotes innovative thinking and equips them with right development tools and trainings. It includes their alignment with our good governance practices and ethical values.



Social and Relationship Capital

Refers to the trust-based, mutually beneficial relationships with key stakeholders such as investors, customers, vendors, society and government, among others, which play a vital role in our success. We are committed to creating holistic value and drive inclusive growth across our communities. We are focused on developing long-term relationships that are based on trust and transparency.



Natural Capital

Includes natural resources such as air, water, energy, land and biodiversity, which are either utilised by us or impacted by our operations. We are also striving to conserve natural resources by manufacturing environment-friendly products.

Manufacturing

Conversion of raw materials into best-in-class products

Branding and Marketing

Differentiating our offerings, as per the brand's target audience and reaching the markets

Distribution

Ensuring timely reach to customers through our dealer network

- Economic empowerment of employees
- Skill upgradation of employees
- Diverse workforce, with multiple opportunities to advance their career
- Attracting and retaining talented employees

Social

- Contributing to the socioeconomic development of the communities we operate in through social responsibility initiatives
- Enabling the development of the areas in and around our mills

Relationship

- Built a relationship of trust with **32% more customers**

- Actively engage with local communities through dedicated social responsibility and environmental initiatives
- Reduced specific consumption of energy: **6.2%** and water: **10.2%**
- Clean energy generated (from mills only): **364.36 mn kWh**
- Water recycled: **6,62,310 Litres**
- Share of waste utilised: **25.6%**
- Trees planted: **10,119**
- Focusing on reducing airborne effluents formed as a result of our manufacturing operations
- Continuing to maintain the environmental balance in the areas around our manufacturing operations through **Zero Liquid Discharge (ZLD) and greenbelt initiatives**

From the Executive Chairman's desk

Dear Shareholders,

I hope you, your families and loved ones are safe during this health crisis. In the face of this adversity, the safety of our people and extended community have been our top priority. We have ensured that our facilities are in compliance with all the regulations and safety measures including sanitisation, safety equipment and social distancing norms.

COVID-19 Impact

The scale of economic and social disruption due to COVID-19 has been one of the most unprecedented ones in recent human history. While the Indian economy was already reeling under pressure of a cyclical slowdown much before the pandemic, growth slowed down to 4.2% for FY20, as compared to 6.1% in FY19. This growth is further expected to decelerate to -4.5% in the coming year due to the pandemic's impact. However, since, we are engaged in manufacturing of sugar, generation of power and production of ethanol and other industrial alcohol, which fall under the purview of essential commodities, our operations continued normally, in accordance with directives of the Ministry of Home Affairs.



Industry Overview

The sugar industry in FY20 witnessed significant improvement in terms of inventory position, even though draught and flood affected the sugarcane acreage in the major sugarcane belts of Maharashtra and Karnataka.

There was bumper production during the previous two consecutive sugar seasons, leading to a pile up of sugar inventory. The government's timely response was commendable, with initiatives like buffer stock creation, usage of sugar for ethanol production and a significant hike in export subsidy. These factors are expected to push up sugar prices by 8% to ₹33-34 per kg and perk-up the exports by 20% through the Sugar Season 2020 (SS2020).

Performance Review and Outlook

Sugar Manufacturing and Refinery

Due to weather related lower crop, our Cane Crushing activity suffered. However, our robust business model showcased resilience and we were able to bring down our losses. Our revenues grew by 6.31% to ₹4,567.9 Crore, whereas our EBITDA stood at ₹207.7 Crore. During the year, we also took advantage of the government incentives on export quota as well as buffer stock subsidy scheme, which added to our bottom line. Our refining margins were lower during the year. Things have started to look good for FY21, as the white premium (refining margin) has started improving, on account of the improved pricing and export subsidy from the government. During September, we sold our stake in Shree Renuka Global Ventures Ltd., Mauritius, which was the holding company of our Brazil operations.

We are also hopeful that the improving market dynamics will allow us to restart our Haldia

refinery by Q2 FY21. We are looking at brownfield expansion to the tune of 25% capacity expansion in Karnataka.

Madhur

Our consumer sugar business under the brand 'Madhur' crossed new milestones during FY20, as the business grew by over 32%. I am happy to announce that Madhur is India's largest consumer brand in sugar, and continues to win customers' trust, especially in these times, where hygiene is given prime importance over pricing. We cemented our presence in the northern region during the year. I am proud to announce that Madhur is the first sugar brand in India to market itself on radio. We also engaged deeply with our consumers and prospects through consumer connect programmes and digital initiatives. We launched Madhur on popular social networking sites like Facebook and Instagram, so as to complete our digital channel presence. All our digital campaigns were highly successful, including our highly targeted Amazon campaign, leading to better return on investment. During FY21, we expect to establish local packaging presence in the Northern region of India, and continue with our high growth trend for Madhur.

Ethanol

Our volume during the current year suffered largely on account of lower Cane Crushing, resulting in lower molasses production (feedstock for distillery) as well as un-favourable market conditions. However, we remain positive on the overall outlook for the segment. During FY20, we pioneered an in-house process to generate ethanol directly from sugarcane juice. This innovation reinstates our leadership position and enables us to lead by example. We have already invested ₹300 Crore in this segment and are confident of its prospects and our performance during FY21.

Sustainable Operations

Our production processes encompass cutting-edge technology and are designed to ensure that our operations are sustainable in nature. We are also focusing on strengthening our ethanol manufacturing, in alignment with the government's objective of advanced development in the field of ethanol production and usage in blended fuels.

We undertake various greenbelt initiatives, in addition to treating environmental effluents. Our facilities are equipped with zero liquid discharge to enhance our sustainability measures. We also conduct various trainings to benefit the farmers, on sustainable farm practices, ensuring that even our supply chain is sustainable, thus reducing our carbon footprint to the best extent possible.

During FY20, our teams undertook extensive relief work to help the people affected by floods in Maharashtra and Karnataka, as a part of our culture to give back to the society.

I now conclude with a vote of thanks to our Board of Directors for guiding the leadership team through these challenges effectively. I also acknowledge the relentless efforts of all our employees and their families, without whom we would not have been where we are. I also thank all our stakeholders, including vendors, bankers, lenders, community, the government and above all, to you — our shareholders, for your trust. We look forward to your continued support and are confident of better times ahead.

Atul Chaturvedi

Executive Chairman

Strategic Priority 1

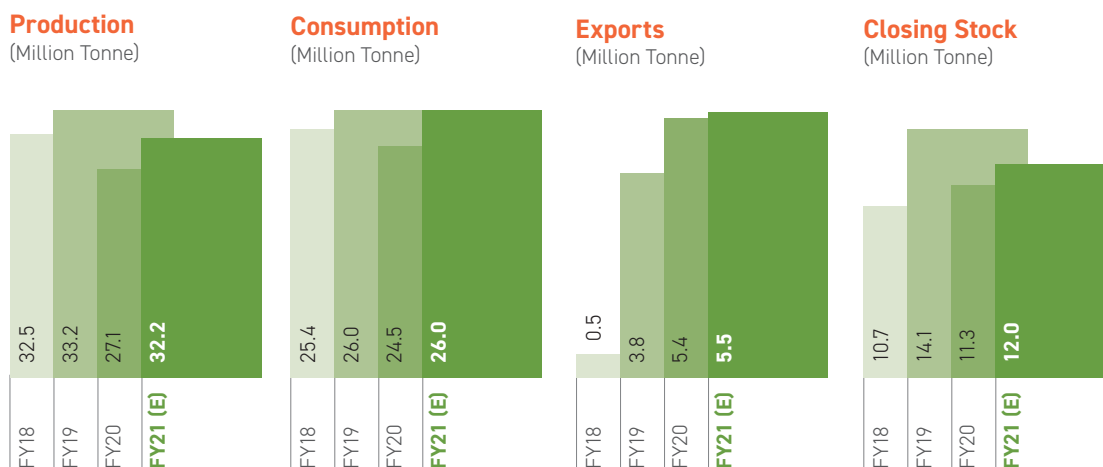
Towards a sustainable future

Growth in the long-term lens has been one of our core priorities at SRS. Sustainable practices are deeply ingrained in our DNA, and can be witnessed across all the processes within our organisation.



FY20 started with a challenge for the sugar industry, as the prior two years – FY18 and FY19 – had bumper production, which led to an inventory pile up.

Sugar Production, Exports, Consumption and Closing Stock



E: Expected

(Source: www.thehindubusinessline.com/economy/agri-business/sugar-production-down-22-to-233-lakh-tonnes-till-march-31-says-isma/article31225715.ece; ISMA; USDA report, May 2020; www.financialexpress.com/industry/covid-19-to-put-pressure-on-sugar-industry-as-domestic-consumption-exports-to-take-a-hit/1929481/; Crisil report September 2019)

The government intervened with measures like creation of buffer stock of 4 MT for one year, diversion of sugar for production of ethanol from B-heavy molasses/cane juice during Sugar Season 2020, and finally export subsidy of ₹6,260 Crore (₹10,440 per tonne) for SS2020.

Other challenges in FY20 were the weather-related woes. Drought in Maharashtra and floods in Karnataka led to an overall reduction in sugarcane acreage and a 10% decline in sugar production in these regions.

However, despite these challenges, we were resilient and were able to lower our losses. We credit this to our sustainable operations and relationships with the farm community. Our focus on sustainable manufacturing led us to join hands with Solidaridad – a Dutch non-profit organisation, which helps sugarcane farmers understand and get trained on sustainable practices. The trainings are devised in such a way that correct implementation of these practices lead to an increase in productivity levels, thereby boosting farmers' incomes. These practices, thus enable us to strengthen our engagement levels with the farming community, helping us improve our margins.

Managing our resources well

Our proactive leadership and agile operations enable us to capitalise on various opportunities available in the market. Under various government schemes like the Minimum Indicative Export Quota (MIEQ) and Maximum Allowable Export Quota (MAEQ), we received benefits for exports under our own quota to the extent of ₹129.2 Crore for FY20. We are also eligible for assistance under the Buffer Stock Subsidy Scheme and Cane Crushing Subsidy Scheme, due to our compliance with all the necessary conditions. Under this, we have already recognised an income of ₹5.5 Crore during FY20.

We also foresee good opportunity in the ethanol and branded sugar segments, and continue to focus on these areas to enhance sustainable value creation for our shareholders.

Strategic Priority 2

Pure, untouched sweetness



— Loose nahi
madhur sahi —

Madhur is India's leading branded sugar, bringing pure and hygienic sugar to our customers. Launched in 2007, Madhur occupies a special place in Indian kitchens, and is available in regular and fine grain options.

Madhur, a product completely 'untouched by hand' and offering the unique 5S guarantee, has connected well with our consumers. In today's unprecedented times, where hygiene is recognised as the first step to safety, our unique value offering stimulates demand from consumers seeking safe products. Sugar, being a product that cannot be sanitised if bought in loose form, can amplify the hygiene-related risk.

FY20 has been an year of significant growth for Madhur, touching 32% . More customers switched to safety and hygienic manufacturing, with the 5S guarantee of Madhur. We made significant progress to make Madhur more popular in the tech-savvy community, with numerous digital and social media initiatives, including influencer marketing. We intend to strengthen the Madhur network in the northern region and establish a local packaging unit in the region.

Further, we also created a special segment on the highly popular Annu Kapoor Show, 'Bollywood ke Madhur Kisse'.

Offline Marketing

Madhur is the first sugar brand in India to advertise on the radio. We launched dedicated radio campaigns on all major FM channels like Radio Mirchi, 92. 7 BIG FM, Radio City, Red FM, My FM and 104 Fever, to enhance our brand reach and amplify our brand recall. Further, we also created a special segment on the highly popular Annu Kapoor Show, 'Bollywood ke Madhur Kisse'.

Consumer Connect Programmes

We undertook various consumer connect programmes across the three cities of Nashik, Pune and Nagpur in Maharashtra. These programmes were undertaken with the support garnered from the women's platform of a popular Marathi newspaper, 'Lokmat'.

These consumer connect programmes helped us to engage with the decision-makers of households (the home-makers), highlighting Madhur's strengths and draw differentiating facts as to why Madhur is better than loose sugar.

Our 5S Guarantee

Sulphur-free Process

The most advanced sulphure-free process ensures your sugar syrup never turns yellow.

Surakshit

Big grain size, Big on safety. Madhur sugar is completely untouched by hand — from farm to kitchen.

Safed

White at heart, incredibly bright on the outside. The shiny bright grains of sugar not only pack a burst of sweetness, but are a visual delight.

Shuddh

The most cutting edge technology and the strictest standards allow only the purest grains to reach your kitchen.

Samaan

Expert craftsmanship helps pack the same amount of sweetness in every spoonful of Madhur sugar.

Digital marketing initiatives

To engage with digital-savvy consumers of the brand, Madhur Sugar has not only reworked its presence in social media, but also connected with an audience of millions through multiple outreach programmes and campaigns.

@madhursugar.official
launched on Instagram

Impactful Numbers

Instagram and Facebook

98K+
Subscribers

350K+
Clicks

31.09 MN
Reach

105.95 MN
Impressions

25.64 MN
Video Views

This food influencer led activation won us an award by AdGully for the Social Media — FMCG category.



#LooseNahiMadhurSahi

11.08 MN
Reach

4.88 MN
Video views

29.4 MN
Impressions

Testimonial video in the trending social experiment format of two mothers being quizzed on their hygiene habits in food, are left speechless upon knowing that their thrust on hygiene lacks a critical element – Pure and Hygienic Sugar. This video helped spread awareness around the cause of upgrading from loose sugar to Madhur Sugar.



Partnership with Food Influencers

1.76 MN
Reach

71.3K+
Engagement

9 Food Influencers like Madhura's Kitchen spoke about why they choose Madhur over Loose Sugar



Tie-up with Celebrity Chef

1.4K+
Clicks

1.1 MN
Impressions

We tied up with celebrity chef Sanjeev Kapoor for his web presence, to promote the 5S campaign.



Campaign on Amazon

8K+ Clicks 1.25 MN Impressions 11% ROI 43% Conversion Rate

These ads targeted search-based consumers to convert them to Madhur customers including specific targeting like Competitor, Loose Sugar, Behavioural Brand and Generic.

Bumper Ads on YouTube

0.5 MN Clicks 9.4 MN Impressions

6-second non-skippable ads ensuring 100% views

5S Campaign

137K+ Clicks 32.05 MN Impressions 3.32 MN Video Views

6.91 MN Reach Run on Youtube and Facebook, this campaign generated good traction



Digital Reach During COVID-19

Marketing on News Websites

42.8K Clicks 14.3 MN Impressions

4.74 MN Reach

A High Decibel Digital Campaign introduced to educate the consumer about Madhur Pure & Hygienic being untouched by hand



Digital Initiatives - Influencer marketing Campaign

2.3 MN Video Views 59 K+ Post Engagement



11.1 MN Reach 11.4 MN Impressions

0.18 MN Clicks 2.30 MN Post Engagement



- 4 celebrity influencer led campaign to create awareness to buy packed items like Madhur Sugar amidst Covid-19
- Celebrities sharing their perspective helped the brand by creating an impression amongst 11.4 million on our page and 2.3 million views on their respective pages.

Corporate Information

BOARD OF DIRECTORS

Mr. Atul Chaturvedi
Executive Chairman

Mr. Vijendra Singh
Executive Director

Mr. Kuok Khoon Hong
Additional Director (w.e.f. 25th October 2019)

Mr. Jean-Luc Bohbot
Non-Executive Director

Mr. Charles Cheau Leong Loo
Additional Director (w.e.f. 1st June 2020)

Mr. Madhu Rao
Independent Director

Mr. Surender Kumar Tuteja
Independent Director

Mr. Dorab Mistry
Independent Director

Mr. Bhupatrai Premji
Independent Director

Dr. Bharat Kumar Mehta
Independent Director

Ms. Priyanka Mallick
Independent Director

Mr. Rajeev Kumar Sinha
Non-Executive Director (Nominee of IDBI Bank Ltd.)

Mr. Stephen Ho Kiam Kong
Non-Executive Director (Upto 31st May 2020)

Mr. Narendra Murkumbi
Non-Executive Director (Upto 25th October 2019)

CHIEF FINANCIAL OFFICER

Mr. Sunil Ranka

COMPANY SECRETARY

Mr. Deepak Manerikar

AUDITORS

S R B C & Co LLP Chartered Accountants

REGISTERED OFFICE

2nd & 3rd Floor, Kanakashree Arcade, 2nd Floor, CTS
No. 10634, JNMC Road, Nehru Nagar, Belagavi -590010,
Karnataka (w.e.f. 01.08.2019)

CORPORATE OFFICE

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

BANKERS

Axis Bank Ltd.
Exim Bank of India
ICICI Bank Ltd.
IDBI Bank Ltd.
Kotak Mahindra Bank Ltd.
State Bank of India
RBL Bank Ltd.
Yes Bank Ltd.
Bank of America

PLANT LOCATIONS (INDIA)

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

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

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

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

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

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

Unit VII 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

Management Discussion and Analysis

Economic review

Global economic scenario

Global economic growth was majorly impacted by multiple uncertainties in 2019. Global trade tensions, disruptions in the oil market, and the no deal Brexit, to name a few, negatively affected consumption, fresh business investments and investor confidence. The long-drawn US-China trade wars adversely affected manufacturing and global supply chains, impairing the growth of several economies. However, the uncertainty disappeared with defused tensions between the US and China towards the end of 2019, followed by a soft Brexit.

The most significant calamity that led to a steep decline in growth in 2020, however, was set-off by the COVID-19 pandemic, causing massive loss of life and economic disruption world-wide. The global economic shutdown has led to the worst ever recession since the Great Depression.

The damage on account of the shutdown in major economies like the US and European countries would have far reaching consequences on businesses all over the world in the short as well as long term. Among the developing economies, China and India have been hit hard, with declining growth marked by disrupted manufacturing and supply chains, a sharply curtailed energy and commodity demand, besides a slowdown in the services sector as well.

The Central Banks and governments of major economies have announced fiscal stimulus measures and policy measures to create employment, increase consumption and improve demand. This would reduce the adverse impact to some extent and provide the impetus to put these economies back on the growth track.

The COVID-19 crisis notwithstanding, there is rising optimism of a silver lining in the form of new opportunities for India in the post COVID era. Several global companies are contemplating moving their manufacturing facilities away from China and de-risking their supply chains. For India, this seems to be a good opportunity to attract such multinationals and the government is leaving no stone unturned to lay the red carpet for companies evaluating the relocation of their factories.

(Source: World Economic Outlook, June 2020 by IMF)

GDP growth rates

Region	Projections (%)		
	CY2019	CY2020	CY2021
World output	2.9	-4.9	5.4
United States	2.3	-8.0	4.5
China	6.1	1.0	8.2
India	4.2	-4.5	6.0
Japan	0.7	-5.8	2.4
Euro Area (includes Germany, France, Italy, Spain)	1.3	-10.2	6.0

(Source: World Economic Outlook, June 2020 by IMF; CY denotes calendar year)

Indian economic scenario

India has shown consistent growth despite challenges, uplifting millions of people from poverty and bringing them to the economic mainstream in 2019. However, like in other economies, the COVID-19 crisis has dented the economic growth significantly. According to the Ministry of Statistics and Programme Implementation (Government of India), the economy is estimated to have grown by 4.2% in FY20 vis-à-vis FY19 due to a decline in domestic demand, weak rural income, poor liquidity etc. Exports and export-based industries have also suffered during the lockdown due to lowered external demand and supply chain disruptions.

To bring back the economy on a higher growth trajectory, the Government of India undertook various initiatives – lowered corporate tax rates, credit guarantee scheme for NBFCs, reduced interest rates to improve cheaper funds, the impact of which shall be seen in the coming years.

There is immense confidence in the long-term potential of the Indian economy. The government has announced a relief package of Rs 20 lakh crore and has increased funding under MNREGA to boost demand. A focus on increasing manufacturing by the 'Aatma Nirbhar Bharat' initiative is expected to stimulate production. However, the irreversible damage caused to consumption and massive labour migration during the lockdown, has impacted both supply as well as demand. While the Indian economy is resilient, bringing it back on the growth trajectory would require much more bolder steps.

The IMF has slashed India's expected growth rate for FY21 to -4.5%. As India is largely an agrarian economy, the recovery post COVID-19, may be faster than most countries. Fortunately, a forecast of a good monsoon this year, is expected to boost agricultural production in FY21.

(Source: CSO Preliminary estimates, May 2020 and Atma Nirbhar Presentation, May 2020)

Global sugar sector

The global sugar market is expected to reach 176 million tonnes (MT)* in 2019-20. The market is further projected to reach 199.5 million tonnes by 2025, expanding at a CAGR of nearly 1% during 2020-2025. India, Brazil and China are the largest sugar producers contributing to nearly 40% of the global production, with their outputs significantly impacting global sugar prices.

Sugar production in Brazil, which had plummeted to around 26 million tonnes in 2019, is expected to rebound to 36 million tons in 2020. This is largely on account of the collapse in crude prices, which in turn affected ethanol realisation. This year, the diversion of sugar cane juice to ethanol is slated to be much less and Brazil will produce more sugar, keeping world sugar prices in check.

In FY 2020-21, Indian sugar production is expected to rebound from the 28 million tonnes during FY 2019-20 to 33 million tonnes. The monsoon seems to be timely and forecast is for a normal monsoon. Production in Thailand is also expected to improve.

In a nutshell, the supply is expected to exceed consumption, which may not allow sugar prices to move exponentially. While raw sugar prices are likely to remain range-bound, refined sugar values are expected to move up. This is good news for our refinery business, and we expect margins to improve in 2020-21.

(*Source: <https://ragus.co.uk/how-has-coronavirus-impacted-the-global-sugar-market/>)

Thailand

Thailand is the world's fourth-largest sugar producer and the second-largest exporter, trailing only after Brazil. The Office of the Cane and Sugar Board, Thailand (OCSB) expects sugar-cane output in the crop year FY 2019-20, stood at approximately 8.4 MT*, down from 14.6 MT* in the last crop year. The country has 57 sugar mill factories with a capacity of 983,587 tonnes a day. The drought crisis has reduced sugar-cane output and sugar mill exports, but pushed up global sugar prices.

As per initial surveyors, another drought can cut into output for FY 2020-21 crop year. Consumption is expected to continue increasing, albeit at a slower pace due to sugar tax and COVID-19 impact.

(Source: <https://www.bangkokpost.com/business/1917156/sugar-mills-sound-alarm-over-drought>)

*<https://ragus.co.uk/how-has-coronavirus-impacted-the-global-sugar-market/>)

China

With an increased area under cultivation during FY 2019-20, beet and cane crop harvesting began early in China. However, frosty conditions potentially reduced sucrose yields from cane. Total sugar production for FY 2019-20 stood at 11.4 MT*, as compared to 11.7 MT in 2018-19. For FY 2020-21, production is forecast to recover from the previous year's drought, up by 0.5 MT to 10.7 MT, primarily due to a rebound in cane sugar production in southern China.

(Source: <https://www.ragus.co.uk/global-sugar-market-report-2020/>; USDA report, May 2020)

*<https://ragus.co.uk/how-has-coronavirus-impacted-the-global-sugar-market/>)

European Union (EU)

European Union sugar production for the 2019 season reduced to 17.4 MT of sugar because of heavy rainfall since September 2019. However, production in the European Union is forecasted to increase to 17.7 MT despite a 2% decrease in area. Consumption is expected to remain unchanged while exports are projected to increase whereas imports are forecasted to remain unchanged at 1.5 MT.

(Source: <https://www.ragus.co.uk/global-sugar-market-report-2020/>; USDA Report, May 2020)

India's sugar sector

During FY 2019-20, sugar production in the country was expected to touch 27 MT, approximately 6 MT less than FY 2018-19. The sugar production reduced in Maharashtra and Karnataka due to droughts followed by floods. Indian sugar production is expected to bounce back to 33 million tons in FY 2020-21.

Incentives provided by the government over the last 2 years helped the industry stabilise and achieve higher sugar production in the country as India is expected to export 5.5 million MT in FY 2019-20 against the target of 6 million tonnes. The Government mandated minimum selling price for domestic market, buffer stock and export subsidy improved the conditions of the mills and it helped to make timely payment of sugarcane. It is expected that the government shall continue with the policy of minimum sale prices, buffer stock and export subsidy for survival of the sugar sector.

With the new ethanol programme in place, sugarcane is being diverted towards ethanol production and about 1.1 MT of sugar is being used for production of ethanol. This diversion of cane juice directly to ethanol is helping industry reduce sugar production. Production of ethanol from juice will not only help reduce sugar production but would also help in reducing our crude petroleum imports.

The ongoing COVID-19 pandemic is expected to put pressure on the sugar consumption patterns as there are curbs on social gatherings and outings. The industry is also facing reduced off-take from beverage and other FMCG companies, amid the lockdown. Domestic consumption of sugar is expected to drop by around 2.0 million tonnes.

(Source: <https://www.thehindubusinessline.com/economy/agri-business/sugar-production-down-22-to-233-lakh-tonnes-till-march-31-says-isma/article31225715.ece>; ISMA; USDA report, May 2020; <https://www.financialexpress.com/industry/covid-19-to-put-pressure-on-sugar-industry-as-domestic-consumption-exports-to-take-a-hit/1929481/>)

Fig in MMT	2017-18	2018-19	2019-20	2020-21(P)
Op Stocks	3.9	10.7	14.1	11.3
Sucrose Production	32.5	33.5	28.2	33.2
Less : Sucrose Diversion to Ethanol		0.3	1.1	1
Sugar Production		33.2	27.1	32.2
Imports	0.2	0	0	0
SUPPLY	36.6	43.9	41	43
Dom Demand	25.4	26	24.5	26
Exports	0.5	3.8	5.4	5.5
OFFTAKE	25.9	29.8	29.9	31.1
Cl Stocks	10.7	14.1	11.3	12
Stocks as % of Dom Dem	42%	54%	46%	46%
Stocks use in Months	5.1	6.5	5.5	5.5

Source: Trade Estimates

Ethanol

The government has set a target of lowering oil import by 20% by 2030, by boosting the production of biofuels. Ethanol would be a major contributor towards achieving this target. Also, given that the country is the world's top oil importer, increasing ethanol production will help India save valuable forex reserves.

However, so far, a blending ratio of 5% has been achieved, which is the highest so far, but it is much lower than the target. We believe that if ethanol prices move in tandem with cane and sugar price, the Indian sugar industry will

keep investing in ethanol production capacity and in the next 3 to 4 years, may achieve 10% blending. Speeding of processes like environmental clearance, state level approvals and support from oil companies will help in achieving the target timely.

The government has already announced financial support, however, the constraint of actual borrowing process should be removed by helping the industry to secure loans, particularly the factories having deep balance sheets, on which banks are hesitant to extend loans. This may be done either by making tri-partite agreement with oil companies, banks and sugar producers. Alternatively, the sugar companies may be allowed to make SPV to raise loans from the banks. The OMCs should also give the sugar industry some clarity in terms of its long-term requirements to enable the industry to plan its production accordingly.

(Source: <http://sugar-asia.com/india-ready-to-create-ethanol-economy-worth-rs-50000-crore/>; <https://www.bangkokpost.com/business/1903400/bitter-outlook-for-sugar-industry>; <https://www.thehindubusinessline.com/economy/agri-business/sugar-production-down-22-to-233-lakh-tonnes-till-march-31-says-isma/article31225715.ece>)

Government policies aiding domestic sugar industry

The Government has been supporting the sugar sector by retaining the minimum selling price (MSP) of sugar at ₹ 31 per kg and encouraging exports. Also, the Government has allowed upto six million tonnes of export, which attracts ₹ 10.5 per kg subsidy. The Government also created a buffer stock of 4 million tonne where the carrying cost is being borne by the Government. As a result of this, sugar prices have rallied from lows of ₹ 25-26 per kg in Sugar Year 2019 to ₹ 32-33 kg in Sugar Year 2020. Besides, ethanol production is being encouraged, directly from sugar along with molasses. This is a long-term solution for the country, however, Government shall have to further bring investment in ethanol distillation by declaring a minimum price of ethanol and linking it to FRP and sugar price in the country.

(Source: <https://m.economictimes.com/markets/commodities/news/nature-government-policies-set-to-brighten-life-for-sugar-companies/articleshow/73508650.cms>; <https://www.businesstoday.in/bt-buzz/news/bt-buzz-bailed-out-for-now-sugar-sector-needs-structural-reforms/story/378528.html>)

Outlook

India's sugar production may touch 31-33 MMT in FY2020-21. The monsoon is forecasted to be normal and the ground water table as well as reservoir levels are favouring a bumper sugar production.

Hence, what is currently global deficit because of lower production in India can become a global surplus by the end of FY 2020-21. Indian production is forecasted to remain above consumption and an exportable surplus is expected to replace supplies from Thailand to meet global import demand.

The sugar sector in India is driven by 5 million farmers. While the sector suffers from the higher sugarcane prices mandated by the government, yet due to favorable policies and incentive from the government, it is expanding year on year. In the year 2020-21, sugar production is expected to be 31-33 million tonnes, against a demand of 26 million tonnes, creating surplus of another 7 million tonnes.

The Minimum Support Price (MSP) for sugar and the moratorium allowed by RBI for the debt repayments is certainly giving cushion to the mill owners. With support from the government, more sugar exports can be executed. A continuous thrust by the government towards eco-friendly fuel is further going to increase demand for ethanol, especially with the rise in demand from oil marketing companies to meet blending requirements. Moreover, with discussions around increasing the Ethanol Blended Petrol (EBP) programme to 15%, so that the states which have already touched 10% EBP may increase blending to 15%, is only going to increase the demand further.

(Source: <https://www.financialexpress.com/industry/covid-19-to-put-pressure-on-sugar-industry-as-domestic-consumption-exports-to-take-a-hit/1929481/>; <https://www.agriculture.gov.au/abares/research-topics/agricultural-commodities/mar-2020/sugar>)

About Shree Renuka Sugars Limited

Shree Renuka Sugars Limited (SRSL) is a part of the Wilmar Group, which is the largest sugar company in the world. SRSL operates about 10 manufacturing sites across India, mainly situated in Karnataka, Maharashtra, Gujarat and West Bengal. The plants have an integrated approach where sugarcane is converted into various products like sugar, power, ethanol and manure to maximise the value chain.

SRSL's sugar business model has a uniqueness as it has a portfolio of large ethanol producing plants, the biggest sugar refineries in the country, sugar mills having refining capacities, where superior quality sugar for branded sugar is produced. The refineries of the Company are port based, which gives an edge to the Company in export and import of sugar, helping it encash on any opportunities arising out of the global sugar dynamics.

SRSL's strong refining business and export portfolio differentiates it from its competitors. The company's

distinct branding strategy has played an important role in creating a niche value proposition. It realises the importance that product packaging has in this business segment, both in terms of protecting the product as well as becoming a point of attraction, and thus, has consistently maintained a strong focus towards this. With a growing interest towards the green fuel business, SRSL commands a 25% share in India's 4 million tonne ethanol export market.

SRSL is poised to take advantage of various agriculture friendly policies of the government. With better raw material availability, the Company expects to create better value through all its product lines. With MSP and the Quota Release mechanism in place, sugar continues to show a steady performance. With better ethanol realisation and expanded ethanol capacity, the ethanol division will create more value for the Company. Due to higher sugar production in the country, sugar export will be the top priority for the country. SRSL, with the strategic locations of its refineries, will be able to readily export sugar and help the country earn valuable foreign exchange.

As the world sugar deficit was observed last year, we expect white premium and white sugar price will remain strong, which will give better value to the refinery business of the Company.

Besides the above, we have observed that consumer behaviour in sugar is also changing in a big way and the consumers are looking for a quality product and also are moving from loose to packed sugar, due to better hygiene awareness and change in the marketing structure, which has largely been promoted by e-commerce and modern retail. The Company is already in a position to capitalise these opportunities and is creating infrastructure, technology and supply chain to cater to the new markets.

Business highlights

Operational

- In FY 2019-20, we crushed 30,81,677 MT of sugarcane, a 35.95% decrease from 41,89,590 MT crushed during the previous year.
- Total recoverable sugar (yield) per MT of sugarcane improved from 11.34% in FY 2018-19 to 11.66% in FY 2019-20.
- The total sugar produced (mills and refinery) decreased by 13.77% from 1,582,104 MT in FY2018-19 to 13,90,617 MT in FY 2019-20.
- Total power generation (mills and refinery) and ethanol production decreased by 18.67% and 9.99%, respectively to 478 million Kwh and 110,127 kilo litres respectively in FY2019-20.

Financial Review

Profit and loss statement

- The Company's operating revenue stood at ₹ 4,567.94 crore vis-à-vis ₹4,296.86 crore in FY 2018-19. This was on account of increase in Sugar sales by ₹271.08 crores with growth rate of 2% by volumes over last year.
- Operating expenses for the year stood at ₹ 519.46 crore as against ₹464.93 crore in FY 2018-19 majorly due to loss on commodity derivatives contracts and impairment provision on certain receivables.
- Our Company generated EBITDA of ₹207.67 crore vis-à-vis ₹ 399.32 crore last year. The decrease is largely due to loss on commodity derivatives contracts and impairment provision on certain receivables and assets.

Balance Sheet

- Net worth: Our net worth decreased to ₹(120.08) crore in FY 2019-20 from ₹ 546.45 crore in FY 2018-19. This was due to impairment provision for one of the Company's refinery.
- Borrowings: Our borrowings comprise long-term borrowings (current and non-current) and short-term borrowings, as on 31st March 2020, and stood at ₹ 2,191.22 crore vis-à-vis ₹2,686.95 crore the previous year.

Working capital management

- Current assets: Current assets as on 31st March 2020 stood at ₹2,190.11 crore. Current ratio is 0.43 as on 31st March 2020
- Inventories: Inventories increased by 0.70% from ₹ 1,642.89 crore in FY 2018-19 to ₹ 1,654.43 crore in FY 2019-20, due to increase in refinery stocks.
- Current liabilities: Current liabilities increased by ₹ 574.26 crore and stood at ₹4,897.91 crore on 31st March 2020 vis-à-vis ₹4,323.65 crore due to increase in raw sugar payable.

Risk management

SRSI considers timely identification and effective mitigation of risks as the utmost pre-requisite for maintaining stable and genuine returns, besides ensuring consistent increase in shareholder value. The major risks in this industry include:

- Impact on sugarcane production due to seasonal uncertainties

- Changes in government policies and regulations, which might indirectly have a negative impact
- Fluctuations in sugar demand and supply due to economic conditions, price fluctuations, interest rate movements, among others
- Union strikes leading to work stoppages and factory shutdowns
- Sudden increase in cost of logistics
- Increase in the attrition rate of employees

We consistently review our risk management framework which aids in easy identification of risks having potential threat to the organisation and have in place respective mitigation measures.

Besides these, our risk management policies ensure that the internal as well as external risks are minimised via a regular risk analysis.

Internal controls and adequacy

The Company has formulated a well-defined and structured internal control system, commensurate to the size and nature of its business. Stringent procedures ensure high accuracy in recording, as well as provide reliable financial and operational information, while meeting statutory compliances and safeguarding assets from unauthorised use. The Company's internal team and an independent internal audit firm monitor business operations and any deviations are immediately brought to the notice of the Management and Audit Committee for timely correction.

A comprehensive Annual Audit Plan, spanning all factories and locations of the Company, is drafted, updated and approved by the Audit Committee of the Board regularly. This is followed by an audit conducted by Independent Chartered Accountants. These audits also test the effectiveness of mitigation initiatives implemented to defend the Company from various internal and external risks. A wide spectrum of strategies are devised as a follow-up measure to protect the Company from such uncertain events. Special audits are also conducted as directed by the Management. The Company's robust IT architecture safeguards sensitive data and accelerates the audit process.

Audit Committee

The Audit Committee of the Board of Directors examine the observations made by internal auditors. Such observations relate to the adequacy of control mechanism, recommendations for corrective actions and implementation of compliance-related matters. The Company's operations and strict adherence to the laid-down guidelines are also overseen by the Committee.

The implementation of SAP at all its units has ensured effective IT security and systems, ensuring real-time availability of information at various locations.

Human resources

We consider our people to be our most valuable resource, and their well-being and growth, are of primary importance to us. We create and maintain an environment wherein people are self-driven and have a sense of ownership and commitment. Nurturing the growth of our employees as well as empowering them to grow in line with organisational goals is the most important element of the organisation's culture, and hence we conducted 200 training programmes during the year. We created transparent human resource policies and continuously update our existing policies to match the needs of the everchanging business dynamics.

During FY 2019-20, we framed new strategies to attract and retain a mix of both fresh talent from renowned institutes, along with experienced personnel. As on 31st March 2020, the Company employed 1,790 people across all locations.

We have continued to improvise on several technical advancements in the human resource function that were carried out in the earlier years, including WEB MIS, updating of systematic training calendar and training of the Enablon software.

Besides work related training and programmes, some other activities undertaken for the welfare of our employees included:

- Celebrating 'International Yoga Day', wherein we conducted a one-week programme to encourage employees to take up yoga as a daily activity
- Celebrating 'World Food Safety Day', wherein the Management and the employees took a pledge to help prevent wastage of food and contribute to food security
- Like every year, we celebrated all the major festivals at our office and factory premises, organised health check-ups, besides conducting sports events

Environment, health and safety

We are completely aware of the impact of our operations on the environment and hence are committed towards strict adherence to the Environment, Health and Safety (EHS) norms and compliance standards set by the Government of India.

Green initiatives

Sugar manufacture is a water intensive industry along with high dependence on energy. Sugar manufacturing process produces effluents and it is mandatory to treat them before releasing them into the environment.

Below are some of the initiatives that we took up in FY 2019-20:

- Formed an inter-unit committee with the objective of minimising freshwater consumption. This is done by enhancing the use of recycled water and thereby reducing the water footprint
- Set up a standard operating procedure (SOP) for managing hazardous waste at all units
- Installed incineration boilers at all our distilleries as a step towards achieving 'zero liquid discharge'. Energy would be extracted from wastewater and the potash rich fly ash generated from these incineration boilers, would be used as a source of potash nutrition in agriculture

Green belt development

To contribute towards reducing air pollution levels, we have planted a total of 10,119 trees during the year, across all our units. We have created environment related posters and banners and put them up at prominent locations across all our units, for promoting environmental awareness among all our employees. Besides these, we celebrate World Environment Day every year by planting more trees and increasing green cover.

Environment initiatives

Environmental policy: Besides abiding by the local environmental regulations, our units have been strictly following the Wilmar guidelines as well and progressively implementing the 'Wilmar Environmental Policy'.

Environmental data management: From energy generation to energy consumption, water consumption to wastewater generation and its disposal, product generation to waste generation along with fuel consumption, everything is reported on a monthly basis.

Environmental gap assessment: We have initiated SPCC assessment at all our sites to locate the gaps, so that plans can be accordingly prepared, and necessary steps can be taken.

Health and safety

During the year, we continued our efforts towards strengthening health and safety activities for our employees and took up some new initiatives. All the sites of Shree Renuka Sugars have increased the visual safety awareness by means of posters.

The organisation actively conducted training sessions at all its sites which included:

- Certified first aid training
- LOTO training
- Enablon Training
- Work at height training
- Health risk trainings
- Electrical safety trainings

Implementation of Lock Out Tag Out (LOTO): This training enables the employees to protect themselves from harmful effects of hazardous energy.

Self-contained Breathing Apparatus (SCBA) Implementation: This apparatus aids the employees in breathing while performing work in a confined space.

Implementation of Road safety measure: Several safety measures were undertaken for road safety which promoted wearing of crash helmets and car safety belts. Besides, a road safety week was also celebrated at our sites.

Safety week celebrations: This was started by taking a safety oath and promising to abide by it. We organised

several competitions with respect to safety and its promotion, and prizes were distributed to the winners.

Fall protection safety: We undertook implementation of advanced fall protection systems in a phased manner at our all sites to ensure better safety of our employees.

Corporate social responsibility

As part of the society, we believe that it is very important to take active participation in the welfare of various sections of the society, where we have a presence. Shree Renuka Sugars believes in giving back to the society and honours the fact that its very existence is dependent on the existence of the society.

We have been active towards healthcare and organised polio camps for the surrounding villages. Considering clean drinking water, the utmost requirement of villagers, we donated RO plants, contributed towards drinking water pipeline layout, along with supplying drinking water from our sources. We took up the initiative of constructing 400 individual household toilets, cleaning of several ponds and towns, and tree plantation programmes. As a support to the villagers, we have also distributed cattle feed.

Besides donating school kits among the village children, we actively participated and donated funds towards various local villages' social and religious ceremonies as well as the White Desert programme. With the floods badly affecting many villages in Karnataka and Maharashtra, we came forward to help out by creating temporary accommodation, providing food facility and making several other donations. Even the employees of the organisation contributed a day's salary towards the CM relief fund and the organisation shared an amount equivalent to the total contribution by the employees towards the fund.

Board's Report

Dear Members,

The Board of Directors presents their Twenty-Fourth Annual Report and audited financial statements for the financial year ended 31st March 2020.

Standalone Financial Results

The highlights of the standalone financial results are as under:

(₹ in Million)		
Particulars	FY 2019-20	FY 2018-19
Total Income	46,474	44,703
Profit/(loss) before financial expenses, depreciation and exceptional items	501	4,248
Financial expenses	4,858	5,410
Depreciation	2,028	2,134
Profit/(loss) before provision for tax and exceptional items	(6,385)	(3,296)
Exceptional Items	(2,989)	667
Provision for taxation:		
- Income Tax relating to earlier years	26	-
- Deferred Tax / (Income)	2,090	(144)
Net Profit/(Loss)	(5,512)	(3,819)
Total comprehensive income/(loss)	(6,665)	(3,452)
Retained Earnings and Items of OCI brought forward from the previous year	(27,474)	(24,023)
Changes in Retained Earnings	(5,276)	(2,966)
Changes in Items of Other Comprehensive Income (OCI)	(1,389)	(485)
Closing Retained Earnings and Items of OCI	(34,139)	(27,474)

Operating Highlights

The Company received total income of ₹ 46,474 million for the year ended 31st March 2020 as against ₹ 44,703 million for the previous year. The EBITDA for the year under review stood at ₹ 2,077 million as compared to ₹ 3,993 million for the previous year, while the Net Loss stood at ₹ 5,512 million as compared to Net Loss of ₹ 3,819 million for the previous year. Analysis of operating performance is covered under Management Discussion and Analysis which forms part of this Report.

Dividend & Dividend Distribution Policy

As the Company has incurred losses during the year under review, your Directors have not recommended any dividend for the financial year ended 31st March 2020. The Dividend Distribution Policy of the Company may be accessed on the Company's website at www.renukasugars.com

Transfer to Reserves

Debenture Redemption Reserve (DRR) is created to the extent of 25% of the non-convertible debentures (NCDs) equally over the period till maturity of the NCDs, as per the requirements of the applicable laws. However, in view of losses incurred by the Company during the year under review, the Company has not created any DRR on the outstanding amount of NCDs.

The Company has not transferred any amount to reserves on account of the losses incurred during the financial year ended on 31st March 2020.

Fixed Deposits

During the year under review, your Company has not accepted any deposits from public within the meaning of Sections 73 and 74 of the Companies Act, 2013 (the "Act") and the Companies (Acceptance of Deposits) Rules, 2014.

Management Discussion and Analysis Report

The Management Discussion and Analysis (MDA) report on the business and operations of the Company is given in a separate section and forms part of this Annual Report.

Subsidiary Companies and Consolidated Financial Statements

As stipulated by Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Consolidated Financial Statements have been prepared by the company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements, together with Auditors' Report, form part of the Annual Report.

Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of each subsidiary, joint venture and joint operations in the prescribed Form AOC-1 is provided in the financial statements forming part of this annual report.

Pursuant to Rule 8 of the Companies (Accounts) Rules, 2014, the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company during the period under report is provided in the notes on consolidated financial statements forming part of this annual report.

Pursuant to Section 136 of the Act, the audited financial statements, including the consolidated financial statements and related information of the Company and accounts of each of the subsidiaries of the Company are available on the website of the Company at www.renukasugars.com. These documents will be made available to the Members for inspection at the Registered Office of the Company on all working days except Saturday, Sunday and public holidays, between 9.00 a.m. and 6.00 p.m. upto the date of the ensuing Annual General Meeting. The Company will make available the documents of the subsidiaries upon request by any member of the Company interested in obtaining the same.

During the year under review, no company became a subsidiary of the Company or Joint Venture or Associate Company, except as given herein below.

During the year under review, the Company sold its entire 82.9% stake in Shree Renuka Global Ventures Ltd. (SRGVL), a Mauritius based subsidiary of the Company, on 25th September 2019. As a consequence of this sale, SRGVL and all its Brazilian subsidiaries and its subsidiary in Sri Lanka - M/s. Lanka Sugar Refinery Co (Pvt) Ltd, ceased to be subsidiaries of the Company and are classified as associates with effect 25th September 2019.

The Company's Policy for Determining Material Subsidiaries may be accessed on the Company's website at www.renukasugars.com

Share Capital

During the year under review, there was no change in the paid-up share capital of the Company which stands at ₹ 1363,65,25,792 comprising of 191,68,19,292 equity shares of ₹ 1 each fully paid-up, 4,28,08,858 0.01% Optionally Convertible Preference Shares of ₹ 100 each fully paid-up and 7,43,88,207 0.01% Redeemable Preference Shares of ₹ 100 each fully paid-up. As on 31st March 2020, 99.79% of the total paid-up equity share capital of the Company stands in the dematerialized form.

Directors and Key Managerial Personnel

Pursuant to the provisions of Section 152 of the Act, Mr. Jean-Luc Bohbot (DIN: 06857132), Director of the Company, is proposed to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

The Board of Directors on recommendation of the Nomination & Remuneration/ Compensation Committee, has appointed Mr. Kuok Khoo Hong (DIN: 00021957) and Mr. Charles Loo Cheau Leong (DIN: 08737827) as an Additional Director with effect from 25th October 2019 and 1st June 2020 respectively, till the conclusion of the forthcoming Annual General Meeting. The Company has received a representation from shareholders recommending their appointment as Directors of the Company.

The tenure of Dr. B. V. Mehta (DIN: 00895163) as an Independent Director of the Company expires on 12th November 2020. The Nomination & Remuneration / Compensation Committee considered and recommended re-appointment of Dr. B. V. Mehta as an Independent Director for a second tenure of five (5) consecutive years which was approved by the Board of Directors at its meeting held on 7th July 2020.

The proposals for appointment/re-appointment of aforesaid Directors are being placed before the members for its approval.

The Board of Directors on recommendation of the Nomination & Remuneration/ Compensation Committee has approved the re-appointment of Mr. Vijendra Singh (DIN: 03537522) as Whole-time Director for a further period of 3 years with effect from 10th May 2020, subject to approval of the members at the next General Meeting. The proposal for re-appointment of Mr. Vijendra Singh is placed before the members for its approval in the Extraordinary General Meeting (EGM) of the Company

scheduled on 13th July 2020. Brief Resume of Mr. Vijendra Singh has been circulated to the members as part of the notice of EGM dated 19th June 2020.

Brief resumes of Mr. Charles Loo Cheau Leong, Mr. Kuok Khoo Hong, Mr. Jean-Luc Bohbot and Dr. B. V. Mehta seeking appointment/re-appointment, as stipulated under Regulation 36(3) of the Listing Regulations/ Secretarial Standard-2 on General Meetings, are given in AGM Notice, which forms part of this Annual Report.

Mr. Narendra Murkumbi and Mr. Stephen Ho Kiam Kong, Non-Executive Directors, ceased to be Directors of the Company consequent to their resignation effective from 25th October 2019 and 31st May 2020 respectively. The Board records its sincere appreciation for the valuable contribution made by them during their tenure with the Company.

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act and Listing Regulations adopted by the Board is appended as **Annexure 1** to the Board's Report. We affirm that the remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

As on date of this report, Mr. Atul Chaturvedi, Executive Chairman, Mr. Vijendra Singh, Whole-time Director, Mr. Sunil Ranka, Chief Financial Officer and Mr. Deepak Manerikar, Company Secretary, are the Key Managerial Personnel of the Company.

Performance Evaluation

Pursuant to the provisions of the Act, and Listing Regulations, the Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees. The performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors in their separate meetings. The Board of Directors expressed their satisfaction with the evaluation process.

Meetings of the Board

During the year, five meetings of the Board of Directors were held, the details of which are given in the report on Corporate Governance, which forms part of this Annual Report.

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Act:

- (a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with no material departures;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the loss of the Company for the year ended on that date;
- (c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors have prepared the annual accounts on a 'going concern' basis;
- (e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Auditors' Report

M/s. S R B C & CO LLP, Chartered Accountants (Firm Registration No. 324982E/E300003) were appointed as Statutory Auditors of the Company at the 21st AGM held on 21st December 2017, for a term of 5 consecutive years to hold office from the conclusion of the 21st AGM till the conclusion of 26th AGM. In accordance with Section 40 of the Companies (Amendment) Act, 2017, the appointment of Statutory Auditors is not required to be ratified at every AGM. Thus, M/s. S R B C & CO LLP will continue to hold office till the conclusion of 26th AGM.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

During the year, the Statutory Auditors had not reported any matter under Section 143(12) of the Act and therefore, no detail is required to be disclosed under Section 134(3) of the Act, except the remark in Clause iii (a) of Annexure 1 to the report of the Statutory Auditors on the standalone financial statements of the Company. The Board would like to state that the loans given by the Company to its subsidiary are in compliance with the requirements of Section 186 of the Companies Act, 2013, and the impact of the loans on the financial statements of the Company is not material.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board had appointed M/s. DVD & Associates, Practising Company Secretary (Membership No. F6055/CP No. 6515), to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March 2020 is annexed herewith at **Annexure 2** to this Report.

As per Regulation 24A of SEBI Listing Regulations, a material unlisted subsidiary of a listed Company is also required to undertake secretarial audit and annex the Secretarial Audit Report along with the Annual Report of the listed company. Accordingly, Secretarial Audit Report of Gokak Sugars Limited, a material unlisted subsidiary of the Company, conducted by M/s. DVD and Associates, Practising Company Secretary (Membership No. F6055/CP No. 6515), is annexed as part of this Report as **Annexure 2A**. The said report is also available on the website of the Company at www.renukasugars.com.

During the year, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act and therefore, no details are required to be disclosed under Section 134(3) of the Act.

Cost Auditors

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. B. M. Sharma & Co, Cost Accountants, as the Cost Auditor to audit the cost records for the financial year ending 31st March 2021. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s. B. M. Sharma & Co, Cost Accountants, forms part of Notice convening 24th AGM of the Company, along with relevant details, including the proposed remuneration.

In terms of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Act.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Information as per the Companies Act, 2013 and the rules framed thereunder relating to conservation of energy, technology absorption, foreign exchange earnings and outgo forms part of this Report and is annexed hereto at **Annexure 3**.

Corporate Governance

In compliance with the Regulation 34 read with Schedule V of Listing Regulations, a detailed report on Corporate Governance forms part of this Annual Report. A Certificate from the Practising Company Secretary confirming compliance of the conditions of Corporate Governance as stipulated under the Listing Regulations is appended to the Corporate Governance Report.

Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as **Annexure 4** to this Report.

Employee Stock Option Scheme

The Nomination & Remuneration/Compensation Committee of the Board of Directors of the Company, inter alia, administers and monitors the SRSL Employees Stock Option Plan-2011 ("Scheme") of the Company in accordance with applicable SEBI regulations. The disclosure relating to the Scheme and other relevant details are available on the Company's website at www.renukasugars.com

During the year under review, the Company has not granted any fresh Stock Options to the employees.

Contracts and Arrangement with Related Parties

All Contracts/arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis except for the Contracts/arrangements referred in Form AOC-2 annexed hereto as **Annexure 5**. The details of transactions with related parties are given in notes to the financial statements. Details showing the disclosure of transactions with related parties as required under Ind AS-24 and 2A of Schedule V of SEBI Listing Regulations are set out in the financial statements.

The Company's Policy on Related Party Transactions may be accessed on the Company's website at www.renukasugars.com

Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given, securities provided and investments made are provided in the notes to the financial statements.

Corporate Social Responsibility

Your Company is committed to Corporate Social Responsibility (CSR) by catering to the needs of the weaker sections of the society. Pursuant to the provisions of the Section 135 of the Act, your Company has constituted a CSR Committee of the Board of Directors to monitor the CSR activities of the Company. The details relating to the CSR Committee are described in the Corporate Governance Report forming part of this Annual Report. The CSR Policy of the Company may be accessed on the Company's website at www.renukasugars.com

The report on the CSR activities is appended at **Annexure 6** to the Board's Report.

Investor Education and Protection Fund (IEPF)

Pursuant to the applicable provisions of the Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (the IEPF Rules), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF; established by the Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the demat account of the IEPF Authority. During the year, no unclaimed and unpaid dividends amount/shares were due for transfer to IEPF. The details of unclaimed/unpaid dividends and shares transferred to IEPF are available on the website of the Company at www.renukasugars.com

Annual Return

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the extract of the annual return for FY 2019-20 is given in **Annexure 7** in the prescribed Form No. MGT-9, which forms part of this report. The same is available on Company's website at www.renukasugars.com.

Risk Management & Internal Financial Controls

The Company has adopted a Risk Management Policy which is reviewed on a periodic basis in order to recognize, assess and reduce exposure to risks wherever possible.

The Company's Risk Management Policy is based on the philosophy of achieving substantial growth while mitigating and managing risks involved. The Company's internal control systems with reference to the financial statements are adequate and commensurate with the nature of its business and the size and complexity of its

operations. Periodic audits and checks are conducted and the controls to prevent, detect and correct any irregularities in the operations have been laid down by the Company.

Whistle Blower Policy

Pursuant to Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015, and the Act, the Company has in place a Whistleblower Policy/Vigil Mechanism to deal with unethical behavior, victimisation, fraud and other grievances or concerns of directors, employees and stakeholders. The Whistleblower Policy can be accessed on the Company's website at www.renukasugars.com

Prevention of Sexual Harassment at Workplace

The Company has complied with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("the Act") and Rules made thereunder. During the year, there were no complaints received by the Company under the Act.

Human Resources (HR)

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

Material Changes & Events after Balance Sheet Date

COVID 19

The Covid-19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments has impacted business in general. However, since the Company is engaged in the manufacture of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which falls under the category of essential commodities, there was no material impact on the business of the Company. The operations of the Company are being carried out in the normal course in accordance with the directives issued by the Ministry of Home Affairs.

Company's 7 sugar plants in the state of Karnataka (5 nos.) & Maharashtra (2 nos.) had completed their crushing season and hence, there was no impact on the same. Even though the exports have been sluggish on account of slow movement of dispatches from ports, our sugar refinery operation has not been impacted and is continuing in a planned way.

Company's 4 cogeneration power plants are in operation to support the distillery and sugar refining activities in the states of Karnataka and Gujarat.

All 3 distilleries of the Company have been continuing with their operations, as planned, in the lock-down period.

Owing to the lock-down, demand for sugar was sluggish, however, as the sugar is sold as per the allotted quota, the impact on business is minimal. With the opening of lockdown, the demand of sugar is gradually rising to its normal level. In the distillery segment, off-take has been reduced by the Oil Marketing Companies, however, your Directors believe that the full contracted quantity will be delivered during the contract period. Supply of potable alcohol has been sluggish due to supply chain disruptions of liquor in the country.

The employees of the corporate office worked as per "Work from Home" policy. The Registered office of the Company has resumed functioning with minimum strength as per the guidelines of the State Government. The Company is complying with all the norms related to social distancing, thermal scanning, wearing of face mask, proper sanitization and hygiene at all its locations including factories to ensure smooth functioning of operations.

The Company does not foresee any significant impact on the operational results and the financial health as sugar and the allied products which the Company is manufacturing are all essential commodities and, as such, demand of the products will return to its normal level, to a large extent, as and when the lockdown gets lifted.

Company's capital and financial resources are well placed and have not been impacted because of the Covid-19. All the debts/installments/interests/dues as per repayment schedule have been made even during this lock-down period without any extensions/defaults and the Company does not foresee any difficulty in meeting its future financial commitments as well.

The Company is well positioned to fulfill its obligations under the contracts and also does not foresee any problem in respect of its agreements including contracts for export of sugar, sale of ethanol and power where the non-fulfilment of obligations by any party would lead to any material impact on the business of the Company.

OTHER EVENTS

In the meeting of the Board of Directors held on 3rd June 2020, the Board approved borrowing of USD 300 Million

from Wilmar Sugar Holdings Pte Ltd. (Holding Company). This borrowing will be used by the Company to refinance its existing debts and to meet working capital requirements and general corporate purposes of the Company. Being a material related party transaction, the Company has sought approval of the shareholders to the aforesaid borrowing, in the Extraordinary General Meeting of the shareholders scheduled on 13th July 2020, the notice of which has been dispatched to all the shareholders on 20th June 2020.

Other Disclosures/Reporting

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review.

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Appreciation & Acknowledgements

The Board wishes to place on record its 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 the trust and confidence reposed on the Company. The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

For and on behalf of the Board

Atul Chaturvedi

Executive Chairman

DIN: 00175355

7th July 2020, Mumbai

Annexure 1

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration/ Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors of the Company.

1. DEFINITIONS

- 1.1 "Act" means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- 1.2 "Board of Directors" or "Board", in relation to the company, means the collective body of the Directors of the Company.
- 1.3 "Committee" or "NRC" means Nomination and Remuneration/Compensation Committee of the Company as constituted or reconstituted by the Board.
- 1.4 "Company" means "Shree Renuka Sugars Limited".
- 1.5 "Managerial Personnel" means Managerial Personnel or Persons, applicable under Section 196 and other applicable provisions of the Companies Act, 2013.
- 1.6 "Policy" or "This policy" means Nomination and Remuneration Policy.
- 1.7 "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- 1.8 "Independent Director" means a Director referred to in Section 149 of the Companies Act, 2013 and the Listing Agreement entered into by the Company with the Stock Exchanges.
- 1.9 "Key Managerial Personnel" (KMP) means
 - a) The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
 - b) The Company Secretary and
 - c) The Chief Financial Officer

- 1.10 "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.

2. OBJECTIVE

The Nomination and Remuneration/Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement entered into by the Company with the Stock Exchanges or any other applicable law(s) or regulation(s). The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

- 2.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 2.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- 2.3 Formulation of criteria for evaluation of Independent Directors and the Board.
- 2.4 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 2.5 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 2.6 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- 2.7 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.8 To develop a succession plan for the Board and to regularly review the plan.
- 2.9 To assist the Board in fulfilling responsibilities.
- 2.10 To implement and monitor policies and processes regarding principles of corporate governance.

3. APPOINTMENT AND REMOVAL OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT

3.1 Appointment Criteria and Qualifications:

- 3.1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
- 3.1.2 A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
- 3.1.3 Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Act read with Schedule IV and rules thereunder and the Listing Agreement entered into by the Company with the Stock Exchanges.
- 3.1.4 The Company shall not appoint or continue the employment of any person as Managerial Personnel who has attained the age of 70 years. Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 70 years.

4. TERM/TENURE

4.1 Managerial Personnel:

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

4.2 Independent Director:

An Independent Director shall hold office for a term up to 5 consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and Disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than 2 consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of 3 years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted as per the provisions of the Act and Listing Agreement, as amended from time to time.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

5. RETIREMENT

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company.

The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. EVALUATION

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

7. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

8. REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT

- 8.1 The Remuneration/Compensation Commission etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration/Compensation/Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- 8.2 The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- 8.3 Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
- 8.4 If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- 8.5 If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- 8.6 Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel subject to the provisions of the Act.

- 8.7 Only such Employees/Directors of the Company and its subsidiaries as approved by the Nomination and Remuneration/Compensation Committee will be granted ESOPs.

9. REMUNERATION TO NONEXECUTIVE/ INDEPENDENT DIRECTORS

9.1 Remuneration/Commission:

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

9.2 Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013 per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

9.3 Limit of Remuneration/Commission:

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1%/3% of the net profits of the Company, respectively or such other limits as may be prescribed.

10. DUTIES IN RELATION TO NOMINATION MATTERS

The duties of the Committee in relation to nomination matters include:

- 10.1 Determining the appropriate size, diversity and composition of the Board;
- 10.2 Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- 10.3 Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- 10.4 Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- 10.5 Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

- 10.6 Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- 10.7 Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- 10.8 Recommend any necessary changes to the Board; and
- 10.9 Considering any other matters, as may be requested by the Board.

11. DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- 11.1 Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

- 11.2 Approving the remuneration of the Directors, Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay, if any, reflecting short and long term performance objectives appropriate to the working of the Company.
- 11.3 Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- 11.4 Considering any other matters as may be requested by the Board.

12. REVIEW AND AMENDMENT TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration/ Compensation Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure 2

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

To,

The Members

SHREE RENUKA SUGARS LIMITED

2nd and 3rd Floor, Kanakashree Arcade,
CTS No. 10634, JNMC Road, Nehru Nagar,
Belagavi 590010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by M/s. SHREE RENUKA SUGARS LIMITED (hereinafter called "the Company").

The Secretarial Audit was conducted for the period from 1st April 2019 to 31st March 2020, in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of the following list of laws and regulations. These documents were examined on computer using audio visual means because of the lockdown. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The physical verification of certain documents was not possible due to lockdown condition in India during the Audit period. The following are our observations on the same:

(i) The Companies Act, 2013 (the Act) and the Rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act,

2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under: The Company has complied with the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA').

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:

The Company is a listed public company the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings and there are no discrepancies observed by us during the period under review.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable for the period under review);

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable for the period under review);

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable for the period under review);
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable for the period under review);

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company.

I further report that, as per the opinion of the officers of the Company and information provided by them there are following specific applicable laws on the basis of activities of the Company have been substantially complied with:

- a. Sugar Cess Act, 1982
- b. The Sugar (Control) Order, 1966
- c. The Sugarcane (Control) Order, 1966
- d. FSSA, 2006
- e. Essential Commodities Act, 1955
- f. Indian Boilers Act, 1923
- g. The Electricity Act, 2003
- h. The Legal Metrology Act, 2009

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. The Company has duly complied with the Secretarial Standards for the period under review.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited, Mumbai in respect of Shares issued by the Company and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:-

There are adequate systems and processes in the company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period there were no major decisions, specific events/ actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except the following:

- a. There was a Show Cause Notice issued by IEPF authorities in respect of transfer of shares to IEPF to which the Company has replied satisfactorily and there were no further queries raised by them till the date of issue of this report.
- b. There was a Notice issued by Enforcement Director under FEMA to which the Company has replied satisfactorily and there were no further queries raised by them till the date of issue of this report.
- c. Board has given its in- principle approval for the merger of Shree Renuka Sugars Limited with Gokak Sugars Limited.
- d. During the year company adopted new set of Articles of Association.
- e. There was a re-classification of authorized share capital and consequent alteration to the Capital Clause of the Memorandum of Association from ₹ 25,15,00,00,000/- divided into 2,90,00,00,000 Equity Shares of Re. 1/- each; 51,01,41,365 0.01% Compulsory Convertible Preference Shares of ₹ 16.27/- each; 9,40,00,000 0.01% Redeemable Preference Shares of ₹ 100/- each and 4,55,00,000 0.01% Optionally Convertible Preference Shares of ₹ 100/- each to ₹ 25,15,00,00,000/- divided into 8,00,00,00,000 Equity Shares of Re. 1/- each and 17,15,00,000 Preference Shares of ₹ 100/- each on 19th July 2019.

- | | |
|---|--|
| <p>f. Company ceased to hold more than 50% control over Shree Renuka Global Ventures Limited, Mauritius (SRGVL), an indirect wholly owned subsidiary of the Company incorporated in Mauritius.</p> <p>g. Company has taken approval for issuing 1,25,00,000, 5% Redeemable Cumulative Preference Shares (RCPS) having face value of ₹ 100 through private placement basis by conversion of Non-Convertible Debentures(NCDs). Issuance of the RCPS is pending as on the date of this report.</p> <p>h. The Company has passed following resolutions under the Postal ballot method on 19th July 2019:</p> <p style="padding-left: 20px;">a. Adoption of new set of Articles of Association</p> <p style="padding-left: 20px;">b. Reclassification of Authorised Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association</p> <p style="padding-left: 20px;">c. Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs)</p> <p style="padding-left: 20px;">d. Re-appointment of Mr. Surender Kumar Tuteja as an Independent Director</p> <p style="padding-left: 20px;">e. Re-appointment of Mr. Bhupatrai Premji as an Independent Director</p> | <p>f. Re-appointment of Mr. Dorab Mistry as an Independent Director</p> <p>g. Appointment of Ms. Priyanka Mallick as an Independent Director</p> <p>h. Appointment of Mr. Atul Chaturvedi as Executive Chairman</p> <p>i. Revision of remuneration of Mr. Vijendra Singh, Whole-time Director</p> <p>j. Approval for material related party transactions</p> <p>k. Approval for Loan to Gokak Sugars Limited</p> <p>l. Cease to exercise control over the subsidiary</p> |
|---|--|

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Devendra Deshpande

FCS No. 6099

CP No. 6515

Place: Pune

Date: 07.07.2020

UDIN: F006099B000423956

ANNEXURE A

To,
The Members
SHREE RENUKA SUGARS LIMITED
2nd and 3rd Floor, Kanakashree Arcade,
CTS No. 10634, JNMC Road, Neharu Nagar,
Belagavi Belgaum 590010

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

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

FOR **DVD & ASSOCIATES**
COMPANY SECRETARIES

Devendra Deshpande
FCS No. 6099
CP No. 6515

Place: Pune
Date: 07.07.2020
UDIN: F006099B000423956

Annexure 2A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

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

To,
The Members
Gokak Sugars Limited
238, 263, Kolavi
Taluka Gokak, Karnataka 591344

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Gokak Sugars Limited (Hereinafter called "the Company").

Secretarial Audit was conducted for the period from April 1, 2019 to March 31, 2020, in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act and the laws specifically listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of the following list of laws and regulations mentioned hereunder, virtually due to COVID 19 pandemic. The documents provided to us were treated as final for verification purposes as per the declaration given by the Management of the Company. The following are our observations on the same::

- (i) The Companies Act, 2013 (the Act) and the rules made there under: The Company has satisfactorily complied with the provisions of the Companies Act 2013 and the Rules made there under and there are no discrepancies observed by us during the period under review.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under: The

Company is an unlisted Company and therefore provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') are not applicable.

- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under: The company is a unlisted public company and around 93.59 % of the shares are in dematerialised form and the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) The Company has satisfactorily complied with the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and there are no discrepancies observed by us during the period under review. There was no allotment of shares or the Company has not availed any External Commercial Borrowings during the year.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 Not Applicable
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; Not Applicable
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
- ii. The Company being an unlisted Company the clauses of Listing agreement / SEBI (Listing Obligations and Disclosure Requirements), 2015 are not applicable.

We further report that:-

There are adequate systems and processes in the Company commensurate with its size & operation to monitor and ensure compliance with applicable laws including general laws, labour laws, competition law and environmental laws.

The Board of Directors of the Company is duly constituted with proper balance of appointment of Independent Directors as required by Section 149 of the Companies Act, 2013.

Adequate notice is given to all directors about the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. All decisions at Board Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.

We further report that during the audit period there were no major decisions, specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

FOR DVD & ASSOCIATES
COMPANY SECRETARIES

Devendra Deshpande
FCS No. 6099
CP No. 6515

Place: Pune
Date: 30/06/2020
UDIN: F006099B000399393

The Company is an unlisted Company and therefore provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable.

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

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- a. Sugar Cess Act, 1982
- b. The Sugar (Control) Order, 1966
- c. The Sugarcane (Control) Order, 1966
- d. FSSAI, 2006
- e. Essential Commodities Act, 1955
- f. Indian Boilers Act, 1923
- g. The Electricity Act, 2003
- h. The Legal Metrology Act, 2009

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India have been followed by the Company.

ANNEXURE A

To,
The Members
Gokak Sugars Limited
238, 263, Kolavi,
Taluka Gokak, Karnataka 591344

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

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

FOR **DVD & ASSOCIATES**
COMPANY SECRETARIES

Devendra Deshpande
FCS No. 6099
CP No. 6515

Place: Pune
Date: 30/06/2020
UDIN: F006099B000399393

Annexure 3

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

(i) Steps taken for conservation of energy

Athani Plant:

- 1) Installed all types of LED Fittings & lamps 100% in 75TPH Boiler/ 8MW TG & in existing sugar/power replacing with LED instead of mercury vapor lamps resulting in saving of 40 Kwh/hr.
- 2) Installed Capacitors banks at MCC end 2x50KVAR for Leveller motor, 1x30KVAR for intermediate pump, 1x100KVAR for clarification MCC #2 & 1x150KVAR for refinery MCC to increase power factor to 0.9, thereby reducing cable losses & to improve power factor.
- 3) Digital timers for lighting system in the plant implemented to control the consumption.
- 4) Welding machines are provided with power switch for safety & equipped to make switch ON/OFF after office hours.

Munoli Plant:

- 1) Installed capacitor banks of 1x50KVAR in cane handling equipment's to improve power factor to 0.85.
- 2) Installed 25 Nos LED fitting in various section of different capacity which will lead to saving of 4 kwh/hr.

Havalga Plant:

- 1) Installed all types of LED Fittings & lamps 100% in 75TPH Boiler/ 8MW TG & in existing sugar/power replacing with LED instead of mercury vapor lamps resulting in saving of 32 Kwh/hr.

Kolavi Plant:

- 1) Installed Capacitors banks 1x50KVAR for Leveller motor, 1x100KVAR for Mill House MCC, 2x100KVAR for clarification MCC/ Cooling tower MCC & 3x25KVAR for Boiler feed water pumps to increase power factor to 0.9.
- 2) Energy saver sets are fixed to two welding Machines on trial basis, thus saving energy 2Kwh/day.

- 3) Timers are fitted to streetlights.
- 4) Distribution transformer changed from 3.15 MVA to 1.5 MVA during off season to reduce No load /Full load losses, thus saving energy by 2.5Kwh/hr.
- 5) Installed 20 Nos LED fitting in sugar house section of 20W capacity which will lead to saving of 0.28 kwh/hr.
- 6) Air Heating of Sugar drying Air by Second body condensate in place of Exhaust steam to save about 0.1 % steam on Cane.
- 7) B/ C –sugar melting by clarified syrup instead of water to reduce the load of water addition to pan through melt (0.2 % savings)

Panchaganga Plant:

200 watt LED lighting fixtures – 22 Nos installed instead of 400 watt HPMV (High Pressure Mercury Vapour Lamps), resulting in power saving of 4.4 Kwh/hr.

Kandla Refinery

1. Reduced steam from 0.69 to 0.61 tons per ton of raw sugar by installing DCH to utilize heat from the pan vapours and other waste heat recovery system.

B. Technology Absorption

- (i) Efforts made towards technology absorption: NIL
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) Details regarding imported technology (imported during last three years reckoned from the beginning of the financial year): NIL
- (iv) Expenditure incurred on Research and Development: NIL

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earned: ₹ 29,586.32 Mn

Outgo of Foreign Exchange: ₹ 13,795.62 Mn

Annexure 4

Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for FY 2019-20 (₹ in Million)	% increase in Remuneration in FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
1.	Mr. Atul Chaturvedi Executive Chairman	32.50	NA	118.61
2.	Mr. Vijendra Singh Executive Director	32.44	NA	118.39
3.	Mr. Kuok Khoon Hong Additional Director (Non-Executive) (w.e.f. 25.10.2019)	-	NA	-
4.	Mr. Jean-Luc Bohbot Non-Executive Director	-	NA	-
5.	Mr. Stephen Ho Kiam Kong Non-Executive Director	-	NA	-
6.	Mr. Madhu Rao* Independent Director	5.25	NA	19.16
7.	Mr. S. K. Tuteja* Independent Director	4.75	NA	17.34
8.	Mr. Dorab Mistry* Independent Director	-	NA	-
9.	Mr. Bhupatrai Premji* Independent Director	3.25	NA	11.86
10.	Dr. B. V. Mehta* Independent Director	2.00	NA	7.30
11.	Ms. Priyanka Mallick* Independent Director	2.50	NA	9.12
12.	Mr. Rajeev Kumar Sinha# Nominee Director (w.e.f. 06.08.2019)	1.00	NA	3.65
13.	Mr. Narendra Murkumbi Non-Executive Director (Up to 25.10.2019)	-	NA	-
14.	Mr. Sunil Ranka Chief Financial Officer	20.45	5%	76.64
15.	Mr. Deepak Manerikar Company Secretary	2.79	NA	10.18

* Remuneration to Independent Directors consists only of sitting fees paid for FY 2019-20.

Constitutes sitting fees paid to IDBI Bank Ltd.

- The median remuneration of employees of the Company during the financial year was ₹ **2,74,560/-**.
- In the financial year, there was an increase of 6.91% in the median remuneration of employees.
- The number of permanent employees on the rolls of Company as on 31st March 2020 were **1790**.

5. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 7.3% and increase in the managerial remuneration was by 3.84%. Increments in remuneration of employees are as per the appraisal / Remuneration Policy of the Company.
6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
7. Information relating to particulars of employees under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as under:

(i) The name of top ten employees in terms of remuneration drawn:

Sr. No.	Name and Designation	Remuneration Received (₹ in Million)	Qualifications	Total Experience (No. of years)	Date of Commencement of Employment	Age in Year	Previous Employment
1.	Atul Chaturvedi - Executive Chairman	32.50	Post graduate from St. Johns College (Agra University)	39	02-Jul-18	64	Adani Wilmar Ltd
2.	Vijendra Singh - Executive Director	32.44	B. Sc., PGD (SUGAR TECH)	36	15-Sep-10	60	Bajaj Hindustan Ltd.
3.	Sunil Ranka - Chief Financial Officer	20.45	LLB, B.Com, CA, ICWA, CS	34	18-Apr-18	57	Suzlon Energy Ltd
4.	Ravi Gupta - President (Corporate)	16.50	B.Com, MBA	29	01-May-13	50	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu - President (Marketing & OD)	13.36	MBA	34	01-Jun-18	58	Adani Wilmar Ltd
6.	Shripad Nerlikar - Executive Director (Cane)	11.27	B.Sc. (AGRI)	43	01-Oct-03	64	Halasidhanath SSK Ltd
7.	Jitendra Sharma - Senior Vice President (HR)	7.49	LLB, LLM, PGDM	23	07-Jan-19	45	NSL Sugars Limited
8.	Venkateshwarlu Yelisetty - Vice President (Accounts & MIS)	7.01	B.COM, CA	19	04-Oct-18	48	United Spirits Ltd
9.	Lalit Garg - Head (Management Audit & Assurance System)	6.25	B.COM, CA	36	04-Jul-18	61	Adani Wilmar Ltd
10.	Vipin Kumar Rathi -Vice President (Operations)	6.06	B.SC, ANSI (SUGAR TECH)	29	16-Aug-18	50	Bajaj Hindustan Limited

(ii) Employed throughout the financial year, was in receipt of remuneration for that year which, in aggregate, was not less than ₹ 1,02,00,000/-

(₹In Million)

Sr. No.	Name and Designation	Remuneration Received (₹ in Million)	Qualifications	Total Experience (No. of Years)	Date of commencement of Employment	Age in Year	Previous Employment
1.	Atul Chaturvedi - Executive Chairman	32.50	Post graduate from St. Johns College (Agra University)	39	02-Jul-18	64	Adani Wilmar Ltd
2.	Vijendra Singh - Executive Director	32.44	B. Sc., PGD (SUGAR TECH)	36	15-Sep-10	60	Bajaj Hindustan Ltd.
3.	Sunil Ranka - Chief Financial Officer	20.45	B.Com, LLB, CA, ICWA, CS	34	18-Apr-18	57	Suzlon Energy Ltd
4.	Ravi Gupta - President (Corporate)	16.50	B.Com, PGD,(Forestry Management)	29	01-May-13	50	Noble Natural Resource India Pvt. Ltd.
5.	Satbir Singh Sindhu - President (Marketing & OD)	13.36	MBA	34	01-Jun-18	58	Adani Wilmar Ltd
6.	Shripad Nerlikar - Executive Director (Cane)	11.27	B.Sc. (AGRI)	43	01-Oct-03	64	Halasidhanath SSK Ltd

(iii) Employed for the part of the year, was in receipt of remuneration in aggregate not less than ₹ 8,50,000/- per month

(₹ In Million)

Sr. No.	Name and Designation	Remuneration Received (₹ in Million)	Qualifications	Total Experience (No. of Years)	Date of commencement of Employment	Age in Years	Previous Employment
1.	Sanjai kumar Singh - General Manager (Power Plant)	4.11	DIPLOMA (MECH), AMIE (A&B), BOE	19	21-Apr-11	50	DSCL Sugar, Ajbapur

Annexure 5

Particulars of contracts / arrangements made with related parties

Form No. AOC-2

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

A. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2020, which were not at arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended 31st March 2020, approved by the Board of Directors on 7th July 2020 are as follows:

Name of related party and Nature of relationship	Nature of Contract	Duration of contract	Salient terms*	Amount received as advance
Monica Trading Private Limited (Wholly Owned Subsidiary)	Loan of ₹ 87 Lakhs	120 months	Unsecured Loan at an interest of 11% p.a. repayable with interest, after 12 months of disbursal.	NA
Wilmar Sugar India Private Limited	Renting of office space	36 months	Rent: ₹ 12000 per month. Deposit: ₹ 24000.	NA

*Appropriate approvals have been taken for related party transactions.

Annexure 6

Annual report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20 (Pursuant to Section 135 of the Companies Act, 2013)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The CSR Policy of the Company covers the proposed CSR activities in line with Section 135 of the Companies Act, 2013 and the Schedule VII thereto. The CSR Policy of the Company may be accessed on the Company's website at www.renukasugars.com.

2. The composition of the CSR Committee as on 31st March 2020

Mr. Surender Kumar Tuteja, Chairman

Mr. Jean-Luc Bohbot, Member

Mr. Atul Chaturvedi, Member

3. Average net profit of the Company for last three financial years

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative. Accordingly, the Company was not required to spend any CSR Expenditure during the financial year 2019-20.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

Nil

5. Details of CSR spent during the financial year

a) Total amount to be spent for the financial year: Nil

b) Amount un-spent, if any: Not Applicable

c) Manner in which the amount spent during financial year, is detailed below:

1	2	3	4	5	6	7	8
Sr. No.	CSR Project or Activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (1) Direct Expenditure on projects or programs (2) Overhead	Cumulative Expenditure upto the reporting period	Amount spent: Direct or through implementing agency
Not Applicable							

6. In case the Company has failed to spend the two per cent of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report

Not Applicable

7. Responsibility statement of the CSR Committee

CSR Committee confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

Date: 7th July 2020

Surender Kumar Tuteja
Chairman - CSR Committee
Place: Delhi

Atul Chaturvedi
Member - CSR Committee
Place: Ahmedabd

Annexure 7

Extract of Annual Return

Form MGT-9

As on financial year ended 31st March 2020

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

I. Registration and other details

i. CIN	L01542KA1995PLC019046
ii. Registration Date	25 th October, 1995
iii. Name of the Company	Shree Renuka Sugars Limited
iv. Category/Sub-Category of the Company	Public Company/Limited by Shares
v. Address of the Registered Office and contact details	2 nd & 3 rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi, Karnataka – 590010, India Tel. No.: +91-831-2404000 Website: www.renukasugars.com
vi. Whether listed Company	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel. No.: +91-40-6716 1524 Fax No.: +91-40-6716 1680/2300 1153 Website: www.kfintech.com

II. Principal business activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Name and Description of main products/ services	NIC Code of the product/service	% to total turnover of the Company#
Sugar	10721	78.85

On the basis of Gross Turnover

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Wilmar Sugar Holdings Pte. Ltd.	56, Neil Road, Singapore – 088830	-	Holding	58.34%	2(46)
2.	Gokak Sugars Limited	238, 263, Kolavi, Gokak, Belagavi - 591344, Karnataka.	U15429KA2000PLC026433	Subsidiary	93.64	2(87)(ii)
3.	KBK Chem- Engineering Private Limited	1 st & 2 nd Floor, Survey No.1/10 to 16, Amachi Colony, Plot No. 33 & 34, Bavdhan Khurd, NDA- Pashan Road, Pune - 411021. Maharashtra.	U74210PN1997PTC111151	Subsidiary	100	2(87)(ii)
4.	Monica Trading Private Limited	7 th Floor, Devchand House, Shiv Sagar Estate, Dr. Annie Besant Road, Worli, Mumbai - 400018.	U51502MH2006PTC163752	Subsidiary	100	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
5.	Shree Renuka Tunaport Private Limited	2 nd & 3 rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagur, Belagavi, Karnataka – 590010, India	U45205KA2013PTC067486	Subsidiary	100	2(87)(ii)
6.	Shree Renuka Agri Ventures Limited	2 nd & 3 rd Floor, Kanakshree Arcade, CTS No. 10634, JNMC Road, Nehru Nagur, Belagavi, Karnataka – 590010, India	U15330KA2008PLC047205	Subsidiary	100	2(87)(ii)
7.	Renuka Commodities DMCC	24k, AU Gold Tower, Jumeirah Lakes Tower, Sheikh Zayed Road, Dubai, U.A.E.	-	Subsidiary	100	2(87)(ii)
8.	Shree Renuka East Africa Agriventures PLC	House No. New, Dire Dawa Building, Woreda: 3, Kirkos Sub- City, Addis Ababa, Ethiopia.	-	Subsidiary	100	2(87)(ii)
9.	Shree Renuka Global Ventures Ltd.	IFS Court, Twenty Eight, Cyber City, Ebene, Mauritius.	-	Subsidiary	100	2(87)(ii)
10.	Lanka Sugar Refinery Company (Private) Limited	RNH House No. 622B, Kotte Road, Kotte, Sri Lanka.	-	Subsidiary	100	2(87)(ii)
11.	Shree Renuka do Brasil Participações Ltda.	Nove de Julho Avenue, 5519, 5th floor, Jardim Paulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.	-	Subsidiary	100	2(87)(ii)
12.	Shree Renuka São Paulo Participações Ltda.	Nove de Julho Avenue, 5519, 5th floor, Jardim Paulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.	-	Subsidiary	100	2(87)(ii)
13.	Renuka do Brasil S/A	Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP. CNPJ: 43.932.102/0005-81	-	Subsidiary	59.41	2(87)(ii)
14.	Revati S.A- Acucar e Alcool	at CRD-339 Local Road, Coroados- Brejo Alegre, no number, Rural Areal, Zip Code: 16.265-000, in the city of Brejo Alegre/SP	-	Subsidiary	59.41	2(87)(ii)
15.	Renuka Geradora de Energia Elétrica Ltda.	Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP	-	Subsidiary	59.41	2(87)(ii)
16.	Renuka Cogeração Ltda.	Marechal Rondon Road, Km 455 - Bairro Patos, Água Branca Farm, Zip Code: 16.370-000 CP 01, in the city of Promissão/SP	-	Subsidiary	59.41	2(87)(ii)

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
17.	RevatiGeradora de Energia Elétrica Ltda.	CRD-339 Local Road, Coroados- BrejoAlegre, no number, Rural Areal, Zip Code: 16.265-000, in the city of BrejoAlegre/SP	-	Subsidiary	59.41	2(87)(ii)
18.	RevatiAgropecuaria Ltda.	FazendaÁguasClaras, Estrada Municipal CRD-339, Coroados a BrejoAlegre, s/n, in the city of BrejoAlegre, State of São Paulo, Zip code 16265-000	-	Subsidiary	59.41	2(87)(ii)
19.	Apoena Logistica E Comercio De Productos Agricolas Ltda.	Nove de Julho Avenue, 5519, 5th floor, JardimPaulista, Zip Code: 01.406-200, in the city of São Paulo/ SP.	-	Subsidiary	100	2(87)(ii)
20.	Renuka Vale do IVAI S/A	Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR	-	Subsidiary	100	2(87)(ii)
21.	Ivaicana Agropecuaria Ltda.	Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR	-	Subsidiary	100	2(87)(ii)
22.	Biovale Comercio de Leveduras Ltda.	Marisa Road, Km 03, Rural Zone, Zip Code 86945-000, in city of São Pedro do Ivaí/ PR	-	Subsidiary	100	2(87)(ii)

Note: Consequent to the sale by the Company of its entire stake in Shree Renuka Global Ventures Ltd., Mauritius (SRGVL) on 25th September 2019, SRGVL ceased to be the subsidiary of the Company. Consequently, companies mentioned at sr. nos. 10 to 22, being subsidiaries of SRGVL, also ceased to be subsidiaries of the Company with effect from 25th September 2019, and all the aforesaid companies are classified as Associates with effect from that date.

IV. Shareholding pattern (Equity Share Capital breakup as percentage of total Equity)

i) Category -wise Shareholding

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR(1.4.2019)				NO. OF SHARES HELD AT THE END OF THE YEAR(31.3.2020)				% CHANGE DURING THE YEAR FY 2019-20
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	65,158	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	0	0	0	0.00	0	0	0	0.00	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0	0.00
(b)	Bodies Corporate	111,82,04,751	0	111,82,04,751	58.34	111,82,04,751	0	111,82,04,751	58.34	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	111,82,04,751	0	111,82,04,751	58.34	111,82,04,751	0	111,82,04,751	58.34	0.00

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR(1.4.2019)				NO. OF SHARES HELD AT THE END OF THE YEAR(31.3.2020)				% CHANGE DURING THE YEAR FY 2019-20
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
	Total A=A(1)+A(2)	111,82,04,751	0	111,82,04,751	58.34	111,82,04,751	0	111,82,04,751	58.34	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	0	0	0	0.00	65158	0	0	0.00	0.00
(b)	Financial Institutions /Banks	49,75,39,400	-	49,75,39,400	25.96	48,31,88,627	-	48,31,88,627	25.21	-0.75
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	1,14,33,550	-	1,14,33,550	0.60	4,71,000	-	4,71,000	0.02	-0.57
(g)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0.00
(h)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(j)	Others	2,93,86,497	0	2,93,86,497	1.53	2,93,86,497	0	2,93,86,497	1.53	0.00
	Sub-Total B(1) :	53,83,59,447	-	53,83,59,447	28.09	51,31,11,292	-	51,31,11,292	26.77	-1.32
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	2,34,35,951	-	2,34,35,951	1.22	1,75,78,993	-	1,75,78,993	0.92	-0.31
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	17,49,20,222	51,07,533	18,00,27,755	9.39	18,82,36,438	36,67,690	19,19,04,128	10.01	0.62
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	3,36,11,707	4,35,000	3,40,46,707	1.78	5,93,03,448	4,35,000	5,97,63,448	3.10	1.33
(c)	Others									
	CLEARING MEMBERS	7,69,122	-	7,69,122	0.04	19,55,662	-	19,55,662	0.10	0.06
	DIRECTORS	1,08,99,905	-	1,08,99,905	0.57	4,58,000	-	4,48,000	0.03	-0.55
	NON RESIDENT INDIANS	43,31,993	-	43,31,993	0.23	50,16,920	-	50,16,920	0.26	0.04
	NRI NON-REPATRIATION	14,48,944	-	14,48,944	0.08	16,92,788	-	16,92,788	0.09	0.01
	TRUSTS	51,01,620	5,000	51,06,620	0.27	51,02,220	-	51,02,220	0.27	0.00
	NBFC	39,036	-	39,036	0.00	44,061	-	44,061	0.00	0.00
	IEPF	1,49,061	-	1,49,061	0.01	16,52,029	-	16,52,029	0.09	0.08
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	25,47,07,561	55,47,533	26,02,55,094	13.58	28,14,00,559	41,02,690	28,55,03,249	14.89	1.32
	Total B=B(1)+B(2) :	79,30,67,008	55,47,533	79,86,14,541	41.66	79,45,11,851	41,02,690	79,86,14,541	41.66	0.00
	Total (A+B) :	1,91,12,71,759	55,47,533	1,91,68,19,292	100.00	1,91,27,16,602	41,02,690	1,91,68,19,292	100.00	0.00
(C)	Shares held by custodians against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	1,91,12,71,759	55,47,533	1,91,68,19,292	100.00	1,91,27,16,602	41,02,690	1,91,68,19,292	100.00	

ii) SHAREHOLDING OF PROMOTERS

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year (1.4.2019)			Cumulative Shareholding during the year (FY 2019-20)			% of change during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company#	% of Shares Pledged/ encumbered to total shares	
1	Wilmar Sugar Holdings Pte. Ltd.	111,82,04,751	58.34	44.57	111,82,04,751	58.34	44.57	0.00
	Total	111,82,04,751	58.34	44.57	111,82,04,751	58.34	44.57	0.00

iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year (1.4.2019)		Date wise Increase/Decrease in Shareholding during the year (FY 2019-20)			Cumulative Shareholding during the year (FY 2019-20)	
		No. of shares	% of total shares of the company	Date	Reason	No. of Shares	No. of Shares	% of total Shares of the company
1	Wilmar Sugar Holdings Pte. Ltd.	111,82,04,751	58.34	-	-	-	111,82,04,751	58.34

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs)

Sl. No	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	ICICI Bank Limited	191279112	9.98	01/04/2019	-	-	191279112	9.98
				05/04/2019	1031715	Transfer	192310827	10.03
				12/04/2019	121778	Transfer	192432605	10.04
				19/04/2019	-15402	Transfer	192417203	10.04
				26/04/2019	-79174	Transfer	192338029	10.03
				03/05/2019	-230706	Transfer	192107323	10.02
				10/05/2019	367942	Transfer	192475265	10.04
				17/05/2019	14023	Transfer	192489288	10.04
				24/05/2019	70868	Transfer	192560156	10.05
				31/05/2019	-418104	Transfer	192142052	10.02
				07/06/2019	7925	Transfer	192149977	10.02
				14/06/2019	592686	Transfer	192742663	10.06
				21/06/2019	-161224	Transfer	192581439	10.05
				28/06/2019	72169	Transfer	192653608	10.05
				05/07/2019	38361	Transfer	192691969	10.05
				12/07/2019	445489	Transfer	193137458	10.08
				19/07/2019	27952	Transfer	193165410	10.08
				26/07/2019	-21873	Transfer	193143537	10.08
				02/08/2019	-61403	Transfer	193082134	10.07
				09/08/2019	5391	Transfer	193087525	10.07
				16/08/2019	-5349	Transfer	193082176	10.07
				23/08/2019	-91675	Transfer	192990501	10.07
				30/08/2019	-374289	Transfer	192616212	10.05
				06/09/2019	2062813	Transfer	194679025	10.16
				13/09/2019	-6229	Transfer	194672796	10.16
				20/09/2019	108697	Transfer	194781493	10.16
				27/09/2019	26200	Transfer	194807693	10.16
				30/09/2019	-172438	Transfer	194635255	10.15
				04/10/2019	81715	Transfer	194716970	10.16
				11/10/2019	62879	Transfer	194779849	10.16
				18/10/2019	6511	Transfer	194786360	10.16
				25/10/2019	-326992	Transfer	194459368	10.14
				01/11/2019	270593	Transfer	194729961	10.16
				08/11/2019	100790	Transfer	194830751	10.16
				15/11/2019	-64920	Transfer	194765831	10.16

Sl. No	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				22/11/2019	166795	Transfer	194932626	10.17
				29/11/2019	1274772	Transfer	196207398	10.24
				06/12/2019	42279	Transfer	196249677	10.24
				13/12/2019	65773	Transfer	196315450	10.24
				20/12/2019	58711	Transfer	196374161	10.24
				27/12/2019	23193	Transfer	196397354	10.25
				31/12/2019	-38808	Transfer	196358546	10.24
				03/01/2020	69375	Transfer	196427921	10.25
				10/01/2020	-38200	Transfer	196389721	10.25
				17/01/2020	4707	Transfer	196394428	10.25
				24/01/2020	205040	Transfer	196599468	10.26
				31/01/2020	-50811	Transfer	196548657	10.25
				07/02/2020	-253724	Transfer	196294933	10.24
				14/02/2020	1084413	Transfer	197379346	10.30
				21/02/2020	-16933	Transfer	197362413	10.30
				28/02/2020	-72221	Transfer	197290192	10.29
				06/03/2020	-2386487	Transfer	194903705	10.17
				13/03/2020	-27899	Transfer	194875806	10.17
				20/03/2020	-128194	Transfer	194747612	10.16
				27/03/2020	287256	Transfer	195034868	10.17
				31/03/2020	-50801	Transfer	194984067	10.17
				31/03/2020			194984067	10.17
2	IDBI Bank Limited	181969219	9.49	01/04/2019	-	-	181969219	9.49
				13/03/2020	-50000	Transfer	181919219	9.49
				20/03/2020	-300000	Transfer	181619219	9.48
				27/03/2020	-14778	Transfer	181604441	9.47
				31/03/2020	-50000	Transfer	181554441	9.47
				31/03/2020	-	-	181554441	9.47
3	Axis Bank Limited	39662599	2.07	01/04/2019	-	-	39662599	2.07
				05/04/2019	64366	Transfer	39726965	2.07
				12/04/2019	127132	Transfer	39854097	2.08
				19/04/2019	9159	Transfer	39863256	2.08
				26/04/2019	-9766	Transfer	39853490	2.08
				03/05/2019	20664	Transfer	39874154	2.08
				10/05/2019	-57741	Transfer	39816413	2.08
				17/05/2019	-22572	Transfer	39793841	2.08
				24/05/2019	-10917	Transfer	39782924	2.08
				31/05/2019	11412	Transfer	39794336	2.08
				07/06/2019	-29731	Transfer	39764605	2.07
				14/06/2019	-28091	Transfer	39736514	2.07
				21/06/2019	-10811	Transfer	39725703	2.07
				28/06/2019	-42532	Transfer	39683171	2.07
				05/07/2019	-29450	Transfer	39653721	2.07
				12/07/2019	1120	Transfer	39654841	2.07
				19/07/2019	3175	Transfer	39658016	2.07

Sl. No	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				26/07/2019	5322	Transfer	39663338	2.07
				02/08/2019	-23	Transfer	39663315	2.07
				09/08/2019	134571	Transfer	39797886	2.08
				16/08/2019	-1132	Transfer	39796754	2.08
				23/08/2019	-1250	Transfer	39795504	2.08
				30/08/2019	-17835	Transfer	39777669	2.08
				06/09/2019	-2700	Transfer	39774969	2.08
				13/09/2019	4600	Transfer	39779569	2.08
				20/09/2019	-14547	Transfer	39765022	2.07
				27/09/2019	-179628	Transfer	39585394	2.07
				30/09/2019	53215	Transfer	39638609	2.07
				04/10/2019	173071	Transfer	39811680	2.08
				11/10/2019	36770	Transfer	39848450	2.08
				18/10/2019	-96016	Transfer	39752434	2.07
				25/10/2019	913	Transfer	39753347	2.07
				01/11/2019	8373	Transfer	39761720	2.07
				08/11/2019	-11314	Transfer	39750406	2.07
				15/11/2019	-42347	Transfer	39708059	2.07
				22/11/2019	17068	Transfer	39725127	2.07
				29/11/2019	-56467	Transfer	39668660	2.07
				06/12/2019	86251	Transfer	39754911	2.07
				13/12/2019	59164	Transfer	39814075	2.08
				20/12/2019	46649	Transfer	39860724	2.08
				27/12/2019	-28645	Transfer	39832079	2.08
				31/12/2019	-18995	Transfer	39813084	2.08
				03/01/2020	-32000	Transfer	39781084	2.08
				10/01/2020	10024	Transfer	39791108	2.08
				17/01/2020	16147	Transfer	39807255	2.08
				24/01/2020	-15927	Transfer	39791328	2.08
				31/01/2020	-5336	Transfer	39785992	2.08
				07/02/2020	11060	Transfer	39797052	2.08
				14/02/2020	-2117	Transfer	39794935	2.08
				21/02/2020	12482	Transfer	39807417	2.08
				28/02/2020	-21450	Transfer	39785967	2.08
				06/03/2020	-15417	Transfer	39770550	2.07
				13/03/2020	-15677	Transfer	39754873	2.07
				20/03/2020	68200	Transfer	39823073	2.08
				20/03/2020	-7611	Transfer	39815462	2.08
				27/03/2020	-71103	Transfer	39744359	2.07
				31/03/2020	-5000	Transfer	39739359	2.07
				31/03/2020	-	-	39739359	2.07
4	Standard Chartered Bank, UAE Branch	29386497	1.53	01/04/2019	-	-	29386497	1.53
				31/03/2020	-	-	29386497	1.53

Sl. No	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
5	Standard Chartered Bank	1,64,35,338	0.86	01/04/2019	-	-	1,64,35,338	0.86
					1,64,35,338	Transfer	0	0
				31/03/2020	-	-	0	0
6	Life Insurance Corporation Of India	18720122	0.98	01/04/2019	-	-	18720122	0.98
				31/03/2020	-	-	18720122	0.98
7	Kotak Mahindra Bank Ltd	12866283	0.67	01/04/2019	-	-	12866283	0.67
				31/03/2020	-	-	12866283	0.67
8	State Bank Of India	11757861	0.61	01/04/2019	-	-	11757861	0.61
				31/03/2020	-	-	11757861	0.61
9	Narendra Madhusudan Murkumbi	10812905	0.56	01/04/2019	-	-	10812905	0.56
				31/03/2020	-	-	10812905	0.56
10	Export- Import Bank Of India	9352564	0.49	01/04/2019	-	-	9352564	0.49
				31/03/2020	-	-	9352564	0.49
11	Yes Bank Limited	8155796	0.43	01/04/2019	-	-	8155796	0.43
				31/03/2020	-	-	8155796	0.43
12	RBL Bank Limited	6520910	0.34	01/04/2019	-	-	6520910	0.34
				31/03/2020	-	-	6520910	0.34

v) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year (1.4.2019)		Cumulative Shareholding during the year (FY 2019-20)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	Directors				
	1. Mr. Atul Chaturvedi	85,000	0.00	4,10,000	0.02
	2. Dr. B. V. Mehta	48,000	0.00	48,000	0.00
	3. Mr. Narendra Murkumbi (Director Upto 25.10.2019)	1,08,12,905	0.56	1,08,12,905	0.56
B	Key Managerial Personnel				
	1. Mr. Deepak Manerikar	-	-	-	-
	2. Mr. Sunil Ranka	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment .

(₹ in Million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01.04.2019)				
i) Principal Amount	26,869.46	-	-	26,869.46
ii) Interest due but not paid	24.82	-	-	24.82
iii) Interest accrued but not due	635.65	-	-	635.65
Total (i+ii+iii)	27,529.93	-	-	27,529.93
Change in Indebtedness during the financial year				
- Addition	663.16	-	-	663.16
- Reduction	(4,957.24)	-	-	(4,957.24)
Net Change	(4,294.08)	-	-	(4,294.08)
Indebtedness at the end of the financial year (31.03.2020)				
i) Principal Amount	21,912.22	-	-	21,912.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,323.63	-	-	1,323.63
Total (i+ii+iii)	23,235.85	-	-	23,235.85

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. Vijendra Singh Whole-time Director	Mr. Atul Chaturvedi Executive Chairman	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,440,908.00	29,500,008.00	58,940,916.00
	(b) Value of perquisites u/s 17(2) of the Income- tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of Profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Performance Linked Incentive	3,000,000.00	3,000,000.00	
	Arrears	-	-	-
	Total	32,440,908.00	32,500,008.00	64,940,916.00
	Ceiling as per the Act	Since the Company had incurred losses during the year 2018-19, the remuneration paid is in accordance with Section II of Part II of Schedule V of the Companies Act, 2013, after obtaining requisite approvals of the shareholders of the Company		

B. REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Independent Directors						Total Amount
		Mr. Madhu Rao	Mr. Surender Tuteja	Mr. Dorab Mistry	Mr. Bhupatrai Premji	Dr. B. V. Mehta	Ms. Priyanka Mallick	
I.	Independent Directors							
	(a) Fee for attending board/ committee meetings	5,25,000	4,75,000	-	3,25,000	2,00,000	2,50,000	17,75,000
	(b) Commission	-	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-	-
	Total (1)	5,25,000	4,75,000	-	3,25,000	2,00,000	2,50,000	17,75,000
Sr. No.	Particulars of Remuneration	Name of the Non-Executive Directors				Total Amount		
		Mr. Jean Luc Bohbot	Mr. Stephen Ho Kiam Kong	Mr. Narendra Murkumbi*	Mr. Rajeev Kumar Sinha#			
II.	Other Non-Executive Directors							
	(a) Fee for attending board/ committee meetings		-	-	-	1,00,000	1,00,000	
	(b) Commission		-	-	-	-	-	
	(c) Others, please specify		-	-	-	-	-	
	Total (2)		-	-	-	1,00,000	1,00,000	
	TOTAL (B) = (1 + 2)						18,75,000	
	Total Managerial Remuneration (A+B)							
	Overall Ceiling as per the Act	Overall ceiling as per the Companies Act, 2013 is not applicable to sitting fees						

Note: Except for the above directors, as mentioned herein above no other directors have received any remuneration during the financial year 2019-20

Mr. Rajeev Kumar Sinha is a Nominee of IDBI Bank Limited on the Board of Directors of the Company. The sitting fees mentioned against his name reflect the sitting fees paid to IDBI Bank Limited.

*Resigned w.e.f. 25th October 2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹In Million)

Sr. No.	Particulars of Remuneration	Company Secretary	Chief Financial Officer	Total Amount
		Mr. Deepak Manerikar	Mr. Sunil Ranka	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,544,149.00	15,704,740.00	18,248,889.00
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of Profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Performance Linked Incentive	241,889.00	4,750,008.00	4,991,897.00
	Total	2,786,038.00	20,454,748.00	23,240,786.00

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section/ Provisions	Brief Description	Details of Penalty/ punishment/ compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment			Nil		
Compounding					
B. Directors					
Penalty					
Punishment			Nil		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			Nil		
Compounding					

Annexure 8

Business Responsibility Report

for the Financial Year 2019-20

[Pursuant to Regulation 34 (2) (f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company:	L01542KA1995PLC019046
2. Name of the Company:	Shree Renuka Sugars Limited (SRSL)
3. Registered address:	2nd and 3rd Floor, Kanakashree Arcade, CTS No.10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka, India
4. Website:	www.renukasugars.com
5. E-mail id:	groupcs@renukasugars.com
6. Financial Year reported:	2019-20

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Shree Renuka Sugars Limited is engaged in manufacture of Sugar, Power and Ethanol.

*Industrial Group	Description
10721	Sugar
35106	Power
11019	Ethanol

*As per National Industrial Classification

8. List three key products/services that the Company manufactures/provides (as in Balance Sheet)

Industrial Group	Description
10721	Sugar
35106	Power
11019	Ethanol

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5):

Brazil (Part of the year)

(b) Number of National Locations: (list out the locations as per Annual Report of last year, without addresses)

The Company has its Corporate Office in Mumbai and Registered Office in Belagavi. The Company has its plants located at Belagavi and Gulbarga in Karnataka; Sangli, Parbhani, and Khalapur in Maharashtra; Kolkata, West Bengal; Kandla, Gujarat. Further, the Company has offices in New Delhi and Bengaluru.

10. Markets served by the Company – Local/State/National/International:

In addition to the Indian markets, the Company also exports to Sudan, Ethiopia, Somalia, Bahrain, China, Afghanistan, UAE, Saudi Arabia, Nepal, Myanmar, Sri Lanka, Indonesia etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital:** ₹ 13636.52 Million
- Total Turnover:** ₹ 46,474 Million
- Total Profit/(Loss) after Taxes:** ₹ (5,512) Million

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

Pursuant to Section 198 of the Companies Act, 2013, the Average Net Profit of the Company for last three financial years was in negative. Accordingly, the Company was not mandatorily required to spend on any CSR activities during the financial year 2019-20.

5. List of activities in which expenditure in 4 above has been incurred:

The Company has voluntarily carried out CSR activities in the following area:

- Healthcare
- Education
- Community Services during natural calamities like floods, droughts, Covid19 pandemic etc.
- Training for generating employment
- Training to farmers for better cultivation practices

SECTION C: OTHER DETAILS**1. Subsidiary Company / Companies**

Yes, the Company has 5 (Five) direct subsidiary companies as on 31st March 2020. Further details in this respect are mentioned in the Annexure 7 (MGT-9) of Board's report contained in this Annual Report.

2. Participation of Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Given the current size and scale of operations, subsidiary companies, as of now, are not engaged in BR initiatives process of the Company.

3. Participation of any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

No other entities with whom the Company does business with viz. suppliers, distributors etc. participate in the BR initiatives of the Company. Further, few of the suppliers/customers are big Corporates/MNCs, who have their own BR initiatives.

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. **DIN Number:** 03537522
2. **Name:** Mr. Vijendra Singh
3. **Designation:** Executive Director

(b) Details of the BR head

Mr. Vijendra Singh, Executive Director oversees the BR implementation. However, the Company does not have a BR Head as of now.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products	Y	Y	The policy is embedded in the Company's Code of Business Conduct, HR policies and various other HR practices	-	-	Y	-
3.	Does the policy conform to any national / international standards? If yes, specify?	Policies are prepared ensuring adherence to all applicable laws and in line with national & international standards, wherever applicable.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	All mandatory Policies under the Indian laws and regulations have been adopted by the Board and signed by Executive Director. Other operational internal policies are approved by management and signed by the Executive Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has a well-established internal governance structure to oversee the implementation of various policies. The CSR committee of the Board oversees the implementation of the CSR policy, as and when applicable.								
6.	Indicate the link for the policy to be viewed online?	Mandatory Policies viz. CSR Policy, Insider Trading Policy, Code of Business Conduct and Ethics are available at www.renukasugars.com . All other policies viz. employee related policies are available on Company's internal network.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies are communicated to internal stakeholders and the same is available on the Company's intranet. Wherever required, the Policies are also communicated to our external stakeholders and made available on Company's website.								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes, the Company has an in-house structure with clearly defined roles and responsibilities which periodically reviews implementation of various policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, each of the Policies formulated by the Company have an in-built grievance and redressal mechanism.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Quality, Safety & Health and Environmental Policies are subject to internal and external audits as part of certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through internal audit mechanism.								

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR Performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.

The assessment of BR performance is done on an annual basis by the Executive Director or senior management of the Company.

- (b) Does the Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company publishes a Business Responsibility Report as an Annexure to the Board's Report on an annual basis. The requirements of publication/reporting of Business Responsibility Report were not applicable to the Company for the financial year 2017-18 and 2018-19.

Business Responsibility Report of the Company is available at the website of the company viz. www.renukasugars.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Policy relating to Ethics, Transparency and Accountability at present covers the Company only. The policy includes a Code of Business Conduct and Ethics prescribed by the Company for all its employees including the Directors. The policy does not extend to the Group/ Joint Venture/ Suppliers, etc. However, the Company encourages parties associated with its value chain like vendors, suppliers, contractors, etc. to follow the principles envisaged in the policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2019-20, the company has not received any stakeholder complaints

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.

SRSL manufactures Sugar from sugarcane, Ethanol from molasses & Power from bagasse as per specifications of its customers and strives to ensure that products supplied are in conformity with customer's specifications, from safe and legally permissible raw materials and strict quality standards and controls are followed. Ethanol is clean, renewable fuel which reduces pollution from vehicles and power from bagasse (sugarcane fibre) is also renewable source of energy.

The sugar sold by the Company under its "Madhur" Brand produced from a sulphur free process, and is totally untouched by hand in its entire manufacturing and distribution process. The sugar is sold in a pre-packed form, thus eliminating any kind of contamination by dust, sweat, insects and pests. Thus, the consumer is ensured 100% pure sugar, free from the ill effects of sulphur and other contaminants.

SRSL is environmentally conscious and is committed to creating, maintaining and ensuring a safe & clean environment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company has undertaken various initiatives for efficient and optimal use of resources. The Consumption per unit varies as per the product mix and hence it is not possible to ascertain reduction achieved at each level. The details of conservation of energy are given as an Annexure to the Board's report for the financial year 2019-20.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company through continuous improvement and innovation in product

formulations tries to ensure lesser consumption of water and energy resources by using and continuous upgrading efficient equipments.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has manufacturing locations across India and sources majority of its lower level manpower requirement locally & strives to source majority of its requirements from local suppliers and transporters, in order to develop and sustain local communities in the Supply chain. Its major raw material, Sugarcane, is sourced from local farmers who are engaged through workshops on yield improvement measures & uses of organic fertilizers.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

SRSIL always strives to procure materials & avail services from local vendors/suppliers, without compromising on quality & products. The Company's main raw material, sugarcane, is sourced from local farmers who are located around the company's manufacturing locations. Company's Supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and audits.

The Company also actively conducts numerous cane development activities such as enlightening our growers of the new methods of cane plantation and irrigation, and providing them with pesticides, organic manure and crops at subsidised rates. We also encourage farmers to develop model plots on their farms to propagate the idea of growing numerous seasonal crops in the fields along with cane for additional gains and the sustainability of their livelihoods.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

We try and utilise all by-products of our sugar manufacturing process. The press mud/filter cake obtained as waste is mixed with effluents from our distillery operations to manufacture organic manure, which is eco-friendly as well as cost-effective than chemical fertilisers. To become more responsible as a company, we make regular investments to recycle effluents and reduce our carbon footprint. Our operations are based on the principles of Reduce, Reuse and Recycle. Our distilleries are Zero Liquid Discharge (ZLD) facilities, our sugar manufacturing units have additional water storage capacity to conserve water and we have a cogeneration plant which takes care of energy requirements.

We also minimise air pollution around our units through the installation of electrostatic precipitators, which control the air quality by bringing down particulate matter content to the standard prescribed limits.

Principle 3 - Businesses should promote the well-being of all employees

1. Total number of employees : 1790 as on 31st March 2020
2. Total number of employees hired on temporary/contractual/casual basis: 1227 as on 31st March 2020
3. Number of permanent women employees: 24 as on 31st March 2020
4. Number of permanent employees with disabilities: Nil as on 31st March 2020
5. An employee association that is recognized by management : Nil
6. Percentage of permanent employees who are members of the recognized employee association : Nil
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year :

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual Harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

Principle 4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, business partners, government/regulatory authorities, etc.

The Company also engages with its identified stakeholders on an on-going basis through a constructive process. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, Company has identified marginalized and disadvantaged groups through need assessment and engagement with local communities. The marginalized and disadvantaged communities we work with include economically backward sections of the society, who are in great need of care and protection.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company goes beyond its business activities to create social impact through its diverse initiatives, and is working towards improving lives of marginalised and vulnerable communities. We have taken initiatives in specific areas of social development that would include providing infrastructure facilities for primary & secondary

education/schools, skills development, vocational training, health & hygiene, etc. which are mainly focused around communities, around our manufacturing locations spread across the country. For specific details, please refer to our Annual Report on the same.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company values and respects the human rights and shall always remain committed for its protection. The Company's Code of Business Conduct and Ethics, Sexual Harassment Policy and the human resource policies/practices cover most of these aspects.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No stakeholder complaint pertaining to human rights was received in FY 2019-20.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company follows the broad Environment Protection guidelines laid down by the SRSL Group and adheres to all Environment laws, as applicable for all its locations. However, the same is not applicable to suppliers/contractors, since many of them have their own internal guidelines/policies.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Yes/ No If yes, please give hyperlink for webpage etc.

Environmental conservation is high on the Company's agenda. The Company is conscious of its responsibility towards creating, maintaining and ensuring a safe and clean environment for sustainable development and taking initiatives like installation, re-cycling & conservation of water, reduction and recycling of wastages, innovations packaging solutions, use of power generated from by-products, green belt developments etc., to reduce the adverse effects on the environment.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, identification and assessment of potential environmental risks are covered under the Environmental policies of the Company. Once risks are identified, steps are taken to measure & mitigate the same.

Our operations are based on the principles of Reduce, Reuse and Recycle. Our distilleries are Zero Liquid Discharge (ZLD) facilities, our sugar manufacturing units have additional water storage capacity to conserve water and we have a cogeneration plant which takes care of energy requirements.

We also minimise air pollution around our units through the installation of electrostatic precipitators, which control the air quality by bringing down particulate matter content to the standard prescribed limits.

The Company believes that it is only large-scale planting of trees that can help minimize air pollution and its concentration levels in the atmosphere. We have grown extensive green belts around our units. As an ongoing activity in developing the belts, we planted 5,311 plants in FY2018-19 and 10,119 in FY 2019-20.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

Currently, the Company is not undertaking any project related to Clean Development Mechanism

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.

We are committed to adhering strictly to the norms and compliance standards of environment set by the Government of India. We comply with mandatory standards and are particularly mindful of the impact of our operations on the environment. All our mills run on bagasse based power which is renewable energy. We produced 567 Million Kwh of power, 49% of which is consumed for captive consumption which powers all our plants and the remaining power is sold to the state electricity grid. Most of our cogeneration process is based on renewable energy, which provides a significant

reduction in GHG emissions. Our cogeneration activities testifies our drive towards ensuring a sustainable future for our Company.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, emission & waste generated by company are within the permissible limit as given by Pollution control Boards of respective states where the Company operates.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with :

- a) Indian Sugar Mills Association (ISMA)
- b) All India Sugar Trade Association (AISTA)
- c) London Sugar Market Association (LSMA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

SRSL works very closely with Industry Associations to advocate and pursue various causes that are in larger interests of industry, economy, society and the public.

Principle 8 - Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

At SRSL, we believe in giving back to the society in some measure what we have gained from it. Through our various initiatives, we are committed to address issues relating to basic education, child welfare, community welfare, health and skill education on sustainable basis for the society, as a whole.

The Company focuses on a holistic development model where business and community grow in tandem. We believe we are in a business where business prosperity can be made scaleable and sustainable for the communities around us and our employees and their families. Our CSR (corporate social responsibilities) activities involve providing healthcare facilities, education and training for generating employment opportunities. We have established technical colleges to recruit, train and employ students who can't afford education.

These activities are undertaken through the Shree Renuka Sugars Development Foundation (SRSDF) and Shree Renuka Institute for Rural Development and Research (SRIRDR) that are dedicated towards achieving the Company's social objectives and missions.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

At SRSL, CSR programmes are undertaken through the Shree Renuka Sugars Development Foundation (SRSDF) and Shree Renuka Institute for Rural Development and Research (SRIRDR) that are dedicated towards achieving the Company's social objectives and missions.

The SRSDF trust focussed on providing education and other related activities to children. It also aims to nurture personal skills for all-round development.

SRIRDR is an NGO that undertakes activities in the areas of education, healthcare and socio-economic development for bringing transformation to underprivileged and poor sections of the communities in the rural areas.

3. Have you done any impact assessment of your initiative?

Yes, various projects undertaken under the Corporate Social Responsibility initiatives are subject to the impact assessment to ensure that expected results of projects/ initiatives are achieved.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year 2019-20, the Company was not required to mandatorily spend on CSR activities under Section 135 of the Companies Act, 2013. However, the Company has undertaken a few CSR projects voluntarily.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We have been actively taking initiatives for Community Development. Women, children and backward section of the society are our target groups and we target to ensure their well being and development through education, income generation and health programmes.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No customer/consumer complaints are pending as on the end of the financial year. At SRSL integrity is a given and not negotiable. It is essential to be honest with customers, treat them with respect and dignity and promise only what can be delivered. Satisfied customers are the key to SRSL's success. SRSL aims to earn customers' continued loyalty every day by treating them fairly, delivering the products they want and exceeding their expectations.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

The Company displays all the information on the product label as mandated by the regulations to ensure full compliance with relevant laws and other additional information as well, if available on case to case basis.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No, there are no cases filed by any stakeholder during last five years regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

The Company values its customer's voice, and has actively engaged external independent agencies who carry out Customer Satisfaction Survey for and on behalf of the Company to assess the consumer satisfaction levels for its products and consumer trends.

Corporate Governance Report

1. Philosophy

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Shree Renuka Sugars Limited 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. The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance across various geographies. The Company ensures to comply with the requirements of Corporate Governance listed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations').

2. Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on 31st March 2020, Company's Board has a strength of 12 (Twelve) Directors, comprising of 2 (Two) Executive Directors, 3 (Three) Non-Executive Directors, 6 (Six) Independent Directors and 1 (One) Nominee Director. The Chairman of the Board is an Executive Director.

The Board has held five meetings during the year and the gap between any two meetings did not exceed four months. The Board meetings were held on 08th May 2019, 16th May 2019, 6th August 2019, 10th November 2019 and 13th February 2020.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies and number of shares held by them as on 31st March 2020, are given herein below:

Name	Nature of Directorship	Board Meetings Attended		Whether attended last AGM	Number of Directorships in other Companies	Number of Committee positions held in other Public Companies		No. of Shares held
		Held	Attended			Member	Chairman	
Mr. Atul Chaturvedi DIN: 00175355	Executive Director (Executive Chairman)	5	4	Yes	3	-	-	4,10,000
Mr. Vijendra Singh DIN: 03537522	Executive Director	5	5	Yes	3	-	-	-
Mr. Kuok Khoo Hong% DIN: 00021957	Non-Executive Director	5	2	NA	1	-	1	-
Mr. Jean-Luc Bohbot DIN: 06857132	Non-Executive Director	5	3	No	-	-	-	-
Mr. Stephen Ho Kiam Kong DIN: 07584449	Non-Executive Director	5	5	No	-	-	-	-
Mr. Madhu Rao DIN: 02683483	Independent Director	5	5	Yes	1	-	1	-
Dr. B. V. Mehta DIN: 00895163	Independent Director	5	4	Yes	3	1	-	48,000
Mr. Dorab Mistry DIN: 07245114	Independent Director	5	5	No	-	-	-	-
Mr. Bhupatrai Premji DIN: 07223590	Independent Director	5	5	No	-	-	-	-
Mr. S. K. Tuteja DIN: 00594076	Independent Director	5	5	No	10	4	5	-
Ms. Priyanka Mallick DIN: 06682955	Independent Director	5	5	No	-	-	-	-
Mr. Rajeev Kumar Sinha^ DIN: 01334549	Nominee Director	2	2	No	1	-	-	-
Mr. Narendra Murkumbi\$ DIN: 00009164	Non-Executive Director	3	3	NA	-	-	-	-

% Appointed as Non-Executive Director w.e.f. 25th October 2019

^ Appointed as Nominee Director w.e.f. 6th August 2019

\$ Resigned w.e.f. 25th October 2019

1. Other directorships include directorships in all public companies except foreign companies and companies under Section 8 of the Companies Act, 2013.
2. In accordance with Regulation 26 of the Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees across all listed entities in which they are Director.

Names of the Listed Entities where the Director(s) of the Company i.e. Shree Renuka Sugars Limited is a Director and the category of Directorship:

Sr. No.	Name & DIN of Director	Name of the Listed Entity	Designation	Category
1	Mr. Atul Chaturvedi DIN: 00175355	-	-	-
2	Mr. Vijendra Singh DIN: 03537522	-	-	-
3	Mr. Kuok Khoon Hong% DIN: 00021957	-	-	-
4	Mr. Jean-Luc Bohbot DIN: 06857132	-	-	-
5	Mr. Stephen Ho Kiam Kong DIN: 07584449	-	-	-
6	Mr. S. K. Tuteja DIN: 00594076	A2Z Infra Engineering Limited SML Isuzu Limited Havells India Ltd.	Chairman Chairman Director	Independent, Non-Executive Director Independent, Non-Executive Director Independent, Non-Executive Director
7	Mr. Dorab Mistry DIN: 07245114	-	-	-
8	Mr. Bhupatrai Premji DIN: 07223590	-	-	-
9	Mr. Madhu Rao DIN: 02683483	-	-	-
10	Dr. B. V. Mehta DIN: 00895163	-	-	-
11	Ms. Priyanka Mallick DIN: 06682955	-	-	-
12	Mr. Rajeev Kumar Sinha^ DIN: 01334549	3I Infotech Limited	Nominee Director	Non-Executive Director
13	Mr. Narendra Murkumbi\$ DIN: 00009164	-	-	-

% Appointed as Non-Executive Director w.e.f. 25th October 2019

^ Appointed as Nominee Director w.e.f. 6th August 2019

\$ Resigned w.e.f. 25th October 2019

There are no inter-se relationships between the Board members. In the opinion of the Board, the Independent Directors fulfill the conditions as specified in Listing Regulations and are independent of the management.

The Company has familiarized its Independent Directors regarding the Company, their roles, rights, responsibilities and liabilities in the Company. During the year, the Directors were also familiarized with key changes in corporate laws and other relevant laws. The details of programs for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities

in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at www.renukasugars.com

Meeting of Independent Directors: As stipulated by the Code of Independent Directors under the Companies Act, 2013 (here in after referred to as the Act) and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 29th June 2020.

3. List of Core Skills/Expertise/Competencies identified by the Board of Directors

The Nomination and Remuneration Committee (NRC) recommends appointment of a person possessing requisite skill sets, to be appointed as a Director of the Company. Additionally, the NRC also recommends such appointment if the person possesses knowledge and in-depth experience of the business in which the Company operates or has experience in the areas of banking, finance, marketing and other related aspects of the Company's business. Only those persons who possesses the relevant industry skill or having specialisation in a relevant area are recommended for appointment as a Director of the Company

4. Committees of the Board

Keeping in view the better Governance and focused discussion, the Board has constituted various committees with specific terms of the reference and scope. The details of the committees constituted by the Board are given below:

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- ii. The terms of reference & Powers of the Audit Committee are broadly as under:
 - a. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
 - b. Recommending to the Board, the appointment/re-appointment, remuneration and terms of appointment of Auditors of the company and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - c. Reviewing with the management the quarterly, half-yearly and annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in

the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings. • Compliance with accounting standards.
- Compliance with listing and other legal requirements concerning financial statements.
- Disclosure of any related party transactions.

- d. Qualifications in the draft audit report;
- e. Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc., and the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- f. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the Company with Related Parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the Company, wherever it is necessary;

- j. Reviewing with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
- k. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- l. Discussion with internal auditors on any significant findings and follow up thereon;
- m. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- n. Discussion with the statutory auditors before the audit commences on the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- o. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- p. Review the functioning of the Whistle Blower mechanism;
- q. Approval of appointment of Chief Financial Officer (CFO) (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- r. Evaluation of Risk Management systems;
- s. Monitoring the end use of funds raised through public offers and related matters;
- t. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary
- exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision ;
- u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or as may be required by the Board.
- iii. The Audit Committee invites such of the executives, as it considers appropriate, representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary of the Company acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the Company was held on 30th September 2019 and was attended by Mr. Madhu Rao, Chairman of the Audit Committee.
- v. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	5	5
Mr. Dorab Mistry	Independent Director	5	5
Mr. Stephen Ho Kiam Kong	Non-Executive Director	5	5
Mr. Surender Kumar Tuteja	Independent Director	5	5

The Audit Committee has held five meetings during the year and the gap between any two meetings did not exceed four months. The Audit Committee meetings were held on 8th May 2019, 16th May 2019, 6th August 2019, 9th November 2019 and 12th February 2020.

B. Nomination and Remuneration / Compensation Committee

- i. The Board has constituted a Nomination and Remuneration/Compensation Committee under Section 178 of the Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The broad terms of reference of the said Committee are as under:
- a. To identify persons who are qualified to become directors and who may be

appointed in senior management of the Company in accordance with the criteria laid down, recommend to the Board their appointment and removal;

- b. To carry out the performance evaluation of individual Director's, the Committees and of the Board;
 - c. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
 - d. While formulating such policy, Nomination and Remuneration/ Compensation shall ensure that -
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and longterm performance, objectives appropriate to the working of the company and its goals.
 - e. To take into account financial position of the company, trend in the industry, appointees qualifications, experience, past performance, past remuneration, etc., and bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders;
 - f. Devising a policy on Board diversity
 - g. To undertake specific duties as may be prescribed by the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements)
- Regulations, 2015 and or as may be prescribed by the Board of Directors of the Company, from time to time;
- h. To obtain outside legal or other professional advice to assist in connection with its functions, if necessary;
 - i. Employee Stock Option Plan (ESOPs):
 - To formulate Employee Stock Option Plan and to from time to time to grant options to eligible employees;
 - To decide the quantum of options to be granted to any employee and in aggregate under any of the Employee Stock Option Plans that may be formulated by the Committee;
 - To decide the conditions under which the options granted to employees may lapse;
 - To determine Exercise Price of the options to be granted under Employee Stock Option Plan;
 - To determine and specify the vesting period and the Exercise Period in any of the Employee Stock Option Plans;
 - To dispose of, at its sole discretion and in the interest of the Company, the options not applied for, by the employees offered under various ESOPs;
 - To decide the procedure for making fair and reasonable adjustment to the number of options and to the exercise price in case of right issue / bonus issue, other corporate actions or otherwise;
 - To determine the terms and conditions of ESOP and to do any other related or incidental matter thereto
 - j. To recommend to the board, all remuneration, in whatever form, payable to senior management

- iii. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Surender Kumar Tuteja (Chairman)	Independent Director	3	3
Mr. Bhupatrai Premji	Independent Director	3	3
Mr. Madhu Rao	Independent Director	3	3

The Nomination & Remuneration/Compensation Committee has held three meetings during the year on 8th May 2019, 6th August 2019 and 13th February 2020.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

- iv. Details of remuneration paid/payable to Directors of the Company for the year ended 31st March 2020:

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Commission	Performance Incentive	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Mr. Atul Chaturvedi (Executive Chairman)	2,82,08,364	-	12,91,644	-	30,00,000	-	3,25,00,008	Term of office valid upto 29th October 2021. 3 months Notice period and severance fees equal to 3months remuneration in case the Company waives the notice period of Mr. Chaturvedi.
Mr. Vijendra Singh (Executive Director)	2,65,26,192	17,20,164	11,94,552	-	30,00,000	-	3,24,40,908	Term of office valid upto 9th May 2023. 3 months Notice period and severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Singh.
Mr. Kuok Khoon Hong% (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Jean-Luc Bohbot (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. Stephen Ho Kiam Kong (Non-Executive Director)	-	-	-	-	-	-	-	-
Mr. S. K. Tuteja (Independent Director)	-	-	-	-	-	4,75,000	4,75,000	-
Mr. Dorab Mistry (Independent Director)	-	-	-	-	-	-	-	-
Mr. Bhupatrai Premji (Independent Director)	-	-	-	-	-	3,25,000	3,25,000	-
Mr. Madhu Rao (Independent Director)	-	-	-	-	-	5,25,000	5,25,000	-
Dr. B. V. Mehta (Independent Director)	-	-	-	-	-	2,00,000	2,00,000	-

Name	Salary / Perquisites	Retirement Benefits	Bonus / Ex-Gratia	Commission	Performance Incentive	Sitting Fee	Total	Service Contract/ Stock options granted / Notice period / Severance Fees
Ms. Priyanka Mallick (Independent Director)	-	-	-	-	-	2,50,000	2,50,000	-
Mr. Rajeev Kumar Sinha (Nominee Director)^	-	-	-	-	-	1,00,000@	1,00,000	-
Mr. Narendra Murkumbi\$ (Non-Executive Director)	-	-	-	-	-	-	-	-

% Appointed as Non-executive Director w.e.f. 25th October 2019

^ Appointed as Nominee Director w.e.f. 6th August 2019

\$ Resigned w.e.f. 25th October 2019

@Represents sitting fees paid to IDBI Bank Ltd.

The Non-Executive Directors of the Company do not have any pecuniary relationship or transactions with the Company.

Independent Directors of the Company are paid sitting fees of ₹ 50,000/- for attending each meeting of the Board of Directors of the Company and sitting fees of ₹ 25,000/- for attending each meeting of the Committees of the Board.

- v. Nomination and Remuneration Policy of the Company is appended as Annexure 1 to the Board's Report. The Remuneration paid to the Directors of the Company is in line with the remuneration policy and applicable laws.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has undertaken an evaluation of its own performance, the performance of its Committees and of all the individual Directors based on various parameters relating to roles, responsibilities and obligations of the Board, effectiveness of its functioning, contribution of Directors at meetings and the functioning of its Committees.

C. Stakeholders' Relationship Committee

- i. The Board has constituted a Stakeholders' Relationship Committee of the Directors under Section 178 of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/ notices/ annual reports, etc.

ii. Terms of reference of the Committee:

- To look into the redressal of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares / debentures, transmission / transposition / nomination of shares / debentures, dematerialization / rematerialisation of shares / debentures, non-receipt of annual report, non-receipt of dividends / interest / principal on shares and debentures, sub-divide, consolidate and issue share certificates / duplicate share / debenture certificates, etc.;
- To look into matters that can facilitate better investor services and relations;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

- iii. The composition of the Stakeholders' Relationship Committee and the details of the meetings attended are given below:

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Madhu Rao (Chairman)	Independent Director	3	3
Mr. Jean-Luc Bohbot	Non-Executive Director	3	2
Mr. Atul Chaturvedi	Executive Director	3	3

The Stakeholders' Relationship Committee has held three meetings during the year on 8th May 2019, 10th November 2019 and 13th February 2020.

- iv. Details of investor complaints received and redressed during the year 2019-20 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
0	72	72	0

D. Corporate Social Responsibility Committee

- i. In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee.

The composition of the Corporate Social Responsibility Committee and the details of the meetings attended are given below:

Name	Category	No. of meetings attended	
		Held	Attended
Mr. Surender Kumar Tuteja (Chairman)	Independent Director	1	1
Mr. Jean-Luc Bohbot	Non-Executive Director	1	1
Mr. Atul Chaturvedi	Executive Director	1	1

During the year under review, the Committee met on 6th August 2019.

- ii. The terms of reference of the Committee are as follows:

- to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- to recommend the amount of expenditure to be incurred on the activities relating to corporate social responsibility;
- to monitor the CSR Policy of the Company from time to time;
- to institute a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs undertaken by the Company; and
- to ensure that the activities which are undertaken are included in the CSR Policy of the Company.

E. Other committees

In addition to the above referred committees, the Board has also constituted the following Committees of Directors to look into various operational business matters of the Company:

- Allotment Committee
- Share Transfer Committee
- Finance Committee

5. Disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of Listing Regulations

The Disclosures of the Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2)

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/NA)
1	Board of Directors	17(1)	Composition of Board	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/Compensation	Yes
		17(7)	Minimum Information to be placed before the Board	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation	Yes
2	Audit Committee	18(1)	Composition of Audit Committee & Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination and Remuneration Committee	19(1) & (2)	Composition of Nomination and Remuneration Committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholders Relationship Committee	20(1), (2) & (3)	Composition of Stakeholders Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2) & (3)	Composition of Risk Management Committee	NA
		21(4)	Role of the Committee	NA
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employees	Yes
7	Related Party Transaction	23(1), (5), (6), (7) & (8)	Policy for Related Party Transactions	Yes
		23(2) & (3)	Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of transaction by the Committee	Yes
		23(4)	Approval for Material Related Party Transactions	Yes
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of Unlisted Material Subsidiary	Yes
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity	Yes
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3)	Meeting of Independent Directors	Yes
		25(4)	Review of Performance by Independent Directors	Yes
		25(7)	Familiarization of Independent Directors	Yes

Sr. No.	Particulars	Regulations	Brief Description of Regulations	Compliance Status (Yes/No/NA)
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance of code of conduct from members of Board of Directors and Senior Management Personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflict of Interest	Yes
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiary	Yes
		46(2)(i)	Details of familiarization programs imparted to Independent Directors	Yes

6. General Body Meetings

A. Annual General Meetings (AGMs):

The details of last three AGMs and the Special Resolutions passed thereat are as under:

AGM	Financial Year	Date	Time	Venue of AGM
23 rd AGM	2018-19	30 th September 2019	12:30 p.m.	KPTCL Samudhay Bhavan, Opp. JNMC, Smart City Road, Shivabasav Nagar, Belagavi - 590010
22 nd AGM	2017-18	29 th September 2018	1.30 p.m.	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belagavi 590006
21 st AGM	2016-17	21 st December, 2017	11.30 a.m.	Theosophical Society Belgaum Lodge, Gogte Rangmandir Hall (School of Culture), 185, Ramghat Road, Camp, Belagavi - 590001

Special Resolutions:

The following are the details of special resolutions passed at the last three AGMs.

Date	Summary of Special Resolutions Passed
30 th September 2019	-
29 th September 2018	<ol style="list-style-type: none"> Approval for increase in borrowing limit under Section 180(1)(c) of the Companies Act, 2013; Approval for authority to create charge, mortgage etc. as per Section 180(1)(a) of the Companies Act, 2013

21 st December, 2017	<ol style="list-style-type: none"> 1. Re-appointment and fixation of remuneration of Mrs. Vidya Murkumbi as Whole-time Director designated as 'Executive Chairperson'; 2. Re-appointment and fixation of remuneration of Mr. Vijendra Singh as Whole-time Director designated as President (Sugar Mills); 3. Re-appointment and fixation of remuneration of Mr. Narendra Murkumbi as Vice Chairman & Managing Director; 4. Issue of upto 51,32,14,505 equity shares (FV Re 1 each) to the lenders pursuant to debt restructuring exercise; 5. Issue of upto 9,35,60,000 0.01% Redeemable Preference Shares (FV ₹ 100 each) to the lenders pursuant to debt restructuring exercise; 6. Issue of upto 4,50,00,000 0.01% Optionally Convertible Preference Shares (FV ₹ 100 each) to the lenders pursuant to debt restructuring exercise; 7. Issue of upto 5,850 0.01% Non-Convertible Debentures (FV ₹ 10 lacs each) to the lenders pursuant to debt restructuring exercise.
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B. Other Disclosures

- a. Related party transactions: During the year under review, there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- b. There were no instances of non-compliance by the Company and no penalties / strictures were imposed on the Company by stock exchanges / SEBI / any statutory authority on any matter related to capital markets, during the last 3 years except as mentioned below:
 - i) The composition of Board of Directors of the Company was not in compliance with Regulation 17 of Listing Regulations, 2015 with reference to one woman director on the Board of Directors of the Company, for the period from 1st July 2018 to 8th February 2019. The Company has paid the requisite penalties to the stock exchanges for the same.
 - ii) Further, the meeting of the Board of Directors for approval of the Standalone Unaudited Financial Results for the third quarter / nine months ended 31st December, 2017 was held on 12th March 2018 i.e. after the expiry of 45 days from the end of the quarter, as prescribed under Regulation 33 of Listing Regulations. The Company has paid the requisite penalties to the stock exchanges for the same.
- c. Whistle blower policy / vigil mechanism: Whistleblower Mechanism has been established for the employees to report to the management about unethical behaviour, mismanagement, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, that could adversely impact the Company's operations and business performance. The Whistleblower Policy is overseen by the Audit Committee of the Board. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy.
- d. Compliance with mandatory and non-mandatory requirements: All mandatory requirements relating to corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been appropriately complied with except as mentioned in point B above and the status of non-mandatory (discretionary) requirements is given below:
 - (i) The Board: Since the Company has an Executive Chairman, the requirement regarding non-executive Chairman is not applicable;
 - (ii) Shareholder Rights: The quarterly, half-yearly and annual financial results are published in newspapers, uploaded on Company's website;
 - (iii) Modified Opinion(s) in Audit Report: The Auditor's opinion on the Financial Statements is unmodified;
 - (iv) Separate posts of Chairperson and CEO: Since the Company does not have CEO, the requirement regarding separate posts of the Chairperson and CEO is not applicable; and
 - (v) Reporting of Internal Auditor: The Internal Auditor of the Company

reports directly to the Audit Committee.

- e. The Company's policy for determining material subsidiaries may be accessed on the Company's website at www.renukasugars.com
- f. The Company's policy on related party transactions may be accessed on the Company's website at www.renukasugars.com
- g. Disclosure on Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

Commodity risks and Hedging: Sugar price risk is one of the important market risk for the Company. The Company has a robust framework and governance mechanism in place to ensure that the organisation is adequately protected from the market volatility. Commodity Risk Management Policy is formulated to articulate the risk management philosophy, objectives and processes. The Company is exposed to usual price risk associated with fluctuation in sugar prices. In domestic market, physical sugar is mostly traded on spot basis on prevailing physical sugar prices.

Foreign Exchange Risk and Hedging: The Company is exposed to Currency Risk arising from its trade exposures and Capital receipt/payments denominated, in other than the Functional Currency. The Company has a detailed policy which includes setting of the recognition parameters, benchmark targets, the boundaries within which the treasury has to perform and also lays down the checks and controls to ensure the effectiveness of the treasury function.

The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The treasury function aggregates the foreign exchange exposure and takes measures to hedge the exposure based on prevalent macroeconomic conditions.

- h. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of LODR Regulations: This Regulation is not applicable to the Company as the Company has not raised any funds through preferential allotment or qualified institutions placement during the year.

- i. The Executive Chairman and CFO of the Company have certified to the Board of Directors, inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, as required under Regulation 17(8) of the Listing Regulations for the financial year ended 31st March 2020.
- j. The Company has obtained a Certificate pursuant to Regulation 34(3) read with Schedule V of Listing Regulations from M/s. T. F. Khatri & Associates., Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority. The said certificate has been annexed with this Report.
- k. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: Not Applicable
- l. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Details relating to fees paid to the statutory auditors are given in Note 35 to the Standalone Financial Statements.
- m. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:
 - a. number of complaints filed during the financial year 2019-20: Nil
 - b. number of complaints disposed of during the financial year 2019-20: N.A.
 - c. number of complaints pending as on end of the financial year 2019-20: N.A.

7. CODE OF CONDUCT

Pursuant to Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has laid down a 'Code of Conduct' for all the Board

and Senior Management Members and they have affirmed compliance with the said Code of Conduct of the Company for the Financial Year 2019-20.

The declaration pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, stating that all the Board Members and Senior Management Members have affirmed their compliance with the said code of conduct for the year ended 31st March 2020 is annexed to this Report.

The Code of conduct is also placed on the Company's website at www.renukasugars.com.

8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING PRACTICES

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated, adopted and implemented "Code of Internal Procedures and Conduct for Regulating,

Monitoring and Reporting Trading by Insiders" in the securities of the Company.

The Code of conduct is also placed on the Company's website at www.renukasugars.com.

9. COMPLIANCE OFFICER

Mr. Deepak Manerikar is the Company Secretary & Compliance Officer of the Company.

10. MEANS OF COMMUNICATION

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

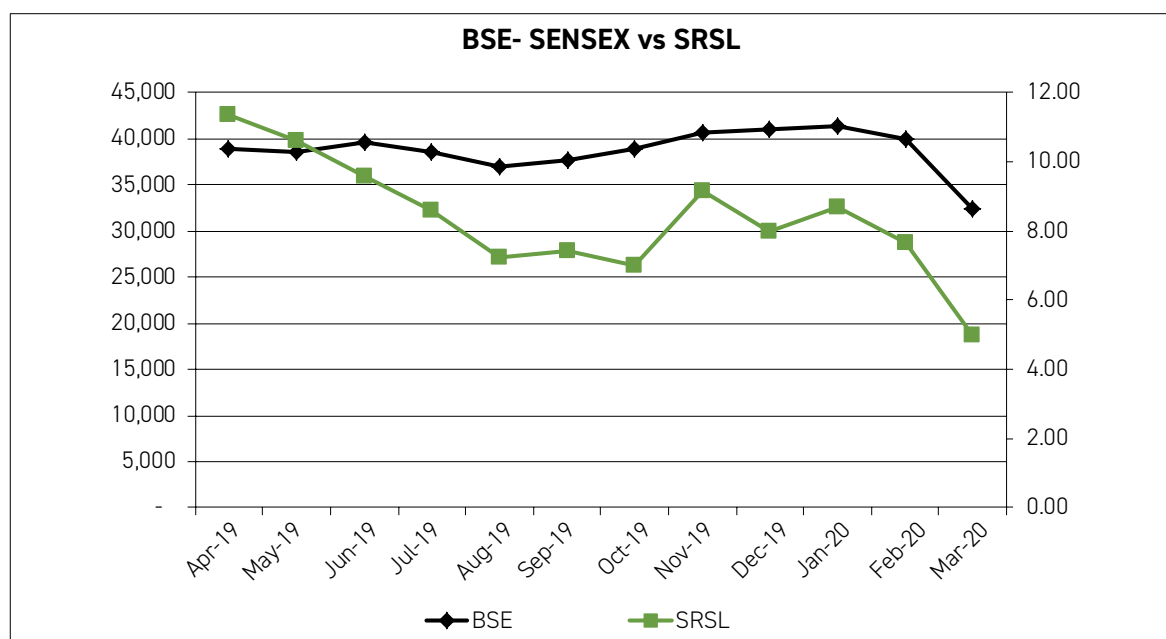
11. GENERAL SHAREHOLDER'S INFORMATION

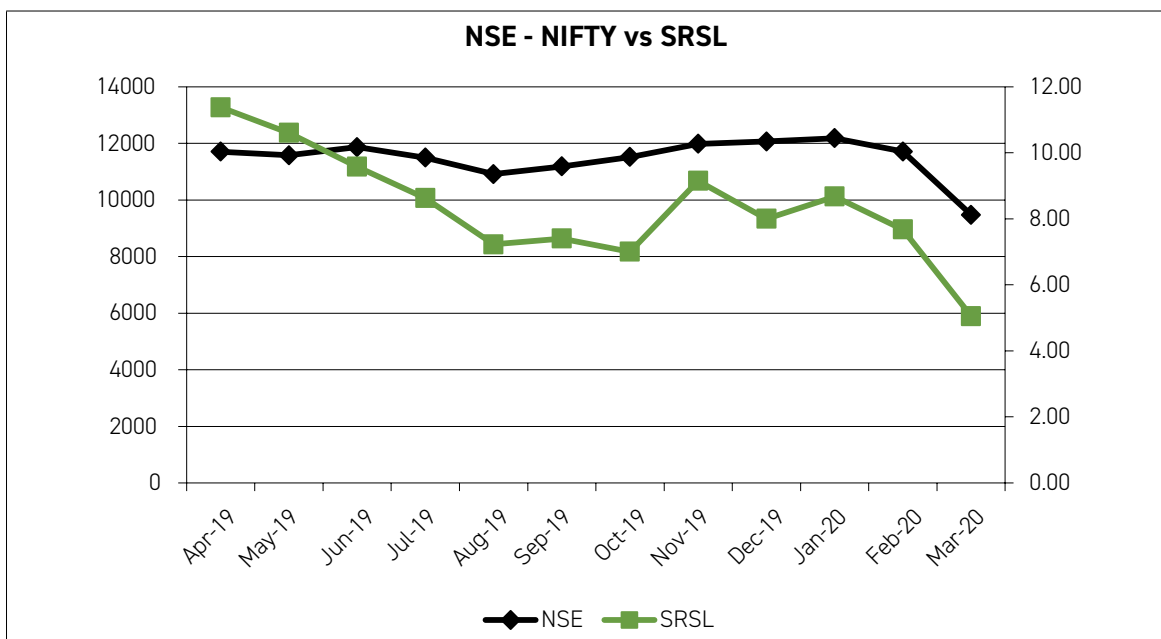
a. Annual General Meeting (AGM)	Date: 7th September, 2020 Time: 11:00 a.m. Venue: Video Conferencing
b. Financial Year	The Financial Year of the Company is from 1st April 2019 to 31st March 2020
c. Tentative Financial Calendar 2020-21 1st Quarterly results 2nd Quarterly results 3rd Quarterly results 4th Quarterly results	will be declared by 15th September 2020 on or before 14th November 2020 on or before 14th February 2021 on or before 16th May 2021
d. Date of Book Closure	Not Applicable
e. Dividend Payment Date	No Dividend has been recommended by the Board for the year ended 31st March, 2020
f. Corporate Identification Number (CIN) of the Company	L01542KA1995PLC019046
g. ISINs Equity shares 0.01% Optionally Convertible Preference Shares 0.01% Redeemable Preference Shares 11.70% Non-Convertible Debentures 11.30% Non-Convertible Debentures 0.01% Non-Convertible Debentures	INE087H01022 INE087H03036 INE087H04018 INE087H07060 INE087H07078 INE087H07086
h. Unclaimed Shares	Nil
i. Listing on Stock Exchanges	The Company's equity shares are listed on the Stock Exchanges as mentioned hereunder: National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 The Company has paid the listing fees for the financial year 2020-21.
j. Stock Code: NSE - RENUKA	BSE - 532670
k. Market Price Data	

The monthly high and low price of equity shares traded on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) are as under:

Month	BSE			NSE		
	Share Price in ₹			Share Price in ₹		
	High	Low	Closing	High	Low	Closing
Apr-19	12.53	10.23	10.76	12.50	10.25	10.75
May-19	11.29	9.90	10.16	11.30	9.90	10.15
Jun-19	10.50	8.70	9.16	10.55	8.60	9.20
Jul-19	9.56	7.65	7.82	9.65	7.60	7.85
Aug-19	8.00	6.50	6.90	7.95	6.50	6.85
Sep-19	8.30	6.53	6.67	8.30	6.50	6.60
Oct-19	7.50	6.53	7.28	7.40	6.60	7.25
Nov-19	10.91	7.38	8.12	10.95	7.35	8.10
Dec-19	8.64	7.36	8.48	8.65	7.35	8.45
Jan-20	9.75	7.60	7.75	9.80	7.55	7.75
Feb-20	8.76	6.55	6.64	8.85	6.50	6.60
Mar-20	6.82	3.20	4.77	6.85	3.25	4.65

I. Performance Comparison: SRSL v/s BSE SENSEX and SRSL v/s NSE NIFTY





m. Registrar & Transfer Agent

Kfin Technologies Private Limited;
Unit: Shree Renuka Sugars Limited
Selenium Tower B, Plot Nos. 31 & 32,
Financial District, Nanakramguda,
Serilingampally Mandal,
Hyderabad - 500032, India
Tel No.: +91 40 6716 1524
E-mail id: rajeev.kr@kfintech.com
Website: www.kfintech.com

n. 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.

o. Distribution of equity shareholding as on 31st March, 2020

Particulars	No. Of shareholders	% of total shareholders	No. of equity shares	Amount in ₹	% of total equity shares
1-5,000	1,54,101	95.19	8,93,74,284	8,93,74,284	4.66
5,001- 10,000	4,371	2.70	3,43,15,833	3,43,15,833	1.79
10,001- 20,000	1,823	1.13	2,67,06,383	2,67,06,383	1.39
20,001- 30,000	620	0.38	1,56,24,929	1,56,24,929	0.82
30,001- 40,000	187	0.12	87,47,912	87,47,912	0.46
40,001- 50,000	233	0.14	82,73,931	82,73,931	0.43
50,001- 1,00,000	312	0.19	2,24,40,009	2,24,40,009	1.17
1,00,001 & Above	246	0.15	1,71,13,36,011	1,71,13,36,011	89.28
Total	1,61,893	100.00	1,91,68,19,292	1,91,68,19,292	100.00

p. Shareholding pattern as on 31st March 2020

Category	No. of equity shares	% of total equity shares
Promoters	1,11,82,04,751	58.34
Financial Institutions/ Bank	48,31,88,627	25.21
Individuals & HUFs	25,21,00,576	13.15
Foreign Body Corporate/Foreign Bank	2,93,86,497	1.53
Bodies Corporate	1,75,78,993	0.92
NRIs	67,09,708	0.35
Trusts	51,02,220	0.27
Clearing Members	19,55,662	0.10
IEPF	16,52,029	0.09
Foreign Institutional Investors	4,71,000	0.02
Qualified Institutional Buyer	3,60,000	0.02
Mutual Funds	65,168	0.00
NBFC Registered with RBI	44,061	0.00
Total	1,91,68,19,292	100.00

q. Dematerialization of shares and liquidity	As on 31 st March 2020, 191,27,16,602 equity shares of the Company (99.79% of the total issued equity capital) were held in dematerialized form and 41,02,690 equity shares (0.21% of the total issued equity capital) were held in physical form. Registrar and Transfer Agent are appointed for transfer of shares in dematerialization mode and in physical mode.
r. Outstanding GDRs/ADRs/Warrants or any convertible instrument -	-
s. Address for Correspondence	KFin Technologies Private Limited;
a. Shareholders correspondence for transfer / Dematerialization of shares, payment of dividend and any other query should be directed to:	Unit: Shree Renuka Sugars Limited Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India Tel No.: +91 40 6716 1524 E-mail id: rajeev.kr@kfintech.com Website: www.kfintech.com
b. All other queries on Annual Report should be directed to:	Shree Renuka Sugars Limited 2 nd & 3 rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagur, Belagavi – 590010 Tel No.: 0831 2404000 E-mail: groupcs@renukasugars.com
t. Plant locations	Information on Plant locations has been provided in the section of Corporate Information.

u. Details of credit rating obtained by the Company

During the year, India Ratings and Research (Ind-Ra) has assigned/reaffirmed the credit rating of the various facilities availed by the Company. The details of ratings are as given below.

Instrument Type	Size of Issue (₹ Crore)	Rating	Rating Action
Non-convertible debentures (NCDs)	250	IND BBB+/RWN*	Reaffirmed
Non-convertible debentures (NCDs)	552.1	IND BBB+/RWN*	Assigned
Term loan	1183.5	IND BBB+/RWN*	Assigned
Term loan	300.0	Provisional IND BBB+/RWN*	Assigned
Fund based limit	181.0	IND BBB+/RWN*	Assigned
Short-term loan	400.0	IND A2+/RWN*	Assigned
Non-fund based limit	1124.2	IND A2+/RWN*	Assigned

Note: *RWN - Rating watch negative

Further, ICRA Limited on 12th July 2019 has reaffirmed the credit rating of the various facilities availed by the Company. The details of ratings are as given below.

Instrument Type	Size of Issue (₹ Crore)	Rating	Rating Action
Line of credit (Long term)	1286.4	[ICRA] BBB+&	Reaffirmed
Line of credit (Short term)	1,124.2	[ICRA] A2&	Reaffirmed
Non-convertible debentures (NCDs) (Long term)	552.1	(ICRA) BBB+&	Reaffirmed
Fund based facilities (Cash Credit)	581.0	(ICRA) BBB+&	Reaffirmed

Note - & - Rating watch with developing implications

v. Listed Debt Securities

11.70% Non-Convertible Debentures (NCDs) and 11.30% Non-Convertible Debentures (NCDs) of the Company are listed on The Wholesale Debt Market (WDM) Segment of BSE Limited.

Debenture Trustee for NCDs :
IDBI Trusteeship Services Limited

Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate, Mumbai - 400001.

Tel. No.: 022 - 40807062

Email:rajeshchandra@idbitrustee.com

Website: www.idbitrustee.com

Declaration in respect of code of conduct

In accordance with the Listing Regulations, I hereby confirm and declare that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors & Senior Managerial Personnel of the Company laid down for them for the financial year ended 31st March 2020.

Place: Ahmedabad
Date: 7th July 2020

Atul Chaturvedi
Executive Chairman

Certificate on Corporate Governance

To
The Members,
Shree Renuka Sugars Limited

I have examined the Compliance of the conditions of Corporate Governance by SHREE RENUKA SUGARS LIMITED ('the Company') for the year ended March 31 2020 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company, and my examination was limited to the review of procedures and implementation thereof as adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of my findings from the examination of the records produced and explanations and information furnished to me and the representation made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended March 31, 2020.

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

**For T.F Khatri & Associates,
Practicing Company Secretary**

**Tehseen Fatima Khatri
(Proprietor)**

Place: Mumbai
Date: 27th June 2020

FCS: 9093
COP No. 10417
UDIN: F009093B000391156

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to regulation 34(3) of the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Shree Renuka Sugars Limited

I have examined the relevant registers, records, forms, returns and declarations/disclosures received from the Directors and taken on record by the Board of Directors of Shree Renuka Sugars Limited, having CIN L01542KA1995PLC019046 and having registered office situated at 2nd and 3rd Floor, Kanakashree Arcade, CTS No.10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka, India (hereinafter referred to as 'the Company'), produced before me by the Company, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr.	Name of Directors	DIN	Date of appointment
1	Mr. Atul Chaturvedi	00175355	24.06.2015
2	Mr. Vijendra Singh	03537522	10.05.2011
3	Mr. Kuok Khoon Hong	00021957	25.10.2019
4	Mr. Jean-Luc Bohbot	06857132	24.06.2015
5	Mr. Stephen Ho Kiam Kong	07584449	22.08.2016
6	Mr. Madhu Rao	02683483	27.06.2018
7	Mr. Surender Kumar Tuteja	00594076	25.01.2007
8	Mr. Bhupatrai Premji	07223590	22.08.2016
9	Mr. Dorab Mistry	07245114	22.08.2016
10	Mr. Bharat Kumar Mehta	00895163	13.11.2017
11	Ms. Priyanka Mallick	06682955	08.02.2019
12	Mr. Rajeev Kumar Sinha	01334549	06.08.2019
13	Mr. Narendra Murkumbi *	00009164	25.10.1995

* Resigned with effect from 25th October 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For T.F Khatri & Associates,
Practicing Company Secretary**

**Tehseen Fatima Khatri
(Proprietor)**
FCS: 9093
COP No: 10417

Place: Mumbai
Date: 27th June 2020
UDIN: F009093B000391233

Independent Auditor's Report

To the Members of Shree Renuka Sugars Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Shree Renuka Sugars Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute

of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of deferred tax assets (as described in Note 2.2 and 9 of the standalone Ind AS financial statements)	
At March 31, 2020, deferred tax assets (net) recognised in the standalone Ind-AS financial statements amounted to INR 1,580.93 million.	Our audit procedures included the following: <ul style="list-style-type: none"> We evaluated the accounting policies with respect to income taxes. We obtained from the management, the projections for taxable profits and compared it with business plan approved by the Board of Directors of the Company. We evaluated key assumptions used in the financial projections, including quantity of sugar sales and its
The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable	

Key audit matters	How our audit addressed the key audit matter
<p>profit will be available to allow all or part of the deferred tax asset to be recovered.</p> <p>The valuation of deferred taxes is based on significant estimates and assumptions by management regarding availability of sufficient future taxable profits and accordingly, we have considered this to be a key audit matter.</p>	<p>realisation in the domestic market, recovery rate of sugar/ ethanol from sugar cane, margin on sugar exported and sales price of ethanol by comparing them with historical trends and external data, where available.</p> <ul style="list-style-type: none"> • Tested the arithmetical accuracy of the tax computations and future projections of taxable profits. • We assessed the disclosures in the standalone financial statement for compliance with the requirements of Ind AS.

Impairment of property, plant and equipment (as described in Note 3(C) of the standalone Ind AS financial statements)	
<p>As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the property, plant and equipment.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>During the current year, as indication exists for impairment, the Company has performed impairment assessment with respect to that specific CGU.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of management process for identification of impairment indicators and managements process for determination of the recoverable value of assets for which impairment indicators exists. • We obtained from the management the assessment of recoverable amount in respect of units for which indicators of impairment have been identified. • We assessed management's projections used in the assessment of recoverable amount by comparing the same with the business plan approved by the Board of Directors of the Company. • We assessed the key assumptions used by the management in the assessment of recoverable amount including sugar realisation in the domestic market, margin on sugar exported by comparing them with historical trends and external data, where available. • We involved valuation specialists to assist us in evaluating the reasonableness of the assumptions used. • We assessed the disclosures in the standalone financial statement for compliance with the requirements of Ind AS.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone

Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirements of the Standard on Audit for the Auditors Responsibility in relation to Other Information in documents containing the audited financial statements.

Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of

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

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed

as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Shyamsundar Pachisia
 Partner
 Membership No.: 049237
 UDIN: 20049237AAAABB5806

Place: Mumbai
 Date: July 7, 2020

Annexure 1 – Annexure referred to in Paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

Re: Shree Renuka Sugars Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the banks and not available with the Company. The same has not been independently confirmed by the bank and hence we are unable to comment on the same.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, in respect of loan given to one of the subsidiaries, the terms and conditions of the grant of loans are not prejudicial to the company's interest. However, in respect of loans granted to another subsidiary for which the year-end balance of the loan was INR 135.27 million, we are informed by the company that interest for these loans are not due upto the year 2021-22 and accordingly, in our opinion, the terms and conditions of the loan are prejudicial to the interest of the company.
- (b) In respect of a loans granted to two subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013, the schedule of repayment of principal and payment of interest has been stipulated. In respect of loans granted to one of the subsidiaries, the receipts are regular. However, in respect of loan granted to another subsidiary of INR 135.27 million, payment of interest is not yet due, however, interest accrued during the year has been provided for by the Company.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, during the year the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of sugar, industrial alcohol and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities. As informed to us the provisions related to sales-tax, service tax and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in INR Million**	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1960	Customs Duty	249.03	2003-2004	Supreme Court
		1,415.23	2006-2007 to 2016-2017	CESTAT
		0.37	2017-2018	Commissioner, Central Tax
Central Excise Act, 1944	Excise duty	723.84	2004-2005 to 2013-2014	CESTAT
		109.75	2013-2013 to 2015-2016	Commissioner (Appeals)
Finance Act, 1994	Service tax	41.07	2009-2010 to 2010-2011	CESTAT
		11.03	2004-2005 and 2013-2014 to 2014-2015	Commissioner (Appeals)
Goods and Service Tax, 2007	GST	44.50	2017-2018 to 2018-2019	Joint Commissioner
Income Tax Act, 1961	Income Tax	90.12	A.Y.-2010-11	ITAT
		33.65	A.Y.-2008-09	CIT (Appeals)
Maharashtra Value Added Tax, 2002	Sales Tax	11.28	2009-2010 and 2010-2011	Sales Tax Tribunal, Mumbai
West Bengal Value Added Tax Act, 2003	Sales Tax	3.82	2016-2017	Additional Commissioner

** Amount paid under protest of INR 361.71 Million has been reduced in arriving at undeposited statutory dues disclosed above.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank. The Company did not have any outstanding loans or borrowing dues to government during the year. In case of listed non-convertible debentures ('NCD') of the Company, the Company is in the process of obtaining necessary approvals from the stock exchange for modification in the terms of NCD's issued, however, the Company has made payments to the debenture holder on the basis of restructured balances as per the letter of intent received from the debenture holder. Further, in respect of unlisted NCD's the Company did not have any dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, during the year Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3 (xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered

into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Shyamsundar Pachisia
 Partner
 Membership No.: 049237
 UDIN: 20049237AAAABB5806

Place: Mumbai
 Date: July 7, 2020

Annexure 2 – Annexure referred to in paragraph 2(f) of the section on “Report on other legal and regulatory requirements” of our report of even date on the standalone Ind AS financial statements of Shree Renuka Sugars Limited

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

We have audited the internal financial controls over financial reporting of Shree Renuka Sugars Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company’s internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial

statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Shyamsundar Pachisia
 Partner
 Membership No.: 049237
 UDIN: 20049237AAAABB5806

Place: Mumbai
 Date: July 7, 2020

Balance Sheet

as at 31st March 2020

All amounts in million ₹, unless otherwise stated

	Notes	As at 31 st March 2020	As at 31 st March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	36,943.04	38,015.76
Capital work-in-progress	3	1,518.88	1,003.53
Other intangible assets	4	10.21	0.40
Financial assets			
Investments	5	1,039.29	1,086.29
Loans	6	1,918.37	2,081.97
Other non-current financial assets	7	54.52	127.69
Other non-current assets	8	415.66	1,595.59
Income tax receivable		238.05	232.61
Deferred tax assets (net)	9	1,580.93	3,148.13
Total non-current assets		43,718.95	47,291.97
Current assets			
Inventories	10	16,544.26	16,428.87
Financial assets			
Trade receivables	11	1,527.06	1,806.02
Cash and cash equivalents	12	349.93	202.02
Other Bank balances	13	36.99	18.61
Loans	14	0.33	0.32
Other current financial assets	15	922.21	469.34
Other current assets	16	1,718.70	2,709.28
Total current assets		21,099.48	21,634.46
Total assets		64,818.43	68,926.43
Equity and liabilities			
Equity			
Equity share capital	17a	1,916.82	1,916.82
Other equity	17b	(3,117.60)	3,547.67
Total Equity		(1,200.78)	5,464.49
Non-current liabilities			
Financial liabilities			
Borrowings	18	16,685.11	19,691.29
Other non-current financial liabilities	19	123.86	24.82
Net employee benefit liabilities	20	227.74	191.07
Government grants	21	3.35	318.21
Total non-current liabilities		17,040.06	20,225.39
Current liabilities			
Financial liabilities			
Borrowings	22	3,737.79	5,478.18
Trade payables	23		
- Total outstanding dues of micro and small enterprises		10.07	17.13
- Total outstanding dues of creditors other than micro and small enterprises		26,582.83	26,613.78
Other current financial liabilities	24	17,820.10	10,085.52
Government grants	21	27.13	59.42
Other current liabilities	25	733.54	919.54
Net employee benefit liabilities	26	67.69	62.98
Total current liabilities		48,979.15	43,236.55
Total liabilities		66,019.21	63,461.94
Total equity and liabilities		64,818.43	68,926.43

Significant accounting policies

2.1

Accompanying notes 1 to 49 form integral part of these financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

For and on behalf of the **Board of directors of
Shree Renuka Sugars Limited**

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 7th July 2020
Place: Ahmedabad

Vijendra Singh
Executive Director
DIN : 03537522
Date : 7th July 2020
Place: Mumbai

Sunil Ranka
Chief Financial Officer

Date : 7th July 2020
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 7th July 2020
Place : Mumbai

Date : 7th July 2020
Place: Mumbai

Statement of profit and loss

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Notes	Year ended 31 st March 2020	Year ended 31 st March 2019
Income			
Revenue from operations	27	44,387.23	42,757.70
Income from incentive to sugar mills		1,292.13	210.94
Other income	28	794.85	1,734.72
Total income		46,474.21	44,703.36
Expenses			
Cost of raw materials consumed	29	36,759.92	38,458.39
Purchase of traded goods	30	2,676.02	1,559.12
Increase in inventories of finished goods, work-in-progress and traded goods	31	(1,317.60)	(5,087.67)
Employee benefit expenses	32	1,084.53	1,131.02
Depreciation and amortisation expense	33	2,027.84	2,134.04
Foreign exchange loss/(gain) (net)		1,575.61	(254.61)
Finance costs	34	4,858.30	5,410.21
Other expenses	35	5,194.57	4,649.25
Total expenses		52,859.19	47,999.75
Loss before exceptional items and tax		(6,384.98)	(3,296.39)
Exceptional items - (income) / expenses	36	(2,989.25)	666.92
Loss before tax		(3,395.73)	(3,963.31)
Tax expense/(income)			
Current tax		-	-
Income tax relating to earlier years	9	26.12	-
Deferred tax	9	2,090.18	(144.37)
Income tax expense		2,116.30	(144.37)
Loss for the year		(5,512.03)	(3,818.94)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal / impairment of property, plant and equipment		(1,644.46)	(0.74)
Income Tax effect		513.07	-
Revaluation reserve on assets gain		-	819.69
Income tax effect		-	(255.74)
Loss on remeasurements of defined benefit plans	39	(31.76)	(29.11)
Income tax effect		9.91	9.08
Unrealised Loss on FVTOCI equity securities		-	(175.13)
Total comprehensive income for the year (net of tax)		(6,665.27)	(3,450.89)
Earnings per share			
Basic	37	(2.88)	(1.99)
[Face value of equity share INR 1/- each]			
Diluted	37	(2.88)	(1.99)
[Face value of equity share INR 1/- each]			

Significant accounting policies

2.1

Accompanying notes 1 to 49 form integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership No.49237

Date : 7th July 2020
Place : Mumbai

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 7th July 2020
Place: Ahmedabad

Vijendra Singh
Executive Director
DIN : 03537522
Date : 7th July 2020
Place: Mumbai

Sunil Ranka
Chief Financial Officer

Date : 7th July 2020
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No. : F-6801
Date : 7th July 2020
Place : Mumbai

Statement of changes in equity

for the period ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Equity share capital	Reserves and Surplus			Items of OCI		Total equity
		Securities premium	Debenture redemption reserve	Retained earnings	Revaluation reserve on PPE	Changes in equity instrument and others	
As at 1st April 2018	1,916.82	30,396.51	625.00	(35,146.91)	11,069.14	54.82	8,915.38
Loss for the year	-	-	-	(3,818.94)	-	-	(3,818.94)
Other comprehensive income	-	-	-	(20.77)	563.95	(175.13)	368.05
Total Comprehensive Income	-	-	-	(3,839.71)	563.95	(175.13)	(3,450.89)
Transfer to/(From) Retained Earnings on sale of assets	-	-	-	1.11	(1.11)	-	-
Depreciation of Revalued Assets	-	-	-	872.70	(872.70)	-	-
As at 31st March 2019	1,916.82	30,396.51	625.00	(38,112.81)	10,759.28	(120.31)	5,464.49
Loss for the year	-	-	-	(5,512.03)	-	-	(5,512.03)
Other comprehensive income	-	-	-	(21.85)	(1,131.39)	-	(1,153.24)
Total Comprehensive Income	-	-	-	(5,533.88)	(1,131.39)	-	(6,665.27)
Transfer to/(From) Retained Earnings on sale of assets	-	-	-	-	-	-	-
Depreciation of Revalued Assets	-	-	-	257.37	(257.37)	-	-
As at 31st March 2020	1,916.82	30,396.51	625.00	(43,389.32)	9,370.52	(120.31)	(1,200.78)

Accompanying notes 1 to 49 form integral part of these financial statements

As per our report of even date
For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia
 Partner
 Membership No.49237

Date : 7th July 2020
 Place: Mumbai

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi
 Executive Chairman
DIN : 00175355
 Date : 7th July 2020
 Place: Ahmedabad

Vijendra Singh
 Executive Director
DIN : 03537522
 Date : 7th July 2020
 Place: Mumbai

Sunil Ranka
 Chief Financial Officer

Date : 7th July 2020
 Place : Mumbai

Deepak Manerikar
 Company Secretary
 FCS No. : F-6801
 Date : 7th July 2020
 Place : Mumbai

Statement of cash flows

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Year ended 31 st March 2020	Year ended 31 st March 2019
Operating activities		
Loss before tax	(3,395.73)	(3,963.31)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	2,026.99	2,133.80
Amortisation of intangible assets	0.85	0.24
Unrealised gain on derivatives	(8.67)	(48.66)
Government assistance	(27.51)	(60.55)
Finance costs	4,858.30	5,410.21
Finance income	(200.99)	(187.73)
Loss on disposal of property, plant and equipment	0.28	1.11
Gain on discounting of OCPS	(2,888.63)	-
Dividend income	(1.27)	(0.76)
Gain from disposal of investments	(1.49)	-
Writeback of provision	(98.48)	(600.00)
Net foreign exchange differences	1,611.69	(559.69)
Impairment of other assets	99.99	157.95
Property, plant and equipment written off	53.90	4.23
Impairment of investment in subsidiaries	47.00	-
Impairment of trade receivables	423.67	65.65
Working capital adjustments:		
(Decrease)/ increase employee benefit expenses	(1.86)	99.00
Decrease in trade receivables	47.79	5,983.67
Decrease/(increase) in other receivables and prepayments	315.76	(46.37)
Increase in inventories	(174.10)	(7,132.40)
Increase in trade and other payables	5,530.96	3,315.91
	8,218.45	4,572.31
Income tax refunded/(paid)	(31.56)	79.44
Net cash flows from operating activities	8,186.89	4,651.75
Investing activities:		
Purchase of property, plant and equipment	(1,935.65)	(1,535.02)
Advance to subsidiaries	-	(2,413.41)
Loans given during the year to subsidiaries	(8.70)	-
Repayment of loan from subsidiaries	172.20	598.10
Proceeds from sale of property, plant and equipment	1.85	7.14
Proceeds from sale of investments	1.49	-
Interest received (finance income)	308.42	90.27
Dividend received	1.27	0.76
Net cash flows used in investing activities	(1,459.12)	(3,252.16)
Financing activities:		
Proceeds/(repayment) short term borrowings (net)	(1,740.39)	3,816.08
Repayment of long-term borrowings	(1,496.91)	(1,202.24)
Finance cost and processing charges paid	(3,333.90)	(4,150.63)
Payment of Lease Liability	(8.66)	-
Net cash flows used in financing activities	(6,579.86)	(1,536.79)
Net increase/(decrease) in cash and cash equivalents	147.91	(137.21)
Opening cash and cash equivalents (Refer Note 12)	202.02	339.23
Closing cash and cash equivalents (Refer Note 12)	349.93	202.02

Accompanying notes 1 to 49 form integral part of these financial statements

The cashflow statement is prepared using the indirect method set out in IND AS 7 - Statement of cashflow

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership No.49237

For and on behalf of the **Board of directors of**
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Place: Mumbai

Notes to Financial Statements

for the year ended 31st March 2020

1. Corporate information

Shree Renuka Sugars Limited ("SRSL" or "the Company") is a public company incorporated and domiciled in India. The Company's shares are listed on the BSE Ltd and National Stock Exchange of India Ltd. The registered office of the company is located at Kanakashree Arcade JNMC Road, Nehru Nagar, Belagavi- 590010, Karnataka.

The Company is principally engaged in the manufacturing of sugar, ethyl alcohol, ethanol, and generation and sale of power.

The financial statements for the year ended 31st March 2020 were authorised for issue by the Board of Directors of the Company on 7th July, 2020.

2.1 Significant accounting policies

I. Basis of Preparation:

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land, buildings and plant and machinery classified as property, plant and equipment.
- Certain financial assets and liabilities measured at fair value (refer note 2.1(II)(o) financial instruments).

The financial statements are prepared in INR and all values are rounded off to the nearest millions except when stated otherwise.

Going concern

As at 31st March 2020 the current liabilities of the Company exceed its current assets by INR 27,879.67 million. Further, the

Company has incurred continuing losses in the previous year ended 31st March 2019 and in current year ended 31st March 2020. The Company has negative net worth of INR 1,200.78 million as at 31st March 2020.

All Term loans and working capital loans availed by the Company are secured by corporate guarantee's provided by the ultimate parent company (Wilmar International Limited). The Board of Directors of Wilmar Sugar Holdings Pte. Limited, the parent company, have provided letter of support to the Company, to meet shortfall in its normal trade related working capital requirements up to the year ending 31st March 2021. The Board of Directors of the Company has approved raising of External Commercial Borrowings (ECB) from the parent company to inter alia refinance the Company's existing debts, to meet the Company's working capital requirements and general corporate purposes. Accordingly, the Company management believes it will be able to meet all its financial obligations, on a timely basis, hence, the Company has prepared the financial statements on going concern basis (refer note 48).

II. Summary of significant accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- o Expected to be realised or intended to be sold or consumed in normal operating cycle
- o Held primarily for the purpose of trading
- o Expected to be realised within twelve months after the reporting period, or

Notes to Financial Statements

for the year ended 31st March 2020

- o Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when:

- o It is expected to be settled in normal operating cycle
- o It is held primarily for the purpose of trading
- o It is due to be settled within twelve months after the reporting period, or
- o There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company

at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- o In the principal market for the asset or liability, or

Notes to Financial Statements

for the year ended 31st March 2020

- o In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- o Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- o Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- o Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- o Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 42)
- o Quantitative disclosures of fair value measurement hierarchy (note 42)
- o Investment in unquoted equity shares (note 5)
- o Property, plant and equipment under revaluation model (note 3)
- o Financial instruments (including those carried at amortised cost) (note 42)

Notes to Financial Statements

for the year ended 31st March 2020

d. Revenue recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, on delivery of the goods. The normal credit term is 7 to 30 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (o) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of

Notes to Financial Statements

for the year ended 31st March 2020

the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

e. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised

and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Government announced Minimum Indicative Export Quota (MIEQ) scheme for the season year 2018-19 and Maximum Allowable Export Quota (MAEQ) for season year 2019-20 to boost exports of sugar. Under these schemes, the Company can export sugar under its own quota and the quota of the third parties. The Company has availed benefits under both the schemes for exports made by the Company under its own quota. The company has also availed benefit under Buffer Stock Subsidy Scheme announced by Government of India.

As the company has complied with the relevant conditions of MIEQ, MAEQ and Buffer stock subsidy schemes notified by the Ministry of Consumer Affairs, Food and Public Distribution, it has recognised eligible assistance as Income from incentives to sugar mills.

f. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation

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for the year ended 31st March 2020

to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

g. Property, plant and equipment

Freehold and leasehold land, buildings and plant and machinery, other than investment property are carried in the balance sheet on the basis of revaluation model. The revaluation of these assets is conducted every three years by the Company.

Capital work in progress is stated at cost after reducing impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs

for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria are met.

Land, buildings and plant and machinery are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally,

Notes to Financial Statements

for the year ended 31st March 2020

accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Useful life
Buildings	5 - 60 Years
Plant and Equipments	5 - 40 Years
Furniture and Fixtures	1 - 10 Years
Vehicles	7 - 8 Years
Office Equipments	1 - 10 Years

The Company, based on technical assessment made by management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at

each financial year end and adjusted prospectively, if appropriate.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of

Notes to Financial Statements

for the year ended 31st March 2020

the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j. Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term

Notes to Financial Statements

for the year ended 31st March 2020

lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- o Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- o Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- o Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- o By-products and scraps are valued at net realisable value.

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.

l. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of

Notes to Financial Statements

for the year ended 31st March 2020

the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for

the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before

Notes to Financial Statements

for the year ended 31st March 2020

the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- o Service costs comprising current service costs, past-service costs; and
- o Net interest expense or income

Long term employee benefits:

Compensated absences are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

o. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- o Debt instruments at amortised cost.
- o Debt instruments at fair value through other comprehensive income (FVTOCI).

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for the year ended 31st March 2020

- o Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- o Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by

collecting contractual cash flows and selling the financial assets, and

- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

The Company has not designated any debt instrument as at FVTOCI.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

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for the year ended 31st March 2020

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- o The rights to receive cash flows from the asset have expired, or
- o The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the

risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI

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for the year ended 31st March 2020

- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'Trade receivables')
- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- o Trade receivables or contract revenue receivables; and
- o Loans and other financial assets

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- o Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net

carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- o Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 18.

Other financial liabilities

The Company enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as acceptances under trade payables. Interest borne by the company on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it

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incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p. Compounding financial instruments

The company had issued compound financial instruments (redeemable preference shares, optionally convertible preference shares and redeemable non-convertible debentures) as part of its restructuring

of debts with lenders. On issuance of compounding financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The difference between value of Compound financial instruments so determined and the non sustainable part of borrowing is recognised as income on de-recognition of financial liability in the statement of profit and loss.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

r. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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for the year ended 31st March 2020

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

s. Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, currency option contracts, forward commodity contracts and commodity option contract to hedge its foreign currency risks and commodity price risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

2.2 Significant accounting judgments estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions

about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1. Revaluation of property, plant and equipment

The Company measures land, buildings, plant and machinery classified as property, plant and equipment at revalued amounts with changes in fair value being recognised in OCI. The Company had engaged an independent valuation specialist to assess fair value as at 31st March 2019 for revaluation of land, buildings, plant and equipment. Fair value of land was determined by using the market approach and building and plant & equipment was determined by using depreciated replacement cost (DRC) method. The key assumptions used to determine fair value of the property, plant and equipment are provided in Note 3.

2. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has unabsorbed depreciation of ₹12,302.14 million (31st March 2019: ₹ 12,302.14 million), unabsorbed tax losses of ₹ 12,728.07 million (31st March 2019: ₹ 16,596.44 million) on which deferred tax asset has been created; in addition, the Company has MAT credit entitlement of ₹457.43 million (31st March 2019: ₹ 528.90 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess

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whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

3. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on projections approved by the Board of Directors of the Company. The cash flows are derived from the cashflow estimates for the remaining life of the asset and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows.

4. Valuation of investments

Investments in subsidiaries are carried at cost in the financial statements. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of profit and loss.

The recoverable amount calculation is based on a DCF (Discounted Cash Flow) model. The cash flows are based on projections approved by the Board of Directors of the Company and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the

CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

5. Financial instruments

During the year, there has been a modification in the tenure of the optionally convertible preference shares from the initial term of 18 months to 132 months. The Company has obtained the necessary approvals from Securities Exchange Board of India (SEBI) and the shareholders of the Company for extension of the tenure. The extension of the tenure has been considered as a substantial modification in the terms of the financial instruments, leading to de-recognition of existing financial liability and recognition of financial liability at its fair value. The difference in the fair value of the new financial liability and the existing financial liability has been recognised as a gain on modification of terms of financial instruments, disclosed under exceptional item in note 36.

6. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 39.

2.3 Standards issued but not yet effective

Paragraph 30 of Ind AS 8 requires disclosure of standards that have been issued but are not yet effective. Since there were no standards issued but not effective till date, this disclosure is not applicable.

2.4 Changes in accounting policies and disclosures

New and amended Standards and interpretation

- **Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has used the 'modified retrospective approach' for transition from the previous standard- Ind AS 17, and consequently, comparatives for previous periods have not been retrospectively adjusted. On transition, the Company has recorded the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen the practical expedient provided in the standard to measure the right of-use asset at the same value as the lease liability.

The Company also elected to use the recognition exemptions for lease contracts

that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

The Company did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1st April 2019.

Leases previously accounted for as operating leases

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepayments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

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- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

- **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company has not identified any uncertain tax positions, wherein it is probable that its tax treatments

will be challenged by the taxation authorities. The Appendix did not have an impact on the standalone financial statements of the Company.

- **Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.

- **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

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The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

Annual Improvements to Ind AS 2018

- **Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where joint control is obtained.

- **Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April 2019.

These amendments had no impact on the standalone financial statements of the Company as there is no transaction where a joint control is obtained.

- **Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1st April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

- **Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

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All amounts in million ₹, unless otherwise stated

Note 3: Property, plant and equipment

	Leasehold land	Freehold land	Buildings	Plant, machinery and equipment	Furniture & fixtures	Vehicles	Right-of-use assets	Total for property, plant and equipment	Capital work-in-progress	Total
Gross block										
As at 1st April 2018	180.39	2,025.87	7,244.04	35,329.64	87.60	30.74	-	44,898.28	269.16	45,167.44
Additions	-	60.21	163.53	478.07	17.75	6.43	-	725.99	734.37	1,460.36
Revaluation Reserve	819.00	(45.63)	694.78	(648.46)	-	-	-	819.69	-	819.69
Disposals	-	-	-	(5.52)	(7.79)	(15.70)	-	(29.01)	-	(29.01)
As at 31st March 2019	999.39	2,040.45	8,102.35	35,153.73	97.56	21.47	-	46,414.95	1,003.53	47,418.48
Right of use assets recognised as on 1 st April 2019	-	-	-	-	-	-	1,384.68	1,384.68	-	1,384.68
Transfer to ROU assets	(999.39)	-	-	-	-	-	999.39	-	-	-
Additions	-	15.51	5.31	1,163.38	49.42	0.08	24.96	1,258.66	526.75	1,785.41
Disposals	-	-	(20.30)	(133.42)	(8.69)	-	-	(162.41)	-	(162.41)
As at 31st March 2020	-	2,055.96	8,087.36	36,183.69	138.29	21.55	2,409.03	48,895.88	1,530.28	50,426.16
Depreciation and impairment										
As at 1st April 2018	6.57	-	837.39	5,385.88	49.60	6.61	-	6,286.05	-	6,286.05
Depreciation charge for the year (refer note 33)	2.15	-	267.60	1,839.77	17.82	6.47	-	2,133.81	-	2,133.81
Disposals	-	-	-	(2.00)	(7.73)	(10.94)	-	(20.67)	-	(20.67)
Impairment	-	-	-	-	-	-	-	-	-	-
As at 31st March 2019	8.72	-	1,104.99	7,223.65	59.69	2.14	-	8,399.19	-	8,399.19
Depreciation charge for the year (refer note 33)	-	-	340.24	1,542.24	16.74	4.82	122.95	2,026.99	-	2,026.99
Transfer to ROU assets	(8.72)	-	-	-	-	-	8.72	-	-	-
Disposals	-	-	(16.95)	(53.96)	(8.68)	-	-	(79.59)	-	(79.59)
Impairment	-	-	438.32	856.01	-	-	311.92	1,606.25	11.40	1,617.65
As at 31st March 2020	-	-	1,866.60	9,567.94	67.75	6.96	443.59	11,952.84	11.40	11,964.25
Net book value										
As at 31st March 2020	-	2,055.96	6,220.76	26,615.75	70.54	14.59	1,965.44	36,943.04	1,518.88	38,461.92
As at 31st March 2019	990.67	2,040.45	6,997.36	27,930.08	37.87	19.33	-	38,015.76	1,003.53	39,019.29

A. Assets under construction

Capital work in progress as at 31st March, 2020 comprises expenditure for the plant and building in the course of construction.

B. Revaluation of land, buildings and plant, machinery and equipment

During the previous year ended 31st March 2019, the Company had appointed an independent valuer to determine the fair value of freehold and lease hold land, building and plant and machineries. As an outcome of this process, the Company has recognised increase in the gross block of land (free and lease hold) of ₹ 773.37 million, building of ₹ 694.78 million and decrease in plant and machineries of ₹ 648.46 million. The company recognised this increase within the revaluation reserve and statement of comprehensive income.

The Company determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using depreciated replacement cost (DRC). The DRC is derived from the Gross Current reproduction / replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Significant unobservable valuation input:

Asset	Valuation technique	Significant unobservable inputs
Freehold land/ Leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on Utility and Design of Building Structures condition, actual physical condition and state of repairs and maintenance, type of general and Special Specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, Depreciation for Physical wears and tear.
Plant, machinery and equipment Sugar Plant Co-Generation Plant Ethanol plant	Depreciated Replacement Cost (DRC)	The valuation of Plant & Machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery.

Information of revaluation model (gross of deferred tax):

	Million INR
Opening balance as at 1st April 2018	16,893.50
Measurement recognised in reserves	819.69
Purchases	-
Depreciation	(872.70)
Disposed off	(1.11)
Closing balance as at 31st March 2019	16,839.38
Measurement recognised in reserves	-
Purchases	-
Depreciation	(769.84)
Disposed/impariment off	(1,644.74)
Closing balance as at 31st March 2020	14,424.80

If land, building and plant, machinery and equipment were measured using the cost model. The carrying amounts would be as follows:

	As at 31 st March 2020	As at 31 st March 2019
Cost		
Freehold land	499.41	483.86
Leasehold land	193.30	180.39
Buildings	5,735.82	5,745.27
Plant, machinery and equipment	30,369.62	27,900.82
	36,798.15	34,310.34
Accumulated depreciation		
Freehold Land	-	-
Leasehold land	14.80	8.72
Buildings	2,011.42	1,828.46
Plant, machinery and equipment	12,338.82	11,353.98

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	As at 31 st March 2020	As at 31 st March 2019
	14,365.04	13,191.16
Net carrying amount		
Freehold Land	499.41	483.86
Leasehold land	178.50	171.67
Buildings	3,724.40	3,916.81
Plant, machinery and equipment	18,030.80	16,546.84
	22,433.11	21,119.18

C. Impairment

The Company has two sugar refineries. As the international sugar prices were under pressure and due to higher input costs, one of the refineries was not operational since mid-2018. However, due to steady increase in the white premium which is expected to stay at the current levels for foreseeable future and also increased opportunities for sale of sugar in the domestic markets, management has already taken steps towards restarting this refinery and expects the same to be operational by second quarter of the financial year 2020-21.

As per the requirements of Ind AS 36, the Company tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Company estimates the recoverable amount of the property, plant and equipment. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the current year, as indication exists, the Company performed impairment assessment with respect to the certain specific Cash Generating Unit (CGU). The recoverable amount has been determined using value in use approach based on cashflow projections as approved by the Board of Directors of the Company. As a result of this analysis, management has identified and has recognised an impairment allowance of INR 1,606.25 million in the year ended 31st March 2020. The same has been adjusted against previously recognised revaluation reserve for this CGU and has been considered in the Other Comprehensive Income (OCI) for the quarter and year ended 31st March 2020.

Note 4: Other intangible assets

	Computer software
Gross block	
As at 1st April, 2018	20.12
Additions	0.21
Disposals	-
As at 31st March 2019	20.33
Additions	10.66
Disposals	-
As at 31st March 2020	30.99
Depreciation and impairment	
As at 1st April, 2018	19.69
Amortisation during the year	0.24
Disposals	-
As at 31st March 2019	19.93
Amortisation during the year	0.85
Disposals	-
As at 31st March 2020	20.78
Net book value	
As at 31st March 2020	10.21
As at 31st March 2019	0.40

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 5: Investments

	Currency	Face value	As at 31 st March 2020		As at 31 st March 2019	
			Number of units	INR Million	Number of units	INR Million
Current:						
Unquoted equity shares: At Cost						
In Subsidiary Companies						
Shree Renuka Global Ventures Ltd (SRGVL).*	USD	1	-	-	39,56,74,975	18,245.25
Less:- Impairment allowance				-		(18,245.25)
				-		-
Non Current:						
Unquoted equity shares: At Cost						
In Subsidiary Companies						
KBK Chem-Engineering Pvt. Ltd.	INR	100	1,69,143	547.92	1,69,143	547.92
Gokak Sugars Ltd.**	INR	10	3,29,37,140	187.26	3,29,37,140	187.26
Monica Trading Pvt. Ltd.	INR	10	10,000	171.52	10,000	171.52
Less:- Impairment allowance				(47.00)		-
				124.52		171.52
Renuka Commodities DMCC	AED	10000	40	4.97	40	4.97
Less:- Impairment allowance				(4.97)		(4.97)
				-		-
Shree Renuka Agri Ventures Ltd.	INR	10	2,50,000	2.50	2,50,000	2.50
Less:- Impairment allowance				(2.50)		(2.50)
				-		-
Shree Renuka East Africa Agriventures PLC	Birr	180	9,999	5.19	9,999	5.19
Less:- Impairment allowance				(5.19)		(5.19)
				-		-
Shree Renuka Tunaport Pvt. Ltd.	INR	10	10,000	0.10	10,000	0.10
Less:- Impairment allowance				(0.10)		(0.10)
				-		-
In Other Companies						
Unquoted equity shares: At fair value through other comprehensive income (fully paid)						
National Commodity & Derivatives Exchange Ltd. (NCDEX) (refer note 42)#	INR	10	25,33,700	179.59	25,33,700	179.59
Aggregate Value of total Investment				1,039.29		1,086.29
Aggregate value of unquoted investment				1,099.05		19,344.30
Aggregate amount of impairment allowance in value of investments				(59.76)		(18,258.01)

* During the year, the Company, after receiving approval from lenders and shareholders, on 6th August 2019, entered into an investment agreement with Freeway Trading Limited (FTL) for acquisition of controlling interest by FTL in SRGVL by way of subscription to ordinary shares of SRGVL. Further as Mauritius law necessitated a change to the foregoing, such that FTL agreed to acquire such controlling interest in SRGVL through purchase of shares held by the Company in SRGVL. In connection with this and in compliance with the terms of approval of shareholders dated 19th July 2019, the Company has entered into a Letter of Purchase and Undertaking with inter alia FTL dated 24th September 2019 and with effect from 25th September 2019, sold its entire stake in SRGVL i.e., 395,674,975 shares, representing a shareholding of 82.9% held by the Company, to FTL for consideration of USD 21,000 (equivalent to INR 1 million). As a consequence of this sale, SRGVL and its step down subsidiaries ceased to be subsidiaries of the Company with effect from 25th September 2019. The Company had created impairment allowance in previous years of INR 18,245.25 million for the entire value of these investments. Accordingly, the Company has recognized a gain on sale of investment of INR 1.49 million and has disclosed the same as exceptional items (refer note 36).

** The Board of Directors of the Company at its meeting held on 10th November, 2019 has given in principal approval for merger of Gokak Sugars Limited with the Company, subject to necessary approvals.

697,700 equity shares pledged with IDBI bank towards working capital loan availed by the Company.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 6: Loans

	As at 31 st March 2020	As at 31 st March 2019
Loans to subsidiary companies (refer note 41 (C))	3,979.20	4,142.70
Less: Impairment allowance (refer note 41 (C))	(2,060.83)	(2,060.73)
	1,918.37	2,081.97
Break-up for security details		
Unsecured considered good	1,918.37	2,081.97
Unsecured, credit impaired	2,060.83	2,060.73
(A)	3,979.20	4,142.70
Impairment allowance*		
Unsecured considered good	-	-
Unsecured, credit impaired (refer note 41 (C))	(2,060.83)	(2,060.73)
(B)	(2,060.83)	(2,060.73)
(A-B)	1,918.37	2,081.97

* The Company has recognised impairment allowance on life time expected credit loss basis towards loan given to its subsidiaries.

During the year the Company advanced on amount of ₹ 8.70 mn to its subsidiary, Monica Trading Private Limited (MTPL) to meet their payment obligations. The total amount outstanding as on 31st March 2020 is INR 135.27 million.

Note 7: Other non-current financial assets

	As at 31 st March 2020	As at 31 st March 2019
Deposits	54.52	127.69
	54.52	127.69
Break-up for security details		
Unsecured considered good	54.52	127.69
Doubtful	71.56	-
(A)	126.08	127.69
Impairment allowance		
Unsecured considered good	-	-
Doubtful	(71.56)	-
(B)	(71.56)	-
(A-B)	54.52	127.69

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 8: Other non-current assets

	As at 31 st March 2020	As at 31 st March 2019
Prepayments	-	1,121.86
Capital advances*	29.34	89.75
Amount paid under protest to government authorities	386.32	383.98
	415.66	1,595.59
Break-up for security details		
Unsecured considered good	415.66	1,595.59
Unsecured, considered doubtful	197.43	197.43
	(A) 613.09	1,793.02
Impairment allowance		
Unsecured considered good	-	-
Unsecured, considered doubtful	(197.43)	(197.43)
	(B) (197.43)	(197.43)
	(A-B) 415.66	1,595.59

* Includes capital advance given to subsidiaries INR 23.55 million (31st March 2019 : INR Nil) (refer note 41 (C))

Note 9: Income tax

The major components of income tax expenses for period ended 31st March 2020 and 31st March 2019 are:

	As at 31 st March 2020	As at 31 st March 2019
Profit and loss section		
Current income tax:		
Income tax relating to earlier years	26.12	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,090.18	(144.37)
Income tax expense reported in the statement of profit and loss	2,116.30	(144.37)
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on remeasurements of defined benefit plans	9.91	9.08
Revaluation reserve on property, plant and equipments	513.07	(255.74)
Income tax expenses/(income) charged to OCI	522.98	(246.66)
Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for year ended 31st March 2020 and 31st March 2019		
Accounting loss before tax	(3,395.73)	(3,963.31)
At India's statutory income tax rate of 31.2% (31 st March 2019: 31.2%)	(1,059.47)	(1,236.55)
Unwinding Interest not deductible	260.47	283.22
Loss on which no DTA created	1,270.07	555.82
Impairment allowance of financial assets	16.32	302.40

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	As at 31 st March 2020	As at 31 st March 2019
Previous year losses on which DTA was considered to be not recoverable during the year	1,189.40	-
Income tax related to earlier year litigation	26.12	-
Others	413.39	(49.26)
Income tax expense/(income) in the statement of profit and loss	2,116.30	(144.37)
Deferred tax		
Difference between carrying value of PPE and WDV as per the income tax act	(8,242.25)	(8,950.02)
Deferred tax on financial instruments (net)	1,481.38	2,500.13
Expenses claimed on payment basis	74.95	48.94
Losses available for offsetting against future taxable income	7,809.42	9,020.18
MAT credit entitlement	457.43	528.90
Net deferred tax assets	1,580.93	3,148.13
Presented in the balance sheet as follows:		
Deferred tax assets	1,580.93	3,148.13
Deferred tax liabilities	-	-
Deferred tax assets	1,580.93	3,148.13
Reconciliation of deferred assets/(liabilities):		
Opening balance as at 1 st April	3,148.13	3,250.42
Tax (expense)/income during the period recognised in profit and loss	(2,090.18)	144.37
Tax income/(expense) during the period recognised in OCI	522.98	(246.66)
Closing balance	1,580.93	3,148.13

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has unabsorbed depreciation of ₹ 12,302.14 million (31st March 2019: ₹ 12,302.14 million), unabsorbed business losses of ₹ 12,728.07 million (31st March 2019: ₹ 16,596.44 million) on which deferred tax asset has been created; in addition, the Company has MAT credit entitlement of ₹ 457.43 million (31st March 2019: ₹ 528.90 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed business losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

The Company has unabsorbed depreciation of INR 2,534.25 million (31st March 2019: INR. 1,122.45), unabsorbed tax losses of INR 11,198.63 million (31st March 2019: INR. 4,064.80) on which deferred tax asset has not been created. The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses can be carried forward for 8 years.

Pursuant to the Taxation Law (Amendment) ordinance, 2019 (Ordinance) issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 1st April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New Tax rate) subject to certain condition. The Company had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure due to carry forwards tax losses, unabsorbed depreciation and unutilised MAT credit.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 10: Inventories

	As at 31 st March 2020	As at 31 st March 2019
Raw materials, components and material in transit (at cost) (includes transit stock of 31 st March 2020: INR 4.58 million (31 st March 2019: INR 38.58 million))	3,158.76	4,226.37
Stores and spares (at cost)* (includes transit stock of 31 st March 2020: INR 4.02 million)	358.03	492.63
Intermediate products (at net realisable value)	1,620.58	1,277.99
Finished goods: (at lower of cost or net realisable value)		
Manufactured	11,406.89	10,431.88
	16,544.26	16,428.87

* Includes packing material and consumables

Note 11: Trade receivables

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good:		
Receivables from third parties	1,171.66	1,805.58
Receivables from subsidiaries and affiliates (refer note 41 (C))	355.40	0.44
	1,527.06	1,806.02
Break-up for security details:		
Secured, considered good		
Unsecured, considered good		
Receivables from third parties	1,171.66	1,805.58
Receivables from subsidiaries and affiliates (refer note 41 (C))	355.40	0.44
Unsecured, considered doubtful		
Receivables from third parties	190.44	190.44
Receivables from subsidiaries (refer note 41 (C))	3,769.72	3,346.05
	5,487.22	5,342.51
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	(3,960.16)	(3,536.49)
	(3,960.16)	(3,536.49)
Trade receivables (Net)	1,527.06	1,806.02

During the year, the company has recognised impairment allowance on lifetime expected credit loss model amounting to INR 423.67 million (31st March 2019: INR 134.13 million).

No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 7 to 30 days.

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for the year ended 31st March 2020

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Note 12: Cash and cash equivalents

	As at 31 st March 2020	As at 31 st March 2019
Cash and cash equivalents:		
Cash on hand	0.83	0.82
Balances with banks:		
On current accounts	349.10	201.20
	349.93	202.02

Changes in liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowings	Non Current lease liabilities	Current lease liabilities
As at 1st April 2019	21,976.40	1,662.10	-	-
Cash flows	(1,202.24)	3,816.08	-	-
Other	617.12	-	-	-
As at 31st March 2019	21,391.28	5,478.18	-	-
Cash flows	(1,496.91)	(1,740.39)	-	(8.66)
Other	(1,719.95)	-	123.86	14.97
As at 31st March 2020	18,174.42	3,737.79	123.86	6.31

Note 13: Other Bank balances

	As at 31 st March 2020	As at 31 st March 2019
Other Bank Balances:		
Earmarked balances		
Unpaid dividend accounts	2.99	2.99
Fixed deposit pledged with bank/deposited with government authorities*	34.00	15.62
	36.99	18.61

*Fixed deposit with banks include amounts that have been provided as margin money and those that have been pledged with government authorities towards guarantee.

Note 14: Loans

	As at 31 st March 2020	As at 31 st March 2019
Unsecured and considered good:		
Loans to related parties		
To subsidiary companies (refer note 41 (C))	14,753.62	14,753.61
	14,753.62	14,753.61
Break-up for security details		
Unsecured, considered good	0.32	0.32
Unsecured, credit impaired	14,753.30	14,753.29
(A)	14,753.62	14,753.61
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, credit impaired	(14,753.29)	(14,753.29)
(B)	(14,753.29)	(14,753.29)
(A-B)	0.33	0.32

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 15: Other current financial assets

	As at 31 st March 2020	As at 31 st March 2019
Derivative Instruments at fair value through Profit or loss	56.93	124.14
Deposits with commodity agent	-	212.86
Export incentives receivable	3.06	3.15
Interest receivable*	2.73	134.20
Other receivables**	861.85	21.39
	924.57	495.74
Break-up for security details		
Unsecured considered good	922.21	469.34
Unsecured, credit impaired	2.36	26.40
	(A) 924.57	495.74
Impairment allowance		
Unsecured considered good	-	-
Unsecured, credit impaired	(2.36)	(26.40)
	(B) (2.36)	(26.40)
	(A-B) 922.21	469.34

* Includes due from subsidiaries INR 2.36 million (31st March 2019 : INR 133.87 million) (refer note 41 (C))

** Includes due from subsidiaries INR 51.00 million (31st March 2019 : INR 21.39 million) (refer note 41 (C))

Note 16: Other current assets

	As at 31 st March 2020	As at 31 st March 2019
Prepayments	88.94	212.34
Balances with government authorities	1,408.92	1,271.35
Related parties (refer note 41 (C))	92.71	160.70
Advance to suppliers	594.08	1,568.72
Others	477.22	411.16
	2,661.87	3,624.27
Break-up for security details		
Unsecured considered good	1,718.70	2,709.28
Unsecured, considered doubtful	943.17	914.99
	(A) 2,661.87	3,624.27
Impairment allowance		
Unsecured considered good	-	-
Unsecured, credit impaired*	(943.17)	(914.99)
	(B) (943.17)	(914.99)
	(A-B) 1,718.70	2,709.28

* Includes subsidiaries and affiliate INR 91.24 million (31st March 2019 : INR 160.20 million) (refer note 41 (C))

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 17a: Equity share capital

	As at 31 st March 2020	As at 31 st March 2019
a) Authorised share capital		
2,900,000,000 Equity shares of INR 1 each	2,900.00	2,900.00
510,141,365, 0.01% Compulsorily convertible preference shares of INR 16.27 each	8,300.00	8,300.00
94,000,000, 0.01% Redeemable preference shares of INR 100 each	9,400.00	9,400.00
45,500,000, 0.01% Optionally convertible preference shares of INR 100 each	4,550.00	4,550.00
	25,150.00	25,150.00
b) Issued, subscribed and paid up		
1,916,819,292 Equity Shares of INR 1 each fully paid	1,916.82	1,916.82
	1,916.82	1,916.82

Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend if any in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Issued equity capital

	Number of equity shares
As at 1st April 2018	1,916,819,292
Shares issued during the year	-
As at 31st March 2019	1,916,819,292
Shares issued during the year	-
As at 31st March 2020	1,916,819,292

Details of shareholders holding more than 5% shares in the equity share capital of the company

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar Holdings Pte. Limited	1,118,204,751	58.34%	1,118,204,751	58.34%
ICICI Bank Limited	194,984,067	10.17%	191,279,112	9.98%
IDBI Bank Limited	181,554,441	9.47%	181,969,219	9.49%

Note 17b: Other equity

	As at 31 st March 2020	As at 31 st March 2019
Securities premium account (refer note a below)	30,396.51	30,396.51
Debenture redemption reserve (DRR) (refer note b below)	625.00	625.00
Changes in equity instruments (refer note c below)	(120.31)	(120.31)
Revaluation reserve (refer note c below)	9,370.52	10,759.28
Retained earnings	(43,389.32)	(38,112.81)
	(3,117.60)	3,547.67

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

a. Securities premium account:

	INR million
As at 1st April 2018	30,396.51
Increase /(decrease) during the period	-
As at 31st March 2019	30,396.51
Increase /(decrease) during the period	-
As at 31st March 2020	30,396.51

Securities premium reserve is credited when shares are issued at premium. The reserve is utilised in accordance with the provisions of the Companies Act 2013 (the Act).

b. Debenture redemption reserve (DRR) :

	INR million
As at 1st April 2018	625.00
Transfer to/(from) retained earnings	-
As at 31st March 2019	625.00
Transfer to/(from) retained earnings	-
As at 31st March 2020	625.00

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

c. Other reserves

	As at 31 st March 2020	As at 31 st March 2019
Changes in equity instruments	(120.31)	(120.31)
Revaluation reserve	9,370.52	10,759.28
Total other reserves	9,250.21	10,638.97

Changes in equity instruments

Changes in equity instrument represents reserves created in respect of investment in unquoted equity shares carried at Fair Value Through Other Comprehensive Income.

Revaluation reserve:

Revaluation reserve is credited when Property, Plant and Equipments are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the Company recognised impairment of property, plant and equipments through revaluation reserve amounting to ₹ 1,105.36 million (net of deferred tax) and recognised amount of ₹ 31.47 million (net of deferred tax) as reversal of revaluation reserve on disposal of assets.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 18: Borrowings (non-current)

	As at 31 st March 2020	As at 31 st March 2019
Secured		
a) Non-convertible debentures (refer Note B below)		
1,500 Redeemable non-convertible debentures (11.70%) of INR.1,000,000 each	1,379.98	1,447.48
1,000 Redeemable non-convertible debentures (11.30%) of INR.1,000,000 each	919.98	964.98
5,521 Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each	2,721.50	2,397.51
b) Term Loans (refer Note B below)		
From Banks and financial institutions	10,131.20	11,040.44
From others (refer Note B below)		
From IFCI Limited (Sugar Development Fund)	179.65	320.99
Unsecured		
Financial instruments		
74,388,207 Redeemable preference shares (0.01%) of INR 100 each	1,365.07	1,202.31
42,808,858 Optionally convertible redeemable preference shares (0.01%) of INR 100 each	1,477.04	4,017.57
	18,174.42	21,391.28
Less: Current maturity of long-term borrowings transferred to Other current financial liabilities (refer Note 24)	(1,489.31)	(1,699.99)
	16,685.11	19,691.29

Terms of repayment for the loan outstanding as on 31st March 2020

Particulars	Maturity	Effective rate of interest	As at 31 st March 2020	As at 31 st March 2019
Non-convertible debentures				
Non convertible debentures -LIC**	31st March 2024	11.70%	1,379.98	1,447.48
Non convertible debentures -LIC**	31st March 2024	11.30%	919.98	964.98
0.01% Non-convertible debentures issued to lenders	31st March 2027	12.90% #	2,721.50	2,397.51
From Banks and financial institutions				
Term loans				
Indian Renewable Energy Development Authority (IREDA)	31st December 2020	9.85%	60.38	140.88
Indian Renewable Energy Development Authority (IREDA)	31st March 2022	11.60%	131.25	196.88
Exim Bank	31st March 2029	IDBI 1 year MCLR rate+1.1%	427.39	473.18
ICICI Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	3,738.65	4,139.24
State Bank of India Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	293.54	335.16
IDBI Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	3,754.80	4,157.10
Axis Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	108.70	120.99

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Particulars	Maturity	Effective rate of interest	As at 31 st March 2020	As at 31 st March 2019
Kotak Mahindra Bank Limited (KMBL)	31st March 2029	KMBL 1 year MCLR rate+1.1%	587.92	650.91
Ratnakar Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	45.36	49.05
Yes Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	372.71	412.64
SEFASU loan from banks	31st March 2029	IDBI 1 year MCLR rate+1.1%	610.50	364.40
IFCI Limited (SDF)	22nd February 2021 and 30th September 2021	12.00%	179.65	320.99
0.01% Redeemable preference shares (RPS)	31st March 2037	12.90% #	1,365.07	1,202.31
0.01% Optionally convertible preference shares (OCPS)(refer note A)	31st March 2029	12.00% #	1,477.04	4,017.57

The NCD's and RPS issued to lenders has been recorded at NPV using discounting factor of 12.90% and OCPS issued to lenders has been recorded at NPV using discounting factor of 12.00% .

** The Company is in the process of restructuring its non-convertible debentures (NCD) and has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11th October 2018. This letter was accepted by the Company on 16th October 2018. The Company has obtained approval of the shareholders for the aforesaid transaction vide special resolution passed by postal ballot on 19th July 2019. The Company had received approval from stock exchange for modification in terms of NCD issued, however as per the approval the same was to be completed by 13th Feb 2020. Since the restructuring agreement has not been executed, the Company is in the process of seeking fresh approval from the stock exchange.

Note A: Repayment schedule of financial instrument is as follows:

- 0.01% Optionally Convertible Preference Shares (OCPS) of INR 4,280.89 million, issued to lenders with convertibility right at the end of 18 months in line with existing SEBI regulations. During the year, there has been a modification in the tenure of the optionally convertible preference shares from the initial term of 18 months to 132 months. The Company has obtained the necessary approvals from Securities Exchange Board of India (SEBI) and the shareholders of the Company for extension of the tenure till 31st March 2029. Accordingly, the company has recognised a gain of INR 2,888.63 million as Gain on modification of terms of OCPS and has presented the same under exceptional items (refer note 36).
- 0.01% Redeemable Preference Shares (RPS) of INR 7,439 million, carrying value as on 31st March 2020, INR 1,365.07 million redeemable in 40 structured quarterly instalments commencing from 30th June 2027.
- Term loans having maturity date of 31st March 2029 are repayable in 47 structured quarterly instalments commencing from 30th September 2017.
- NCD issued to LIC are repayable in 20 structured quarterly instalments commencing from 30th September 2017.
- 0.01 % NCD issued to lenders of INR 5,521 million (carrying value as at 31st March 2020: INR 2,721.50 million) are repayable in 12 structured quarterly installments commencing from 30th June 2024.
- Term loans from IREDA having maturity date of 31st December 2020 and 31st March 2022 are repayable in 11 and 16 structured quarterly instalments respectively.
- Term loans from IFCI Limited (Sugar Development Fund) having maturity date of 22nd February 2021 and 30th September 2021 are repayable in 1 yearly and 3 half yearly instalments.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note B: Nature of Security/guarantees

Term loans and Non-convertible debentures

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.
2. Second pari-passu charge on all the current assets of the company both present and future by the lenders except non-Convertible debentures issued to LIC.

Working capital loan (refer note 22)

1. First Pari-passu charge on all the current assets of the company both present and future.
2. Second pari passu charge on entire PPE both present and future except plant at Panchaganga and Ajinkyatara which are exclusively charged to IREDA.
3. Company has pledged as at 31st March 2020 : 697,700 equity shares (as at 31st March 2019 : 697,700 equity shares) of NCDEX with IDBI bank Limited towards working capital loan.

Corporate guarantee

Corporate Guarantee of Wilmar International Ltd. towards term loan and working capital limits extended by IDBI Bank Limited, ICICI Bank Limited, Axis Bank Limited, RBL Bank Limited, Yes Bank Limited, Exim Bank, Kotak Mahindra Bank Limited, State Bank of India and Bank of America Limited aggregating to INR 31,130 million (31st March 2019:INR 31,130 million) .

IREDA Loan

Exclusive charge on plant, property and equipment at Panchaganga and Ajinkyatara (co-generation plants).

Note 19: Other non-current financial liabilities

	As at 31 st March 2020	As at 31 st March 2019
Interest accrued but not due	-	24.82
Lease liabilities	123.86	-
	123.86	24.82

Note 20: Net employee benefit liabilities (non-current)

	As at 31 st March 2020	As at 31 st March 2019
Provision for employee benefits		
Provision for gratuity (refer note 39)	150.93	116.83
Provision for leave encashment	76.81	74.24
	227.74	191.07

Note 21: Government grants

	As at 31 st March 2020	As at 31 st March 2019
Current	27.13	59.42
Non- current	3.35	318.21
	30.48	377.63

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 22: Borrowings (current)

	As at 31 st March 2020	As at 31 st March 2019
Secured		
Working Capital from banks:		
Rupee borrowings	3,737.79	5,478.18
	3,737.79	5,478.18

Refer Note B of note 18 for details of security

Note 23: Trade payables

	As at 31 st March 2020	As at 31 st March 2019
Trade payables#*	14,405.27	18,124.18
Trade payables to related parties (refer note 41 (D))	12,187.63	8,506.73
	26,592.90	26,630.91

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

Trade payables includes acceptances amounting to INR 6,150.62 million (31st March 2019: INR 4,930.13 million) in respect of Letter of credits issued by the Company to the suppliers for purchase of materials. The arrangement is interest bearing and are payable within one year.

For terms and conditions with related parties, refer to note 41 (B).

For explanations on the company liquidity risk management processes, refer to Note 43.

Trade payable includes liabilities in relation to Crop and H&T payables for which SRSL has provided corporate guarantee to ICICI Bank, IDBI Bank, State Bank of India and RBL Bank.

* The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31 st March 2020	As at 31 st March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	10.06	16.79
- Interest due on above	0.01	0.34
Total	10.07	17.13
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.34
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.01	0.34

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 24: Other current financial liabilities

	As at 31 st March 2020	As at 31 st March 2019
Current maturity of long-term borrowings (Refer Note 18)	1,489.31	1,699.99
Interest accrued but not due on borrowings	1,323.63	635.65
Unclaimed dividend	2.99	2.99
Other payables*	14,605.13	7,621.77
Lease liabilities	6.31	-
Commodity agent payable	354.55	-
Derivative liabilities	-	75.48
Salaries payable	38.18	49.64
	17,820.10	10,085.52

* Includes advance from holding company and affiliates INR 14,259.45 million (31st March 2019: INR 7,431.93 million) (refer note 41 (D)).

Note 25: Other current liabilities

	As at 31 st March 2020	As at 31 st March 2019
Advance from customers	357.01	96.89
Statutory dues payable	193.00	518.71
Other payables*	183.53	303.94
	733.54	919.54

* Represents due to subsidiaries INR 102.64 million (31st March 2019 : INR Nil) (refer note 41 (D))

Note 26: Net employee benefit liabilities (current)

	As at 31 st March 2020	As at 31 st March 2019
Provision for employee benefits		
Provision for gratuity (refer note 39)	58.78	56.30
Provision for leave encashment	8.91	6.68
	67.69	62.98

Note 27: Revenue from operations

	Year ended 31 st March 2020	Year ended 31 st March 2019
Sale of products (gross)		
Sale of manufactured sugar	35,210.89	34,523.42
Sale of ethanol and allied products	4,712.35	5,286.10
Sale of power	1,204.15	1,342.68
Sale of traded sugar and ethanol	2,815.99	965.51
Sale of by-products and others	443.85	639.99
	44,387.23	42,757.70

Contract balances

Contract liability as at 31st March 2020 is INR 357.01 million (31st March 2019: INR 96.89 million)

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 st March 2020	Year ended 31 st March 2019
Revenue as per contracted price	44,461.69	42,816.56
Less: Discount	(54.96)	(28.54)
Less: Trade promotion expenses	(19.50)	(30.32)
Revenue from contract with customers	44,387.23	42,757.70

Note 28: Other income

	Year ended 31 st March 2020	Year ended 31 st March 2019
Other non-operating income		
Sugar export benefits from third party licences	398.63	273.97
Income from commodity derivatives (net)	-	593.33
Excess provision of earlier years written back	98.48	600.00
Government assistance	27.51	60.55
Dividend on investments	1.27	0.76
Miscellaneous income	67.97	18.38
Finance income		
Interest received on financial assets carried at amortized cost and others	200.99	187.73
	794.85	1,734.72

Note 29: Cost of raw materials consumed

	Year ended 31 st March 2020	Year ended 31 st March 2019
Raw-sugar	24,345.71	22,238.55
Sugar-cane	10,085.43	13,499.82
Coal and Bagasse	1,237.66	1,448.44
Molasses, DNA, MGA and Rectified spirit	1,086.02	1,266.44
Others	5.10	5.14
	36,759.92	38,458.39

Note 30: Purchase of traded goods

	Year ended 31 st March 2020	Year ended 31 st March 2019
Raw-sugar	2,429.40	838.27
White-sugar	245.46	707.70
Coal	1.16	13.15
	2,676.02	1,559.12

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for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 31: (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods

	Year ended 31 st March 2020	Year ended 31 st March 2019
Opening stock	11,709.87	6,622.20
Less: Closing stock	(13,027.47)	(11,709.87)
Net Increase in stock	(1,317.60)	(5,087.67)

Note 32: Employee benefit expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Salaries, wages and bonus	946.23	901.38
Gratuity expenses (refer note 39)	29.08	116.84
Contribution to provident and other funds	65.67	72.95
Staff welfare expenses	43.55	39.85
	1,084.53	1,131.02

In the previous year, gratuity recoverable from leased units in respect of commencement of lease period of INR 52.28 million has been reduced from the gratuity expense.

Note 33: Depreciation and amortisation expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Depreciation of tangible assets (refer note 3)	2,026.99	2,133.80
Amortisation of intangible assets (refer note 4)	0.85	0.24
	2,027.84	2,134.04

Note 34: Finance costs

	Year ended 31 st March 2020	Year ended 31 st March 2019
Liabilities measured at amortised cost:		
On term loans	1,107.92	1,163.50
On working capital	2,533.36	2,875.86
On debentures	274.83	290.32
Others:		
Interest expenses on discounted securities	834.85	907.74
Interest expenses on right to use liabilities	12.77	-
Bank and other borrowing costs	80.96	94.19
	4,844.69	5,331.61
Unwinding of interest on borrowing at concessional rate	13.61	78.60
Total interest	4,858.30	5,410.21

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 35: Other expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Consumption of stores and spares	528.51	556.39
Consumption of chemicals, consumables, oil and lubricants	358.48	418.01
Outsourced service cost	225.12	196.12
Sugar house loading, un-loading and handling charges	204.50	223.12
Packing materials	673.97	801.55
Power and fuel	248.46	210.94
Rent	6.40	149.60
Repairs and maintenance:		
Plant and machinery	193.55	177.56
Buildings	1.63	3.58
Others	56.09	48.71
Rates and taxes	31.76	53.58
Insurance	50.48	37.38
Travelling and conveyance	14.37	14.96
Printing and stationery	9.71	6.07
Communication expenses	10.88	15.41
Legal and professional fees	118.12	101.08
Directors' sitting fees	1.40	1.68
Payment to auditors (refer details below)	17.30	14.48
Fixed asset written off	53.90	4.23
Safety and security expenses	51.64	55.07
Impairment for advances to vendors and others	99.99	157.95
Impairment of investment in subsidiary	47.00	-
Impairment for trade receivables	423.67	65.65
Donations and contributions	1.30	1.38
CSR Expenditure	0.51	-
Loss on sale of fixed assets(net)	0.28	1.11
Premium paid on option contracts	13.58	39.00
Loss on derivatives and option contracts	407.95	-
Freight and forwarding charges	840.61	982.44
Advertisement and sales promotion	153.22	110.91
Brokerage and discounts	47.12	43.64
Commission and market development expenses	35.42	25.73
Miscellaneous expenses	267.65	131.92
	5,194.57	4,649.25

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Payment to Auditors

	Year ended 31 st March 2020	Year ended 31 st March 2019
As auditor		
Audit fee	8.00	8.20
Limited review	3.15	2.40
In other capacity:		
Other services (certification fees)	0.38	0.60
Reimbursement of expenses	0.67	0.28
Others	5.10	3.00
	17.30	14.48

CSR expenditure: Since Company has incurred continuous losses in past 3 years, CSR is not applicable to the Company.

Note 36: Exceptional items - (income) / expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Advance to others written off	-	666.92
Gain on sale of investments (refer note 5)	(1.49)	-
Recovery of previously written off advances	(99.13)	-
Gain on modification of terms of financial instruments (refer note 18)	(2,888.63)	-
	(2,989.25)	666.92

In the previous year ended March 31, 2019, the Company has written off trade receivable in respect of a specific customer for which the Company was in regular discussion and follow-ups for recovery. However, since the customer was not able to pay the outstanding amounts, the Company entered into a settlement agreement with the customer on May 15, 2019 and consequently written off the amount that is uncollectable.

Note 37: Earnings per Share [EPS]

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended 31 st March 2020	Year ended 31 st March 2019
Loss attributable to equity holders for basic earnings	(5,512.03)	(3,818.94)
Weighted average number of equity shares for basic EPS	1,916,819,292	1,916,819,292
Earnings per share		
Basic, computed on the basis of profit/(loss) from operations attributable to equity holders of the company	(2.88)	(1.99)
Diluted, computed on the basis of profit/(loss) from operations attributable to equity holders of the company	(2.88)	(1.99)

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

38. Commitment and contingencies

a) Other commitments

As at 31st March, 2020, the Company had the following outstanding commitments:

Outstanding Commitments	As at 31 st March 2020	As at 31 st March 2019
Estimated amount of contract pending for execution	257.10	1,204.59

b) Guarantees

As at 31st March, 2020, the Company had the following guarantees:

Guarantees	As at 31 st March 2020	As at 31 st March 2019
A Bank Guarantee	504.93	562.48
B Corporate Guarantee	130.00	130.00

c) Contingent Liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31 st March 2020	As at 31 st March 2019
Income Tax Demands	90.12	177.93
Excise and Service Tax Demands	938.96	926.43
Sales Tax/VAT Demands	19.32	13.58
GST	101.72	61.77
Customs Demands	1,883.00	1,882.86
Civil Cases	17.65	7.84
Total:	3,050.77	3,070.41

39. Defined Benefit plans

The Company has a defined benefit gratuity plan. The companies defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Risk to the plan

Following risks associated with the plan:

A. Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

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for the year ended 31st March 2020

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Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

D. Market Risk

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Actuarial Assumptions

Key actuarial assumptions are given below:

Discount Rate:

The rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Date on high quality corporate bonds.

Salary Growth Rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases should take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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Rate of Return on Plan Assets :

This assumption is required only in case of funded plans. Interest income on plan assets is calculated using the rate used to discount the defined benefit obligation.

Mortality:

This assumption is based on the standard published in mortality table without any adjustment.

S. No.	Particulars	Gratuity plan	
		31 st March 2020	31 st March, 2019
1	Change in defined benefit obligation		
	Opening defined benefit obligation	266.90	145.38
	Current service cost	18.83	159.22
	Interest cost	17.47	18.19
	Actuarial loss/(gain) due to change in financial assumptions	16.26	1.39
	Actuarial loss/(gain) due to change in demographic assumption	(0.14)	(4.14)
	Actuarial loss/ (gain) due to experience adjustments	15.35	30.38
	Benefits paid	(30.03)	(83.52)
	Closing defined benefit obligation	304.64	266.90
2	Change in plan assets		
	Opening value of plan assets	93.77	100.91
	Interest Income	7.22	11.20
	Return on plan assets excluding amounts included interest income	(0.29)	1.48
	Contributions by employer	0.90	17.55
	Benefits paid	(6.67)	(37.37)
	Closing value of plan assets	94.93	93.77
3	Fund status of plan assets		
	Present value unfunded obligations	175.01	161.97
	Present value funded obligations	129.63	104.93
	Fair value of plan assets	(94.93)	(93.77)
	Net liability (assets)	209.71	173.13
4	Other comprehensive income for the current period		
	Due to Change in financial assumptions	16.26	1.39
	Due to change in demographic assumption	(0.14)	(4.14)
	Due to experience adjustments	15.35	30.38
	Return on plan assets excluding amounts included in interest income	0.29	1.48
	Expense recognized in other comprehensive income	31.76	29.11
5	Expenses for the current period		
	Current service cost	18.83	159.22
	Interest cost	10.25	9.90
	Past Service cost	-	-
	Interest Income	-	-
	Amount recognized in expenses (refer note 32)	29.08	169.12
6	Defined benefit liability		
	Net opening provision in books of accounts	173.13	44.47
	Employee benefit expense	29.08	169.12
	Amounts recognized in other comprehensive income	31.76	29.11
	Contributions to plan assets	(0.90)	(17.55)

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All amounts in million ₹, unless otherwise stated

S. No.	Particulars	Gratuity plan	
		31 st March 2020	31 st March, 2019
	Benefits paid by the Company	(23.36)	(52.02)
	Closing provision in books of accounts	209.71	173.13
7	Composition of the plan assets		
	Policy of insurance	100%	100%
	Total	100%	100%
8	Principal actuarial assumption		
	Discount rate – SRSL Employees	6.75%	7.70%
	Discount rate – Leased Employees	6.22% - 6.33%	7.05%
	Salary Growth rate	5%	5%
	Withdrawal Rates	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages
9	Sensitivity to key assumptions*		
	Discount rate Sensitivity		
	Increase by 0.5%	294.42	253.70
	(% change)	(3.83%)	(3.49%)
	Decrease by 0.5%	314.61	272.66
	(% change)	3.41%	3.72%
	Salary growth rate Sensitivity		
	Increase by 0.5%	314.45	272.01
	(% change)	3.36%	3.47%
	Decrease by 0.5%	294.53	254.07
	(% change)	(3.19%)	(3.35%)
10	Expected contributions to the defined benefit plan in next years	6.04	10.93

*** A description of methods used for sensitivity analysis and its Limitations:**

Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Notes to Financial Statements

for the year ended 31st March 2020

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40. Disclosure under clause 32 of the Listing Agreement:

Loans given to subsidiary companies

Name of the company	Amount Outstanding as on		Maximum amount outstanding any time during the year ended	
	31 st March, 2020	31 st March, 2019	31 st March, 2020	31 st March, 2019
Renuka Commodities DMCC	14,530.71	14,530.71	14,530.71	14,829.67
Shree Renuka Agri Ventures Ltd.	222.91	222.90	222.91	222.90
KBK Chem Engineering Pvt. Ltd.	1,348.05	1,348.05	1,348.05	1,348.27
Shree Renuka East Africa Agriventures PLC	0.04	0.04	0.04	0.04
Monica Trading Pvt Limited.	135.27	266.67	266.98	266.67
Shree Renuka Tunaport Private Limited.	7.90	7.80	7.90	7.80
Lanka Sugar Refinery Company (Private) Lt.d	1.19	1.19	1.19	1.19
Renuka Vale Do Ivai S/A	-	444.95	-	444.95
Gokak Sugars Limited	1,783.10	1,815.30	1,815.29	1,816.06
Renuka DO Brasil S/A	-	258.70	-	258.70

Loans were given to subsidiaries to meet its working capital requirements.

41. Related party transactions

A) Related parties

(a) Holding Company:

- 1 Wilmar Sugar Holding Pte. Ltd.

(b) Subsidiary companies:

- 1 Gokak Sugars Limited
- 2 KBK Chem-Engineering Private Limited.
- 3 Monica Trading Private Limited.
- 4 Shree Renuka Tunaport Private Limited.
- 5 Shree Renuka Agri Ventures Limited
- 6 Renuka Commodities DMCC, Dubai
- 7 Shree Renuka East Africa Agriventures PLC, Ethiopia#
- 8 Shree Renuka Global Ventures Limited, Mauritius*
- 9 Lanka Sugar Refinery Company (Private) Limited, Sri Lanka*#
- 10 Shree Renuka do Brasil Participacoes, Brazil*
- 11 Renuka Vale do Ivaí S/A, Brazil*
- 12 Biovale Comercio de Leveduras Ltda, Brazil*
- 13 Ivaicana Agropecuaria Ltda, Brazil*
- 14 Shree Renuka Sao Paulo Participacoes Ltda, Brazil*
- 15 Renuka do Brasil S/A, Brazil*
- 16 Renuka Cogeraçao Ltda, Brazil*
- 17 Renuka Geradora de Energia Elétrica Ltda, Brazil*

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for the year ended 31st March 2020

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- 18 Revati Agropecuária Ltda, Brazil*
- 19 Revati Geradora de Energia Elétrica Ltda, Brazil*
- 20 Revati S.A-Acucar e Alcool, Brazil*

* Subsidiary till 24th September 2019 and associates with effect from 25th September 2019.

Liquidation application filed with concerned authorities

(c) Affiliate companies:

- 1 Ravindra Energy Limited (Till 25th October, 2019)
- 2 Adani Wilmar Limited
- 3 Wilmar Sugar Pte Ltd.
- 4 Wilmar Sugar India Pvt. Limited.

(d) The Trustees Shree Renuka Sugars Ltd.

(e) Key managerial personnel (KMP)

- 1 Mr. Atul Chaturvedi - Executive Chairman (W.e.f. 2nd July 2018)
- 2 Mr. Vijendra Singh - Executive Director
- 3 Mrs. Vidya Murkumbi - Executive Chair Person (Till 30th June 2018)
- 4 Mr. Narendra Murkumbi - Vice Chairman and Managing Director (Till 30th June 2018)
- 5 Mr. Sunil Ranka - Chief Financial Officer (W.e.f. 4th May 2018)
- 6 Mr. Deepak Manerikar - Company Secretary (From 30th October 2018)
- 7 Mr. K.K.Kumbhat - Chief Financial Officer (Till 3rd May 2018)
- 8 Mr. Rupesh Saraiya - Company Secretary (Till 5th October 2018)

(f) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year

- 1 Mr. Jean-Luc Bohbot
- 2 Mr. Madhu Rao
- 3 Mr. Bhupatrai Premji
- 4 Mr. Dorab Mistry
- 5 Mr. Stephen Ho Kiam Kong
- 6 Mr. Bharat Kumar Mehta
- 7 Mr. Surender Kumar Tuteja
- 8 Ms. Priyanka Mallick
- 9 Mr. Rajeev Kumar Sinha (Nominee Director of IDBI Bank)
- 10 Mr. Kuok Khoon Hong
- 11 Mr. Narendra Murkumbi (From 1st July 2018 to 24th October 2019)

(g) Relative of key managerial personnel (RKMP)

- 1 Mrs. Sangeeta Singh - DGM(Quality and Training) (Till 30th April 2018)

for the year ended 31st March 2020[illegible]

Notes to Financial Statements

for the year ended 31st March 2020

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Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Corporate guarantees

The Company has obtained corporate guarantees from Wilmar International Ltd. INR 31,130 million (31st March 2019 INR 31,130 million) towards term loan and working capital limits extended by banks.

The Company has also provided guarantees on behalf of subsidiaries amounting to INR 130 million (31st March 2019 INR 130 million) for performance of certain contracts entered and loan taken by the subsidiaries. Details of which are as follows

Name of Subsidiary Company	Year ended 31 st March 2020	Year ended 31 st March 2019
KBK Chem-Engineering Pvt. Ltd.	130.00	130.00

C) Details of amount receivable from related parties as at 31st March 2020 and 31st March 2019 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Non-current loans (refer note 6)						
subsidiary companies:						
KBK Chem Engineering Private Limited	1,348.05	1,348.05	1,348.05	1,348.05	-	-
Gokak Sugars Limited	1,783.10	1,815.30	-	-	1,783.10	1,815.30
Monica Trading Private Limited	135.27	266.67	-	-	135.27	266.67
Renuka Vale Do Ivaí S/A	-	444.95	-	444.95	-	-
Renuka Do Brasil S/A	-	258.70	-	258.70	-	-
Shree Renuka Tunaport Private Limited	7.90	7.80	7.90	7.80	-	-
Lanka Sugar Refinery Company (Private) Limited	1.19	1.19	1.19	1.19	-	-
Shree Renuka East Africa Agriventures PLC	0.04	0.04	0.04	0.04	-	-
	3,275.55	4,142.70	1,357.18	2,060.73	1,918.37	2,081.97
Associate companies:						
Renuka Vale Do Ivaí S/A	444.95	-	444.95	-	-	-
Renuka Do Brasil S/A	258.70	-	258.70	-	-	-
	703.65	-	703.65	-	-	-
Other non-current assets (refer note 8)						
KBK Chem Engineering Private Limited	23.55	-	-	-	23.55	-
	23.55	-	-	-	23.55	-

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Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at	As at	As at	As at	As at	As at
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Current loans (refer note 14)						
subsidiary companies:						
Renuka Commodities DMCC	14,530.71	14,530.71	14,530.71	14,530.71	-	-
Shree Renuka Agri Ventures Limited	222.91	222.90	222.58	222.58	0.33	0.32
	14,753.62	14,753.61	14,753.29	14,753.29	0.33	0.32
Other current financial assets (refer note 15)						
Interest receivable						
Monica Trading Private Limited	2.36	26.40	2.36	26.40	-	-
Gokak Sugars Limited	-	107.47	-	-	-	107.47
	2.36	133.87	2.36	26.40	-	107.47
Other receivables						
Gokak Sugars Limited	51.00	21.39	-	-	51.00	21.39
	51.00	21.39	-	-	51.00	21.39
Trade receivables (refer note 11)						
Subsidiary companies:						
Renuka Commodities DMCC	4,124.70	3,346.05	3,769.72	3,346.05	354.98	-
	4,124.70	3,346.05	3,769.72	3,346.05	354.98	-
Affiliate companies:						
Ravindra Energy Limited	-	0.02	-	-	-	0.02
Adani Wilmar Limited	0.42	0.42	-	-	0.42	0.42
	0.42	0.44	-	-	0.42	0.44
Other current assets (refer note 16)						
Subsidiary companies:						
Renuka Commodities DMCC	-	32.58	-	32.17	-	0.41
Renuka Vale Do Ivaí S/A	-	91.24	-	91.24	-	-
KBK Chem Engineering Private Limited	0.47	36.79	-	36.79	0.47	-
	0.47	160.61	-	160.20	0.47	0.41
Associate companies:						
Renuka Vale Do Ivaí S/A	91.24	-	91.24	-	-	-
	91.24	-	91.24	-	-	-
Affiliate companies:						
Ravindra Energy Limited	-	-	-	-	-	-
Adani Wilmar Limited	0.10	0.09	-	-	0.10	0.09
	0.10	0.09	-	-	0.10	0.09

Impairment of amounts owed by related parties

For the year ended 31st March 2020, the company has recorded impairment of amounts owed by related parties for the year ended INR 20,677.43 million (31st March 2019: INR 20,283.09 million). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to Financial Statements

for the year ended 31st March 2020

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D) Details of amounts payable to related parties as at 31st March 2020 and 31st March 2019 are as follows:

	As at 31 st March 2020	As at 31 st March 2019
Trade payables (refer note 23)		
KBK Chem Engineering Private Limited	5.65	-
Gokak Sugars Limited	26.76	370.83
Wilmar Sugar Pte. Ltd.	12,155.22	8,135.90
	12,187.63	8,506.73
Other current financial liabilities (refer note 24)		
Holding Company		
Wilmar Sugar Holding pte.Ltd	10,269.59	4,800.42
Affiliate companies		
Wilmar Sugar Pte. Ltd.	3,989.86	2,631.51
	14,259.45	7,431.93
Other current liabilities (refer note 25)		
Subsidiary companies		
KBK Chem Engineering Private Limited	102.64	-
	102.64	-

E) Transactions with Key Managerial Personnel

Employee loans

The company operates loan scheme providing loan to all employees. Under the scheme, the employee can avail loan up to two times of gross monthly salary repayable in equated monthly instalments. Such loans are unsecured and bearing interest @ 8% p.a. During the year loan granted to key management personnel INR Nil (31st March 2019: INR Nil), out of which INR Nil (31st March 2019: INR Nil) was repaid.

Compensation of key managerial personnel

	Year ended 31 st March 2020	Year ended 31 st March 2019
Short-term employee benefits	85.48	101.17
Contribution to provident fund	2.70	3.73
Sitting fees	1.85	1.68
Total	90.03	106.58

Compensation of relative of key managerial personnel

	Year ended 31 st March 2020	Year ended 31 st March 2019
Short-term employee benefits	-	0.25

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for the year ended 31st March 2020

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Note 42: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in financial statements.

	Carrying Value		Fair Value	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Financial assets				
FVTPL				
Derivative Instruments at fair value through Profit or loss	56.93	124.14	56.93	124.14
FVTOCI				
Investment in equity shares	179.59	179.59	179.59	179.59
Other financial assets at amortised cost				
Loans	1,918.70	2,082.29	1,918.70	2,082.29
Trade receivables	1,527.06	1,806.02	1,527.06	1,806.02
Cash and cash equivalents	349.93	202.02	349.93	202.02
Other Bank balances	36.99	18.61	36.99	18.61
Other financial assets	919.80	472.89	919.80	472.89
Total financial assets	4,989.00	4,885.56	4,989.00	4,885.56
Financial liabilities				
FVTPL				
Derivative liabilities	-	75.48	-	75.48
At amortised cost				
Borrowings				
Redeemable preference shares	1,365.07	1,202.31	1,365.07	1,202.31
Optionally convertible preference shares	1,477.04	4,017.57	1,477.04	4,017.57
Redeemable non-convertible debentures	5,021.46	4,809.97	5,021.46	4,809.97
IFCI (Sugar Development Fund)	179.65	320.99	179.65	320.99
SEFASU Loan	610.50	679.66	610.50	679.66
Other borrowings at floating rate of interest	13,258.48	15,838.96	13,258.48	15,838.96
Trade payables	26,592.90	26,630.91	26,592.90	26,630.91
Other financial liabilities	16,454.67	8,334.87	16,454.67	8,334.87
Total financial liabilities	64,959.77	61,910.72	64,959.77	61,910.72

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values

Fair value of the unquoted equity shares recognised at FVTOCI have been estimated on the basis of net worth of the company.

The fair value of Redeemable preference shares, Optionally convertible preference shares, Redeemable non-convertible debentures issued to lenders are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values hierarchy due to the use of unobservable inputs including own credit risk.

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The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2020, 31st March 2019 are as shown below:

Description of significant unobservable inputs to valuation

	Valuation technique	Sensitivity of the input to fair value
Unquoted equity shares	Market realisable value estimated based on the net worth of the company	31 st March 2020 :5% (31 st March 2019: 5%) increase/ (decrease) in the market price per share would result in increase/ (decrease) in fair value by INR 8.98 Million (31 March 2019: INR 8.98 Million)

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI

	Amount INR
As at 1st April 2018	354.72
Measurement recognised in OCI	(175.13)
Purchases	-
Sales	-
As at 31st March 2019	179.59
Measurement recognised in OCI	-
Purchases	-
Sales	-
As at 31st March 2020	179.59

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2020:

	Total	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value - recurring fair value measurement:				
Derivative Instruments at fair value through Profit or loss	56.93	-	56.93	-
Investment in equity shares	179.59	-	-	179.59
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	-	-	-	-
Borrowings				
Redeemable preference shares	1,365.07	-	-	1,365.07
Optionally convertible preference shares	1,477.04	-	-	1,477.04
Redeemable non-convertible debentures	5,021.46	-	-	5,021.46

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Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2019:

		Fair value measurement using		
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value - recurring fair value measurement:				
Derivative Instruments at fair value through Profit or loss	124.14	118.04	6.10	-
Investment in equity shares	179.59	-	-	179.59
Liabilities which are measured at amortised cost for which fair values are disclosed:				
Derivative liabilities	75.48	67.80	7.68	-
Borrowings				
Redeemable preference shares	1,202.31	-	-	1,202.31
Optionally convertible preference shares	4,017.57	-	-	4,017.57
Redeemable non-convertible debentures	4,809.97	-	-	4,809.97

There have been no transfers between Level 1 and Level 2 during the period.

Note 43: Financial risk management objectives and policies

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

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. The Company manages its interest risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

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for the year ended 31st March 2020

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Interest rate sensitivity

Particulars	As at 31 st March 2020	Composition	As at 31 st March 2019	Composition
Borrowing - Fixed interest rate	8,653.73	39.49%	11,030.50	41.05%
Borrowing - Floating interest rate	13,258.48	60.51%	15,838.96	58.95%
	21,912.21		26,869.46	

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings with variable interest rates. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31st March 2020		
INR	50	66.29
31st March 2019		
INR	50	91.26

Commodity price risk

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.

Commodity price sensitivity

	Sugar sale	Cane purchase	Raw Sugar purchase
Increase in price by 5%			
31 st March 2020	1,760.54	(504.27)	(1,217.29)
31 st March 2019	1,726.17	(674.99)	(1,111.93)
Decrease in price by 5%			
31 st March 2020	(1,760.54)	504.27	1,217.29
31 st March 2019	(1,726.17)	674.99	1,111.93

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans given to affiliates. The Company only deals with parties which has good credit worthiness based on company's internal assessment.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the entities in the Company is operating. The Company write-off the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 180 days from the due date.

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for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Trade receivables

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 30 days. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The ageing analysis of the receivables (net of expected credit loss) has been considered from the date the invoice falls due. The ageing is as follows:

	As at 31 st March 2020	As at 31 st March 2019
Up to 6 months	1,431.39	1,428.07
More than 6 months	95.67	377.95
	1,527.06	1,806.02

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, financial support from parents etc. The Company's policy is that not more than 25% of borrowings should mature in the next 12 month period. Post the recent debt restructuring process, the Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
As at 31st March, 2020				
Borrowings	5,227.10	7,031.73	21,330.49	33,589.32
Trade and other payables	26,592.90	-	-	26,592.90
Lease liabilities	6.31	9.13	921.44	936.87
Other financial liabilities	16,324.47	-	-	16,324.47
Total	48,150.78	7,040.86	22,251.93	77,443.56
As at 31st March, 2019				
Borrowings	7,237.59	6,321.98	23,276.87	36,836.44
Trade and other payables	26,630.91	-	-	26,630.91
Other financial liabilities	8,385.53	24.82	-	8,410.35
Total	42,254.03	6,346.80	23,276.87	71,877.70

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Note 44: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of Company's management is to maximise shareholder's value.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest-bearing loans and borrowing in the current period.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition.

The calculation of capital for the purpose of capital management is as follows:

	As at 31 st March 2020	As at 31 st March 2019
Equity share capital	1,916.82	1,916.82
Other equity (including securities premium)	(3,117.60)	3,547.67
	(1,200.78)	5,464.49

Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage.

	As at 31 st March 2020	As at 31 st March 2019
Equity	1,916.82	1,916.82
Other equity	(3,117.60)	3,547.67
Total equity	(1,200.78)	5,464.49
Total borrowings	21,912.21	26,869.46
Debt equity ratio	(18.25)	4.92

45. Details of Loan Given, Investments made and Guarantee Given Covered U/S 186 (4) of the Companies Act, 2013

- Loans given to subsidiaries for business purpose are disclosed in note 41 (B).
- Investments made are disclosed in note 5
- Corporate Guarantees given by the Company (refer note 38 (b))

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46. Leases

Company as a lessee

The Company has lease contracts for various land, building and plant. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant 17 years and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Land	Buildings	Plant	Total
ROU assets recognised as on 1st April 2019				
Prepayments capitalised as ROU	-	-	1,260.32	1,260.32
ROU assets recognized to the extent of ROU liabilities	12.91	17.33	94.12	124.36
Transfer to ROU assets*	990.67	-	-	990.67
Total	1,003.58	17.33	1,354.44	2,375.35
Additions	-	1.70	23.26	24.96
Depreciation expense	(12.79)	(7.54)	(102.62)	(122.95)
Impairment recognised during the year	(311.92)	-	-	(311.92)
As at 31st March 2020	678.87	11.49	1,275.08	1,965.44

* Net of accumulated depreciation

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
As at 1st April 2019	124.36
Additions	1.70
Accretion of interest	12.77
Payments	(8.66)
As at 31st March 2020	130.17

The following are the amounts recognised in profit or loss:

	Amount
Depreciation expense of right-of-use assets	122.95
Interest expense on lease liabilities	12.77
Expense relating to short-term leases and low value leases	6.40
Total amount recognised in profit or loss	142.12

The Company had total cash outflows for leases of INR 15.06 million during the financial year ended 31st March 2020. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

Notes to Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

- 47.** The spread of COVID 19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operation due to lock downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. However, the Company is engaged in manufacturing of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which falls under the category of essential commodities and thus, the operations of the Company are being carried out in the normal course in accordance with the directives issued by the Ministry of Home Affairs. Even though exports have been sluggish on account of slow movement of dispatches from ports, Company's sugar refinery operation has not been impacted and is continuing in a planned way.

The Company does not foresee any significant impact on the operational results and the financial health, as sugar and allied products manufactured by the Company are essential commodities and, as such, demand of the products will return to its normal level, to a large extent, as and when the lockdown gets lifted. Company's capital and financial resources are well placed and have not been impacted because of Covid-19. All the debts/ instalments/interests/dues as per repayment schedule have been made even during the lock-down period without any extensions/defaults and the Company does not foresee any difficulty in meeting its future financial commitments as well.

The Company has also assessed the recoverability and carrying values of its assets comprising property, plant and equipment, receivables, inventories, investments and other financial assets as at the balance sheet date using various internal and external information up to the date of approval of these financial statements. The Company has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to fully recover the carrying amount of its assets mentioned earlier. The financial statements have been prepared accordingly. As the situation continues to evolve, the Company will closely monitor any material changes in the future economic conditions.

- 48.** The Board of Directors of the Company at their meeting held on 3rd June, 2020 considered and approved the proposal for raising of funds through External Commercial Borrowings (ECB) from its Holding company Wilmar Sugars Holdings Pte Ltd to inter alia refinance the Company's existing debts, to meet the Company's working capital requirements and general corporate purposes. Subject to entering into definite agreements for the transaction and such regulatory/statutory and other approvals as may be required, approval from lenders and approval of shareholders of the Company at the ensuing extraordinary general meeting. The loan is proposed to be raised in accordance with the guidelines of the Reserve Bank of India.
- 49.** Previous year's figures have been regrouped /reclassified wherever necessary to confirm to the current year presentation.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

Date : 7th July 2020

Place : Mumbai

For and on behalf of the **Board of directors of
Shree Renuka Sugars Limited**

Atul Chaturvedi

Executive Chairman

DIN : 00175355

Date : 7th July 2020

Place : Ahmedabad

Sunil Ranka

Chief Financial Officer

Date : 7th July 2020

Place : Mumbai

Vijendra Singh

Executive Director

DIN : 03537522

Date : 7th July 2020

Place : Mumbai

Deepak Manerikar

Company Secretary

FCS No : F-6801

Date : 7th July 2020

Place : Mumbai

Independent Auditor's Report

To the Members of Shree Renuka Sugars Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Shree Renuka Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate comprising of the consolidated Balance sheet as at March 31, 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are

further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Recoverability of deferred tax assets (as described in Note 2.2 and Note 7 of the consolidated Ind AS financial statements)	
<p>At March 31, 2020, deferred tax assets (net) recognised in the consolidated Ind-AS financial statements amounted to INR 1,581.35 million.</p> <p>The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.</p> <p>The valuation of deferred taxes is based on significant estimates and assumptions by management regarding availability of sufficient future taxable profits and accordingly, we have considered this to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We evaluated the accounting policies with respect to income taxes. We obtained from the management, the projections for taxable profits and compared it with business plan approved by the Board of Directors of the Company. We evaluated key assumptions used in the financial projections, including quantity of sugar sales and its realisation in the domestic market, recovery rate of sugar/ ethanol from sugar cane, margin on sugar exported and sales price of ethanol by comparing them with historical trends and external data, where available. Tested the arithmetical accuracy of the tax computations and future projections of taxable profits. We assessed the disclosures in the consolidated financial statement for compliance with the requirements of Ind AS.

Impairment testing of property, plant and equipment (as described in Note 3 (C) of the consolidated Ind AS financial statements)	
<p>As per the requirements of Ind AS 36, the Group tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the property, plant and equipment.</p> <p>The determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use involves significant estimates, assumptions and judgements of the long-term financial projections.</p> <p>During the current year, as indication exists for impairment, the Group has performed impairment assessment with respect to that specific CGU.</p> <p>Impairment of assets is a key audit matter considering the significance of the carrying value, long term estimation and the significant judgments involved in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> We obtained an understanding of management process for identification of impairment indicators and managements process for determination of the recoverable value of assets for which impairment indicators exists. We obtained from the management the assessment of recoverable amount in respect of units for which indicators of impairment have been identified. We assessed management's projections used in the assessment of recoverable amount by comparing the same with the business plan approved by the Board of Directors of the Company. We assessed the key assumptions used by the management in the assessment of recoverable amount including sugar realisation in the domestic market, margin on sugar exported by comparing them with historical trends and external data, where available. We involved valuation specialists to assist us in evaluating the reasonableness of the assumptions used. We assessed the disclosures in the consolidated financial statement for compliance with the requirements of Ind AS.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and shall comply with the relevant applicable requirements of the Standard on Audit for the Auditors Responsibility in relation to Other Information in documents containing the audited financial statements.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated

Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding

Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of :
- seven subsidiaries forming part of continuing operations, whose Ind AS financial statements include total assets of INR 5,442.23 Million as at March 31, 2020, and total revenues of INR 7,658.27 Million and net cash inflows of INR 241.95 Million for the year ended on that date.
 - eleven subsidiaries forming part of discontinued operations, whose Ind AS financial statements include total assets of INR Nil as at March 31, 2020, and total revenues of INR 6,959.46 Million and net cash outflow of INR 75.50 Million for the year ended on that date.

These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited

by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of two subsidiaries forming part of discontinued operations, whose financial statements and other financial information reflect total assets of INR Nil as at March 31, 2020, and total revenues of INR Nil and net cash outflows of INR 0.04 million for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The accompanying consolidated Ind AS financial statements include the Group's share of net profit of INR Nil for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the

subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates in its consolidated Ind AS financial statements – Refer Note 37 to the consolidated Ind AS financial statements;

- ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2020.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Shyamsundar Pachisia
 Partner
 Membership No: 049237
 UDIN: 20049237AAAABB5806

Place: Mumbai
 Date: July 7, 2020

Annexure 1 – Annexure to Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Shree Renuka Sugars Limited

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

In conjunction with our audit of the consolidated financial statements of Shree Renuka Sugars Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Shree Renuka Sugars Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the

company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria

established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No: 049237

UDIN: 20049237AAAABB5806

Place: Mumbai

Date: July 7, 2020

Consolidated Balance Sheet

as at 31st March 2020

All amounts in million ₹, unless otherwise stated

	Notes	As at 31 st March 2020	As at 31 st March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	38,852.39	40,061.92
Capital work-in-progress	3(a)	1,422.89	1,000.61
Other intangible assets	3(b)	10.21	171.82
Financial assets			
Investments	4	185.23	185.93
Loans	4(a)	-	-
Other non-current financial assets	5	56.66	129.85
Other non-current assets	6	408.75	1,554.50
Income tax receivables (net)		252.60	238.31
Deferred tax assets (net)	7	1,581.35	3,149.14
Total non-current assets		42,770.08	46,492.08
Current assets			
Inventories	8	16,787.05	17,318.19
Financial assets			
Trade receivables	9	1,331.77	2,850.82
Cash and cash equivalents	10	705.08	315.22
Other bank balances	11	44.60	25.79
Other current financial assets	12	961.24	341.03
Other current assets	13	4,147.91	5,003.33
Total current assets		23,977.65	25,854.38
Discontinued operations	51	-	23,942.33
Total assets		66,747.73	96,288.79
Equity and liabilities			
Equity			
Equity share capital	14(a)	1,916.82	1,916.82
Other equity	14(b)	(10,742.85)	(31,992.20)
Equity attributable to share holders		(8,826.03)	(30,075.38)
Non-controlling interest	40	2.03	(25,536.08)
Total Equity		(8,824.00)	(55,611.46)
Non-current liabilities			
Financial liabilities			
Borrowings	15	18,915.67	21,749.20
Other non-current financial liabilities	16	123.86	24.82
Net employee benefit liabilities	17	233.15	195.20
Government grants	18	3.35	318.21
Income Tax payable		9.89	9.89
Deferred tax liabilities (net)	7	43.46	43.88
Total non-current liabilities		19,329.38	22,341.20
Current liabilities			
Financial liabilities			
Borrowings	19	3,772.99	5,535.54
Trade payables	20		
Total outstanding dues of micro and small enterprises		10.88	17.13
Total outstanding dues of creditors other than micro and small enterprises		26,918.26	28,169.91
Other current financial liabilities	21	24,649.57	16,287.90
Government grants	18	27.13	59.42
Other current liabilities	22	793.96	1,046.10
Net employee benefit liabilities (current)	23	69.56	64.93
Total current liabilities		56,242.35	51,180.93
Discontinued operations	51	-	78,378.12
Total Liabilities		75,571.73	1,51,900.25
Total equity and liabilities		66,747.73	96,288.79

Significant accounting policies

2.1

Accompanying notes 1 to 53 form integral part of these consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

Date : 7th July 2020

Place : Mumbai

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi
Executive Chairman
DIN : 00175355
Date : 7th July 2020
Place : Ahmedabad

Vijendra Singh
Executive Director
DIN : 03537522
Date : 7th July 2020
Place : Mumbai

Sunil Ranka
Chief Financial Officer

Date : 7th July 2020
Place : Mumbai

Deepak Manerikar
Company Secretary
FCS No.:F-6801
Date : 7th July 2020
Place : Mumbai

Consolidated Statement of profit and loss

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Notes	Year ended 31 st March 2020	Year ended 31 st March 2019
Income			
Revenue from operations	24	47,407.92	44,795.34
Income from incentive to sugar mills		1,404.03	285.52
Other income	25	587.16	2,095.04
Total income		49,399.11	47,175.90
Expenses			
Cost of raw material consumed	26	37,712.40	39,495.50
Purchase of traded goods	27	3,422.17	2,390.39
Change in inventories of finished goods, work-in-progress and traded goods	28	(674.40)	(5,179.61)
Employee benefit expenses	29	1,205.12	1,266.03
Depreciation and amortisation expenses	30	2,107.66	2,207.13
Foreign exchange loss/(gain)	31	1,729.00	(464.52)
Finance costs	32	5,112.50	5,604.38
Other expenses	33	5,222.53	4,609.03
Total expenses		55,836.98	49,928.33
Loss before exceptional items and tax		(6,437.87)	(2,752.43)
Exceptional items (income) / expenses	34	(2,888.63)	986.23
Loss before tax		(3,549.24)	(3,738.66)
Tax expense/(income)			
Current tax	7	26.12	(0.77)
Deferred tax	7	2,090.23	88.90
Income tax expense		2,116.35	88.13
Loss for the year from continued operations		(5,665.59)	(3,650.53)
Loss from discontinued operations before tax and exceptional items		(4,136.12)	(16,637.70)
Exceptional item- Gain on sale of discontinued operations	51	29,299.26	-
Tax expenses of discontinued operations		-	(85.79)
Profit/(loss) from discontinued operations after tax		25,163.14	(16,723.49)
Profit/(loss) for the year		19,497.55	(20,374.02)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Reversal of revaluation reserve on disposal of / impairment of plant property and equipments		(1,650.26)	(0.74)
Income tax effect		513.54	-
Gain on revaluation of fixed assets	3(a)	-	1,019.03
Income tax effect	7	-	(306.93)
Net loss on remeasurements of defined benefit plans	38	(31.81)	(28.41)
Income tax effect	7	9.91	9.08
Unrealised loss on FVTOCI equity securities (net of tax)		-	(175.13)
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign operations		1,777.49	963.44
Other comprehensive income for the year		618.87	1,480.34
Total comprehensive income for the year (net of tax)		20,116.42	(18,893.68)
Profit/(loss) for the year attributable to:			
Owners of the company		20,991.74	(14,483.65)
Non-controlling interests		(1,494.19)	(5,890.37)
Total comprehensive income for the year attributable to:			
Owners of the company		21,610.61	(13,003.31)
Non-controlling interests		(1,494.19)	(5,890.37)
Earnings per share			
Earning per share from continued operations towards parent - Basic [Face value of equity share INR 1/- each]	35	(2.96)	(1.89)
Earning per share from continued operations towards parent- Diluted [Face value of equity share INR 1/- each]	35	(2.96)	(1.89)

Significant accounting policies

Accompanying notes 1 to 53 form integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per **Shyamsundar Pachisia**

Partner

Membership No.49237

Date : 7th July 2020

Place : Mumbai

2.1

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi

Executive Chairman

DIN : 00175355

Date : 7th July 2020

Place : Ahmedabad

Sunil Ranka

Chief Financial Officer

Date : 7th July 2020

Place : Mumbai

Vijendra Singh

Executive Director

DIN : 03537522

Date : 7th July 2020

Place : Mumbai

Deepak Manerikar

Company Secretary

FCS No.:F-6801

Date : 7th July 2020

Place : Mumbai

Consolidated Statement of changes in equity

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Equity share capital	Reserves and surplus				Items of OCI		Total	Non controlling interests (refer note 44)	Total
		Securities premium	Debt redemption reserve	Foreign currency monetary item translation difference account	Retained earnings	Foreign currency translation reserve	Revaluation reserve on PPE			
As at 1st April 2018	1,916.82	30,396.52	625.00	(2,724.76)	(58,933.76)	(307.70)	11,935.87	21.77	(17,070.24)	(36,715.95)
Loss for the year	-	-	-	-	(14,483.65)	-	-	-	(14,483.65)	(20,374.02)
Other Comprehensive Income	-	-	-	-	(20.07)	963.44	712.10	(175.13)	1,480.34	1,480.34
Total comprehensive income	-	-	-	-	(14,503.72)	963.44	712.10	(175.13)	(13,003.31)	(18,893.68)
Transfer to/(from) foreign currency monetary item translation difference account	-	-	-	(1.83)	-	-	-	-	(1.83)	(1.83)
Transfer from retained earnings	-	-	-	-	1.11	-	(1.11)	-	-	-
Depreciation of revalued assets	-	-	-	-	895.42	-	(895.42)	-	-	-
As at 31st March 2019	1,916.82	30,396.52	625.00	(2,726.59)	(72,540.95)	655.74	11,751.44	(153.36)	(30,075.38)	(55,611.46)
Profit for the year	-	-	-	-	20,991.74	-	-	-	20,991.74	19,497.55
Other Comprehensive Income	-	-	-	-	(21.90)	1,777.49	(1,136.72)	-	618.87	618.87
Total Comprehensive Income	-	-	-	-	20,969.84	1,777.49	(1,136.72)	-	21,610.61	20,116.42
Transfer to/(from) foreign currency monetary item translation difference account	-	-	-	(86.35)	-	-	-	-	(86.35)	(86.35)
Reclassified to consolidated statement of profit and loss on disposal of subsidiary	-	-	-	2,812.94	-	(3,087.85)	-	-	(274.91)	26,757.39
Depreciation of revalued assets	-	-	-	-	(288.34)	-	288.34	-	-	-
As at 31st March 2020	1,916.82	30,396.52	625.00	-	(51,859.45)	(654.62)	10,903.06	(153.36)	(8,826.03)	(8,824.00)

Accompanying notes 1 to 53 form integral part of these consolidated financial statements

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No.: 324982E/E3000003

per Shyamundar Pachisia

Partner

Membership No.49237

Date : 7th July 2020

Place : Mumbai

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi

Executive Chairman

DIN : 00175355

Date : 7th July 2020

Place : Ahmedabad

Sunil Ranka

Chief Financial Officer

Date : 7th July 2020

Place : Mumbai

Vijendra Singh

Executive Director

DIN : 03537522

Date : 7th July 2020

Place : Mumbai

Deepak Manerikar

Company Secretary

FCS No.:F-6801

Date : 7th July 2020

Place : Mumbai

Consolidated Statement of cash flows

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Year ended 31 st March 2020	Year ended 31 st March 2019
Operating activities		
Loss before tax from continued operations	(3,549.24)	(3,738.66)
Profit/ (loss) before tax from discontinued operations	25,163.14	(16,637.70)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Advances to others written off	-	986.23
Depreciation of property, plant and equipment	2,106.81	2,206.89
Amortisation of intangible assets	0.85	0.24
Gain on fair valuation of OCPS	(2,888.63)	-
Government assistance	(27.51)	(60.55)
Unrealised gain on derivatives	(8.27)	(48.66)
Excess provision of earlier year written back	(98.71)	(618.66)
Finance costs	5,112.50	11,366.81
Finance income	-	(38.15)
Impairment of financial assets	154.92	4.23
Impairment of trade receivables	-	65.55
Impairment of goodwill	171.42	-
Dividend income	(1.27)	(0.76)
Property, plant and equipment written off	57.56	-
Impairment of other assets	-	131.55
(Gain)/Loss on Sale of Assets	(32.60)	(127.83)
Net foreign exchange difference	1,611.69	(559.69)
Net gain on sale of subsidiary	(29,299.26)	-
Working capital adjustments:		
(Decrease)/ increase employee benefit expenses	(4.25)	72.52
Decrease in trade receivables	1,697.06	4,680.00
Decrease in other receivables and prepayments	73.86	2,845.27
(Increase)/decrease in inventories	473.93	(6,886.83)
Increase in trade and other payables	4,939.22	8,817.10
	5,653.22	2,458.90
Income tax refund/(paid)	(40.41)	88.50
Net cash flows from operating activities	5,612.81	2,547.40
Investing activities:		
Purchase of property, plant and equipment	(2,028.04)	(2,226.38)
Proceeds from sale of property, plant and equipment	141.95	1,034.58
Sale / (Purchase) of investments (net)	1.49	(1.35)
Interest received (finance income)	-	52.72
Dividend received	1.27	0.76
Net cash flows used in investing activities	(1,883.33)	(1,139.67)
Financing activities:		
Repayment of long-term borrowings	(1,341.69)	(1,290.81)
Repayment/(proceeds) of short term borrowings	(1,762.53)	6,964.84
Finance cost paid	(3,534.11)	(10,408.79)
Lease liability payments	(8.66)	-
Net cash flows used in financing activities	(6,646.99)	(4,734.76)
Net increase/ (decrease) in cash and cash equivalents	(2,917.51)	(3,327.03)
Net foreign exchange difference	3,259.48	3,147.94
Net increase/ (decrease) in cash and cash equivalents	341.97	(179.09)
Opening cash and cash equivalents	363.11	542.20
Closing cash and cash equivalents	705.08	363.11

Accompanying notes 1 to 53 form integral part of these consolidated financial statements

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Regn. No: 324982E/E300003

per Shyamsundar Pachisia
Partner
Membership No.49237

Date : 7th July 2020
Place: Mumbai

For and on behalf of the **Board of directors of**
Shree Renuka Sugars Limited

Atul Chaturvedi
Executive Chairman
DIN: 00175355
Date : 7th July 2020
Place: Ahmedabad

Sunil Ranka
Chief Financial Officer

Date : 7th July 2020
Place: Mumbai

Vijendra Singh
Executive Director
DIN: 03537522
Date : 7th July 2020
Place: Mumbai

Deepak Manerikar
Company Secretary
FCS No.:F-6801
Date : 7th July 2020
Place: Mumbai

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

1. Corporate information

The consolidated financial statements comprise financial statements of Shree Renuka Sugars Limited (the 'Company'), its subsidiaries and its associate (collectively, the 'Group') for the year ended 31st March 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 2nd and 3rd Floor, Kanakashree Arcade, CTS No. 10634, JNMC Road, Nehru Nagar, Belagavi – 590010, Karnataka.

The Group is principally engaged in the manufacturing of sugar, ethyl alcohol and ethanol and generation and sale of power. Information on the Group's structure is provided in note 41. Information on other related party relationships of the Group is provided in note 39.

2.1 Significant accounting policies

I. Basis of preparation:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time).

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Land, buildings and plant and machinery classified as property, plant and equipment,
- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value ((refer note 2.1 (III) (q)) accounting policy regarding financial instruments)

The financial statements are prepared in INR (Indian Rupees) and all values are rounded

off to the nearest Million except when stated otherwise.

Going concern assumption

As at 31st March 2020, the current liabilities of the Group exceeded its current assets by INR. 32,264.70 million. The Group has incurred continuing losses in the previous year ended 31st March 2019 and in current year ended 31st March 2020 before exceptional items. The Group has negative net worth of INR 8,824.00 million as at March 31, 2020.

All Term loans and working capital loans availed by the Company are secured by corporate guarantee's provided by the ultimate parent company (Wilmar International Limited). The Board of Directors of Wilmar Sugar Holdings Pte. Limited, the parent company, have provided letter of support to the Group to meet shortfall in its normal trade related working capital requirements up to the year ending 31st March 2021. The Board of Directors of the Company has approved raising of External Commercial Borrowings (ECB) from the parent company to inter alia refinance the Company's existing debts, to meet the Company's working capital requirements and general corporate purposes (refer note 49). Accordingly, the Company management believes it will be able to meet all its financial obligations, on a timely basis, hence, the Company/Group has prepared the financial statements on going concern basis.

II. Basis of consolidation:

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries for the year ended and as at 31st March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The consolidated financial statements are prepared using uniform accounting policies. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated

financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31st March 2020.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

earnings, as appropriate, as would be required if the Group had directly disposed off the related assets or liabilities.

III. Summary of significant accounting policies;

a. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1st April 2016. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, deferred tax assets or liabilities, and the assets or liabilities related to employee benefit

arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

b. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

c. Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over the subsidiaries.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains

and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit and loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

d. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in

profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group had opted to defer/ capitalize exchange differences arising on long-term foreign currency monetary items in accordance with paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average an exchange rate which approximates the actual rate at the date of the transaction. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

e. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 2.2 and 42)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in unquoted equity shares (note 4)
- Property, plant and equipment under revaluation model (note 3)
- Financial instruments (including those carried at amortised cost) (note 42)

f. Revenue recognition

Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Revenue from sale of goods is recognised at the point in time when

control of the goods is transferred to the customer, on delivery of the goods. The normal credit term is 7 to 180 days upon delivery. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before

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payment of the consideration is due). Refer to accounting policies of financial assets in section (q) financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligation under the contract.

Rendering of services

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

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

g. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

The Government announced Minimum Indicative Export Quota (MIEQ) scheme for the season year 2018-19 and Maximum Allowable Export Quota (MAEQ) for season year 2019-20 to boost exports of sugar. Under these schemes, the Group can export

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sugar under its own quota and the quota of the third parties. The Group has availed benefits under both the schemes for exports made by the Group under its own quota. The Group has also availed benefit under Buffer Stock Subsidy Scheme announced by Government of India.

As the Group has complied with the relevant conditions of MIEQ, MAEQ and Buffer stock subsidy schemes notified by the Ministry of Consumer Affairs, Food and Public Distribution, it has recognised eligible assistance as Income from incentives to sugar mills.

h. Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale, if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),

- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after

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tax from discontinued operations in the statement of profit and loss.

i. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences

can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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j. Property, plant and equipment

Freehold and leasehold land, buildings and plant and machinery, other than investment property are carried in the balance sheet on the basis of revaluation model. The revaluation of these assets is conducted every three years by the Group.

Capital work in progress and other assets is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land, buildings and plant, machinery and equipment are measured at fair value less accumulated depreciation and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same

asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Useful life
Buildings	5 - 60 Years
Plant and Equipment	5 - 40 Years
Furniture and Fixtures	1 - 10 Years
Vehicles	7 - 8 Years
Office Equipment	1 - 10 Years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss

unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

l. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

m. Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as

expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

n. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

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- **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

o. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or

CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI.

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For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or change in circumstances indicate that they might be impaired.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

p. Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as

a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group

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recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs; and
- Net interest expense or income

Long term employee benefits

Compensated absences not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

Termination benefits

Termination benefits are recognised as an expense in the period in which they are incurred.

r. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the

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EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 9.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

The Group has not designated any debt instrument as at FVTOCI.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

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- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and

recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b. Financial assets that are debt instruments and are measured as at FVTOCI
- c. Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 (referred to as 'trade receivables')
- d. Loan commitments which are not measured as at FVTPL
- e. Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

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However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated through profit or loss as appropriate.

All financial liabilities are recognised initially at fair value and, in the case

of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative

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gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer note 15.

Other financial liabilities

The Group enters into deferred payment arrangements (letter of credit acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital benefits. These arrangements are in the nature of credit extended in normal operating cycle and these arrangements are recognized as acceptances under trade payables. Interest borne by the Group on such arrangements is accounted as finance cost. Other financial liabilities (including borrowings and trade and other payables) are subsequently

measured at amortised cost using the effective interest method.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

(d) Compounding financial instruments

The Group had issued compounding financial instruments as part of its restructuring of debts with lenders.

On issuance of compounding financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The difference between value of compound financial instruments so determined and the non-sustainable part of borrowing is recognised as income on de-recognition of financial liability in the statement of profit and loss.

s. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

t. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus

issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.2 Significant accounting judgments estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Group has unabsorbed depreciation of ₹12,302.14 million (31st March 2019: ₹ 12,302.14 million), unabsorbed tax losses of ₹ 12,728.07 million (31st March 2019: ₹ 16,596.44 million) on which deferred tax asset has been created; in addition, the Group has MAT credit entitlement of ₹457.85 million (31st March 2019: ₹528.90 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use. The value in use calculation is based on projections approved by the Board of Directors of the Company. The cash flows are derived from the cash flow estimates for the remaining life of the asset and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows.

Financial instruments

During the year, there has been a modification in the tenure of the optionally convertible preference shares from the initial term of 18 months to 132 months. The Group has obtained the necessary approvals from Securities Exchange Board of India (SEBI) and the shareholders of the Company for extension of the tenure. The extension of the tenure has been considered as a substantial modification in the terms of the financial instruments, leading to de-recognition of existing financial liability and recognition of financial liability at its fair value. The difference in the fair value of the new financial liability and the existing financial liability has been recognised as a gain on modification of terms of financial instruments, disclosed under exceptional item in note 34.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

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2.3 Standards issued but not yet effective

Paragraph 30 of Ind AS 8 requires disclosure of standards that have been issued but are not yet effective. Since there were no standards issued but not effective till date, this disclosure is not applicable.

2.4 Changes in accounting policies and disclosures

New and amended Standards and interpretation

- **Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group has used the 'modified retrospective approach' for transition from the previous standard- Ind AS 17, and consequently, comparatives for previous periods have not been retrospectively adjusted. On transition, the Group has recorded the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen the practical expedient provided in the standard to measure the right of-use asset at the same value as the lease liability.

The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The Group did not change the initial carrying amounts of recognised assets at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets equal the lease assets recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2019.

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepayments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

- **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Group has not identified any uncertain tax positions, wherein it is probable that its tax treatments will be challenged by the taxation authorities. The Appendix did not have an impact on the consolidated financial statements of the Group.

- **Amendments to Ind AS 109: Prepayment Features with Negative Compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

- **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when

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a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

Annual Improvements to Ind AS 2018

- **Ind AS 103 Business Combinations**

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

- **Ind AS 111 Joint Arrangements**

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1st April 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

- **Ind AS 12 Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after 1st April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

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- **Ind AS 23 Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or

after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1st April 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

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All amounts in million ₹, unless otherwise stated

Note 3 (a): Property, plant and equipment

	Leasehold land	Freehold land	Buildings	Plant, machinery and Equipment	Furniture and fixtures	Vehicles	Biological Assets	Right-of-use assets	Total for property, plant and equipment (A)	Capital Work-in-progress (B)	Total (A+B)
Gross Block											
As at 1st April 2018	180.39	2,841.27	10,758.44	60,375.15	205.94	225.47	13,168.77	-	87,755.43	291.78	88,047.21
Additions	-	60.21	166.73	1,214.22	19.01	10.50	3.60	-	1,474.27	725.82	2,200.09
Disposals	-	(75.38)	-	(467.08)	(8.35)	(15.70)	(797.73)	-	(1,364.24)	-	(1,364.24)
Exchange differences	-	(42.57)	(279.12)	(1,801.62)	(9.50)	(18.58)	(1,250.18)	-	(3,401.57)	(1.21)	(3,402.78)
Discontinued operations	-	(335.15)	(2,662.90)	(21,942.97)	(100.51)	(181.19)	(11,124.46)	-	(36,347.18)	(11.55)	(36,358.73)
Revaluation	819.00	(34.47)	718.42	(483.92)	-	-	-	-	1,019.03	-	1,019.03
As at 31st March 2019	999.39	2,413.91	8,701.57	36,893.78	106.59	20.50	-	-	49,135.74	1,004.84	50,140.58
Right of use assets recognised as on 1 st April 2019	-	-	-	-	-	-	-	1,384.68	1,384.68	-	1,384.68
Transfer to ROU assets	(999.39)	-	-	-	-	-	-	999.39	-	-	-
Additions	-	15.52	5.31	1,190.76	50.15	1.09	-	24.96	1,287.79	433.68	1,721.47
Disposals	-	(106.92)	(20.79)	(133.42)	(9.24)	(1.25)	-	-	(271.62)	-	(271.62)
Exchange differences	-	21.52	-	-	-	-	-	-	21.52	-	21.52
As at 31st March 2020	-	2,344.03	8,686.09	37,951.12	147.50	20.34	-	2,409.03	51,558.11	1,438.52	52,996.63
Depreciation and impairment											
As at 1st April 2018	6.57	-	1,328.19	12,706.25	135.16	128.09	11,846.11	-	26,150.37	-	26,150.37
Depreciation charge for the year (refer note 34)	2.15	-	283.59	1,895.43	19.04	6.68	-	-	2,206.89	-	2,206.89
Disposals	-	-	-	(445.42)	(8.29)	(10.94)	-	-	(464.65)	-	(464.65)
Exchange differences	-	-	(42.19)	(241.51)	(7.53)	(11.67)	(1,124.15)	-	(1,427.05)	-	(1,427.05)
Discontinued operations	-	-	(405.38)	(6,081.51)	(71.78)	(111.11)	(10,721.96)	-	(17,391.74)	-	(17,391.74)
Impairment	-	-	-	-	-	-	-	-	-	4.23	4.23
As at 31st March 2019	8.72	-	1,164.21	7,833.24	66.60	1.05	-	-	9,073.82	4.23	9,078.05
Depreciation charge for the year (refer note 34)	-	-	356.64	1,604.35	17.94	4.93	-	122.95	2,106.81	-	2,106.81
Transfer to ROU assets	(8.72)	-	-	-	-	-	-	8.72	-	-	-
Disposals	-	-	(17.10)	(53.96)	(9.23)	(1.25)	-	-	(81.54)	-	(81.54)
Impairment	-	-	438.70	856.01	-	-	-	311.92	1,606.63	11.40	1,618.03
As at 31st March 2020	-	-	1,942.45	10,239.64	75.31	4.73	-	443.59	12,705.72	15.63	12,721.35
Net book value											
As at 31st March 2020	-	2,344.03	6,743.64	27,711.48	72.19	15.61	-	1,965.44	38,852.39	1,422.89	40,275.28
As at 31st March 2019	990.67	2,413.91	7,537.36	29,060.54	39.99	19.45	-	-	40,061.92	1,000.61	41,062.53

A. Assets under construction

Capital work in progress as at 31st March 2020 comprises expenditure for the plant and building in the course of construction.

B. Revaluation of land, buildings and plant, machinery and equipment

During the previous year ended 31st March 2019, the Group had appointed an independent valuer to determine the fair value of freehold land and building and plant and machineries. As an outcome of this process, the Group has recognised increase in the gross block of leasehold land of ₹ 819.00 million, building of ₹ 718.42 million and decrease in free holdland of ₹ 34.47 million and plant and machineries ₹ 483.92 million. The Group recognised this increase within the revaluation reserve and statement of comprehensive income.

The Group determined these fair values after considering physical condition of the asset, technical usability / capacity, salvage value, quotes from independent vendors. The fair value of land is determined using market approach and building, plant, machinery and equipment using depreciated replacement cost (DRC). The DRC is derived from the Gross Current reproduction / replacement Cost (GCRC) which is reduced by considering depreciation. The fair value measurement will be classified under level 3 fair value hierarchy. The GCRC means cost expected to replace existing assets with similar or equivalent new assets as on date of valuation.

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Significant unobservable valuation input

Asset	Valuation technique	Significant unobservable inputs
Freehold land/ leasehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land. Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.
Building	Depreciated Replacement Cost (DRC)	Building/structural sheds were measured considering the DRC cost method for the constructed area depending on Utility and Design of Building Structures condition, actual physical condition and state of repairs and maintenance, type of general and Special Specifications of construction, remaining useful economic life of the structures, demand for the structures, cost of building materials and related construction supplies in the surrounding area, latest trends in the building construction technology, present day replacement cost of comparable building structures, Depreciation for Physical wears and tear.
Plant, machinery and equipment Sugar Plant Co-Generation Plant Ethanol plant	Depreciated Replacement Cost (DRC)	The valuation of Plant & Machinery has been estimated by DRC method under cost approach of valuation. The DRC is adjusted towards the Obsolescence, Potential Profitability and Service Potential in order to estimate the Market Value 'In-Situ' of the plant & machinery.

Information of revaluation model (gross of deferred tax):

	Amount
Opening balance as at 1st April 2018	17,690.00
Measurement recognised in reserves	1,218.42
Depreciation	(895.42)
Disposed off	(1.11)
Closing balance as at 31st March 2019	18,011.89
Purchases	-
Depreciation	(801.19)
Disposed off	(1,650.26)
Closing balance as at 31st March 2020	15,560.44

If land, building and plant, machinery and equipment were measured using the cost model. The carrying amounts would be as follows:

Net Book Value	As at 31 st March 2020	As at 31 st March 2019
Cost		
Freehold land	521.84	506.29
Leasehold land	193.30	180.39
Buildings	6,085.12	6,154.99
Plant, machinery and Equipment	31,344.55	29,091.98
	38,144.81	35,933.65
Accumulated depreciation		
Freehold land	-	-
Leasehold land	14.80	8.72
Buildings	2,131.52	1,933.36
Plant, machinery and Equipment	12,794.35	12,000.98

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for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Net Book Value	As at 31 st March 2020	As at 31 st March 2019
	14,940.67	13,943.06
Net carrying amount		
Freehold land	521.84	506.29
Leasehold land	178.50	171.67
Buildings	3,953.60	4,221.63
Plant, machinery and Equipment	18,550.20	17,091.00
Net carrying amount	23,204.14	21,990.59

C. Impairment

The Group has two sugar refineries. As the international sugar prices were under pressure and due to higher input costs, one of the refineries was not operational since mid-2018. However, due to steady increase in the white premium which is expected to stay at the current levels for foreseeable future and also increased opportunities for sale of sugar in the domestic markets, management has already taken steps towards restarting this refinery and expects the same to be operational by second quarter of the financial year 2020-21.

As per the requirements of Ind AS 36, the Group tests at the end of every reporting period, whether there is any indication that the property, plant and equipment may be impaired. If any such indication exists, the Group estimates the recoverable amount of the property, plant and equipment. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the current year, as indication exists, the Group performed impairment assessment with respect to the certain specific Cash Generating Unit (CGU). The recoverable amount has been determined using value in use approach based on cashflow projections as approved by the Board of Directors of the Company. As a result of this analysis, management has identified and has recognised an impairment allowance of INR 1,606.25 million in the year ended 31st March 2020. The same has been adjusted against previously recognised revaluation reserve for this CGU and has been considered in the Other Comprehensive Income (OCI) for the year ended 31st March, 2020.

Note 3(b): Intangible assets

	Goodwill	Computer Software	Transmission lines	Total
Gross Block				
As at 1st April 2018	6,921.75	243.32	271.20	7,436.27
Additions	-	0.21	-	0.21
Discontinued operations	-	(111.56)	(235.22)	(346.78)
Foreign exchange	-	(11.67)	(35.98)	(47.65)
Other Adjustment	(3.47)	-	-	(3.47)
As at 31st March 2019	6,918.28	120.30	-	7,038.58
Additions	-	10.66	-	10.66
As at 31st March 2020	6,918.28	130.96	-	7,049.24
Amortisation and impairment				
As at 1st April 2018	6,746.86	241.42	132.21	7,120.49
Amortisation for the year	-	0.24	-	0.24
Discontinued Operations	-	(117.71)	(123.83)	(241.54)
Foreign exchange	-	(4.05)	(8.38)	(12.43)
As at 31st March 2019	6,746.86	119.90	-	6,866.76
Amortisation for the year	-	0.85	-	0.85
Impairment	171.42	-	-	171.42
As at 31st March 2020	6,918.28	120.75	-	7,039.03
Net book value				
As at 31st March 2020	-	10.21	-	10.21
As at 31st March 2019	171.42	0.40	-	171.82

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All amounts in million ₹, unless otherwise stated

Note 4: Investments

	Currency	Face value	As at 31 st March 2020		As at 31 st March 2019	
			Number of units	INR Million	Number of units	INR Million
Unquoted equity shares: In associate company						
Shree Renuka Global Ventures Limited (refer note no 50).	USD	1	8,16,15,000	0.31		
Less:- Share of losses of associates restricted to Group's interest in the associate				(0.31)		-
				-		-
Unquoted equity shares: At fair value through other comprehensive income (fully paid)						
National Commodity & Derivatives Exchange Ltd.(NCDEX) (refer note no 42) #	INR	10	25,33,700	179.59	25,33,700	179.59
Quoted equity shares: At fair value through profit and loss account (fully paid)						
Simbhaoli Sugars Limited (refer note no 42)	INR	10	3,52,934	0.64	3,52,934	1.34
Others:						
BDCC Bank Limited(Belgaum)	INR	500	10,000	5.00	10,000	5.00
Aggregate value of total investments				185.23		185.93
Aggregate value of quoted investments				0.64		1.34
Aggregate value of unquoted investments				184.59		184.59

697,700 equity shares pledged with IDBI bank towards working capital loan availed by the group.

Note 4(a): Loans

	As at 31 st March 2020	As at 31 st March 2019
Loan to associates (refer note 39)	15,588.26	-
Less: Impairment allowance (refer note 39)	(15,588.26)	-
	-	-

Note 5: Other non-current financial assets

	As at 31 st March 2020	As at 31 st March 2019
Unsecured & considered good:		
Deposits	56.66	129.85
	56.66	129.85
Breakup for security details		
Unsecured, considered good	56.66	129.85
Doubtful	71.56	-
(A)	128.22	129.85
Impairment allowance		
Unsecured, considered good	-	-
Doubtful	(71.56)	-
(B)	(71.56)	-
Total Other non-current assets	(A-B) 56.66	129.85

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All amounts in million ₹, unless otherwise stated

Note 6: Other non-current Assets

	As at 31 st March 2020	As at 31 st March 2019
Incentives receivable	197.43	197.43
Prepayments	-	1,121.86
Capital advances	5.79	37.78
Amount paid under protest to government authorities	399.16	391.06
Balances with government authorities	0.05	0.05
Duty and taxes	3.75	3.75
	606.18	1,751.93
Breakup for security details		
Unsecured, considered good	408.75	1,554.50
Unsecured, considered doubtful	197.43	197.43
(A)	606.18	1,751.93
Impairment allowance		
Unsecured, considered good	-	-
Unsecured, considered doubtful	(197.43)	(197.43)
(B)	(197.43)	(197.43)
(A-B)	408.75	1,554.50

Note 7: Income tax

The major components of income tax expenses for the years ended 31st March 2020 and 31st March 2019 are:

	As at 31 st March 2020	As at 31 st March 2019
Profit and loss section		
Current income tax:		
Current income tax charge	-	(0.77)
Income tax relating to earlier years	26.12	-
Deferred tax:		
Relating to origination and reversal of temporary differences	2,090.23	88.90
Income tax expense reported in the consolidated statement of profit and loss	2,116.35	88.13
	As at 31 st March 2020	As at 31 st March 2019
OCI Section		
Deferred tax related to items recognised in OCI during the year		
Revaluation reserve on property, plant and equipments	513.54	(306.93)
Net loss on remeasurements of defined benefit plans	9.91	9.08
Income tax expenses charged to OCI	523.45	(297.85)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	As at 31 st March 2020	As at 31 st March 2019
Reconciliation of tax expenses and the accounting profit multiplied by the India's domestic tax rate for 31st March 2020 and 31st March 2019		
Continued operations	(3,549.24)	(3,738.66)
Discontinued operations	25,163.14	(16,637.70)
Accounting profit before income tax	21,613.90	(20,376.36)
Local tax rate	31.20%	31.20%
Tax at local rate	6,743.53	(6,357.43)
Effect of differential overseas tax rate	8.10	(667.67)
Effect of differential domestic tax rate	6.86	22.99
Gain on sale of discontinued operation not taxable	(7,735.19)	-
Losses on which DTA was considered to be not recoverable during the year	1,270.40	6,331.94
Unwinding of interest not deductible	260.47	307.74
Previous year losses on which DTA was considered to be not recoverable during the year	1,189.40	139.97
Income tax related to earlier year litigation	26.12	-
Impairment of financial assets not allowable as deduction for tax purposes	16.32	302.40
Others	330.33	(82.28)
At the effective income tax rate of 9.79% (31st March 2019 0.01%)	2,116.35	(2.34)
Income tax expense reported in the statement of profit and loss	2,116.35	88.13
Income tax attributable to discontinued operations	-	(85.79)
	As at 31 st March 2020	As at 31 st March 2019
Deferred tax asset		
Accelerated depreciation for tax purposes	8,561.19	9,275.09
Gross deferred tax liability	8,561.19	9,275.09
Deferred tax asset		
Deferred tax on financial instruments (net)	1,481.38	2,500.13
Expenses claimed on payment basis	75.76	49.28
Unabsorbed business loss	8,127.97	9,345.51
	9,685.11	11,894.92
Deferred tax assets (net)	1,123.92	2,619.83
MAT credit entitlement	457.43	529.31
Net deferred tax assets	1,581.35	3,149.14
	As at 31 st March 2020	As at 31 st March 2019
Deferred tax liabilities		
Accelerated depreciation for tax purposes	65.12	65.12
Expenses claimed on payment basis	(1.31)	(1.00)
Losses available for offsetting against future taxable income	(20.35)	(20.24)
	43.46	43.88

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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The Group has unabsorbed depreciation of ₹12,302.14 million (31st March 2019: ₹ 12,302.14 million), unabsorbed tax losses of ₹ 12,728.07 million (31st March 2019: ₹ 16,596.44 million) on which deferred tax asset has been created; in addition, the Group has MAT credit entitlement of ₹457.43 million (31st March 2019: ₹ 529.31 million). The unabsorbed depreciation can be carried forward for indefinite period, whereas the unabsorbed losses and the MAT credit entitlement can be carried forward for 8 years and 15 years respectively. The carrying amount of deferred tax assets is reviewed at each reporting date to assess whether sufficient taxable profit will be available for recoverability of deferred tax assets. Accordingly, the deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Pursuant to the Taxation Law (Amendment) ordinance, 2019 (Ordinance) issued by Ministry of Law and Justice (Legislative Department) on 20th September 2019 which is effective 01st April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New Tax rate) subject to certain condition. The Group had made an assessment of the impact of the Ordinance and decided to continue with the existing tax structure due to carry forwards tax losses, unabsorbed depreciation and unutilised MAT credit.

Note 8: Inventories

	As at 31 st March 2020	As at 31 st March 2019
Raw materials, components and material in transit (at cost) (includes transit stock of 31 st March 2020: INR 4.58 million (31 st March 2019: INR 38.58 million))	3,207.77	4,262.44
Work-in-progress (at cost)	22.81	48.00
Stores and spares (at cost)* (includes transit stock of 31 st March 2020: INR 4.02 million)	393.58	544.45
Intermediate products (at lower of cost or net realisable value)	1,654.50	1,297.18
Finished goods (at lower of cost or net realisable value)		
Manufactured	11,508.39	11,166.12
	16,787.05	17,318.19

* Includes packing material and consumables

Note 9: Trade receivables

	As at 31 st March 2020	As at 31 st March 2019
Unsecured, considered good:		
Receivables from third parties	1,312.49	2,008.78
Receivables from affiliates (refer note 39)	19.28	842.04
	1,331.77	2,850.82
Break-up for security details:		
Secured, considered good		
Unsecured, considered good	1,331.77	2,850.82
Unsecured, considered doubtful	893.00	901.25
	(A) 2,224.77	3,752.07
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	-	-
Doubtful	(893.00)	(901.25)
	(B) (893.00)	(901.25)
Trade receivables (Net)	(A-B) 1,331.77	2,850.82

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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During the year, the Group has recognised impairment allowance on life time expected credit loss basis amounting to INR 8.38 Million (31st March 2019, INR 173.98 Million).

No Trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivables due from firms or private companies respectively in which any director is a partner, a director or a member is provided in note 39 (b) and (c).

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.

For terms and conditions of related party receivables, refer Note 39.

Note 10: Cash and cash equivalents

	As at 31 st March 2020	As at 31 st March 2019
Cash and cash equivalents:		
Cash on hand	0.91	0.96
Balances with banks:		
On current accounts	704.17	314.26
	705.08	315.22

Changes in liabilities arising from financing activities

Particulars	Long term borrowings	Short term borrowings	Non Current lease liabilities	Current lease liabilities
As at 1st April 2018	76,265.40	2,245.79	-	-
Cash flows	(1,290.81)	6,964.84	-	-
Discontinued operations	(52,297.60)	(347.84)	-	-
Other	803.20	(2,979.41)	-	-
As at 31st March 2019	23,480.19	5,883.38	-	-
Cash flows	(1,341.69)	(1,762.53)	-	(8.66)
Other	(1,720.52)	(347.85)	123.86	14.98
As at 31st March 2020	20,417.98	3,772.99	123.86	6.32

Note 11: Other Bank balances

	As at 31 st March 2020	As at 31 st March 2019
Other Bank Balances:		
Unpaid dividend accounts	2.99	3.00
Fixed deposit pledged with bank/deposited with government authorities *	41.61	22.79
	44.60	25.79

* Fixed deposit with banks include amounts that have been provided as margin money and those that have been pledged with government authorities towards guarantees

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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Note 12: Other current financial assets

	As at 31 st March 2020	As at 31 st March 2019
Derivative Instruments at fair value through Profit or loss	56.93	124.14
Deposits with commodity agent	-	212.86
Interest accrued	0.37	0.37
Interest receivable	-	0.46
Export Incentive receivable	96.27	3.15
Other receivables	807.67	0.05
	961.24	341.03
Break-up for security details		
Unsecured considered good	961.24	341.03
	961.24	341.03
Total other current assets	961.24	341.03

Note 13: Other current assets

	As at 31 st March 2020	As at 31 st March 2019
Export incentives receivable	-	70.92
Prepayments	113.60	235.37
Deposits	0.05	-
Balances with government authorities	1,424.47	1,282.68
Advances to suppliers**	588.90	1,605.43
Advances to staff	0.24	0.51
Income Tax Refund Due	-	8.74
Others	3,157.84	2,770.34
	5,285.10	5,973.99
** Includes advances to related parties amounting to INR 0.10 million (31 st March 2019: INR 0.09 million) (refer Note 39).		
Break-up for security details		
Unsecured considered good	4,147.91	5,003.33
Unsecured, considered doubtful	1,137.19	970.66
(A)	5,285.10	5,973.99
Impairment allowance		
Unsecured considered good	-	-
Unsecured, considered doubtful	(1,137.19)	(970.66)
(B)	(1,137.19)	(970.66)
Total other current assets	(A-B) 4,147.91	5,003.33

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 14(a): Equity share capital

	As at 31 st March 2020	As at 31 st March 2019
a) Authorised share capital		
2,900,000,000 Equity shares of INR 1 each	2,900.00	2,900.00
510,141,365, 0.01% Compulsorily convertible preference shares of INR 16.27 each	8,300.00	8,300.00
94,000,000, 0.01% Redeemable preference shares of INR 100 each	9,400.00	9,400.00
45,500,000, 0.01% Optionally convertible preference shares of INR 100 each	4,550.00	4,550.00
	25,150.00	25,150.00
b) Issued, subscribed and paid up equity capital		
1916,819,292 Equity shares of INR 1 each fully paid	1,916.82	1,916.82
	1,916.82	1,916.82

Terms/rights attached to equity shares

The Company has only one class of equity shares having face value of INR 1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, if any, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of number of equity and preference shares outstanding :

	Number of equity shares
As at 1st April 2018	1,916,819,292
Shares issued during the year	-
As at 31st March 2019	1,916,819,292
Shares issued during the year	-
As at 31st March 2020	1,916,819,292

Details of shareholders holding more than 5% equity shares in the company:

Name of the Shareholder	As at 31 st March 2020		As at 31 st March 2019	
	No. of Shares	% holding	No. of Shares	% holding
Wilmar Sugar Holdings Pte. Limited	1,118,204,751	58.34%	1,118,204,751	58.34%
ICICI Bank Limited	194,984,067	10.17%	191,279,112	9.98%
IDBI Bank Limited	181,554,441	9.47%	181,969,219	9.49%

Notes to Consolidated Financial Statements

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Note 14b: Other equity

	As at 31 st March 2020	As at 31 st March 2019
a) Securities Premium		
As per last Consolidated Balance Sheet	30,396.52	30,396.52
Closing balance	30,396.52	30,396.52
b) Debenture Redemption Reserve (DRR)		
As per last Consolidated Balance Sheet	625.00	625.00
Add: Transfer from/(to) Consolidated Statement of Profit and Loss	-	-
Closing balance	625.00	625.00
c) Other reserves		
Retained earnings	(51,859.44)	(72,540.95)
Foreign currency translation reserve	(654.63)	655.74
Foreign currency monetary item translation difference	-	(2,726.59)
Changes in equity instrument and others	(153.36)	(153.36)
Revaluation reserve	10,903.06	11,751.44
	(41,764.37)	(63,013.72)
Other equity (a+b+c)	(10,742.85)	(31,992.20)

The disaggregation of changes in OCI by each type of reserves in equity has been disclosed in consolidated statement of changes in equity.

Debenture Redemption Reserve (DRR)

The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create DRR out of profits of the group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued over the life of debentures.

Changes in equity instruments

Changes in equity instruments represents reserves created in respect of equity instruments carried at Fair Value Through Other Comprehensive Income.

Revaluation reserve:

Revaluation reserve is credited when Property, Plant and Equipments are revalued at fair value. The reserve is utilised in accordance with the requirements of Ind AS 16. During the year, the group recognised impairment of property, plant and equipments through revaluation reserve amounting to ₹ 1,105.36 million (net of deferred tax) and recognised amount of ₹ 31.47 million (net of deferred tax) as reversal of revaluation reserve on disposal of assets.

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for the year ended 31st March 2020

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Note 15: Borrowings (non-current)

	As at 31 st March 2020	As at 31 st March 2019
Secured		
a) Non-Convertible Debentures (refer note B below)		
1,500 Redeemable non-convertible debentures (11.70%) of INR.1,000,000 each	1,379.98	1,447.48
1,000 Redeemable non-convertible debentures (11.30%) of INR.1,000,000 each	919.98	964.98
5,521 Redeemable non-convertible debentures (0.01%) of INR 1,000,000 each	2,721.50	2,397.51
b) Term-Loans (refer note B below)		
From Banks and financial institutions	12,374.76	13,129.36
From others (refer note B below)		
IFCI Limited (Sugar Development Fund)	179.65	320.99
Unsecured		
Financial instrument		
74,388,207 Redeemable preference shares (0.01%) of INR 100 each	1,365.07	1,202.31
42,808,858 Optionally convertible redeemable preference shares (0.01%) of INR 100 each	1,477.04	4,017.56
	20,417.98	23,480.19
Less: Current maturity of long-term borrowings transferred to Other current financial liabilities (refer Note 21)	(1,502.31)	(1,730.99)
	18,915.67	21,749.20

Terms of repayment as on 31st March 2020

Particulars	Maturity	Effective rate of interest	As at 31 st March 2020	As at 31 st March 2019
Non-convertible debentures				
Non convertible debentures -LIC**	31st March 2024	11.70%	1,379.98	1,447.48
Non convertible debentures (NCD) -LIC**	31st March 2024	11.30%	919.98	964.98
Non convertible debentures issued to lenders	31st March 2027	12.90% #	2,721.50	2,397.51
Term loans				
From Banks and financial institutions				
Indian Renewable Energy Development Authority (IREDA)	31st December 2020	9.85%	60.38	140.88
Indian Renewable Energy Development Authority (IREDA)	31st March 2022	11.60%	131.25	196.88
Exim Bank	31st March 2029	IDBI 1 year MCLR rate+1.1%	427.39	473.18
ICICI Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	3,738.66	4,139.24
State Bank of India Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	293.54	335.16

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Particulars	Maturity	Effective rate of interest	As at 31 st March 2020	As at 31 st March 2019
IDBI Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	3,754.80	4,157.10
Axis Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	108.70	120.99
Kotak Mahindra Bank Limited	31st March 2029	KMBL 1 year MCLR rate+1.1%	587.92	650.91
Ratnakar Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	45.36	49.05
Ratnakar Bank Limited	30th Sept. 2020	1 year MCLR plus 200 bps	13.00	44.00
SCB - Term loan	30th April 2018	3.20%	2,230.55	2,044.91
Yes Bank Limited	31st March 2029	IDBI 1 year MCLR rate+1.1%	372.71	412.64
SEFASU loan from banks	31st March 2029	IDBI 1 year MCLR rate+1.1%	610.50	364.40
From Others;				
IFCI Limited (SDF)	22nd February 2021 and 30th September 2021	12.00%	179.65	320.99
Financial Instruments:				
0.01% Redeemable preference shares (RPS)	31st March 2037	12.90% #	1,365.07	1,202.31
0.01% Optionally convertible preference shares	31 st March 2029	12.00% #	1,477.04	4,017.57

The NCD's and RPS issued to lenders has been recorded at NPV using discounting factor of 12.90% and OCPS issued to lenders has been recorded at NPV using discounting factor of 12.00% .

**The Company is in the process of restructuring its non-convertible debentures (NCD) and has received a letter of intent from Life Insurance Corporation of India (debenture holders) on 11th October 2018. This letter was accepted by the Company on 16th October 2018. The Company has obtained approval of the shareholders for the aforesaid transaction vide special resolution passed by postal ballot on 19th July 2019. The Company had received approval from stock exchange for modification in terms of NCD issued, however as per the approval the same was to be completed by 13th Feb 2020. Since the restructuring agreement has not been executed, the Company is in the process of seeking fresh approval from the stock exchange.

Note A: Repayment schedule of financial instrument is as follows:

- 0.01% Optionally Convertible Preference Shares (OCPS) of INR 4,280.89 million, issued to lenders with convertibility right at the end of 18 months in line with existing SEBI regulations. During the year, there has been a modification in the tenure of the optionally convertible preference shares from the initial term of 18 months to 132 months. The Company has obtained the necessary approvals from Securities Exchange Board of India (SEBI) and the shareholders of the Company for extension of the tenure till 31st March 2029. Accordingly, the company has recognised a gain of INR 2,888.63 million as Gain on modification of terms of OCPS and has presented the same under exceptional items (refer note 34).
- 0.01% Redeemable Preference Shares (RPS) of INR 7,439 Million, redeemable in 40 structured quarterly instalments commencing from 30th June 2027.

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- c) Term loans having maturity date of 31st March 2029 are repayable in 47 structured quarterly instalments commencing from 30th September 2017.
- d) NCD issued to LIC are repayable in 20 structured quarterly instalments commencing from 30th September 2017.
- e) 0.01 % NCD issued to lenders of INR 5,521 million (carrying value as at 31st March 2020: INR 2,721.50 million) are repayable in 12 structured quarterly instalments commencing from 30th June 2024.
- f) Term loan having maturity date of 30th September 2020 has 2 quarterly instalments payable.
- g) Term loans from IREDA having maturity date of 31st December 2020 and 31st March 2022 are repayable in 11 and 16 structured quarterly instalments respectively.
- h) Term loans from IFCI Limited (Sugar Development Fund) having maturity date of 22nd February 2021 and 30th September 2021 are repayable in 1 yearly and 3 half yearly instalments.

Note B: Nature of security / guarantees

Term loans and Non-convertible debentures

1. First pari-passu charge by way of mortgage / hypothecation on all immovable / movable properties of the Company both present & future except assets at Panchaganga and Ajinkyatara (co-generation plants) which are exclusively charged to IREDA.
2. Second pari-passu charge on all the current assets of the company both present and future by the lenders except non-Convertible debentures issued to LIC.

Working capital loan (refer Note 19)

1. First Pari-passu charge on all the current assets of the company both present and future.
2. Second pari passu charge on entire PPE both present and future except plant at Panchaganga and Ajinkyatara (co-generation plants) which are exclusively charged to IREDA.
3. Company has pledged as at 31st March 2020 : 697,700 equity shares (as at 31st March 2019 : 697,700 equity shares) of NCDEX with IDBI bank Limited towards working capital loan.

Corporate guarantee

Corporate Guarantee of Wilmar International Ltd. towards term loan and working capital limits extended by IDBI Bank Limited, ICICI Bank Limited, Axis Bank Limited, RBL Bank Limited, Yes Bank Limited, Exim Bank, Kotak Mahindra Bank Limited, State Bank of India and Bank of America Limited aggregating to INR 31,130 million (31st March 2019: INR 31,130 million) .

IREDA Loan

Exclusive charge on plant, property and equipment at Panchaganga and Ajinkyatara (co-generation plants).

Note 16: Other non-current financial liabilities

	As at 31 st March 2020	As at 31 st March 2019
Interest accrued but not due	-	24.82
Lease liabilities	123.86	-
	123.86	24.82

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for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 17: Net employee benefit liabilities (non-current)

	As at 31 st March 2020	As at 31 st March 2019
Provision for employee benefits:		
Provision for gratuity (refer note 38)	153.86	119.06
Provision for leave encashment	79.29	76.14
	233.15	195.20

Note 18: Government grants

	As at 31 st March 2020	As at 31 st March 2019
Current	27.13	59.42
Non-current	3.35	318.21
	30.48	377.63

Note 19: Borrowings (current)

	As at 31 st March 2020	As at 31 st March 2019
Secured:*		
Working Capital from Banks:		
Rupee borrowings	3,772.99	5,535.54
	3,772.99	5,535.54

*Refer Note 15 for details of security.

Note 20: Trade payables

	As at 31 st March 2020	As at 31 st March 2019
Payables to others#*	14,773.92	19,230.23
Payables to related parties (refer note 39)	12,155.22	8,956.80
	26,929.14	28,187.03

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled within the credit period agreed with the supplier.

Trade payables includes acceptances amounting to INR 6,150.62 million (31st March 2019: INR 4,930.13 million) in respect of Letter of credits issued by the Company to the suppliers for purchase of materials. The arrangement is interest bearing and are payable within one year.

For terms and conditions with related parties, refer to note 39

For explanations on the company's foreign currency liquidity risk management processes, refer to note 43.

Trade payable includes liabilities in relation to Crop purchases and Harvesting & Transportation services for which SRSL has provided corporate guarantee to ICICI Bank, IDBI Bank, State Bank of India, and RBL Bank.

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* The details of amounts outstanding to Micro, Small and Medium Enterprises based on information available with the Company is as under:

	As at 31 st March 2020	As at 31 st March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	10.87	16.79
- Interest due on above	0.01	0.34
Total	10.88	17.13
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	0.34
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	0.01	0.34

Note 21: Other current financial liabilities

	As at 31 st March 2020	As at 31 st March 2019
Current maturity of long-term borrowings (refer note 15)	1,502.31	1,730.99
Interest accrued but not due on borrowings	1,377.51	636.65
Unclaimed dividend	2.99	2.99
Salary payable	40.06	55.09
Lease Liabilities	6.32	-
Commodity agent payable	354.55	-
Derivative liabilities	-	75.48
Other payables **	21,365.83	13,786.71
	24,649.57	16,287.91

** Includes payables to related parties amounting to INR 20,994.97 million (31st March 2019: 13,579.23 million) (refer note 39).

Note 22: Other current liabilities

	As at 31 st March 2020	As at 31 st March 2019
Advance from customers**	367.71	207.32
Statutory dues payable	219.95	534.94
Other payables	206.30	303.84
	793.96	1,046.10

** Includes advance received from related parties amounting to INR 33.90 million (31st March 2019: INR 9.84 million) (refer note 39).

Notes to Consolidated Financial Statements

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Note 23: Net employee benefit liabilities (current)

	As at 31 st March 2020	As at 31 st March 2019
Provision for gratuity (refer note 38)	59.99	57.66
Provision for leave encashment	9.57	7.27
	69.56	64.93

Note 24: Revenue from operations

	Year ended 31 st March 2020	Year ended 31 st March 2019
Sale of products (gross)		
Sale of manufactured sugar	33,291.19	34,711.40
Sale of ethanol and allied products	4,712.53	5,286.10
Sale of traded sugar and ethanol	7,259.44	2,600.52
Sale of power	1,259.08	1,414.28
Sale of by-products and others	726.08	650.36
Sale from engineering division	56.03	103.65
Sale of services	103.57	29.03
	47,407.92	44,795.34

Contract balances

Contract liability as at 31st March 2020 is INR 367.71 million (31st March 2019 : INR 207.32 million)

Performance obligation

The performance obligation is satisfied upon delivery of the goods to customers.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	Year ended 31 st March 2020	Year ended 31 st March 2019
Revenue as per contracted price	47,482.38	44,854.21
Less: Discount	(54.96)	(28.55)
Less: Trade promotion expenses	(19.50)	(30.32)
Revenue from contract with customers	47,407.92	44,795.34

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Revenue from contract with customers - Segment for the year ended 31st March 2020

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	9,716.47	23,574.72	-	-	-	-	-	-	33,291.19
Sale of ethanol and allied products	-	-	-	-	4,712.53	-	-	-	4,712.53
Sale of traded sugar and ethanol	-	-	7,259.44	-	-	-	-	-	7,259.44
Sale of power	-	-	-	1,259.08	-	-	-	-	1,259.08
Sale of by-products and others	590.31	-	-	0.65	-	-	135.12	-	726.08
Sale from engineering division	-	-	-	-	-	56.03	-	-	56.03
Sale of services	-	-	-	-	-	101.99	1.58	-	103.57
Inter-segment sales	7,395.83	3,591.27	-	2,680.88	-	739.93	4.71	(14,412.62)	-
Total revenue from contract with customers	17,702.61	27,165.99	7,259.44	3,940.61	4,712.53	897.95	141.41	(14,412.62)	47,407.92

Revenue from contract with customers for the year ended 31st March 2020

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
India	10,238.13	1,472.63	234.01	1,259.73	4,703.06	69.31	136.70	-	18,113.57
Outside India	68.65	22,102.09	7,025.43	-	9.47	88.71	-	-	29,294.35
Inter-segment sales	7,395.83	3,591.27	-	2,680.88	-	739.93	4.71	(14,412.62)	0.00
Total revenue from contract with customers	17,702.61	27,165.99	7,259.44	3,940.61	4,712.53	897.95	141.41	(14,412.62)	47,407.92

Revenue from contract with customers - Segment for the year ended 31st March 2019

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
Sale of manufactured sugar	8,266.90	26,444.50	-	-	-	-	-	-	34,711.40
Sale of ethanol and allied products	-	-	-	-	5,286.10	-	-	-	5,286.10
Sale of traded sugar and ethanol	-	-	2,600.52	-	-	-	-	-	2,600.52
Sale of power	-	-	-	1,414.28	-	-	-	-	1,414.28
Sale of by-products and others	33.30	-	547.21	-	0.15	-	69.7	-	650.36
Sale from engineering division	-	-	-	-	-	103.65	-	-	103.65
Sale of services	-	-	-	-	-	19.92	9.11	-	29.03
Inter-segment sales	2,485.92	12.56	-	2,873.32	-	-	-	(5,371.80)	-
Total revenue from contract with customers	10,786.12	26,457.06	3,147.73	4,287.60	5,286.25	123.57	78.81	(5,371.80)	44,795.34

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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Revenue from contract with customers for the year ended 31st March 2019

Type of goods or services	Sugar mills	Sugar refinery	Trading	Co-generation	Ethanol	Engineering	Other	Eliminations	Total
India	7,920.69	548.00	60.80	1,414.28	5,280.86	96.93	78.81	-	15,400.37
Outside India	379.51	25,896.50	3,086.93	-	5.39	26.64	-	-	29,394.97
Inter-segment sales	2,485.92	12.56	-	2,873.32	-	-	-	(5,371.80)	-
Total revenue from contract with customers	10,786.12	26,457.06	3,147.73	4,287.60	5,286.25	123.57	78.81	(5,371.80)	44,795.34

Note 25: Other income

	Year ended 31 st March 2020	Year ended 31 st March 2019
Other non-operating income:		
Sugar export benefits from third party licences	352.09	273.97
Income from commodity derivatives (net)	-	1,067.25
Dividend on investments	1.27	0.76
Profit on sale of assets	32.60	-
Excess provision written back	98.71	618.66
Government assistance	27.51	60.55
Miscellaneous income	73.65	35.70
Finance income:		
Interest received on financial assets carried at amortized cost and others	1.33	38.15
	587.16	2,095.04

Note 26: Cost of raw materials consumed

	Year ended 31 st March 2020	Year ended 31 st March 2019
Sugar-Cane	25,522.07	15,114.77
Raw-Sugar	10,085.43	21,526.45
Coal and bagasse	1,015.00	1,272.30
Molasses, DNA, MGA and Rectified spirit	1,086.02	1,266.44
Others	3.88	315.54
	37,712.40	39,495.50

Note 27: Purchase of traded goods

	Year ended 31 st March 2020	Year ended 31 st March 2019
Raw-Sugar	3,268.28	1,670.36
White-Sugar	151.35	706.35
Coal	1.16	13.15
Others	1.38	0.53
	3,422.17	2,390.39

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 28: (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods

	Year ended 31 st March 2020	Year ended 31 st March 2019
Opening stock		
Work in progress	48.00	-
Finished goods and intermediate products	12,463.30	7,331.69
(A)	12,511.30	7,331.69
Closing stock		
Work in progress	22.81	48.00
Finished goods and intermediate products	13,162.89	12,463.30
(B)	13,185.70	12,511.30
Net increase in stock (A-B)	(674.40)	(5,179.61)

Note 29: Employee benefit expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Salaries, wages and bonus	1,056.27	1,026.60
Contribution to provident and other funds	68.76	75.97
Gratuity expenses (refer note 38)	30.15	119.62
Staff welfare expenses	49.94	43.84
	1,205.12	1,266.03

In the previous year, gratuity recoverable from leased units in respect of commencement of lease period of INR 52.28 million has been reduced from the gratuity expense.

Note 30: Depreciation and amortisation expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Depreciation of tangible assets (refer Note 3(a))	2,106.81	2,206.89
Amortisation of intangible assets (refer Note 3(b))	0.85	0.24
	2,107.66	2,207.13

Note 31: Foreign exchange loss/(gain)

	Year ended 31 st March 2020	Year ended 31 st March 2019
Foreign exchange loss/(gain)	1,729.00	(464.52)
	1,729.00	(464.52)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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Note 32: Finance costs

	Year ended 31 st March 2020	Year ended 31 st March 2019
Liabilities measured at amortised cost:		
On term loans	1,112.19	1,194.55
On working capital	2,538.98	2,933.26
On debentures	274.83	290.32
Others:		
Interest expenses on discounted securities	834.85	907.74
Interest expenses on right to use liabilities	12.77	-
Bank and other borrowing costs	325.27	199.91
	5,098.89	5,525.78
Unwinding of interest on borrowings at concessional rate	13.61	78.60
	5,112.50	5,604.38

Note 33: Other expenses

	Year ended 31 st March 2020	Year ended 31 st March 2019
Consumption of stores and spares	537.18	380.44
Consumption of chemicals, consumables, oil and lubricants	374.25	434.43
Outsourced service cost	348.47	220.41
Sugar house loading, un-loading and handling charges	210.81	230.84
Packing materials	689.12	828.35
Power and fuel	253.89	217.63
Rent	6.40	149.62
Repairs and maintenance:		
Plant and machinery	198.92	179.08
Buildings	3.23	6.81
Others	60.76	52.38
Rates and taxes	40.30	59.99
Insurance	53.51	39.44
Travelling and conveyance	37.07	39.09
Printing and stationery	10.49	6.81
Communication expenses	11.84	16.99
Legal and professional fees	162.48	133.22
Directors' sitting fees	1.40	1.68
Impairment of financial assets	154.92	4.23
Fixed asset written off	57.56	-
Safety and security expenses	57.14	60.50
Donations and contributions	1.30	1.38
CSR Expenditure	0.51	-
Loss on sale of fixed assets (net)	-	1.76
Premium paid on Option contracts	13.58	39.00
Books, periodicals, subscription and membership expenses	0.04	2.06
Loss on derivatives and option contracts	407.95	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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	Year ended 31 st March 2020	Year ended 31 st March 2019
Research and development	0.03	-
Expected credit loss for trade receivable	-	65.65
Impairment of Goodwill	171.42	-
Impairment for advances to vendors and others	-	131.55
Freight and forwarding charges	854.07	989.34
Advertisement and sales promotion	154.63	111.77
Brokerage and discounts	47.14	43.64
Commission and market development expenses	36.67	26.25
Miscellaneous expenses	265.45	134.69
	5,222.53	4,609.03

Note 34: Exceptional items for continued operations

	Year ended 31 st March 2020	Year ended 31 st March 2019
Advances to others written off	-	986.23
Gain on modification of terms of financial instruments (refer note 15)	(2,888.63)	-
	(2,888.63)	986.23

Note 35: Earnings per Share [EPS]

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects profit/(loss) and share data used in the basic and diluted EPS computations:

	Year ended 31 st March 2020	Year ended 31 st March 2019
Loss attributable to equity holders to the parent of continued operations	(5,670.19)	(3,626.07)
Profit/(loss) attributable to equity holders to the parent of discontinued operations	26,661.93	(10,857.58)
Total net loss attributable to equity shareholders	20,991.74	(14,483.65)
Weighted average number of equity shares for basic EPS**	1,916,819,292	1,916,819,292
Earnings per share		
Earning per share from continued operations towards parent - Basic	(2.96)	(1.89)
Earning per share from continued operations towards parent- Diluted	(2.96)	(1.89)
Earning per share from discontinued operations towards parent- Basic	13.91	(5.66)
Earning per share from discontinued operations towards parent - Diluted	13.91	(5.66)
Earning per share from continued and discontinued operations towards parent- Basic	10.95	(7.55)
Earning per share from continued and discontinued operations towards parent- Diluted	10.95	(7.55)

**Weighted average number of equity shares takes into account the weighted average effect of changes in share transactions during the year.

Also, optionally convertible preference shares issued are not considered for diluted EPS computation as these are anti dilutive.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

36. Commitment and contingencies

a) Other commitments

Outstanding commitments of the group are as follows:

Outstanding commitments	As at 31 st March 2020	As at 31 st March 2019
Estimated amount of contract pending for execution on capital account	257.46	1,204.59

b) Guarantees

Outstanding guarantees of the group are as follows:

S. No.	Outstanding commitments	As at 31 st March 2020	As at 31 st March 2019
A	Bank Guarantee	515.25	576.06
B	Corporate Guarantee	130.00	-
C	Letter of credit	-	38.31

37. Contingent liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31 st March 2020	As at 31 st March 2019
Income Tax Demands	167.97	185.69
Excise and Service Tax Demands	1,224.45	1,215.34
Sales Tax/VAT Demands	33.14	28.18
GST	101.72	61.77
Customs Demand	2,133.00	2,132.86
Brazilian Taxes	-	3,501.83
Other Matters	316.72	7,864.20
Total	3,977.00	14,989.87

38. Defined Benefit plans

The Group has a defined benefit gratuity plan. The group's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

Salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Risk to the plan

Following risks associated with the plan:

A. Actuarial Risk

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

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Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity Benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity Benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

B. Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

C. Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

D. Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

E. Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Actuarial Assumptions

Key actuarial assumptions are given below:

Discount Rate:

The rate used to discount other long term employee benefit obligation (both funded and unfunded) is determined by reference to market yield at the Balance Sheet Date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds is used. The currency and term of the corporate bond or government bond is consistent with currency and estimated term of the post-employment benefit obligation.

Salary Growth Rate:

This is Management's estimate of the increases in the salaries of the employees over the long term. Estimated future salary increases takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes to Consolidated Financial Statements

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Rate of Return on Plan Assets:

This assumption is required only in case of funded plans. Interest income on plan assets is calculated using the rate used to discount the defined benefit obligation.

Mortality:

This assumption is based on the standard published mortality table without any adjustment.

Withdrawal Rates:

This is Management's estimate of the level of attrition in the company over the long term. Estimated withdrawal rates takes into account the broad economic outlook, type of sector the group operates in and measures taken by the management to retain/ relieve the employees.

S. No.	Particulars	Gratuity Benefits	
		31 st March 2020	31 st March, 2019
1	Change in Benefit obligation		
	Opening Defined Benefit Obligation	274.14	150.62
	Current service cost	19.72	161.85
	Interest cost	17.85	18.58
	Actuarial loss/(gain) due to change in financial assumptions	16.68	1.42
	Actuarial loss/(gain) due to change in demographic assumption	(0.14)	(4.14)
	Actuarial loss/ (gain) due to experience	14.94	29.62
	Benefits paid	(30.60)	(83.81)
	Closing Defined Benefit Obligation	312.59	274.14
2	Change in Plan Assets		
	Opening value of plan assets	97.42	103.97
	Interest Income	7.50	11.32
	Return on plan assets excluding amounts included interest income	(0.41)	1.45
	Contributions by employer	1.00	18.05
	Benefits paid	(6.77)	(37.37)
	Closing value of plan assets	98.74	97.42
3	Fund Status of Plan Assets		
	Present value unfunded obligations	179.54	165.55
	Present value funded obligations	133.05	108.59
	Fair Value of plan assets	(98.74)	(97.42)
	Net Liability (Assets)	213.85	176.72
4	Other Comprehensive Income for the current period		
	Due to Change in financial assumptions	16.68	1.42
	Due to change in demographic assumption	(0.14)	(4.14)
	Due to experience adjustments	14.86	29.62
	Return on plan assets excluding amounts included in interest income	0.41	1.51
	Amounts recognized in Other Comprehensive Income	31.81	28.41

Notes to Consolidated Financial Statements

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All amounts in million ₹, unless otherwise stated

S. No.	Particulars	Gratuity Benefits	
		31 st March 2020	31 st March, 2019
5	Expenses for the current period		
	Current service cost	19.72	161.85
	Interest cost	10.63	10.29
	Past Service cost	-	-
	Interest Income	(0.20)	(0.24)
	Amount recognized in expenses (refer note 29)	30.15	171.90
6	Defined benefit liability		
	Net opening provision in books of accounts	176.72	46.65
	Employee Benefit Expense	30.15	171.90
	Amounts recognized in Other Comprehensive Income	31.81	28.41
	Contributions to plan assets	(1.00)	(18.05)
	Benefits paid by the Company	(23.83)	(52.19)
	Closing provision in books of accounts	213.85	176.72
7	Composition of the plan assets		
	Policy of insurance	100%	100%
	Total	100%	100%
8	Principal Actuarial Assumption		
	Discount rate	5.74% to 6.76%	6.95% to 7.75%
	Salary Growth rate	5%	5%
	Withdrawal Rates	5% at younger ages reduced to 1% at older ages and 26% for Engineering division	5% at younger ages reduced to 1% at older ages and 26% for Engineering division
9	Sensitivity to key assumptions		
	Discount rate Sensitivity		
	Increase by 0.5%	300.70	259.13
	(% change)	(3.83%)	(5.47%)
	Decrease by 0.5%	321.44	278.53
	(% change)	2.81%	1.60%
	Salary growth rate Sensitivity		
	Increase by 0.5%	321.27	277.86
	(% change)	2.75%	1.36%
	Decrease by 0.5%	300.83	259.51
	(% change)	(3.79%)	(5.34%)
10	Expected contributions to the defined benefit plan in next years	6.52	11.90

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

39. Related party transactions

(a) Holding Company:

- 1 Wilmar Sugar Holding Pte. Ltd.

(b) Affiliate companies:

- 1 Ravindra Energy Limited (Till 25th October, 2019)
- 2 Vantamuri Trading and Investments Limited (Till 25th October, 2019)
- 3 Adani Wilmar Limited
- 4 Wilmar Sugar Pte Limited
- 5 Wilmar International Limited
- 6 Jawanani Rafinasi (JMR)
- 7 Wilmar Sugar S.A.
- 8 Irving Investments Limited (Wilmar) Mozambique
- 9 Bright Agrocomm DMCC, Dubai
- 10 Great Wall – Wilmar Holding Limited, Mynamar
- 11 Great Wall – Wilmar Holding Limited, Beira
- 12 BIDCO Uganda Limited, Uganda
- 13 MW Rice Millers Limited
- 14 SANIA Cie
- 15 Ghana Speciality Fats Industries Ltd.
- 16 Alfa Trading Limited
- 17 Wilmar Agri Trading DMCC
- 18 Wilmar Sugar India Private Limited

(c) Associate companies

- 1 Shree Renuka Global Ventures Limited, Mauritius*
- 2 Shree Renuka do Brasil Participacoes, Brazil*
- 3 Renuka Vale do Ivaí S/A, Brazil*
- 4 Biovale Comercio de Leveduras Ltda, Brazil*
- 5 Ivaicana Agropecuaria Ltda, Brazil*
- 6 Shree Renuka Sao Paulo Participacoes Ltda, Brazil*
- 7 Renuka do Brasil S/A, Brazil*
- 8 Renuka Cogeração Ltda, Brazil*
- 9 Renuka Geradora de Energia Elétrica Ltda, Brazil*
- 10 Revati Agropecuária Ltda, Brazil*
- 11 Revati Geradora de Energia Elétrica Ltda, Brazil*
- 12 Revati S.A-Açúcar e Alcool, Brazil*
- 13 Lanka Sugar Refinery Company (Private) Limited, Sri Lanka*

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* Associates with effect from 25th September 2019.

(d) The Trustees Shree Renuka Sugars Ltd.

(e) Key managerial personnel

- 1 Mr. Atul Chaturvedi - Executive Chairman. (w.e.f 2nd July, 2018)
- 2 Mrs. Vidya Murkumbi - Executive Chairperson. (Till 30th June, 2018)
- 3 Mr. Narendra Murkumbi - Vice Chairman and Managing Director. (Till 30th June, 2018)
- 4 Mr. Vijendra Singh - Whole Time Director.
- 5 Mr. Sunil Ranka - Chief Financial Officer. (From 4th May, 2018)
- 6 Mr. Deepak Manerikar - Company Secretary and Compliance Officer. (w.e.f. 30th October, 2018)
- 7 Mr. K.K.Kumbhat - Chief Financial Officer (Till 3rd May 2018)
- 8 Mr. Rupesh Saraiya - Company Secretary (Till 5th October 2018)

(f) Additional related parties as per the Companies Act, 2013 with whom transactions have taken place during the year

- 1 Mr. Jean-Luc Bohbot
- 2 Mr. Madhu Rao
- 3 Mr. Bhupatrai Premji
- 4 Mr. Dorab Mistry
- 5 Mr. Stephen Ho Kiam Kong
- 6 Mr. Bharat Kumar Mehta
- 7 Mr. Surender Kumar Tuteja
- 8 Ms. Priyanka Mallick
- 9 Mr. Rajeev Kumar Sinha (Nominee Director of IDBI Bank)
- 10 Mr. Kuok Khook Hong
- 11 Mr. Narendra Murkumbi (From 1st July 2018 to 24th October 2019)

(g) Relative of key managerial personnel

- 1 Mrs. Sangeeta Singh - DGM. (Quality and Training) (Till 30th April 2018)

Notes to Consolidated Financial Statements

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A Transactions with related parties

Sr. No.	Particulars	As at and year ended	Sales to related parties	Purchases from related parties	Rental income	Interest income on advances	Interest expense on advances	Loans and advance repaid	Advance received	Contribution to gratuity fund
(a) Holding Company										
i	Wilmar Sugar Holding Pte. Ltd.	31 March 2020	-	-	-	-	263.80	1,074.00	5,763.70	-
		31 March 2019	64.82	-	-	-	150.19	-	11,253.66	-
(b) Affiliate companies										
i	Ravindra Energy Limited	31 March 2020	-	-	-	-	-	-	-	-
		31 March 2019	0.76	-	-	0.75	-	613.53	-	-
ii	Adani wilmar limited	31 March 2020	110.17	6.00	-	-	-	-	7.21	-
		31 March 2019	25.82	2,399.65	0.02	-	-	-	-	-
iii	Wilmar Sugar Pte. Ltd.	31 March 2020	9,688.23	14,469.47	-	-	147.24	1,513.64	4,802.00	-
		31 March 2019	6,721.78	15,989.15	-	-	177.54	-	2,351.91	-
iv	Jawanani Rafnasi (JMR)	31 March 2020	46.64	-	-	-	-	-	4.07	-
		31 March 2019	0.30	-	-	-	-	-	-	-
v	Irving Investments Limited (Wilmar) Mozambique	31 March 2020	4.20	-	-	-	-	-	-	-
		31 March 2019	6.03	-	-	-	-	-	-	-
vi	Bright Agrocomm DMCC, Dubai	31 March 2020	13.84	-	-	-	-	-	6.41	-
		31 March 2019	20.31	-	-	-	-	-	-	-
vii	Great Wall - Wilmar Holding Limited, Mynamar	31 March 2020	-	-	-	-	-	-	-	-
		31 March 2019	0.23	-	-	-	-	-	-	-
viii	Great Wall - Wilmar Holding Limited, Beira	31 March 2020	1.11	-	-	-	-	-	0.54	-
		31 March 2019	-	-	-	-	-	-	-	-
ix	BIDCO Uganda Limited, Uganda	31 March 2020	3.78	-	-	-	-	-	1.26	-
		31 March 2019	-	-	-	-	-	-	-	-
x	MW Rice Millers Limited	31 March 2020	6.23	-	-	-	-	-	-	-
		31 March 2019	-	-	-	-	-	-	-	-
xi	SANIA Cie	31 March 2020	13.53	-	-	-	-	-	12.26	-
		31 March 2019	-	-	-	-	-	-	-	-
xii	Ghana Speciality Fats Industries Ltd.	31 March 2020	-	-	-	-	-	-	12.45	-
		31 March 2019	-	-	-	-	-	-	-	-
xiii	Alfa Trading Limited	31 March 2020	3.45	-	-	-	-	-	1.48	-
		31 March 2019	-	-	-	-	-	-	-	-
xiv	Wilmar Sugar S.A.	31 March 2020	911.72	-	-	-	-	-	-	-
		31 March 2019	928.41	-	-	-	-	-	-	-
xv	Wilmar Agri Trading DMCC	31 March 2020	-	-	-	-	-	-	-	-
		31 March 2019	3.19	-	-	-	-	-	-	-
xvi	Wilmar Sugar India Private Limited	31 March 2020	-	-	0.11	-	-	-	-	-
		31 March 2019	-	-	-	-	-	-	-	-
(c) The Trustees Shree Renuka Sugars Ltd.										
		31 March 2020	-	-	-	-	-	-	-	-
		31 March 2019	-	-	-	-	-	-	-	17.34

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Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Corporate guarantees:

There have been corporate guarantees received from Wilmar International Ltd amounting to INR 31,130 million (31st March 2019 INR 31,130) towards term loan and working capital limits extended by Banks to Shree Renuka Sugars Limited.

Break-up of amounts owed to and by related parties as at 31st March 2020 and 31st March 2019 are as follows:

Particulars	Amount receivable from related party (gross of impairment allowance, if any)		Impairment allowance		Net carrying amount	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Loans						
Associates companies (refer note 4 (a))						
Shree Renuka do Brasil Participacoes Ltda	5,285.58	-	5,285.58	-	-	-
Renuka Vale Do Ivai S/A	2,882.52	-	2,882.52	-	-	-
Renuka Do Brasil S/A	5,556.26	-	5,556.26	-	-	-
Shree Renuka São Paulo Participações Ltda	1,833.11	-	1,833.11	-	-	-
Shree Renuka Global Ventures Ltd., Mauritius	30.79	-	30.79	-	-	-
	15,588.26	-	15,588.26	-	-	-
Other current assets (refer note 13)						
Affiliate companies:						
Adani Wilmar Limited	0.10	0.09	-	-	0.10	0.09
Renuka Vale Do Ivai S/A	91.24	-	91.24	-	-	-
	91.34	0.09	91.24	-	0.10	0.09
Trade receivables (refer note 9)						
Affiliate companies:						
Ravindra Energy Limited	12.54	15.73	-	-	12.54	15.73
Adani Wilmar Limited	0.42	0.42	-	-	0.42	0.42
Great Wall - Wilmar Holdings Limited. Mynamar	-	0.00	-	-	-	0.00
Great Wall - Wilmar Holdings Limited. Beira	0.60	-	-	-	0.60	-
Vantamuri Trading and Investments Limited	-	2.11	-	-	-	2.11
Irving Investments Limited (Wilmar) Mozabique	0.05	-	-	-	0.05	-
Bright Agrocomm DMCC	1.33	-	-	-	1.33	-
Alfa Trading Limited	0.38	-	-	-	0.38	-
Jawananis Rafinasi (JMR)	-	0.29	-	-	-	0.29
Wilmar Sugar Pte. Ltd.	3.96	-	-	-	3.96	-
Wilmar Sugar SA	-	823.49	-	-	-	823.49
	19.28	842.04	-	-	19.28	842.04

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Particulars	As at 31 st March 2020	As at 31 st March 2019
Trade payables (refer note 20)		
Affiliate companies:		
Wilmar Sugar Pte. Ltd.	12,155.22	8,956.80
	12,155.22	8,956.80
Other current liabilities (refer note 22)		
Affiliate companies:		
Jawananis Rafinasi (JMR)	0.70	-
Irving Investments Limited (Wilmar) Mozambique	-	4.07
Bright Agrocomm DMCC	-	4.38
MW Rice Millers Limited	0.12	-
Ghana Speciality Fats Industries Ltd.	26.21	-
Adani Wilmar Limited	6.87	1.39
	33.90	9.84
Other non-current financial liabilities (refer note 21)	3,989.86	2,631.51
Wilmar Sugar Pte. Ltd.	17,005.11	10,947.72
Wilmar Sugar Holdings Pte. Ltd.	20,994.97	13,579.23

B Transactions with key managerial personnel

Employee loans

The Group operates loan scheme providing loan to all employees. Under the scheme, the employee can avail loan up to two times of gross monthly salary repayable in easy monthly instalments. Such loans are unsecured and bear interest @ 8%. During the year loan granted to key managerial personnel INR Nil (31st March 2019 INR NIL), out of which repaid INR Nil (31st March 2019 INR NIL).

Other directors' interests

The Group had acquired office space on rent from one of key managerial personnel of the Group. During the year Group has paid a rent of INR NIL (31st March 2019 INR 6.95 million) including all the taxes, out of which amount payable is INR NIL (31st March 2019 INR 0.29 million).

Compensation of key managerial personnel

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Short-term employee benefits	85.48	101.17
Contribution to provident fund	2.70	3.73
Sitting fees	1.85	1.68
Total	90.03	106.58

Compensation of Relative of key managerial personnel

Particulars	Year ended 31 st March 2020	Year ended 31 st March 2019
Short-term employee benefits	-	0.25
Total	-	0.25

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Note 40: Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Particulars	Gokak Sugars Limited
Proportion of non-controlling interest	6.36%
Country of incorporation and operations	India

Accumulated balance of material non-controlling interest

Particulars	Gokak Sugars Limited
Accumulated balance of material non-controlling interest	2.03
Profit allocated to material non-controlling interest	4.60

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations

Summarised balance sheet as at 31 March 2020:

Particulars	Gokak Sugars Limited
Non-current assets	1,613.03
Current assets	637.89
Total Assets	2,250.92
Non-current liabilities	1.43
Current liabilities	2,217.26
Total Liabilities	2,218.69

Summarised statement of profit and loss for the year ended 31 March 2020

Particulars	Gokak Sugars Limited
Total revenue	2,380.58
Less:	
Cost of goods sold	1,794.37
Finance Cost	202.07
Other expenses	283.04
Exceptional Items	-
Total cost	2,279.48
Profit before tax	101.10
Tax expenses	(28.51)
Profit after tax	72.60
Other comprehensive income	0.12
Total Comprehensive Income	72.71

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Note 41: Enterprises consolidated as subsidiary in accordance with Ind AS 112 – Disclosure of Interests in Other Entities^{*}.

Name of the Enterprise	Country of Incorporation	Proportion of ownership interest	
		31 st March 2020	31 st March 2019
Renuka Commodities DMCC, Dubai	Dubai	100.00%	100.00%
Shree Renuka East Africa Agriventures PLC, Ethiopia*	Ethiopia	99.99%	99.99%
Gokak Sugars Ltd.	India	93.64%	93.64%
Shree Renuka Agri ventures Limited	India	100.00%	100.00%
Monica Trading Private Limited	India	100.00%	100.00%
Shree Renuka Tunaport Pvt. Limited	India	100.00%	100.00%
KBK Chem Engineering Pvt Limited	India	100.00%	100.00%
Shree Renuka Global Ventures Ltd., Mauritius#	Mauritius	-	100.00%
Lanka Sugar Refinery Company (Private) Limited*#	Sri Lanka	-	100.00%
Shree Renuka do Brasil Participações Ltda.#	Brazil	-	100.00%
Shree Renuka São Paulo Participações Ltda.#	Brazil	-	100.00%
Renuka do Brasil S/A #	Brazil	-	59.41%
Revati S.A- Acucar e Alcool #	Brazil	-	100.00%
Renuka Geradora de Energia Elétrica Ltda#	Brazil	-	99.99%
Renuka Cogeração Ltda#	Brazil	-	99.99%
Revati Geradora de Energia Elétrica Ltda #	Brazil	-	99.99%
Revati Agropecuaria Ltda.#	Brazil	-	99.99%
Renuka Vale do IVAI S/A#	Brazil	-	100.00%
Ivaicana Agropecuaria Ltda.#	Brazil	-	99.99%
Biovale Comercio de Leveduras Ltda. #	Brazil	-	99.99%

* Liquidation application filed with concerned authorities

Subsidiary till 24th September 2019 and associates with effect from 25th September 2019.

Note 42: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying Value		Fair Value	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Financial assets				
Fair value through profit or loss				
Derivative Instruments at fair value through Profit or loss	56.93	124.14	56.93	124.14
Equity shares of Simbhaoli Sugars Limited	0.64	1.34	0.64	1.34

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	Carrying Value		Fair Value	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Fair value through other comprehensive income				
Investment in equity shares	179.59	179.59	179.59	179.59
Other financial assets at amortised cost				
Trade receivables	1,331.77	2,850.82	1,331.77	2,850.82
Cash and cash equivalents	705.08	315.22	705.08	315.22
Other bank balance	44.60	25.79	44.60	25.79
Other financial assets	965.97	351.74	965.97	351.74
Total financial assets	3,284.58	3,848.64	3,284.58	3,848.64
Financial liabilities:				
Fair value through profit and loss				
Derivative financial instruments	-	75.48	-	75.48
Other financial liabilities at amortised cost				
Borrowings				
Redeemable preference shares	1,365.07	1,202.31	1,365.07	1,202.31
Optionally convertible preference shares	1,477.04	4,017.56	1,477.04	4,017.56
Redeemable non-convertible debentures	5,021.46	4,809.97	5,021.46	4,809.97
IFCI (Sugar Development Fund)	179.65	320.99	179.65	320.99
SEFASU Loan	610.50	679.66	610.50	679.66
Other borrowings	15,537.24	17,985.24	15,537.24	17,985.24
Trade Payables	26,929.14	28,187.03	26,929.14	28,187.03
Other financial liabilities	23,271.13	14,506.25	23,271.13	14,506.25
Total financial liabilities	74,391.23	71,784.49	74,391.23	71,784.49

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

Fair value of the unquoted equity shares recognised at FVTOCI have been estimated on the basis of net worth of the company.

The fair value of Redeemable preference shares, Optionally convertible preference shares, Redeemable non-convertible debentures issued to lenders are based on discounted cash flow using a current borrowing rate. They are classified as level 3 fair values hierarchy due to the use of unobservable inputs including own credit risk.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31st March 2020, 31st March 2019 are as shown below:

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Description of significant unobservable inputs to valuation:

	Valuation technique	Sensitivity of the input to fair value
FVTOCI financial instruments Unquoted equity shares	Enterprise valuation method	5% (31 st March 2020: increase / (decrease) in the market price per share would result in increase (decrease) in fair value by INR 8.98 Million (31 st March 2019: INR 8.98 Million)

Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI:

	Amount
As at 31st March 2018	354.72
Measurement recognised in OCI	(175.13)
Purchases	-
Sales	-
As at 31st March 2019	179.59
Measurement recognised in OCI	-
Purchases	-
Sales	-
As at 31st March 2020	179.59

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2020:

	Total	Fair value measurement using		
		Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value - recurring fair value measurement:				
Derivative Instruments at fair value through Profit or loss	56.93	-	56.93	-
Investment in equity shares	180.23	0.64	-	179.59
Asset measured at fair value:				
Derivative financial instruments	-	-	-	-
Borrowings				
Redeemable preference shares	1,365.07	-	-	1,365.07
Optionally convertible preference shares	1,477.04	-	-	1,477.04
Redeemable non-convertible debentures	5,021.46	-	-	5,021.46

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Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31st March 2019:

		Fair value measurement using		
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		(Level 1)	(Level 2)	(Level 3)
Assets measured at fair value - recurring fair value measurement:				
Derivative Instruments at fair value through Profit or loss	124.14	118.04	6.10	-
Investment in equity shares	180.93	1.34	-	179.59
Liabilities measured at fair value:				
Derivative financial instruments	75.49	67.80	7.69	-
Borrowings				
Redeemable preference shares	1,202.31	-	-	1,202.31
Optionally convertible preference shares	4,017.56	-	-	4,017.56
Redeemable non-convertible debentures	2,397.51	-	-	2,397.51

Note 43: Financial risk management objectives and policies:

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

The Group is exposed to credit risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks and the appropriate financial risk governance framework for the Group. The senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The board of directors reviews and agrees for managing each of these risks.

Market risk:

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

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

Particulars	As at 31 st March 2020	Composition	As at 31 st March 2019	Composition
Borrowing - Fixed interest rate	8,653.72	35.77%	11,030.50	38.02%
Borrowing - Floating interest rate	15,537.25	64.23%	17,985.23	61.98%
Total	24,190.96		29,015.73	

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The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on profit before tax
31st March 2020		
INR	50	77.69
31st March 2019		
INR	50	89.93

Foreign currency risk:

The Group enters into transactions in currency other than its functional currency and is therefore exposed to foreign currency risk. The Group analyses currency risk as to which balances outstanding in currency other than the functional currency of that Group. The management has taken a position not to hedge this currency risk.

Foreign currency sensitivity:

As at 31st March 2020, net exposure of the Company and its subsidiaries to asset and liabilities is as follows:

Currency	Assets as at		Liabilities as at	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
United States Dollar (USD)	328.28	3,741.02	(35,655.84)	(15,585.75)
United Arab Emirates Dirham (AED)	2,392.54	7,861.46	(162.82)	(10,761.22)
European Union (EURO)	0.03	-	(1.03)	(10.01)
Japanese Yen (JPY)	-	0.21	(0.06)	-
Great Britan Pound (GBP)	-	-	(0.22)	(0.11)

5% increase and decrease in the foreign exchange rates wil have the following impact on profit before tax:

Currency	Sensitivity Analytics Assets as at		Sensitivity Analytics Liabilities as at	
	As at 31 st March 2020	As at 31 st March 2019	As at 31 st March 2020	As at 31 st March 2019
Increase by 5%				
United States Dollar (USD)	16.41	187.05	(1,782.79)	(779.29)
United Arab Emirates Dirham (AED)	119.63	393.07	(8.14)	(538.06)
European Union (EURO)	0.00	-	(0.05)	(0.50)
Japanese Yen (JPY)	-	0.01	(0.00)	-
Great Britan Pound (GBP)	(0.01)	(0.01)	-	-
Decrease by 5%				
United States Dollar (USD)	(16.41)	(187.05)	1,782.79	779.29
United Arab Emirates Dirham (AED)	(119.63)	(393.07)	8.14	538.06
European Union (EURO)	(0.00)	-	0.05	0.50
Japanese Yen (JPY)	-	(0.01)	0.00	-
Great Britan Pound (GBP)	0.01	0.01	-	-

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Commodity price risk:

Commodity price in sugar industry is impacted by multiple factors such as international sugar price, government regulations, quantity of sugar production in the relevant period, etc. The Group has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The following table shows effect of changes in various commodities on the profit of the Company.

Commodity price sensitivity:

	Sugar	Cane	Raw Sugar
Increase in price by 5%			
31 st March 2020	1,664.56	(1,276.10)	(504.27)
31 st March 2019	1,735.57	(755.74)	(1,076.32)
Decrease in price by 5%			
31 st March 2020	(1,664.56)	1,276.10	504.27
31 st March 2019	(1,735.57)	755.74	1,076.32

Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and loans given to affiliates. The group only deals with parties which has good credit worthiness based on company's internal assessment.

A counterparty whose payment is due more than 90 days after the due date is considered as a defaulted party. This is based on considering the market and economic forces in which the entities in the group are operating. The group provide the amount if the credit risk of counter-party increases significantly due to its poor financial position and failure to make payment beyond a period of 180 days from the due date.

Trade receivables:

Trade receivables are non-interest bearing and are generally on credit terms of 7 to 180 days. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Liquidity risk:

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, financial support from parent etc. The group's policy is that not more than 25% of borrowings should mature in the next 12 month period. Post the recent debt restructuring process, the group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	Less than 1 year	1 to 5 years	>5 years	Total
As at 31st March 2020				
Borrowings	5,262.30	9,263.46	21,330.49	35,856.25
Trade and other payables	26,929.14	-	-	26,929.14
Lease liabilities	6.31	9.13	921.44	936.88
Other financial liabilities	23,143.75	114.73	-	23,258.48
Total	55,341.51	9,387.32	22,251.93	86,980.75
As at 31st March 2019				
Borrowings	9,371.51	6,334.92	23,276.87	38,983.30
Trade and other payables	28,187.03	-	-	28,187.03
Other financial liabilities	14,556.91	24.82	-	14,581.73
Total	52,115.45	6,359.74	23,276.87	81,752.06

Note 44: Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of Group's management is to maximise shareholder's value.

In order to achieve this overall objective, the company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no significant breaches in the financial and non financial covenants of any interest-bearing loans and borrowings in the current period.

The company manages its capital structure and make adjustments in light of changes in the financial conditions.

The calculation of capital for the purpose of capital management is as follows:

	As at 31 st March 2020	As at 31 st March 2019
Equity share capital	1,916.82	1,916.82
Other equity (including securities premium)	(10,742.85)	(31,992.20)
	(8,826.03)	(30,075.38)

Debt equity ratio

The debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage.

	As at 31 st March 2020	As at 31 st March 2019
Equity share capital	1,916.82	1,916.82
Other equity (including securities premium)	(10,742.85)	(31,992.20)
Total Equity	(8,826.03)	(30,075.38)
Total Borrowings	24,190.96	29,015.73
Debt equity ratio	(2.74)	(0.96)

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Note 45: Segment information

Primary Segment Reporting for the Year ended 31st March 2020

The Management Committee monitors the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The group's financing (including finance costs and finance income) and income taxes are managed on a group level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Particulars	SUGAR		SUGAR - REFINERY		TRADING		CO-GENERATION		ETHANOL		Engineering		OTHER		ELIMINATIONS		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
REVENUE																		
External sales	10,306.78	8,300.20	23,574.72	26,444.50	7,259.44	3,147.73	1,259.73	1,414.28	4,712.53	5,286.25	158.02	123.57	136.70	78.81	-	-	47,407.92	44,795.34
Inter-segment sales	7,395.93	2,485.92	3,591.27	12.55	-	-	2,480.88	2,873.32	-	-	739.93	-	4.71	-	(14,412.62)	(5,371.80)	-	-
Total Revenue	17,702.61	10,786.13	27,165.99	26,457.06	7,259.44	3,147.73	3,940.61	4,287.60	4,712.53	5,286.25	897.95	123.57	141.41	78.81	(14,412.62)	(5,371.80)	47,407.92	44,795.34
Results	(284.29)	(1,033.38)	(389.16)	835.86	104.93	256.13	339.97	110.04	818.48	1,110.66	62.03	(8.72)	78.10	(21.32)	-	-	730.06	1,249.28
Unallocated corporate expenses																	(914.08)	(956.93)
Operating profit																	(184.02)	292.35
Finance costs																	5,112.50	5,604.38
Foreign currency and derivative (gain)/loss (net)																	1,729.00	(444.52)
Other income																	587.65	2,095.07
Loss from ordinary activities																	(6,437.88)	(2,752.44)
Exceptional items																	2,888.43	(986.23)
Loss from continued operations																	(3,549.24)	(3,738.66)
Profit/ (Loss) from discontinued operations																	25,163.14	(16,637.70)
Total Profit/ (Loss) before tax																	21,613.90	(20,376.36)
OTHER INFORMATION																		
Segment assets	21,410.42	24,704.50	18,622.94	20,214.00	2,581.93	3,134.43	11,661.43	11,497.90	7,892.05	6,322.37	380.56	441.52	580.46	705.20	-	-	63,129.78	67,020.12
Unallocated corporate assets																	3,617.95	5,326.34
Discontinued Operations																		23,942.33
Total Assets	21,410.42	24,704.50	18,622.94	20,214.00	2,581.93	3,134.43	11,661.43	11,497.90	7,892.05	6,322.37	380.56	441.52	580.46	705.20	-	-	66,747.73	96,288.79
Segment liabilities	7,919.89	13,212.67	33,293.20	21,532.00	343.99	838.92	385.52	343.27	266.76	847.32	190.40	193.83	43.77	9.89	-	-	42,443.53	36,977.90
Unallocated corporate liabilities																	33,128.20	36,544.23
Discontinued Operations																		78,378.12
Total Liabilities	7,919.89	13,212.67	33,293.20	21,532.00	343.99	838.92	385.52	343.27	266.76	847.32	190.40	193.83	43.77	9.89	-	-	75,571.73	151,900.25
Capital expenditure	45.42	560.28	-	-	-	1.48	933.54	62.15	614.50	812.26	5.47	0.74	0.59	-	-	-	1,599.52	1,436.92
Capital expenditure																	1,29.71	45.35
Discontinued Operations																	-	717.83
Total Capital Expenditure	45.42	560.28	-	-	-	1.48	933.54	62.15	614.50	812.26	5.47	0.74	0.59	-	-	-	1,729.23	2,200.30
Depreciation & amortization	819.20	781.07	575.63	516.73	1.49	1.38	471.20	553.71	188.03	271.59	3.52	3.15	19.76	54.65	-	-	2,078.83	2,182.28
Unallocated corporate depreciation																	28.83	24.85
Total Depreciation	819.20	781.07	575.63	516.73	1.49	1.38	471.20	553.71	188.03	271.59	3.52	3.15	19.76	54.65	-	-	2,107.66	2,207.13

Inter-segment revenues are eliminated upon consolidation and are reflected in the 'eliminations' column.

All other adjustments forming a part of unallocated corporate segment are provided with detailed reconciliations.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Reconciliations to amounts reflected in the financial statements

Reconciliation of assets

	31 st March 2020	31 st March 2019
Segment operating assets	63,129.78	67,488.11
Defererd Tax asset (refer note 7)	1,581.35	3,149.14
Investment (refer note 4)	185.23	185.93
Cash and cash equivalents (refer note 10)	705.08	315.22
Other assets forming a part of unallocated segment	1,146.28	26,499.38
Total assets	66,747.73	96,288.79

Reconciliation of liabilities

	31 st March 2020	31 st March 2019
Segment operating liabilities	42,443.53	36,977.90
Non-current borrowings (refer note 15)	18,915.67	21,749.20
Current borrowings (refer note 19)	3,772.99	5,535.54
Current maturity of long-term borrowings (refer Note 21)	1,502.31	1,730.99
Government Grants (refer note 18)	30.48	377.63
Defererd Tax liabilities (refer note 7)	43.46	43.88
Other liabilities forming part of unallocated segment	8,863.30	85,485.11
Total Liabilities	75,571.73	151,900.25

Revenue from customers

	31 st March 2020	31 st March 2019
India	16,802.00	15,400.37
Outside India	30,605.92	29,394.97
Total revenue	47,407.92	44,795.34

Total assets

	31 st March 2020	31 st March 2019
India	63,909.11	64,280.05
Outside India	2,838.62	32,008.74
Total assets	66,747.73	96,288.79

Total liabilities

	31 st March 2020	31 st March 2019
India	38,761.47	52,608.26
Outside India	36,810.26	99,291.99
Total liabilities	75,571.73	151,900.25

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 46: Statement pursuant to first proviso to sub-section (3) of section 129 of the companies Act 2013, read with rule 5 of companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Sl No.	Name of the Subsidiary	As % of consolidated net assets	Net assets i.e. Total assets minus total liabilities	As % of consolidated profit/loss after tax	Profit/ (loss) for the year	As % of consolidated Other Comprehensive Income	Other Comprehensive Income	As % of consolidated Total Comprehensive Income	Total Comprehensive Income
I	Parent								
	Shree Renuka Sugars Limited	14%	(1,200.78)	-28%	(5,512.03)	-186%	(1,153.24)	-33%	(6,665.27)
II	Indian Subsidiaries								
	Gokak Sugars Ltd.	0%	32.23	0%	72.59	0%	0.12	0%	72.71
	Shree Renuka Agriventures Ltd.	2%	(220.51)	0%	(0.15)	0%	-	0%	(0.15)
	Monica Trading Private Limited	-1%	47.07	0%	(0.33)	-1%	(4.26)	0%	(4.59)
	Shree Renuka Tunaport Pvt. Ltd.	0%	(7.93)	0%	(0.10)	0%	-	0%	(0.10)
	KBK Chem Engineering Pvt Ltd.	13%	(1,162.46)	0%	53.50	0%	(0.21)	0%	53.29
III	Foreign Subsidiaries								
	Renuka Commodities DMCC, Dubai	121%	(10,677.53)	-26%	(4,985.11)	0%	-	-25%	(4,985.11)
	Shree Renuka East Africa Agriventures PLC, Ethiopia	0%	0.01	0%	-	0%	-	0%	-
IV	Non controlling interest	0%	2.03	0%	4.60	0%	0.02	0%	4.62
V	Gain on sale of discounted operations	0	-	150%	29,299.26	0%	-	146%	29,299.26
V	Consolidation adjustments/ eliminations	-49%	4,363.87	3%	565.32	287%	1,776.44	12%	2,341.76
		100%	(8,824.00)	100%	19,497.55	100%	618.87	100%	20,116.42

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Note 47: Leases

Company as a lessee

The Company has lease contracts for various land, building and plant. Leases of land have a lease term of 30 years and 90 years, building generally 3 years and 5 years and plant 17 years and 30 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of building and leases of office with lease terms of 12 months or less. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Fair value measurement using			
	Land	Buildings	Plant	Total
ROU assets recognised as on 1st April 2019				
Prepayments capitalised as ROU	-	-	1,260.32	1,260.32
ROU assets recognized to the extent to ROU liabilities	12.91	17.33	94.12	124.36
Transfer to ROU assets*	990.67	-	-	990.67
Total	1,003.58	17.33	1,354.44	2,375.35
Additions	-	1.70	23.26	24.96
Depreciation expense	(12.79)	(7.54)	(102.62)	(122.95)
Impairment recognised during the year	(311.92)	-	-	(311.92)
As at 31st March 2020	678.87	11.49	1,275.06	1,965.44

* Net of accumulated depreciation

Set out below are the carrying amounts of lease liabilities (included under the head non-current and current financial liabilities) and the movements during the period:

	Amount
As at 1st April 2019	124.36
Additions	1.70
Accretion of interest	12.78
Payments	(8.66)
As at 31st March 2020	130.17

The following are the amounts recognised in profit or loss:

	Amount
Depreciation expense of right-of-use assets	122.95
Interest expense on lease liabilities	12.77
Expense relating to short-term leases and low value leases	6.40
Total amount recognised in profit or loss	142.12

The Company had total cash outflows for leases of INR 15.06 million during the financial year 31st March 2020. The Company do not have any future cash outflows relating to leases that have not yet commenced.

The Company has certain lease contracts that are non-cancellable for fixed period and considered will be terminated after completion of non-cancellable period.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

- 48.** The spread of COVID 19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operation due to lock downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. However, the Group is engaged in manufacturing of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which falls under the category of essential commodities and thus, the operations of the Group are being carried out in the normal course in accordance with the directives issued by the Ministry of Home Affairs. Even though exports have been sluggish on account of slow movement of dispatches from ports, Group's sugar refinery operation has not been impacted and is continuing in a planned way.

The Group does not foresee any significant impact on the operational results and the financial health, as sugar and allied products manufactured by the Group are essential commodities and, as such, demand of the products will return to its normal level, to a large extent, as and when the lockdown gets lifted. The Group's capital and financial resources are well placed and have not been impacted because of Covid-19. All the debts/instalments/interests/dues as per repayment schedule have been made even during the lock-down period without any extensions/defaults and the Company does not foresee any difficulty in meeting its future financial commitments as well.

The Group has also assessed the recoverability and carrying values of its assets comprising property, plant and equipment, receivables, inventories, investments and other financial assets as at the balance sheet date using various internal and external information up to the date of approval of these financial statements. The Group has also used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Group expects to fully recover the carrying amount of its assets mentioned earlier. The financial statements have been prepared accordingly. As the situation continues to evolve, the Group will closely monitor any material changes in the future economic conditions.

- 49.** The Board of Directors of the Company at their meeting held on 3rd June, 2020 considered and approved the proposal for raising of funds through External Commercial Borrowings (ECB) from its Holding company Wilmar Sugars Holdings Pte Ltd to inter alia refinance the Company's existing debts, to meet the Company's working capital requirements and general corporate purposes. Subject to entering into definite agreements for the transaction and such regulatory/statutory and other approvals as may be required, approval from lenders and approval of shareholders of the Company at the ensuing extraordinary general meeting. The loan is proposed to be raised in accordance with the guidelines of the Reserve Bank of India.

50. Investment in an associate

The Group has a 17.21% interest in Shree Renuka Global Ventures Ltd, Mauritius, which further hold investment in Shree Renuka do Brasil Participacoes Ltda, Brazil which is involved in the manufacture of Sugar, power, Ethanol and allied products in Brazil. Shree Renuka Global Ventures Ltd, Mauritius is not listed on any public exchange. The Group's interest in Shree Renuka Global Ventures Ltd, Mauritius is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in Shree Renuka Global Ventures Ltd, Mauritius:

	As at 31st March 2020
Current assets	1,667.89
Non-current assets	21,673.49
Total Assets	23,341.38
Current liabilities	69,668.40
Non-current liabilities	20,419.75
Equity	(66,746.77)
Equity & liabilities	23,341.38
Groups share in equity restricted to the value of groups interest in associates (refer note 4)	(0.31)
Group's carrying amount of the investment (refer note 4)	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

	Year ended 31 st March 2020
Income	
Revenue from operations	7,871.14
Other income	1,284.01
Total income	9,155.15
Expenses	
Cost of raw materials consumed	9,693.87
Increase in inventories of finished goods, work-in-progress and traded goods	123.16
Finance costs	14,388.84
Other expenses	1,380.04
Total expenses	25,585.91
Loss before exceptional items and tax	(16,430.76)
Exceptional items	4.06
Loss before tax	(16,426.70)
Tax expense	-
Loss after tax	(16,426.70)
other comprehensive income	-
Total comprehensive income	(16,426.70)
Group's share of loss for the year	-

51. The Company and its wholly owned subsidiary Renuka Commodities DMCC, Dubai ("DMCC") held 82.90% and 17.10% respectively in Shree Renuka Global Ventures Ltd, Mauritius ("SRGVL"). In turn, SRGVL holds 99.99% stake in Shree Renuka do Brasil Participacoes Ltda, Brazil ("SRBDPL"), which holds investments in eleven companies in Brazil as Holding Company (together referred to as Brazilian operations).

After receiving approval from lenders and shareholders, the Company entered into an investment agreement on August 6, 2019 with Freeway Trading Limited (FTL) for acquisition of controlling interest by FTL in SRGVL by way of subscription to ordinary shares of SRGVL. Further as Mauritius law necessitated a change to the foregoing arrangement, FTL agreed to acquire the controlling interest in SRGVL through purchase of shares held by the Company in SRGVL. In connection with this and in compliance with the terms of approval of shareholders dated July 19, 2019, the Company entered into a Letter of Purchase and Undertaking with FTL dated September 24, 2019. With effect from September 25, 2019, the Company sold its entire stake in SRGVL i.e., 395,674,975 shares, representing a shareholding of 82.90% held by the Company, to FTL for a consideration of USD 21,000 (equivalent to INR 1.49 million). As a consequence of this sale, SRGVL and its step-down subsidiaries ceased to be subsidiaries of the Company with effect from September 25, 2019. The Group has accounted for the loss of control in SRGVL and its step down subsidiaries in accordance with IND AS 110 "Consolidated financial statements". Accordingly, a gain of INR 29,299.26 million arising on account of loss of control has been recorded and has been disclosed as an exceptional item.

With effect from September 25, 2019 the Group has considered the remaining investment in SRGVL as investment in associates, since the Group exercises significant influence over SRGVL and the Brazilian operations due to representation of certain members of the Company on the Board of Directors of two operational entities in the Brazilian operations.

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

The results of discontinued operations for the period are presented below:

Particulars	For the period ended 24 th September 2019	Year ended 31 st March 2019
Income		
Revenue from operations	6,059.46	7,758.58
Other income	1,050.29	390.61
Total income	8,009.75	8,149.19
Expenses		
Consumption of materials*	5,837.59	8,659.58
Employee benefit expenses	224.82	485.11
Foreign exchange (gain)/loss	2,209.53	4,898.32
Finance costs	2,440.78	5,762.58
Other expenses	1,433.15	4,981.30
Total expenses	12,145.87	24,786.89
Loss from discontinued operations before tax and exceptional items	4,136.12	(16,637.70)
Exceptional item- Gain on sale of discontinued operations	29,299.26	-
Profit/(loss) from discontinued operations after tax	25,163.14	(16,637.70)
Tax expense:		
Current tax	-	-
Deferred tax	-	85.79
Income tax expense	-	85.79
Profit/(loss) for the year	2,5163.14	(16,723.49)
Earnings per share		
Basic		
[Face value of equity share INR 1/- each]	13.91	(5.66)
Diluted		
[Face value of equity share INR 1/- each]	13.91	(5.66)

*This includes changes in inventories of intermediaries and finished goods.

Net cash flow of the discontinued operations

Particulars	For the period ended 24 th September 2019	Year ended 31 st March 2019
Operating cash flow	(364.54)	2,547.00
Investing cash flow	974.70	1,518.00
Financing cash flow	(2,463.82)	(1,552.00)
Net Foreign currency translation difference	1,882.00	(2,571.00)
Net cash (outflow) / Inflow	28.34	(58.00)

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

Major classes of assets and liabilities of discontinued operations as at 31st March 2019 are follows:

Particulars	As at 31 st March 2019
ASSETS	
Non-current assets	
Property, plant and equipment	18,966.98
Other intangible assets	105.24
Financial assets	
Investments	665.68
Other non-current financial assets	535.11
Trade receivables	2.05
Others	12.38
Other non-current assets	2,000.88
Total non-current assets	22,288.32
Current assets	
Inventories	310.10
Financial assets	
Trade receivables	117.67
Cash and cash equivalents	47.89
Other current assets	1178.35
Total current assets	1,654.01
Total assets	23,942.33
Non-current liabilities	
Other non-current financial liabilities	2,620.70
Long-term provisions	1,244.25
Net employee benefit liabilities	60.56
Other non-current liabilities	5,016.05
Total non-current liabilities	8,941.56
Current liabilities	
Financial liabilities	
Borrowings	26,366.75
Trade payables	3,693.26
Other current financial liabilities	30,615.81
Other current liabilities	8,532.06
Provision	228.68
Total current liabilities	69,436.56
Total Liabilities	78,378.12

Notes to Consolidated Financial Statements

for the year ended 31st March 2020

All amounts in million ₹, unless otherwise stated

- 52.** The Board of Directors of the Company at its meeting held on 10th November 2019, has given in principle approval for merger of Gokak Sugars Limited with the Company, subject to necessary approvals.
- 53.** Previous year's figures have been regrouped /rearranged wherever necessary to conform to the current year presentation.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Regn. No : 324982E/E300003

per Shyamsundar Pachisia

Partner

Membership No.49237

Date : 7th July 2020

Place : Mumbai

For and on behalf of the **Board of directors of
Shree Renuka Sugars Limited**

Atul Chaturvedi

Executive Chairman

DIN : 00175355

Date : 7th July 2020

Place : Ahmedabad

Sunil Ranka

Chief Financial Officer

Date : 7th July 2020

Place : Mumbai

Vijendra Singh

Executive Director

DIN : 03537522

Date : 7th July 2020

Place : Mumbai

Deepak Manerikar

Company Secretary

FCS No : F-6801

Date : 7th July 2020

Place : Mumbai

AGM Notice

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of Shree Renuka Sugars Limited will be held on Monday, 07th September 2020 at 11 a.m. through Video Conferencing ('VC') to transact the following business:

Ordinary Business

1. To consider and adopt the audited standalone and the consolidated financial statements of the Company for the financial year ended 31st March 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jean-Luc Bohbot (DIN: 06857132), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

3. Appointment of Mr. Kuok Khoon Hong (DIN: 00021957) as a Non-Executive Director

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

"RESOLVED THAT pursuant provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration/Compensation Committee and the Board of Directors, Mr. Kuok Khoon Hong (DIN: 00021957), in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Kuok Khoon Hong's candidature for the office of Director, be and is hereby appointed as a Non-Executive & Non-Independent Director, liable to retire by rotation, with effect from the date of this Annual General Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

4. Appointment of Mr. Charles Loo Cheau Leong (DIN: 08737827) as a Non-Executive Director

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

"RESOLVED THAT pursuant provisions of Sections 149, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Nomination & Remuneration/Compensation Committee and the Board of Directors, Mr. Charles Loo Cheau Leong (DIN: 08737827), in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Charles Loo's candidature for the office of Director, be and is hereby appointed as a Non-Executive & Non-Independent Director, liable to retire by rotation, with effect from the date of this Annual General Meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (including its committee thereof) and / or Company Secretary of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

5. Re-appointment of Dr. B V Mehta (DIN: 00895163) as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Dr. B V Mehta (DIN 00895163), who holds office of Independent Director up to 12th November 2020 and being eligible, and in respect of whom the Company

has received a notice in writing under Section 160 of the Act from a Member proposing Dr. Mehta's candidature for the office of Director, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, as recommended by the Nomination & Remuneration/ Compensation Committee and by the Board of Directors in their meeting held on 7th July 2020, not liable to retire by rotation, and to hold office for a second consecutive term of 5 (five) years on the Board of the Company w.e.f. 13th November 2020."

RESOLVED FURTHER THAT Dr. B. V. Mehta, who attains the age of 75 years during the second term of 5 years, be and is hereby continued as an Independent Director of the Company, after attaining the age of 75 years till the completion of his term."

6. Issue of Redeemable Preference Shares (RPS) by conversion of Non-Convertible Debentures (NCDs)

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

"RESOLVED THAT in super session, to the extent necessary, of the resolution passed by the shareholders through Postal Ballot on 19th July 2019 and pursuant to the provisions of Sections 42, 55, 62 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification(s) or re-enactment(s) thereof for the time being in force, ("the Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") to the extent applicable, and all other laws including the Foreign Exchange Management Act, 1999, the Foreign Exchange (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, various rules, regulations, press notes, notifications, any other guidelines and clarifications issued by the Government of India, all applicable regulations, circulars, notifications issued by the Securities and Exchange Board of India ("SEBI Regulations"), the Reserve Bank of India ("RBI"), stock exchanges on which the Equity Shares of the Company are listed and also by any other statutory/regulatory authorities as may be applicable, and subject to all such other approvals, permissions, consents and/or sanctions of any authorities, as may be necessary, and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approvals, consents, permissions and/or sanctions which may be agreed to by the Board of Directors of the Company,

consent of the shareholders of the Company be and is hereby given to the Board of Directors of the Company (the "Board") which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution, to create, offer, issue and allot, on private placement basis, upto 1,25,00,000, 5% Redeemable Cumulative Preference Shares having face value of ₹ 100 (Rupees One hundred) each ("RPS"), at par, aggregating up to INR 125 Crores, in one or more tranches, from time to time, to the following lender of the Company i.e., Life Insurance Corporation of India ("Lender"), upon conversion of a part of the debt given by the lender to the Company pursuant to the subscription by the lender to the debentures issued pursuant to Debenture Trust Deed dated 30th June 2012 and Debenture Trust Deed dated 16th March 2013 (collectively, the "Debentures"), and the RPS will carry a dividend of 5% per annum, on the terms mentioned herein and such other terms and conditions, as may be decided by the Board;

RESOLVED FURTHER THAT upon allotment of the RPS to the Lender pursuant to conversion of the Debentures into RPS, and such Debentures so converted shall cease to carry any interest from the date of allotment of the RPS;

RESOLVED FURTHER THAT subject to applicable laws, the terms of issue of the RPS are as follows:

- (a) The RPS shall carry a dividend of 5% per annum and rank for dividend in priority to the equity shares of the Company ("Equity Shares"), for the time being of the Company;
- (b) The RPS shall, in winding up be entitled to rank, as regards repayment of capital and dividend, upto the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets or surplus fund;
- (c) The RPS shall not be convertible into Equity Shares and the payment of dividend shall be on cumulative basis. Any accrued dividend that remains unpaid shall be paid on redemption, out of profits available for payment of Dividend.
- (d) The voting rights of the persons holding the said RPS shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force);

- (e) The RPS shall be redeemed in 12 structured installments commencing from 2029-30 ending on 2031-32, on terms approved by LIC of India vide its letter dated 11th October 2018, in accordance with the provisions of the Companies Act, 2013, SEBI Regulations and applicable laws.
- (f) The securities to be issued upon conversion of NCDs shall be allotted within the period prescribed under the relevant provisions of the Companies Act, 2013, provided that where the allotment is pending on account of pendency of any regulatory, Stock Exchange or Government of India (GOI) or other statutory approval(s), as may be applicable; the allotment shall be completed within the prescribed period, after receipt of such approval(s);
- (g) The allotment of RPS shall only be made in dematerialized form;
- (h) The Board be and is hereby authorised to decide and approve the other terms and conditions of the issue of RPS, and shall also be entitled to vary, modify or alter any of the terms and conditions, as it may deem expedient, subject however to compliance with the Act, the applicable Listing Regulations, applicable SEBI Regulations and other applicable laws and requisite approval of the Lender(s) in their capacity as allottees of the RPS (as applicable);
- (i) The Board be and is hereby authorised to delegate all or any of the powers herein conferred by this resolution to any Director(s) or to any Committee of Directors or employee(s) or officer(s) of the Company, as it may consider appropriate, to give effect to the aforesaid resolution;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds & things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to allot such number of securities in one or more tranches to the lender pursuant to this resolution, as may be thought fit or decided by the Board, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable

and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of the RPS without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolution to any Director(s) or to any Committee of the Board or any other Officer(s) of the Company to give effect to the aforesaid resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

7. Issuance of Equity shares on preferential basis

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

"RESOLVED THAT pursuant to provisions of Sections 42, 62 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (the "SEBI ICDR Regulations"), Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the "Listing Regulations"), each as amended from time to time, and any other applicable laws, rules and regulations, circulars, notifications, clarifications, guidelines issued by the Government of India, the Securities and Exchange Board of India ("SEBI") and the stock exchanges where the shares of the Company are listed ("Stock Exchanges"), or any other authority / body and enabling provisions in the Memorandum and Articles of Association of the Company and subject to necessary approvals, sanctions, permissions of appropriate statutory / regulatory and / or other authorities and persons, if applicable and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals / sanctions / permissions and / or consents, if any, and which may be agreed by the Board of Directors of the Company

(hereinafter referred to as "Board" which term shall be deemed to include any committee(s), which the Board has constituted or may constitute to exercise its powers, including the powers conferred on the Board by this resolution), consent of the members of the Company ("Members") be and is hereby accorded to the Board, to create, offer, issue and allot, in one or more tranches, from time to time, up to 21,16,70,481 (Twenty One Crore Sixteen Lakhs Seventy Thousand Four Hundred and Eighty One only) fully paid-up equity shares of face value of Re. 1/- each of the company, for cash, at a price of ₹ 8.74 per equity share, aggregating to ₹ 185,00,00,004 (Rupees One Hundred and Eighty Five Crores and Four only) to Wilmar Sugar Holdings Pte. Ltd., promoter of the Company ("Proposed Allottee"), on a preferential basis ("Preferential Allotment") in such manner and on such terms as the Board may think fit in its absolute discretion;

RESOLVED FURTHER THAT the "Relevant Date" for this Preferential Allotment of equity shares in accordance with the SEBI ICDR Regulations shall be 7th August 2020, being the date 30 days prior to the date of passing of the Resolution by the Members for the Preferential Allotment, as prescribed under Regulation 161 of the SEBI ICDR Regulations;

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the name of the Proposed Allottee be recorded for the issue of invitation to subscribe to the equity shares and a private placement offer letter in Form No. PAS-4 together with an application form be issued to the Proposed Allottee inviting it to subscribe to the equity shares, and consent of the Members is hereby accorded for the same;

RESOLVED FURTHER THAT without prejudice to the generality of the above, the issue of equity shares shall be subject to the following terms and conditions:

- (i) The Company shall procure the listing and trading approvals for the equity shares proposed to be issued and allotted to the Proposed Allottee from the relevant Stock Exchanges in accordance with the Listing Regulations and all other applicable laws, rules and regulations.
- (ii) The equity shares to be offered, issued and allotted to the Proposed Allottee will be listed on Stock Exchanges, where the existing equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals as the case may be;

- (iii) The equity shares shall be allotted to the Proposed Allottee in dematerialized form within a period of 15 days from the date of passing of the special resolution by the Members, provided that where the allotment of the equity shares is subject to receipt of any approval or permission from any regulatory authority, the allotment shall be completed within a period of 15 days from the date of receipt of last of such approvals or permissions.
- (iv) The equity shares to be offered, issued and allotted to the Proposed Allottee shall be subject to the provisions of applicable law and the Memorandum and Articles of Association of the Company and shall rank pari passu in all respects, including with respect to dividend and voting powers, with the existing equity shares of the Company.
- (v) The equity shares issued as above shall be locked-in as prescribed under the SEBI ICDR Regulations from time to time;

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) in the terms of issue of equity shares, subject to the provisions of the Companies Act, 2013 and the SEBI ICDR Regulations, without being required to seek any further consent or approval of the Members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to, do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or desirable to give effect to the above resolution, including without limitation to issue and allot equity shares, to issue certificates/ clarifications on the issue and allotment of equity shares, effecting any modifications to the foregoing (including modifications to the terms of the issue), entering into contracts, arrangements, agreements, memoranda, documents to give effect to the resolution above (including for appointment of agencies, consultants, intermediaries and advisors for managing issuance of and listing and trading of Equity Shares), making applications to Stock Exchanges for obtaining of in-principle, listing and trading approval, filing of requisite documents with the Registrar of Companies, National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and/ or such other statutory or non-statutory authorities or entities as may be necessary for the purpose, seeking approvals from lenders (where applicable), to take all such steps as may be necessary for the admission of the equity shares with the depositories, viz. NSDL and CDSL and for

the credit of such equity shares to the respective dematerialized securities account of the Proposed Allottee and to initiate all necessary actions for and to settle all questions, difficulties, disputes or doubts whatsoever that may arise, including without limitation in connection with the issue and utilization of proceeds thereof, and take all steps and decisions in this regard without necessity of any further approval(s) of the shareholders of the Company.

RESOLVED FURTHER THAT the Board is hereby authorised to delegate all or any of the powers conferred by the aforesaid resolution on it to any committee of directors or any director(s) or officer(s) of the Company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the above resolution."

8. Ratification of remuneration of Cost Auditors

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

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration

of ₹5,00,000 (Rupees Five Lakhs only) (plus applicable tax and out of- pocket expenses, if any, for the purpose of Audit) to M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) appointed as Cost Auditors by the Board of Directors of the Company for conducting the cost audit for the financial year ending 31st March 2021, be and is hereby approved;

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

By Order of the Board of Directors
For **Shree Renuka Sugars Limited**

7th August 2020,
Mumbai

Deepak Manerikar
Company Secretary

Regd. Office:

2nd and 3rd Floor,
Kanakashree Arcade,
CTS No.10634, JNMC Road, Nehru Nagar,
Belagavi - 590010, Karnataka
CIN: L01542KA1995PLC019046

NOTES:

- 1) Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May 2020 read together with circulars dated 8th April 2020 and 13th April 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC.
 - 2) A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
 - 3) Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
 - 4) Participation of Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 - 5) Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.
 - 6) Details of Directors retiring by rotation / seeking appointment / re-appointment at this Meeting are provided in the "Annexure" to the Notice.
 - 7) The Company has transferred the unpaid or unclaimed dividends declared up to financial years 2011-12, from time to time, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
 - 8) The details of unpaid and unclaimed dividends lying with the Company as on 31st March 2020 are uploaded on the website of the Company and can be accessed www.renukasugars.com
 - 9) Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company was required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more, in the name of Investor Education and Protection Fund ("IEPF") Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website at www.renukasugars.com
- The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.
- Further, all the shareholders who have not claimed / encashed their dividends in the last seven consecutive years from 2013 are requested to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the shareholders concerned and also published notice in the newspapers as per the IEPF Rules. The details of such shareholders and shares due for transfer to IEPF are uploaded on the website of the Company at www.renukasugars.com
- 10) The concerned members/investors are advised to visit the website of the IEPF Authority or contact KFin Technologies Private Limited (hereinafter referred to as 'KFin'), Registrar and Transfer Agent of the Company, for detailed procedure to lodge the claim with the IEPF Authority.
 - 11) Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company / KFin has stopped accepting any fresh lodgement of transfer of shares in physical form. Members holding shares in physical form are advised to avail the facility of dematerialisation.
 - 12) Members holding shares in physical mode are required to submit their Permanent Account Number (PAN) to the Company / KFin, if not registered with the Company/KFin, as mandated by SEBI, by writing to the Company/KFin along with the details of folio no.
- Members holding shares in electronic mode are requested to submit their PAN to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.

- 13) Non-Resident Indian members are requested to inform KFin / respective DPs, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- 14) Electronic copy of all the documents referred to in the accompanying Notice of the 24th Annual General Meeting and the Explanatory Statement will be available for inspection in the Investor Section of the website of the Company at www.renukasugars.com.
- 15) During the 24th AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to KFin e-Voting system at <https://evoting.karvy.com>
- 3) In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., 31st August 2020, such person may obtain the User ID and Password from KFin by e-mail request on rajeev.kr@kfintech.com

Procedure for joining the AGM through VC:

- 1) The Company has appointed KFin, Registrar and Share Transfer Agent, to provide Video Conference Facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.

- i) Members will be able to attend the AGM through VC to view the live webcast at <https://emeetings.kfintech.com> by using their remote e-voting login credentials.

Members are requested to follow the procedure given below:

- a) Launch internet browser (Chrome / Firefox / Safari) by typing the URL: <https://emeetings.kfintech.com>
- b) Enter the login credentials (i.e., User ID and password for remote e-voting).
- c) After logging in, click on "Video Conference" option
- d) Then click on camera icon appearing against AGM event of Shree Renuka Sugars Limited, to attend the Meeting.

- ii) Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the remote E-voting instructions.

- iii) Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open during 3rd September 2020 (9 am) to 6th September 2020 (5 pm). Only those members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

- iv) Shareholders who would like to express their views / ask questions during the meeting

Dispatch of Annual Report through electronic mode:

- 1) In compliance with the MCA Circulars and SEBI Circular dated 12th May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website at www.renukasugars.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Company's Registrar and Transfer Agent, KFin Technologies Private Limited ("KFin") at <https://evoting.karvy.com>.
- 2) Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may also temporarily get their email address and mobile number provided with the Company's RTA, by clicking the link: https://ris.kfintech.com/email_registration/ for sending the same. Alternatively, member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio)/copy of share certificate (in case of physical folio) via e-mail at the e-mail id einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM.

may log on to <https://emeetings.kfintech.com/> and click on 'Post your Questions' may post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id, mobile number. Please note that queries / questions only of those members will be answered who are holding the shares of the Company as on the cut-off date.

- v) Members will be allowed to attend the AGM through VC on first come, first served basis.
 - vi) Facility to join the meeting shall be opened fifteen minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
 - vii) Members who need assistance before or during the AGM, can contact KFin on einward.ris@kfintech.com or call on toll free numbers / 1800-345-4001. Kindly quote your name, DP ID-Client ID / Folio no. and E-voting Event Number in all your communications.
- 2) In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the AGM.
 - 3) Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.

Procedure for remote e-voting and e-voting at the AGM:

- 1) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI Listing Regulations, the Company is providing to its members, the facility to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means. Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ('remote e-voting'). The Company has engaged the services of KFin as the agency to provide remote e-voting facility.

Further, the facility for voting through electronic voting system will also be made available at the Meeting ("Insta Poll") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.

- 2) The manner of voting remotely by members holding shares in dematerialized mode, physical mode and

for members who have not registered their email addresses is provided in the instructions given below.

The remote e-voting facility will be available during the following voting period:

• Commencement of remote e-voting	: 9:00 a.m. on 3 rd September 2020
• End of remote e-voting	: 5:00 p.m. on 6 th September 2020

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be forthwith disabled by KFin upon expiry of the aforesaid period.

- 3) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Monday, 31st August 2020 only shall be entitled to avail the facility of remote e-voting or for participation at the AGM and voting through Insta Poll. A person who is not a member as on the cut-off date, should treat the Notice for information purpose only. Voting rights of a member / beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date

- 4) Any person who becomes a member of the Company after despatch of the Notice of the AGM and holding shares as on the cut-off date may obtain the User ID and password from KFin in the manner as mentioned below:

- a) If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE>XXXX1234567890

- b) If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click 'Forgot Password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

- c) Member may call on KFin's toll-free numbers / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.)
- d) Member may send an e-mail request to evoting@karvy.com / einward.ris@kfintech.com

If the member is already registered with KFin's e-voting platform, then he can use his existing password for logging in.

- 5) The members who have cast their vote(s) by remote e-voting may also attend the AGM but shall not be entitled to cast their vote(s) again at the AGM. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
- 6) A member can opt for only single mode of voting per EVEN, i.e., through remote e-voting or voting at the Meeting (Insta Poll). If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID".
- 7) The Board of Directors of the Company has appointed M/s T F Khatri & Associates, Practicing Company Secretary having membership No. F9093 and CP No. 10417, as Scrutiniser to scrutinise the remote e-voting and Insta Poll process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Information and instructions for remote e-voting:

I. (A) In case a member receives an e-mail from the Company / KFin [for members whose e-mail addresses are registered with the Company / Depository Participant(s)]:

- a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- b) Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.karvy.com> or contact toll-free numbers / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.

- c) After entering these details appropriately, click on "LOGIN".

- d) You will now reach Password Change Menu wherein you are required to mandatorily change your password upon logging-in for the first time. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, e-mail address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- e) You need to login again with the new credentials.

- f) On successful login, the system will prompt you to select the E-Voting Event Number (EVEN) for Shree Renuka Sugars Limited.

- g) On the voting page, enter the number of shares as on the cut-off date under either "FOR" or "AGAINST" or alternatively, you may partially enter any number under "FOR" / "AGAINST", but the total number under "FOR" / "AGAINST" taken together should not exceed your total shareholding as on the cut-off date. You may also choose to "ABSTAIN" and vote will not be counted under either head.

- h) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED".

- j) You may then cast your vote by selecting an appropriate option and click on "SUBMIT".

- k) A confirmation box will be displayed. Click "OK" to confirm, else "CANCEL" to modify.
 - l) Once you confirm, you will not be allowed to modify your vote.
 - m) Corporate / Institutional Members (i.e., other than Individuals, HUFs, NRIs, etc.) are also required to send legible scanned certified true copy (in PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutiniser at e-mail id: tfkhatriassociates@gmail.com. It is also requested to upload the same in the e-voting module in their login. The naming format of the aforesaid legible scanned document shall be "Corporate Name EVENT NO."
- c) After due verification, the Company / KFin will forward your login credentials to your registered email address.
 - d) Follow the instructions at I.(A). (a) to (m) to cast your vote.
- II. Once the vote on a resolution is cast by a member, whether partially or otherwise, the member shall not be allowed to change it subsequently or cast the vote again.
 - III. In case of any query, you may refer the Frequently Asked Questions (FAQs) for members and e-voting User Manual available at the 'download' section of <https://evoting.karvy.com> or call KFin on 1800 345 4001 (toll free).

Instructions for members for e-voting during the e-AGM session:

(B) In case of a member whose e-mail address is not registered / updated with the Company / KFin / Depository Participant(s), please follow the following steps to generate your login credentials:

- a) Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number provided with the Company's Registrar, by clicking the link https://ris.kfintech.com/email_registration/ for sending the same. Members are requested to follow the process as guided to capture the E-mail address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any query, member may write to einward.ris@kfintech.com or by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at groupcs@renukasugars.com
 - b) Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
 - c) During the e-AGM proceedings, upon instructions of the chairman, the e-Voting 'Thumb sign' on the left hand corner of the video screen shall be activated. Shareholders shall click on the same to take them to the 'Insta Poll' page.
 - b) Members to click on the 'Insta Poll' icon to reach the resolution page and follow the instructions to vote on the resolutions.
 - c) Only those shareholders, who are present in the e-AGM and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the e-AGM.
- The Scrutiniser will, after the conclusion of e-voting at the Meeting, scrutinise the votes cast at the Meeting (Insta Poll) and votes cast through remote e-voting, make a consolidated Scrutiniser's Report and submit the same to the Chairman. The result of e-voting will be declared within forty-eight hours of the conclusion of the Meeting and the same, along with the consolidated Scrutiniser's Report, will be placed on the website of the Company: www.renukasugars.com and on the website of KFin at: <https://evoting.karvy.com>. The result will simultaneously be communicated to the stock exchanges.
- Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice of the AGM shall be deemed to be passed as per the provisions of applicable law.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

Mr. Kuok Khoon Hong (DIN: 00021957) was appointed as an Additional Director (Non-Executive) of the Company with effect from 25th October 2019, through circular resolution, by the Board of Directors under Section 161 of the Act and as per the Company's Articles of Association, to hold office up to the date of ensuing Annual General Meeting.

The brief profile of Mr. Kuok, nature of his expertise, names of companies in which he holds Directorships, shareholding in the Company, etc. is given in the Appendix - 1 to the Notice. The terms & conditions of his appointment, consent to act as a Director, declaration by proposed appointee and notice received under section 160 of the Companies Act, 2013, shall be open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Kuok as Director of the Company. Pursuant to candidature received from the shareholder, the said resolution is being placed before the members for their approval.

Except Mr. Kuok, being appointee, none of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the passing of the resolution as set out at item No. 3 for approval of the Members as an Ordinary Resolution.

Item No. 4:

Mr. Charles Cheau Leong Loo (DIN: 08737827) was appointed as an Additional Director (Non-Executive) of the Company with effect from 1st June 2020, through circular resolution, by the Board of Directors under Section 161 of the Act and as per the Company's Articles of Association. Mr. Charles Loo will hold office in the Company up to the

date of ensuing Annual General Meeting and will be liable to retire by rotation.

The brief profile of Mr. Charles Loo, nature of his expertise, names of companies in which he holds Directorships, shareholding in the Company, etc. is given in the Appendix - 1 to the Notice. The terms & conditions of his appointment, consent to act as a Director, declaration by proposed appointee and notice received under section 160 of the Companies Act, 2013, shall be open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Charles Loo as Director of the Company. Pursuant to candidature received from the shareholder, the said resolution is being placed before the members for their approval.

Except Mr. Charles Loo, being appointee, none of the Directors / Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends the passing of the resolution as set out at item No. 4 for approval of the Members as an Ordinary Resolution.

Item No. 5:

Dr. B. V. Mehta (DIN: 00895163) was appointed as Non-Executive & Independent Director with effect from 13th November 2017, to hold office for a term of three consecutive years ending on 12th November 2020, by the Board of Directors in its meeting held on 13th November 2017 and subsequently ratified by the members of the Company in the 21st AGM of the Company held on 21st December 2017..

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the members of the Company for another consecutive term of up to five years on the Board of a Company, and the term of office of an Independent Director shall not be liable to retire by

rotation. The Independent Director can be so appointed for 2 consecutive terms only.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Mehta, being eligible, is offering himself for appointment and is proposed to be re-appointed as an Independent Director, on the recommendation of the Nomination & Remuneration/ Compensation Committee and on the basis of the outcome of their performance evaluation up to the Financial Year 2019-20, for a second consecutive term of five (5) years commencing 13th November 2020 up to 12th November 2025. Dr. Mehta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Notice has been received from a Member proposing Dr. Mehta as a candidate for the office of an Independent Director of the Company.

In the opinion of the Board, Dr. Mehta fulfills the conditions specified in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 along with the rules made thereunder for his re-appointment as an Independent Director of the Company and he is independent of the management. The Board believes that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, the Board of Directors recommends his reappointment as a Director of the Company, who shall not be liable to retire by rotation.

The brief profile of Dr. Mehta, nature of his expertise, names of companies in which he holds Directorships, shareholding in the Company, etc. is given in the Appendix - 1 to the Notice. The terms & conditions of his re-appointment, consent to act as a Director, declaration by proposed appointee and notice received under section 160 of the Companies Act, 2013, shall be open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary of the Company.

The Board recommends the Special Resolution at Item No. 5 for approval by the Members.

Except Dr. Mehta, being an appointee, none of the Directors / Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

This Explanatory Statement may also be regarded as a disclosure under Regulation 26(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Item No. 6:

The Company had issued 11.7% 1,500 Secured Non-Convertible Debentures (11.7% NCDs) and 11.3% 1,000 Secured Non-Convertible Debentures (11.3% NCDs) of ₹ 10

Lac each to LIC of India on 3rd April 2012 and 24th December 2012, both aggregating to ₹ 250 Crores, redeemable in 20 structured quarterly installments commencing from financial year 2019-20. Both the series of NCDs are listed on the debt segment of the BSE Limited.

As part of the Debt Restructuring exercise, the Company had approached LIC of India to restructure the repayment of these NCDs. Accordingly, LIC of India, vide its sanction letter dated 11th October 2018, agreed to convert the debt of INR 125 crores (represented by 50% of the total NCDs), into 5% Redeemable Cumulative Preference Shares (RPS) of ₹ 100/- each, repayable in 12 equal quarterly installments commencing from FY 2029-30 to FY 2031-32. The balance NCDs amounting to ₹ 125 Crores in the aggregate, will be repayable in 39 structured installments as agreed between the Company and LIC of India.

Whilst the Company had, vide the special resolution passed by the shareholders through Postal Ballot on 19th July 2019, granted consent to the Board to issue and allot, on a preferential basis, upto 1,25,00,000 (One crore Twenty-Five lakh) 5% Redeemable Cumulative Preference Shares having face value of ₹ 100 (Rupees One hundred) each (RPS) at par, aggregating up to INR 125 Crores, in one or more tranches, from time to time, to Life Insurance Corporation of India ("Lender"), upon conversion of a part of the debt given by the lender to the Company, such RPSs are required to be allotted within 12 months from the date of such resolution as per Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

The said period of 12 months will lapse on 18th July 2020. However, since the allotment of the RPS will not be completed by 18th July 2020 pending execution of the necessary agreements with the lender, the aforesaid approval of the shareholders will lapse on 18th July 2020.. The Board therefore, seeks approval of the members again, for issue of the aforesaid NCDs on preferential basis to the lenders.

On receiving the approval of the shareholders and after receiving the in-principle approval of BSE Ltd., the Company will issue 1,25,00,000 5% RPS of ₹ 100 each by way of preferential allotment, repayable in 12 equal quarterly installments commencing from FY 2029-30 to FY 2031-32. The terms of issue of the RPS are more specifically enumerated in the special resolution.

Disclosures as per Rule 13(2)(d) of the Companies (Share Capital and Debentures) Rules, 2014 read with Rule 14(1) of the Companies (Prospectus and Allotment) Rules 2014, are as follows.

- a. The objects of the issue – Conversion of debt (Non-Convertible Debentures issued to the LIC of India) into Redeemable Preference Shares, as part of the Debt Restructuring Exercise

- b. The total number and kind of shares or other securities to be issued and the issue price – 1.25 Crores 5% RPS of ₹ 100/- each, aggregating to ₹ 125 Crores
- c. Material terms of issue of RPS – As specifically enumerated in the resolution
- d. Principal Terms of Assets Charged – Not applicable.
- e. The price or price band at/within which the allotment is proposed – ₹ 100/- per share.
- f. The amount which the Company intends to raise by way of such securities – Not Applicable as the RPS are being issued on conversion of existing debt of the Company.
- g. Basis on which the price has been arrived at along with report of the registered valuer – As per report of the Registered Valuer M/s.Kakode Associates Consulting Private Limited, Mumbai, the value of the RPS has been arrived at ₹ 45.99 per share. Hence, the shares are being issued at ₹ 100/- per share.
- h. Relevant date with reference to which the price has been arrived at – 31st March 2020;
- i. The class or classes of persons to whom the allotment is proposed to be made – LIC of India
- j. Intention of promoters, directors or key managerial personnel to subscribe to the offer – None of the promoters, Directors or Key Managerial Personnel intend to subscribe to this offer
- k. The proposed time within which the allotment shall be completed – Within 12 months from the passing of this resolution.
- l. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them – The shares will be entirely allotted to LIC of India on part conversion of the NCDs issued to them.
- m. The change in control, if any, in the company that would occur consequent to the preferential offer – There will not be any change of control consequent to the preferential allotment.
- n. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price – Nil
- o. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer – Not Applicable.
- p. Date of Passing of Board Resolution – 8th May 2019
- q. The pre and post shareholding pattern of equity shares of the Company will be as follows, assuming approval of the shareholders to proposed issue of equity shares to Wilmar Sugar Holdings Pte Ltd. on preferential basis, in this AGM:

Category	Pre-issue		Proposed Issue (equity shares)	Post-issue	
	Shares	%		Shares	%
Promoters (A)					
Individuals	-	-	-	-	-
Body Corporates	1,11,82,04,751	58.34%	21,16,70,481	1,32,98,75232	62.48%
Total	1,11,82,04,751	58.34%	21,16,70,481	1,32,98,75232	62.48%
Public (B)					
Institutional Investors	48,82,75,164	25.47	-	48,82,75,164	22.94
Non Institutional Investors	4,39,49,847	2.29	-	-	-
Indian Public	24,44,24,271	12.75	-	24,44,24,271	11.48
Others (including NRI)	6,59,15,106	3.44	-	6,59,15,106	3.10
Total	79,86,14,541	41.66%	0	79,86,14,541	37.52%
Grand Total	1,91,68,19,292	100.00%	21,16,70,481	2,12,84,89,773	100.00%

Notes:

- Pre issue equity shareholding pattern has been prepared based on shareholding of the Company as on 7th August 2020.
- Post issue holding of all the other shareholders is assumed to remain the same, as it was on the date, on which the pre-issue shareholding pattern was prepared.

The pre and post shareholding pattern of Preference Shares of the Company will be as follows:

Sr. No.	Category	Pre		Post	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
(a)	Financial Institutions/ Banks	11,71,97,065	100.00	12,96,97,065	100.00
Total		11,71,97,065	100.00	12,96,97,065	100.00

The Board of Directors, in its meeting held on 8th May 2019, had approved the aforesaid restructuring subject to the approval of the lenders and shareholders of the Company.

As per Section 42, read with Section 62 and other applicable provisions of the Companies Act, 2013 (the Act), a Company may make an issue of securities to persons other than the shareholders of the Company, by way of private placement, after obtaining approval of the shareholders of the Company by way of a special resolution.

Further, as per Regulation 59 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Company shall not make material modification without prior approval of the stock exchange(s) where the non-convertible debt securities are listed, to the structure of the debentures in terms of coupon, conversion, redemption or otherwise.

On obtaining approval of the shareholders by way of special resolution, the Company will apply to BSE Limited for its approval to the restructuring of the NCDs and the consequent proposed issue of RPS. After receiving approval of the stock exchange, the RPS will be allotted to the LIC of India.

The lenders of the Company have approved the proposed restructuring of the NCDs.

The Board of Directors recommends the Special Resolution as set out at Item No. 6 of the accompanying Notice for approval of the Members of the Company. None of the Directors or their relatives, Key Managerial Personnel or their relatives are in any way concerned or interested, financial or otherwise, in the proposed Resolution.

Item No. 7:

The Board of Directors of the Company ("Board") in its meeting held on 7th August, 2020 approved raising funds through issuance of 21,16,70,481 (Twenty One Crore Sixteen Lakhs Seventy Thousand Four Hundred and Eighty One only) fully paid-up equity shares of face value of Re. 1/- each, for cash, at a price of ₹ 8.74 per equity share, aggregating to ₹ 185,00,00,004 (Rupees One Hundred and Eight Five Crores and Four only). The equity shares are proposed to be issued to Wilmar Sugar Holdings Pte. Ltd., the promoter of the Company ("Proposed Allottee"), subject to approval of the members of the Company, on a

preferential basis ("Preferential Allotment").

As per Section 62(1)(c) of the Companies Act, 2013, read with Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, and Regulation 160 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as may be applicable, a listed issuer is permitted to make a preferential issue of specified securities, if a special resolution has been passed by its members.

Accordingly, the approval of the members of the Company ("Members") is being sought, by way of a special resolution, to create, offer, issue and allot, equity shares, by way of Preferential Allotment to the Proposed Allottee as stated hereinabove.

The equity shares issued pursuant to the abovementioned resolution shall be subject to lock-in, in accordance with Regulations 167 and 168 of the SEBI ICDR Regulations.

The equity shares proposed to be issued / allotted shall rank pari passu inter-se and with the existing equity shares of the Company in all respects, including in relation to dividend and voting rights.

The disclosures prescribed under the Companies Act, 2013 and Regulation 163 of the SEBI ICDR Regulations, as may be applicable, in respect of the Resolution proposed at Item No. 7 are as follows:

a) Objects of the Preferential Allotment of equity shares proposed to be allotted:

Subject to the approval of the Board, to redeem the 4,28,08,858 0.01% Optionally Convertible Preference Shares (OCPS) of ₹100 each fully paid-up and 7,43,88,207 0.01% Redeemable Preference Shares (RPS) of ₹ 100 each fully paid-up, aggregating to ₹ 1171.97 Crores, issued to the lenders of the Company as part of the Debt Restructuring arrangements, and for other general corporate purposes.

b) Particulars of the offer including date of passing of Board resolution, type and number of securities to be issued

The Board at their meeting held on 7 August 2020 had, subject to the approval of the Members and such other approvals as may be required, approved the issue of up to 21,16,70,481 fully paid-up equity

shares of Re. 1/- each, at a price of ₹ 8.74 per equity share (i.e. including premium of ₹ 7.74 per equity share) to Wilmar Sugar Holdings Pte. Ltd., the promoter of the Company, on preferential issue basis.

c) Basis on which the price has been arrived at:

The equity shares of Company are listed on Stock Exchanges at BSE Limited and National Stock Exchange of India Limited ("NSE") and are frequently traded in accordance with SEBI ICDR Regulations. For the purpose of computation of the price for the equity shares proposed to be issued and allotted, the data for the last 26 weeks from NSE was considered, it being the exchange in which the highest trading volume in respect of the equity shares of the Company has been recorded during the preceding 12 calendar months prior to the Relevant Date.

In terms of the applicable provisions of SEBI ICDR Regulations, the price at which equity shares shall be issued is ₹ 8.74 per equity share, being higher of the following:

- Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the NSE, during the twenty-six (26) weeks preceding the Relevant Date; or
- Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the NSE, during the two (2) weeks preceding the Relevant Date.

d) Relevant Date

The "Relevant Date" in accordance with SEBI ICDR

e) Amount which the Company intends to raise by way of the Preferential Allotment of such equity shares

Up to a maximum of ₹ 185,00,00,004 (Rupees One Hundred and Eighty-Five Crores and Four only).

f) Proposal / Intent of the promoters, directors or key management personnel of the Company to subscribe to the offer:

The Proposed Allottee is the promoter of the Company, Wilmar Sugar Holdings Pte. Ltd. Wilmar Sugar Holdings Pte Ltd. intends to subscribe to the offer as under:

Name of the Proposed Allottee	Number of Equity Shares
Wilmar Sugar Holdings Pte Ltd.	Up to 211,670,481

The Proposed Allottee has indicated its intent to subscribe to the shares proposed to be issued, vide its letter dated 5th August 2020.

Apart from the Proposed Allottee as above, none of the Director(s) or Key Managerial Personnel(s) or their relatives are subscribing to this offer.

g) Equity Shareholding Pattern of the Company before and after the Preferential Allotment:

The table mentioned below shows the expected shareholding pattern of the Company consequent to issue of equity shares as per resolution at Item No. 7 to this notice proposed to be allotted to the promoter of the Company as per the resolution:

Category	Pre-issue		Proposed Issue (equity shares)	Post-issue	
	Shares	%		Shares	%
Promoters (A)					
Individuals	-	-	-	-	-
Body Corporates	1,11,82,04,751	58.34%	21,16,70,481	1,32,98,75232	62.48%
Total	1,11,82,04,751	58.34%	21,16,70,481	1,32,98,75232	62.48%
Public (B)					
Institutional Investors	48,82,75,164	25.47	-	48,82,75,164	22.94
Non Institutional Investors	4,39,49,847	25.47	-	4,39,49,847	2.29
Indian Public	24,44,24,271	12.75	-	24,44,24,271	11.48
Others (including NRI)	6,59,15,106	3.44	-	6,59,15,106	3.10
Total	79,86,14,541	41.66%	0	79,86,14,541	37.52%
Grand Total	1,91,68,19,292	100.00%	21,16,70,481	2,12,84,89,773	100.00%

3. Pre issue shareholding pattern has been prepared based on shareholding of the Company as on 7th August 2020.
4. Post issue holding of all the other shareholders is assumed to remain the same, as it was on the date, on which the pre-issue shareholding pattern was prepared.

h) Proposed time frame within which the Preferential Allotment of equity shares shall be completed

As required under the SEBI ICDR Regulations, equity shares shall be issued and allotted by the Company within a period of fifteen (15) days from the date of passing of this resolution, provided that where the issue and allotment of the said equity shares is pending on account of pendency of any approval for such issue and allotment by any regulatory authority or the Central Government, the issue and allotment shall be completed within a period of fifteen (15) days from the date of receipt of last of such approvals.

i) Identity of the natural persons who are ultimate beneficial owners of the shares proposed to be allotted and / or who ultimately control the proposed allottees the percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Allotment

Wilmar Sugar Holdings Pte Ltd., Singapore (the proposed allottee) is a wholly owned subsidiary of Wilmar International Limited (WIL). WIL is a public company listed on Singapore Exchange Securities Trading Limited ("SGX-ST"). Since WIL is a listed company, no further disclosure regarding ownership is applicable and there is no natural person who has ownership of or entitlement to more than 25% of shares or capital or profits of WIL (Based on Annual Report of WIL for the year 2019). The details of the Proposed Allottee are as per the following table. No change in control or management of the Company is contemplated consequent to the proposed Preferential Allotment of equity shares. However, voting rights will change in accordance with the shareholding pattern. The pre and post issue holding of the Proposed Allottee is as under:

Sr. No.	Name of the Proposed Allottee	Ultimate Beneficial Owners of the Proposed Allottee(s)	Pre-issue (As on 7 th August 2020)		Issue of Shares		Post-issue	
			Shares	%			Shares	%
1.	Wilmar Sugar Holdings Pte. Ltd.	NA	1,11,82,04,751	58.34	Up to 21,16,70,481		1,32,98,75,232	62.48
TOTAL			1,11,82,04,751	58.34	21,16,70,481		1,32,98,75,232	62.48

j) Lock in

The equity shares proposed to be issued / allotted as per Item No. 7, including the pre-Preferential Allotment shareholding of the Proposed Allottee, will be subject to applicable lock-in and transfer restrictions as stipulated under Regulations 167 and 168 of the SEBI ICDR Regulations.

the time stipulated in SEBI ICDR Regulations, the above shares shall continue to be locked-in till the time such amount is paid by the allottee.

(ii) All the equity shares held by the Proposed Allottee in the Company are in dematerialized form only;

k) Auditor's Certificate

The Certificate issued by M/s. S.R.B.C & Co., Chartered Accountants, Statutory Auditors of the Company, certifying that the Preferential Allotment is being made in accordance with the requirements contained in the SEBI ICDR Regulations, shall be placed before the Members at the Annual General Meeting of the Company to be held on 7th September 2020.

(iii) No person belonging to the promoters / promoter group have sold/transferred any equity shares of the Company during the 6 (Six) months preceding the Relevant Date;

(iv) No person belonging to the promoters / promoter group has previously subscribed to any warrants of the Company but failed to exercise them;

l) Undertaking / Disclosures

(i) It would re-compute the price of the securities specified above in terms of the provisions of SEBI ICDR Regulations, where it is so required.

If the amount payable, if any, on account of the re-computation of price is not paid within

(v) Neither the Company nor any of its promoters and directors is a willful defaulter or a fugitive economic offender;

(vi) Report of registered valuer is not required under the provisions of second proviso to Rule 13(1) of the Companies (Share Capital and Debentures) Rules, 2014 for the proposed Preferential Allotment; and

- (vii) The Company is eligible to make the Preferential Allotment to its Promoter under Chapter V of the SEBI ICDR Regulations.

m) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The securities are proposed to be issued for cash consideration and hence not applicable.

n) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price:

Nil.

The issue of equity shares shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company and shall be made in a dematerialized format only.

In accordance with the provisions of Sections 42 and 62 of the Companies Act, 2013, read with applicable rules thereto and relevant provisions of the SEBI ICDR Regulations, approval of the Members for issue and allotment of the said equity shares to Wilmar Sugar Holdings Pte. Ltd. is being sought by way of a special resolution as set out in the said item of the Notice.

Issue of the said equity shares would be well within the authorised share capital of the Company. The Board believes that the proposed issue is in the best interest of the Company and its Members and therefore recommends the Special Resolution as set out in the said Item in the accompanying notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise, except Mr. Jean-Luc Bohbot and Mr. Charles Loo Cheau Leong, who are Directors of the proposed allottee.

Item No. 8:

The Board of Directors, on the recommendation of the Audit Committee, in its meeting held on 7th July 2020, has approved appointment of M/s. B. M. Sharma and Co., Cost Accountants, as Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the year 2020-21. The Board has also approved payment of remuneration of ₹ 5,00,000 (Rupees Five lakhs only) (plus applicable tax and out-of-pocket expenses, if any,) to the aforesaid firm to conduct the audit of the cost records of the Company for the financial year ending 31st March 2021.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 8 of the Notice.

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

The Board recommends the passing of the resolution as set out at item No. 8 for approval of the Members as an Ordinary Resolution.

By Order of the Board of Directors
For **Shree Renuka Sugars Limited**

7th August 2020,
Mumbai

Deepak Manerikar
Company Secretary

Regd. Office:

2nd and 3rd Floor,
Kanakashree Arcade,
CTS No.10634, JNMC Road, Nehru Nagar,
Belagavi – 590010, Karnataka
CIN: L01542KA1995PLC019046

APPENDIX-1 TO THE EXPLANATORY STATEMENT OF THE 24TH AGM NOTICE FOR FY 2019-20

Information of Directors seeking re-appointment at the AGM

[In pursuance of SEBI (LODR) Regulations, 2015 & Secretarial Standards (SS)-2]:

NAME OF THE DIRECTOR	MR. JEAN-LUC BOHBOT	MR. KUOK KHOON HONG	MR. CHARLES LOO CHEAU LEONG	DR. B. V. MEHTA
Date of Birth	08.12.1968	30.04.1949	23.01.1974	24.08.1949
Date of Appointment	24.06.2015	25.10.2019	01.06.2020	13.11.2017
Qualification	A Post-Master's Degree in Market Finance and Risk Management from University of Paris Dauphine, France	Mr. Kuok graduated from the then University of Singapore with a Bachelor of Business Administration degree	Mr. Charles Loo graduated from Nanyang Technological University with a Bachelor of Accountancy with Second-Class Honours and is a Chartered Accountant from Institute of Singapore Chartered Accountants	Dr. B. V. Mehta obtained his graduation in Science (B.Sc.) and Master Degree in Law (LL. M.) from Bombay University and also has Diploma in Marketing Management (D.M.M.).
Expertise in specific functional area / Brief Profile	Mr. Bohbot joined the Wilmar Group in 2011 to set up and develop the Wilmar Sugar – Trading Division. Mr. Bohbot has extensive experience in the sugar trading business and prior to joining the Group, he was the Managing Director of a large European based trading company and the Managing Director of Eagle Trading, the Hong Kong-based Kuok Group joint venture for sugar trading.	Mr. Kuok Khoon Hong, 69, is the Chairman and Chief Executive Officer of the Wilmar Group. He is overall in charge of the management of the Group with a particular focus on new business developments. He has extensive experience in the industry and has been involved in the grains, edible oils and oilseeds businesses since 1973. Mr. Kuok has completed many projects involving the establishment of oil palm plantations in Asia and Africa, as well as the processing of grains, edible oils and oilseeds.	Mr. Charles Loo Cheau Leong, 46, has been appointed as Chief Financial Officer (CFO) of Wilmar International Limited from June 2020. He is responsible for group accounts, tax, finance, treasury and risk management functions of the Wilmar group of companies. Mr. Charles Loo joined the Wilmar group in 2010 as Senior Finance Manager and was appointed Deputy CFO in January 2020. His past positions include Group Financial Controller at Allied Technologies Limited, Assistant Financial Controller at Nippecraft Limited and Senior Manager (Assurance) at Ernst and Young.	Dr. Mehta was awarded Doctorate (Ph.D) for his thesis on "Impact of WTO on Indian (Edible) Oilseeds Sector and Safeguard Measures" in 2008. Dr. Mehta is representing Indian vegetable oil industry on number of Committees set up by the Government of India. He was also Member of National Oilseeds and Vegetable Oils Development Board (NOVOD), the highest policy making body of Ministry of Agriculture, Government of India since its inception in 1984 till 2016. Dr. Mehta is connected with Indian vegetable oil industry over 4 decades and has in-depth knowledge of Indian oilseed sector and vegetable oil industry, and recipient of "Globoil Man of the Year Award" in 2016. He has presented many papers on Indian Vegetable Oilseed and Vegetable Oil sector at National and International Platforms. Dr. Mehta is the Executive Director of The Solvent Extractors' Association of India (SEA), the largest and premier association in the vegetable oil industry and trade in India.

NAME OF THE DIRECTOR	MR. JEAN-LUC BOHBOT	MR. KUOK KHOON HONG	MR. CHARLES LOO CHEAU LEONG	DR. B. V. MEHTA
Directorship in all other public Companies except foreign companies and companies under Section 8 of the Companies Act, 2013	-	Adani Wilmar Limited	-	<ul style="list-style-type: none"> Gokak Sugars Limited Shree Renuka Tunaport Private Limited Monica Trading Private Limited
Membership/ Chairman of the Committees of the Board of other public limited companies (Membership/ Chairmanships of only Audit Committees and stakeholders Relationship Committees in other public limited Companies have been considered)	-	Chairman - Audit Committee	-	Member – Audit Committee
Number of shares held in the Company	Nil	Nil	Nil	48,000
Terms and Condition of appointment	To be re-appointed as Director of the Company; liable to retire by rotation.	To be appointed as Director of the Company; liable to retire by rotation.	To be appointed as Director of the Company; liable to retire by rotation.	To be appointed as Independent Director of the Company; not liable to retire by rotation.
Number of meetings of the Board attended during the financial year 2019-20	3 out of 5 meeting held during the year	2 out of 2 meeting held during the year after his appointment as Director	NA	4 out of 5 meeting held during the year
Remuneration last drawn	Nil	Nil	Nil	₹ 2,00,000 towards sitting fees for FY 2019-20
Remuneration proposed to be paid	Nil	Nil	Nil	No other remuneration, except sitting fees for attending meetings of the Board of Directors and its committees (if applicable), is proposed to be paid
Relationship with Directors / Promoters inter-se	NA	NA	NA	NA

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Registered Office

Shree Renuka Sugars Limited

2nd & 3rd Floor, Kanakashree Arcade,

CTS No. 10634,

JNMC Road, Nehru Nagar,

Belagavi - 590010, Karnataka