



Annual Report
2013-14



New beginnings
Wider horizons



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Wider horizons



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Forward-looking statements

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

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



New beginnings Wider horizons

It is a time for new beginnings. A time to welcome a new partner, revitalise our business and consolidate on the expansion that we undertook in the past.

It is time to shed the weight of debt, reduce our interest outgo, and capitalise on the increased operational efficiency of our business over the past years.

It is time to widen our horizons and bring to bear the synergies with our new partner.

New beginnings and wider horizons beckon us towards a brighter future, where promise will be fulfilled by performance.



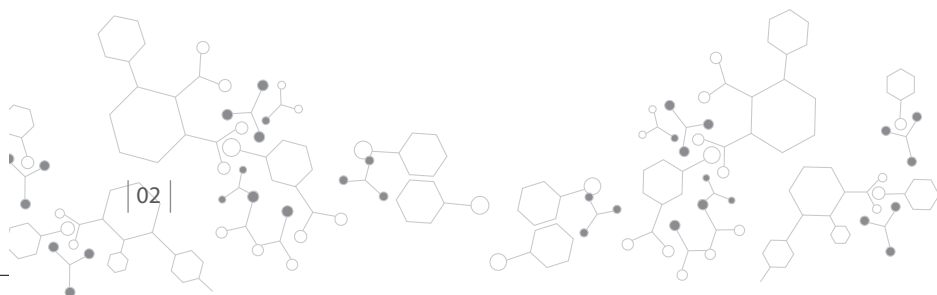
The year in review



The highlight of the year was the strategic partnership with Wilmar International Ltd., with the company coming on board via a proposed equity infusion of US\$ 200 million for an equal stake as the existing promoters. This partnership bodes well for our Company as it underlines our inherent strength, our enhanced operational performance and our shared confidence in the future. It is a new beginning that will help the Company widen its horizons.

► India standalone performance

The Company recorded total standalone revenues including other income of ₹ 65,771 million during the year, as compared to a total of ₹ 64,104 million in FY 13. This represents an increase of standalone revenues by 2.6%.



₹ 65,771 million

Standalone revenues including other income in FY 14

₹ 64,104 million

in FY 13

In the sugar business, there was a Y-O-Y decrease in cane crushing by 8%.

Sugar production witnessed a 3% decrease in the Indian mills whereas sugar production at our Indian refineries increased by 9%.

In the ethanol business, there was a Y-O-Y decrease in production at our Indian distilleries due to lower crushing.

Energy sales in India increased by 4% as compared to previous year.

During the same period, EBITDA was reduced by 68% on account of higher cane prices and relatively lower domestic sugar prices.

The foreign exchange loss for the year was ₹ 3,317 million compared to a loss of ₹ 77 million in the last year. The high foreign exchange loss was mainly attributable to the highly volatile INR against USD.

The Company has reported a net loss of ₹ 4,661 million for the year ended 2014 as compared to a profit of ₹ 518 million in the previous year.

► Performance of Brazilian Subsidiaries

For the year ended March 2014, the total revenues of the Brazilian subsidiaries increased by 12% compared to the last year.

The revenues for Renuka do Brasil S/A (RdB) increased by 20% Y-O-Y, on account of higher capacity utilisation, whereas the

revenues for Renuka Vale do Ivaí S/A (RVdl) reduced by 13% due to cane damage caused by frost.

In the sugar business, cane crushing in the Brazilian subsidiaries increased by 19% due to increased cane availability.

The Y-O-Y sugar production in Brazil decreased by 21% due to lower diversion of cane towards sugar production.

There was a 75% increase in ethanol production Y-O-Y in Brazil due to higher ATR diverted to ethanol as a result of higher ethanol prices at the start & end of season.

Energy sales from the Brazilian units increased by 18% Y-O-Y due to higher sales from power.

The EBITDA for RdB increased by 31%, but the EBITDA for RVdl reduced by 75% compared to the previous year on account of frost, which impacted the cane crop.

The overall EBITDA for the Brazilian subsidiaries was impacted by the performance of RVdl and stood at ₹ 7,485 million for the year, as compared to ₹ 8,023 million in the previous fiscal.

For FY 14, the interest cost for the Brazilian subsidiaries increased on account of interest paid on subordinated debt, higher utilisation of working capital, increase in base rate (SELIC) of Brazil and the depreciation of the Brazilian Real. There was also foreign exchange loss of ₹ 2,372 million. The Brazilian subsidiaries reported a net loss of ₹ 9,354 million for the year ended 31st March, 2014.

The Company's performance was impacted by several forces - climatic conditions in Brazil resulting in frost, subdued global prices of sugar because of a global surplus, foreign exchange fluctuations in currencies of the emerging markets as well as low refining margins.



Letter from the Managing Director



The year gone by was one of a new beginning for us, as we moved into the next phase of our corporate evolution. Amid continuing concerns impacting the sugar industry around the globe, we remained steadfastly committed to our consolidation plans, which we had initiated last year. Concurrently, we concluded a strategic partnership that will lead our positive transformation moving forward.

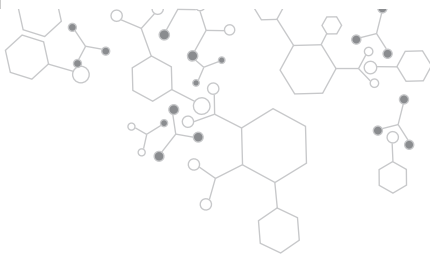
Globally, fiscal 2013-14 was another year of surplus sugar stocks, which adversely affected the sugar price.

The total sugar production was approximately 177.5 million metric tonnes in 2012-13, whereas in 2013-14, as per the latest estimate, it is close to 175.7 million metric tonnes leading to a reduced global sugar surplus.

► **Towards full liberalisation of the Sugar Sector in India**

The Indian sugar industry is now largely liberalised, following the removal of product side controls as per the recommendations of expert committee headed by Dr. C Rangarajan. Both the states, in which we operate, Maharashtra & Karnataka, have passed progressive laws on sugarcane pricing based on a revenue sharing mechanism between farmers and millers whereby cane prices are linked to the realisation of sugar & its by-products.

The effects of full decontrol, however, would take a couple of years to show positive results as currently the industry is witnessing a bearish sentiment due to four straight years of sugar surplus which is overpowering the positives of sugar decontrol. Once the dynamics of the sugar cycle change and with the new progressive policies in place, we would expect to witness consolidation in the sector and stable profitability in our business going forward.



► Renewed prospects in sugar exports

The Government's decision to give a subsidy of ₹ 3,300 per tonne on exports of 4 million tonnes of raw sugar over the next two years is expected to give some respite to the industry. Domestic sugar exports for the year have been good, with total exports of about 2 million tonnes.

Amid a depressing industry environment, our net sales in India reported an increase across our sugar, ethanol and co-generation segments during the year. There was, however, an impact on the total revenues due to the lower price realisation in domestic markets.

Your Company's performance was also impacted by foreign exchange loss due to extreme volatility of the rupee in the year gone by. This coupled with low operating margins pulled the net profit in the standalone business down into the red.

Post March 2014, your Company received ₹ 1,460 million of loans under the SEFASU (Scheme for Extending Financial Assistance to Sugar Undertakings) 2014 scheme, announced by the Central Government to provide loans to the sugar mills with an interest subsidy of up to 12%. This came as a big boost at a time when the sugar industry, was in the midst of troubled times, due to the bearish pricing scenario domestically.

► Brazilian operations show improvement

In Brazil, despite frost adversely affecting operations at Rvdl, the Company improved its operational performance, marked by a significantly increased cane crushing. The Net Sales including other income from the Brazilian operations was ₹ 35,281 million in FY 14 as compared to ₹ 31,513 million in FY 13.

RdB has reported an improved EBITDA of ₹ 6,747 million for the year ending 31st March, 2014, which is 31% higher than previous year. However, the performance of Rvdl was impacted by frost, which reduced productivity and recovery of cane. Overall, there was net loss at our Brazilian subsidiaries, resulting from higher depreciation and foreign exchange variation charges.

On a consolidated basis, revenues increased as compared to previous financial year however, there was a net loss

reported for the year. On the whole, while the operational performance of your Company improved, a situation of low global prices of sugar due to excess stocks, fluctuating currencies of the emerging economies and subsequent foreign exchange losses, along with non cash expenses and high interest costs on debt, resulted in net loss.

► Towards wider horizons

We have entered into a strategic partnership with Wilmar International Ltd. (through its 100% subsidiary Wilmar Sugar Holdings Pte Ltd), with the Wilmar group coming on board as equal stakeholders with the existing promoter group. The fresh primary equity infusion of US\$ 200 million as a combination of preferential allotment to Wilmar Sugar Holdings and proposed rights issue to all shareholders will enable us to retire a substantial part of our Indian debt. The existing Promoters will continue with the management of your Company with Wilmar being actively involved in strategic decisions. This new beginning will see your Company emerging stronger, more resilient, with lower and manageable levels of debt, and a strong partner with a shared vision of the future.

I take this opportunity to warmly welcome on board our strategic partner Wilmar International Ltd., which is Asia's leading agribusiness group. The company's business activities include palm oil cultivation, oil seeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleo chemicals, biodiesels, fertilisers manufacturing and grains processing. The Group has presence in the sugar space with assets in Australia, New Zealand, Indonesia and Morocco.

Our partnership with Wilmar will enhance our global reach, augment our inherent capabilities in sugar manufacturing and put our business on a firm foundation.

I take this opportunity to thank our management, our bankers, our customers and our new strategic partner for their immense support.

Together, we will steer a course that will help us widen our horizons, expand our businesses and enhance our profitability.

Warm regards,
Narendra Murkumbi



The India story

It was a difficult year for the sugar industry globally as well as in India, with a large surplus weighing in the international and domestic sugar markets.

The start to the domestic crushing season was delayed due to prolonged cane pricing negotiations. There was a decline in the total sugar production, which is estimated at 24.3 million tonnes in sugar season 2013-14, as against 25.1 million tonnes during the previous season. Karnataka, however, produced a record crop with sugar production at 4.15 million tonnes as against 3.46 million tonnes last year. The other key sugar producing states of Maharashtra and Uttar Pradesh recorded a decline.

On the ethanol front, the delay in finalisation of tenders and slow lifting of stocks by the Oil Marketing Companies resulted in piling up of inventory of ethanol and increased the working capital requirements for sugar companies.

► Highlights of our operations:

Sugar

- * Total sale of 1,772,982 tonnes of sugar as compared to 1,550,377 tonnes in the previous year.
- * Export of sugar amounted to 824,779 tonnes as compared to 872,123 tonnes in the previous year.
- * The average price realisation for exported sugar stood at ₹ 30,197 per metric tonne as compared to ₹ 32,382 per metric tonne in the previous year.

Ethanol

- * Sold 92,174 kilolitres of ethanol at an average price realisation of ₹ 37,504 per kilolitre, as compared to sales of 78,454 kilolitres at ₹ 29,960 per kilolitre in the previous year.

Co-generation

- * We exported 372 million units of power at a price of ₹ 4.86 per unit.
- * There was a 4% Y-O-Y increase in energy sales .

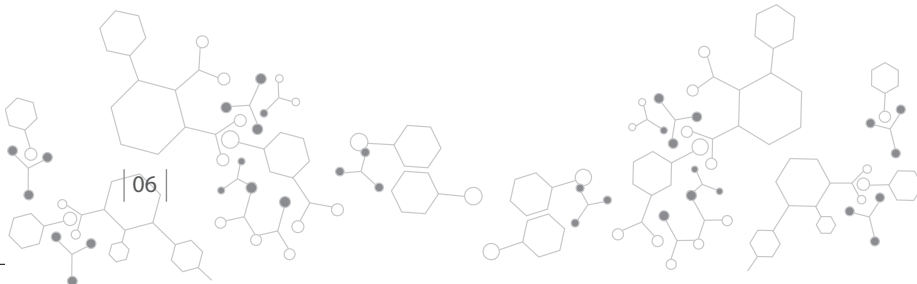
Net sales improved marginally with increased contribution from sugar, ethanol and co-generation segments though total revenue was impacted due to lower contribution from the trading segment and lower domestic price realisation. Foreign exchange losses, losses in the trading segment and lower margins in the sugar segment severely impacted the Company's performance during the year.

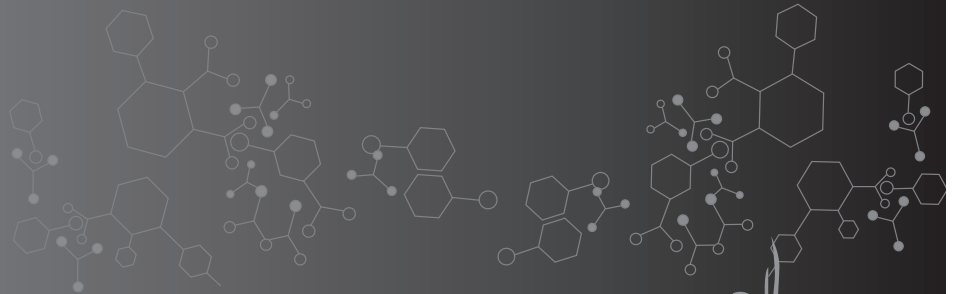
24.3 million tonnes

sugar production in season 13-14

25.1 million tonnes

in season 12-13







The Brazil story



Improved weather conditions globally, especially in Brazil, have resulted in a good 2013-14 season across major producers.

During the 2013-14 harvest, Centre-South Brazil crushed 597 million tonnes of cane, producing 34.3 million tonnes of sugar and 25.6 billion litres of ethanol.

► Highlights of our operations:

- * Crushed 11.3 million tonnes as compared to 9.5 million tonnes in the previous season.
- * Sold 580,249 tonnes of sugar from the Brazilian operations during the year. Ethanol sales during the year stood at 491,982 m³.
- * Power exports touched 511 million units during the year.
- * The Net sales including other income from the Brazilian subsidiaries stood at ₹ 35,281 million in FY 14 as compared to ₹ 31,513 million in FY 13.

RdB reported an improved EBITDA for the year ending 31st March, 2014 of ₹ 6,747 million, which is 31% higher than previous year.

However, performance at **RVdl** was impacted by frost which reduced the productivity and recovery of cane.

Brazil subsidiaries have reported a net loss of ₹ 9,354 million for the year ending 31st March, 2014 on account of higher depreciation and foreign exchange variation charges.

► Outlook for the industry

Global sugar industry continues to deal with a large sugar surplus accrued during the last few years. While production in Brazil is affected to a certain extent due to lower rainfall, crops in India and Thailand are in a good condition and are expected to be large.

Domestic cane pricing is shifting to a revenue sharing model which should lead to stable operating margins going forward. The new Government has a very positive view on the fuel ethanol programme and this should expand considerably here onwards.

**₹ 6,747
million**

*RdB reported an improved
EBITDA for the year ending
31st March, 2014*

31%

higher than previous year





Giving back to society

Shree Renuka Sugars takes pride in being an organisation with a strong social conscience and upholds the principal of contributing to society through its various Corporate Social Responsibility activities.

We pursue our social agenda through two institutions - Shree Renuka Sugars Development Foundation and Shree Renuka Institute for Rural Development and Research.

Shree Renuka Sugars Development Foundation (SRDF) is a trust that is dedicated to serve the cause of education to bring about rural transformation and sustainable development through focussed educational activities.

Shree Renuka Institute for Rural Development and Research (SRIIRDR) is an NGO that seeks to bring about visible and measurable rural transformation and sustainable development through focussed Educational, Health Care and Socio-economic development activities targeted at the rural masses, poor, downtrodden and marginalised population in the region in and around our units. These CSR activities also cover our employees and their dependent families.

SRDF is a trust that is dedicated to serve the cause of education to bring about rural transformation and sustainable development



► Educational Activities

CBSE and English Medium Primary Schools

The foundation has set up two CBSE schools at Kokatnur and in the remote area of Havalga and English Medium School, which is under process of affiliation with CBSE New Delhi at Munoli to impart high quality education to the children of employees and villagers at minimal costs. The schools have spacious classrooms, with audio visual aids, library, e-learning, bus facilities and well equipped laboratories. The school has 1,480 students studying from nursery to 10th standard.

Polytechnic College, Raibag

Raibag Polytechnic College was started in the year 1984 and was taken over by Shree Renuka Sugars in the year 2008. Post the takeover, we have initiated infrastructure development work at the main college building, building a hostel and purchased 80 computers. The polytechnic institute offers three-year Diploma Engineering Courses in various streams.



Industrial Training Institutes (ITI)

Shree Renuka Sugars has established two Industrial Training Institutes, one at Kokatnur village of Belgaum district and other at Havalga village of Gulbarga district to help ensure employment of the rural youth through technical education.



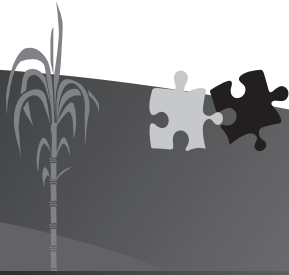
Sugar Institute

The Sugar Institute was established at Kokatnur village in affiliation with the Directorate General of Employment & Training, State Council of Vocational Training, Govt. of Karnataka and it offers one year technical courses. The Institute aims to provide vocational education and research opportunities for people to be later absorbed into Sugar and Allied industries.

Sakhar Shalas

We have established Sakhar Shalas for the children of cane harvesting, migrant workers near each of our unit. Experienced teachers impart quality education at these schools. We also serve nutritious food in the form of milk, bread, eggs, and bananas to students every day and also conduct health check-up camps for these students.





► Health Care Initiatives

We have established three health care centres in Kokatnur, Havalga and Munoli. These centres are staffed with qualified and experienced medical officers. The Health Care centres serve the employees, their dependants, farmers, sugarcane harvesting workers and the general population in the vicinity of each of our units.

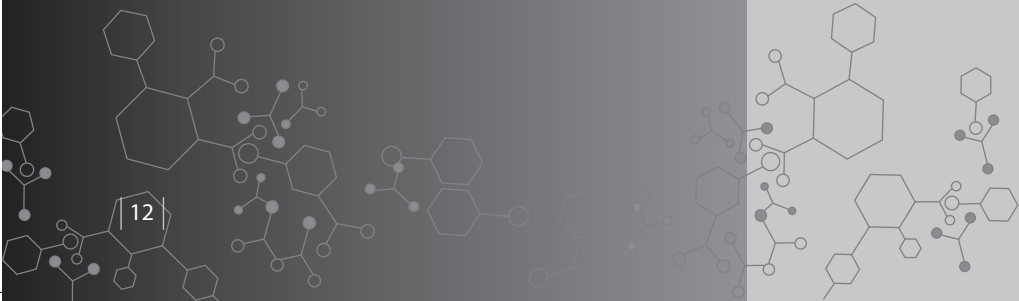
We also organise mini camps and multi-diagnostic camps at the health centres and at notified centres covering clusters of village. The camps include general health check-up, maternal and child health, cardiovascular and eye health check-ups.



The Health Care centres serve the employees, their dependants, farmers, sugarcane harvesting workers and the general population in the vicinity of each of our units.

► Hi -Tech Diagnostic Centre

In a bid to make advanced diagnostic technology available to remote areas, we have set up a Hi-Tech Diagnostic Centre in Athani. It is a one of its kind centre within a 100 km radius. The centre offers pathology, biochemistry, microbiology and radiology investigations including FUJI SR, X-Ray, Ultra Sonography and CT scan. The centre also undertakes investigative procedures like ECG, Eco-Cardiography, and TMT machines.



*SRIRDR sponsors **Self Help Groups** in all Renuka Sugars' units as a measure to empower women through socio economic activities.*

► **Community Development Initiatives**

We have set up two Reverse Osmosis Safe Drinking Water Treatment Plants at Ghataraga, near Havalga in Gulbarga district and another in the Munoli village, Savadatti Taluka of Belgaum district to serve the population of these villages.



Scholarships

SRIRDR offers a scholarship scheme since 2011-12 to children of our employees and that of farmers supplying sugarcane to us in order to pursue their higher education. These Scholarships are available for PUC, Engineering Degree, Engineering Diploma, B.Sc degree and ITI courses. The Scholarship ranges between ₹ 5,000 to ₹ 15,000 depending upon the course being pursued.

Self Help Groups

SRIRDR sponsors Self Help Groups in all Renuka Sugars' units as a measure to empower women through socio economic activities. Members include wives of SRSL employees as well as local ladies.

SRIRDR also sponsors and conducts sports meets, yoga shibirs, sarva shikshan abhiyan programmes, van mahotsavs, and street dramas.





Spreading sweetness along the way.

About Madhur Sugar

Launched in 2007 by Shree Renuka Sugars Limited, Madhur has come to be known as one of the leading sugar brands in India today. Madhur Sugar is pure and hygienic and adheres to a quality of international standards. It is available in small and medium crystal sizes, packed in 1kg and 5kg quantities.

Besides offering pure & hygienic sugar to consumers across the country, Madhur sugar brings the assurance of being sulphur-free processed and untouched by hand (from the process of extraction from the cane through to your cup).



What's sweet about Madhur Sugar:

Other than the sweetness, it offers several advantages over its counterparts in the market today.

Sulphur-Free Processing

Sulphur-free refining process ensures that the sugar you consume is free from harmful effects of sulphur like mood swings, irritability, rapid heartbeat, deep depression, aggression and many more.

Untouched By Hand

Manufactured, packed, stored and shipped in a state-of-the-art refinery that complies with International standards to ensure every crystal is untouched by hand.

Consistent Quality

Refined, sparkling white, moisture free and easy to dissolve crystals reinstate the brand's promise on quality and hygiene.

Pure
AND WHITE CRYSTALS

100%
HYGIENIC & SULPHUR FREE PROCESSING

Quality
THAT'S INTERNATIONAL

Madhur Sachet:

Madhur Sugar launched India's first premium sugar sachets, which combined best quality sugar, made using a sulphur-free process in a smaller package. The advantage is that it bundles both convenience and style in one.

These easy to carry sachets are not only convenient for people to use on the move, but also upgrade usage habits of consumers.



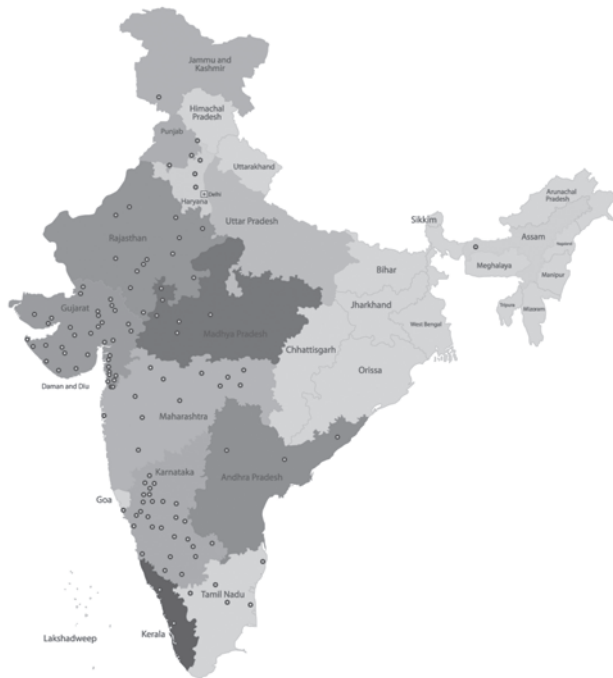
Madhur Sugar spans the country with major presence in the states of Gujarat, Maharashtra, Karnataka, Delhi, Rajasthan and Madhya Pradesh.

Commercially, Madhur Sugar has shown a rapid growth at a compounded annual growth rate of 75.66% over a period of 5 years. While last year's sales volume reached 41,500MT, the estimated growth this year has been projected at 65,000MT.

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

Madhur Presence:

- **Jammu & Kashmir:** Jammu
- **Assam:** Guwahati
- **Delhi NCR**
- **Haryana:** Panipat, Sonapat
- **Rajasthan:** Jaipur, Jodhpur, Kota, Tonk, Bikaner, Bhilwada, Udaipur, Sumerpur, Ajmer, Banswada, Aburoad, Dungarpur, Ganganagar, Pali, Sojat, Sikar, Jhunjhunu, Sujangadh, Deogadh, Alwar
- **Madhya Pradesh:** Indore, Ratlam, Jawra, Ujjain, Nimuch, Bhopal, Gwalior, Betul, Mandsaur, Jabalpur, Satna, Dewas, Sagar
- **Gujarat:** Ahmedabad, Rajkot, Gandhinagar, Morbi, Mehsana, Anand, Patan, Vadodara, Deesa, Jamnagar, Surendranagar, Dahod, Bhavnagar, Godhra, Himmatnagar, Botad, Bharuch, Modasa, Junagadh, Porbander, Surat, Gandhidham, Amreli, Valsad, Anjar, Silvassa, Adipur, Daman, Navsari, Kheda, Satalpur, Palanpur, Bayad, Aravalli, Kutch, Amirgadh, Idar, Halol, Valod, Sabrakantha
- **Chhattisgarh:** Raipur, Ambikapur, Raigarh, Bhilai
- **Orissa:** Bhubaneshwar, Cuttak, Jharsuguda, Paralakhemundi
- **Maharashtra:** Jalgaon, Nagpur, Nasik, Mumbai, Pune, Kolhapur, Jalna, Wardha, Yavatmal, Chandrapur, Dhule, Akola, Solapur, Varshi, Latur, Buldhana, Nandurbar, Kankavli, Nanded, Parbhani, Deed
- **Andhra Pradesh:** Palsa, Vizag, Anakapalli, Kakinada, Vijayawada, Tirupathi
- **Goa**
- **Karnataka:** Hubli, Hassan, Chitradurga, Chikmangalur, Belgaum, Tumkur, Davangere, Bhatkal, Shikaripura, Dharwar, Mangalore, Bengaluru, Madikeri, Mysore, Shimoga, Bellari, Gadag, Gangavathi, Sirsi, Karwar, Toranagal, Ramdurg, Bailhongal, Savadatti, Yellapur, Mundgod, Sagara, Kargal, Udupi, Koteswar, Haveri, Ranebennur, Bhadravati, Hosted, Hoskote, Bijapur, Shirlakoppta, Kolar, Chintamani, Bangarted, Sira, Siriyur
- **Kerala:** Calicut, Palakkad, Mallapuram
- **Tamil Nadu:** Chennai, Coimbatore, Tiruchirappalli, Salem, Tiruvarur





Corporate Information

Board of Directors

Mrs. Vidya Murkumbi
Executive Chairperson

Mr. Narendra Murkumbi
Vice Chairman & Managing Director

Mr. Vijendra Singh
Executive Director

Mr. S. K. Tuteja
Independent Director

Mr. Sanjay Asher
Independent Director

Mr. Robert Taylor
Independent Director

Mr. Hrishikesh Parandekar
Independent Director

Auditors:

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

Registered Office:

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

Corporate Office:

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

Bankers:

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

Plant Locations (Brazil)

Renuka do Brasil S/A

Unit I - Usina Madhu
Promissao, Sao Paulo
Brazil

Unit II - Usina Revati
Brejo Alegre, Sao Paulo
Brazil

Renuka Vale do Ivai S/A

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

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

Plant Locations (India)

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

Unit II - Arag (BOOT)
Co-Generation
Taluka Miraj,
District: Sangli, Maharashtra

Unit III - Athani
Sugar, Distillery, Co-Generation and
Sugar Refinery
Taluka Athani
District Belgaum, Karnataka

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

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

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

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

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

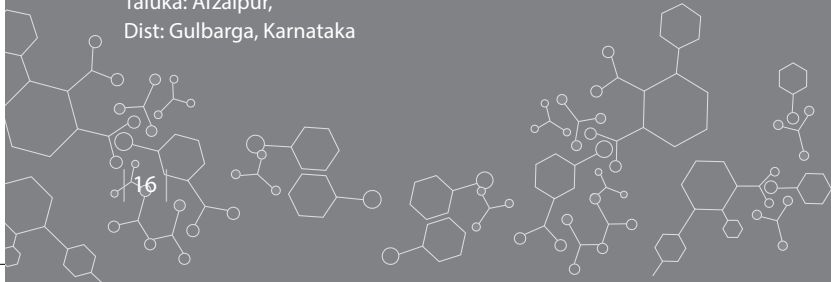
Unit IX - Panchaganga (Leased, BOOT)
Sugar & Co-Generation
Ganganagar, Ichalkaranji, Taluka: Hat-
kanangle Dist: Kolhapur, Maharashtra

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

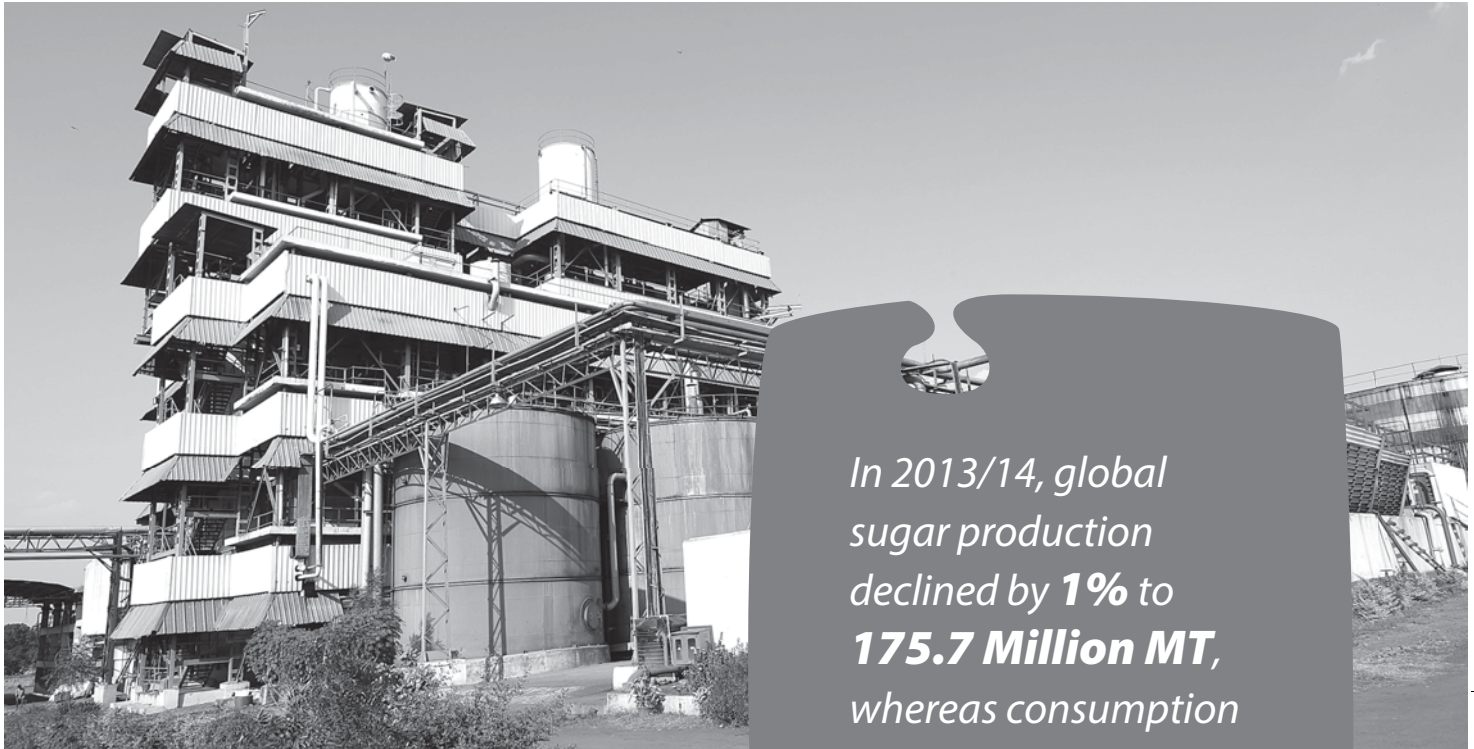
Unit R1 - Haldia
Sugar Refinery & Co-Generation
Kolkata, West Bengal

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

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



Management Discussion & Analysis



*In 2013/14, global sugar production declined by **1%** to **175.7 Million MT**, whereas consumption rose by **1.8%** to **167.5 Million MT***

► Global Sugar Industry

Industry facts

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

Production and consumption

In 2013/14, global sugar production declined by 1% to 175.7 Million MT, whereas consumption rose by 1.8% to 167.5 Million MT. The industry witnessed yet another year of a surplus, albeit a lower one, at 8.2 Million MT. The quantum of inventory built-up declined to 1.5 Million MT in 2013/14 from 9 Million MT in 2012/13 and 5.7 Million MT in 2011/12. This marked the fourth consecutive

year of a pile-up in global inventory, making it one of the longest down-cycles witnessed by the industry. Both Brazil and India, two of the largest sugar producers, posted a decline of 1.4% and 3.3% in production, to 37.7 Million MT and 24.3 Million MT in 2013/14 respectively. Thailand and China were among the few countries that saw their respective production increase by 13.6% and 2.5%.

Despite increase in sugarcane availability in Brazil by 11% to 653 Million MT, sugar production was impacted as a higher proportion of sugarcane was diverted in producing ethanol. In India, despite an increase in acreage, production was lower by 3.3% to 24.3 Million MT, on account of lower sugar recovery in the key producing states of Karnataka and Maharashtra.

Global sugar consumption rose by 1.8% to 167.5 Million MT in 2013/14, compared to the 3.3% growth seen in 2012/13. Consumption continued to remain below production levels, leading to a further build-up in inventory levels and adversely impacting stock to consumption ratio.

World sugar balance

World Centrifugal Sugar Production, Supply and Distribution

(Million MT, Raw Value)

Marketing Year	Beginning Stocks	Production	Imports	Supply	Exports	Consumption	Ending Stocks	Consumption Growth
2009/10	29.8	153.4	48.3	231.5	48.3	154.4	28.0	0.2%
2010/11	28.0	161.9	49.3	239.2	53.9	155.5	29.2	0.7%
2011/12	29.2	172.2	48.5	249.8	55.0	159.2	34.9	2.4%
2012/13	34.9	177.5	51.7	264.1	54.5	164.5	44.0	3.3%
2013/14	44.0	175.7	50.5	270.2	55.9	167.5	45.5	1.8%
2014/15E	45.5	175.6	50.0	271.1	55.2	170.5	44.4	1.8%

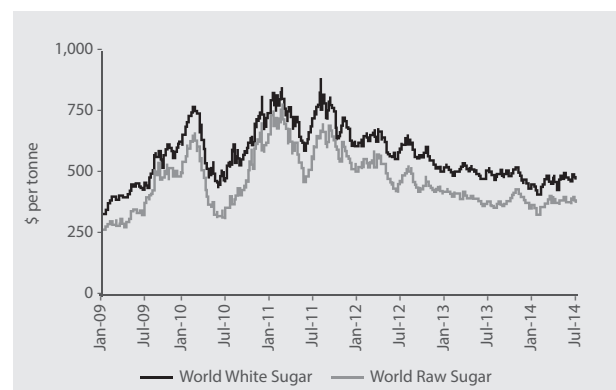
Source: United States Department of Agriculture (USDA)

Global sugar price trend

The build-up in global sugar inventories for four consecutive years and depreciation of currencies of major sugar producing countries against USD have impacted prices, which have remained weak for a large part since February 2011, when the benchmark raw sugar price peaked at \$35 cents/lb. Average raw sugar prices in fiscal 2014 stood at \$16.95 cents/lb compared to \$20.11 cents/lb in fiscal 2013. At present, prices are ruling between \$16-\$18 cents/lb for the benchmark contract.

Sugar prices did see some recovery from the lows of around \$15 cents/lb witnessed in January 2014, as prospects of a weaker crop in Brazil and India raised hopes of the industry dynamics finally turning to a sugar deficit year from a four-year surplus.

Trend in global sugar prices



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



Brazilian Sugar Industry

Industry facts

- Largest producer and exporter and amongst the lowest cost producers of sugar in the world
- Sugarcane production is largely concentrated in two regions i.e. Centre-South and North-Northeast, wherein Centre-South accounts for over 91% of the total sugarcane production
- Large cane fields facilitate the use of high level of mechanisation for agricultural operations
- Second largest producer of ethanol after USA

Production and outlook

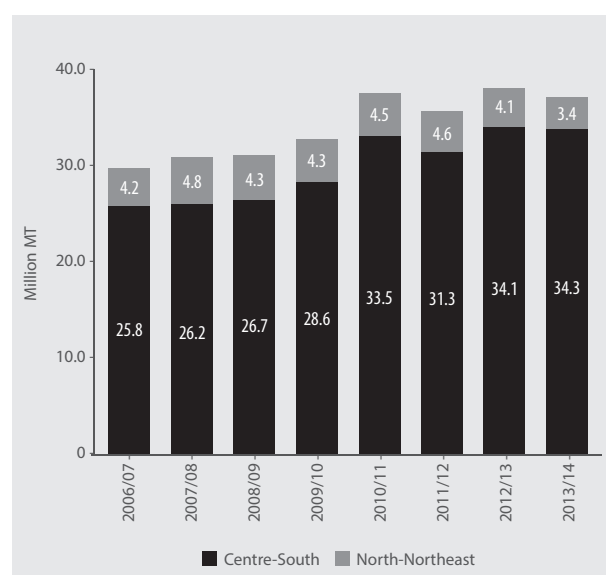
Sugarcane harvesting in the Centre-South region improved by 12% to 597 Million MT in 2013/14 compared to 533 Million MT in 2012/13, mainly due to increase in acreage and better yields. While yields improved by about 7% to 79.8 MT/hectare, acreage increased by around 4.8%. Total sugarcane processing could have been higher by an additional 3.7 Million MT, which remained un-harvested and will be carried forward to 2014/15. Despite higher sugarcane availability, sugar production rose by only 0.6% to 34.3 Million MT, as a higher proportion of sugarcane was utilised for producing ethanol. Weak sugar prices, coupled with rise in ethanol demand due to an increase in mandatory blending from 20% to 25% w.e.f. May 2013 and increase in gasoline prices by state firms, led to mills diverting 54.8% of total sugarcane towards ethanol in 2013/14, compared to 50.5% in 2012/13. Accordingly, ethanol production surged by 20% to 25.6 Billion Litres. Total sugar production in Brazil, including the North-Northeastern region, declined by 1.4% to 37.7 Million MT, whereas ethanol production rose by 18.5% to 27.5 Billion Litres respectively.

As per latest estimates by Brazilian sugarcane industry association (UNICA), sugarcane availability in the Centre-South region is expected to decline by 8.6% to 546 Million MT in 2014/15. The drop is mainly due to reduction in agricultural yields as major cane growing regions have been severely impacted by the drought, which stretched from end of 2013 to early 2014.

Looking at current profitability and prices, production share of sugar vis-à-vis ethanol is further expected to decline. Sugar is now expected to account for 44.5% of total sugarcane usage compared to 45.2% in 2013/14. Accordingly, sugar production is expected to decline by 8.6% to 31.4 Million MT. The projection in Total Recoverable Sugars (TRS) is 135.5 kg per tonne of cane in 2014/15, compared to 133.3 kg per tonne of cane last season.

Like 2013/14 season, 2014/15 will also see fewer mills operating as a result of financial stress. Ten mills have already confirmed their inability to operate in 2014/15, with another 30 mills entering bankruptcy proceedings and several more in financial stress. As per industry estimates, more than 50 mills have closed since 2007, and an additional 20 mills are expected to close down in the next two years.

Trend in sugar production in Brazil



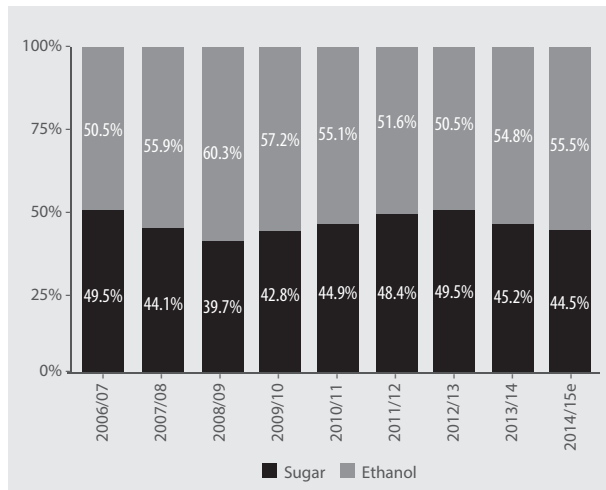
Source: UNICA

Production data in Centre-South Brazil

	Unit	2010/11	2011/12	2012/13	2013/14	2014/15e
Sugarcane	Million MT	556.9	493.2	532.8	596.9	546.0
Production						
Sugar	Million MT	33.5	31.3	34.1	34.3	31.4
Anhydrous ethanol	Billion Litres	7.4	7.5	8.7	11.0	11.3
Hydrous ethanol	Billion Litres	18.0	13.1	12.6	14.6	12.7
Total ethanol	Billion Litres	25.4	20.5	21.4	25.6	24.0
ATR	Kg/MT of cane	140.5	137.5	135.6	133.3	135.5
Production share						
Sugar	%	44.9%	48.4%	49.5%	45.2%	44.5%
Ethanol	%	55.1%	51.6%	50.5%	54.8%	55.5%

Source: UNICA

Sugar-Ethanol mix in Centre-South Brazil



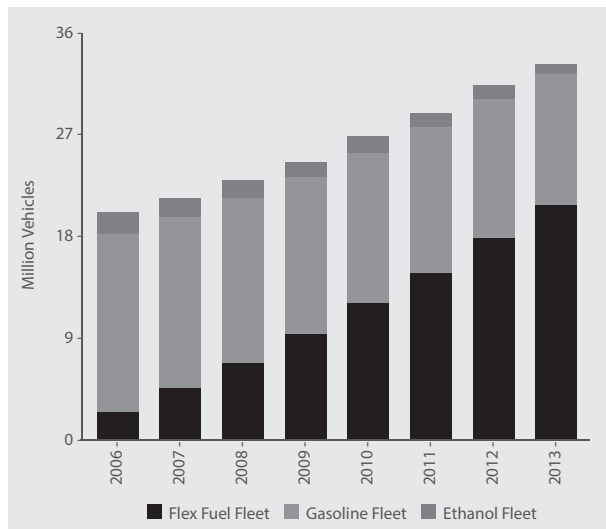
Source: UNICA

Further thrust on ethanol to alleviate pressure on sugar supply

The Brazilian government undertook various small measures in the beginning of calendar year 2013 to boost the demand for ethanol. A 6.6% increase in gasoline prices, reinstatement of mandatory blending levels to 25% from 20% and provision of tax support enabled the industry to withstand the challenging circumstances to some extent.

Gasoline prices have been again raised by 4% in December 2013, which has further helped in improving the competitiveness of ethanol vis-à-vis gasoline. Additionally, studies are being undertaken to assess the feasibility of a further increase in mandatory blending to 27.5%. If implemented, it can have a positive impact on the industry and can give additional flexibility to mills in altering their product mix.

Brazilian Automobile and Light vehicle fleet (Otto cycle)



Source: UNICA



Indian Sugar Industry

Industry facts

- Second largest producer and the largest consumer of sugar in the world
- Key developments in the sector impact global demand-supply dynamics and prices
- Second largest agro processing industry after cotton, involving over 60 Million farmers and dependants
- Sugarcane is cultivated in over 5 Million hectares in 2013/14, with Uttar Pradesh and Maharashtra accounting for a combined 63% of the total acreage
- Unique industry structure with large number of stakeholders, including millers, farmers, Government, industrial and retail consumers
- 65% of sugar consumed by bulk consumers
- Small average farm size of around 1-2 hectares

Production and consumption

Sugar production is estimated to decline by 3.3% in 2013/14, to 24.3 Million MT compared to 25.1 Million MT in 2012/13. Though production is estimated to decline, it is still higher than the initial estimates of around 24 Million MT, as Maharashtra and Karnataka have recorded improved agricultural yields. With consumption estimated at 24 Million MT and net exports of 2.2 Million MT, closing inventory is expected to fall to 7.5 Million MT compared to 9.3 Million MT in 2012/13.

In February 2014, the government approved a subsidy on export of 4 Million MT of raw sugar over a two-year period, to enable mills to liquidate their surplus stocks and clear any arrears due to the farmers. The quantum of subsidy was to be reviewed every two months, taking into account global raw sugar prices and currency movements. At present, the subsidy amount stands at ₹ 3,371/MT for August - September 2014. The initial subsidy amount stood at ₹ 3,300/MT for February - March 2014, ₹ 2,271/MT for April - May 2014 and again ₹ 3,300/MT for June - July 2014. The Central government had also announced 12% interest subsidy on loans worth ₹ 66 Billion to help mills clear their cane arrears.

For 2014/15, Indian Sugar Mills Association (ISMA) estimates domestic production of 25.3 Million MT, an increase of 4.1%, due to higher production in Maharashtra and Karnataka which would offset the decline in production in Uttar Pradesh and Tamil Nadu. With consumption estimated at 24.8 Million MT, the industry would have to rely on exports and improved world prices to reduce the inventory levels in 2014/15. More clarity on the production for 2014/15 will emerge over the next few months, after reviewing the monsoon situation and assessing the impact of the situation in Uttar Pradesh, where mills have cited inability to commence crushing activities until there is clarity on sugarcane pricing reforms.

*Sugarcane is cultivated in over **5 Million** hectares in 2013/14, with Uttar Pradesh and Maharashtra accounting for a combined **63%** of the total acreage*

Domestic Demand Supply

Indian Sugar Production, Supply and Distribution

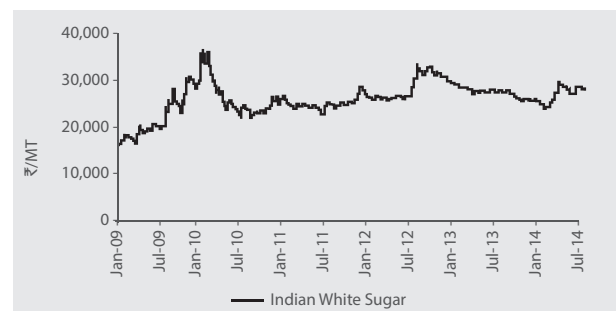
(In Million Tonnes)/Year	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14 (P)	14-15 (E)
Opening Stock as on 1st Oct	4.3	11.0	10.5	4.4	5.0	5.9	6.6	9.3	7.5
Production during the Season	28.4	26.4	14.5	18.9	24.4	26.3	25.1	24.3	25.3
Imports	0.0	0.0	2.4	4.1	0.0	0.0	0.7	0.1	0.0
Total Availability	32.7	37.4	27.5	27.4	29.4	32.2	32.4	33.7	32.8
Off-take									
I) Internal Consumption	19.9	21.9	22.9	21.3	20.8	22.6	22.8	24.0	24.8
II) Exports	1.7	5.0	0.2	0.2	2.6	3.0	0.3	2.2	0.0
Total off-take (I) + (II)	21.6	26.9	23.1	21.6	23.4	25.6	23.1	26.2	24.8
Closing Stock as on 30th Sept.	11.0	10.5	4.4	5.8	6.0	6.6	9.3	7.5	8.0
Months of Inventory	6.7	5.8	2.3	3.3	3.5	3.5	4.9	3.7	3.9

Source: ISMA

Trend in domestic sugar prices

Domestic sugar prices remained largely stable throughout the financial year 2013/14. Though there were periods when prices firmed up on events like announcement of export subsidy and interest-free loans, these did not sustain as working capital pressure led to mills liquidating their excess inventories. Post the removal of the levy obligation and abolishing of monthly release mechanism, there have been no quantitative restrictions on mills to sell their sugar.

Domestic Price Trend



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

Current state of the industry

The industry is passing through a very challenging period, as profitability is impacted by weak sugar prices coupled with higher sugarcane costs. The situation in Uttar Pradesh is even more precarious with higher sugarcane State Advised Price (SAP) much above the Fair & Remunerative Price (FRP) announced by the Central Government. As on 31st July, 2014, the industry has outstanding arrears of ₹ 92.5 Billion, amounting for 16.2% of the total cane bill payable to farmers for the 2013/14 season. Out of ₹ 92.5 Billion of arrears, Uttar Pradesh millers owed ₹ 57.4 Billion, followed by Karnataka at ₹ 17.9 Billion and Tamil Nadu at ₹ 5 Billion.

Ethanol blending programme

In January 2013, the Cabinet Committee on Economic Affairs (CCEA) notified the Fuel Ethanol Mandate, requiring the Oil Marketing Companies (OMCs) to sell 5% ethanol blended petrol across the country. However, due to various reasons, the mandated 5% blending on an all India basis has not been achieved. Recently, ethanol blending programme has received a major boost as OMCs have come up with the largest tender ever for the requirement of 1,560 Million Litres for supply between November 2014 and October 2015. The new Government at the Centre is also assessing the feasibility of increasing the mandatory blending from the current 5% to 10%. Achieving the current 5% blending level would also go a long way in helping the cash strapped sugar industry secure a stable source of income.



Company Overview

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

Snapshot

	India	Brazil	Total
Crushing capacity (TCD)	42,000	59,520	101,520
Annual crushing capacity (Million MT)	8.4	13.6	22.0
Ethanol production capacity (KLPD)	930	3,230	4,160
Sugar refining capacity (TPD)	10,000	0	10,000
Power generation capacity (MW)	271	317	588
Power exportable (MW)	150	221	371
Own cane plantation (in hectares)	0	100,000	100,000

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

Sugar: The Company operates eleven mills globally with a total crushing capacity of 22 million tonnes per annum (MTPA) or 101,520 tonnes crushed per day (TCD). The Company operates seven sugar mills and two port-based sugar refineries in India with a total crushing capacity of 8.4 MTPA and total refining capacity of 2.3 MTPA (including 0.6 MTPA sugar mills off-season refining).

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

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

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

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

Consolidated year-on-year performance

(₹ in Million)

Particulars	06-07	07-08	08-09	09-10	10-12*	12-13	13-14
Total Income	9,635	21,295	28,225	77,195	124,831	104,158	116,116
EBITDA	1,449	2,678	4,721	12,252	19,551	15,635	9,881
PBT	1,066	1,608	2,968	8,739	(672)	(4,903)	(16,790)
PAT	830	1,339	2,235	7,034	(310)	(3,740)	(14,780)
Pro-forma EPS (₹)	3.35	4.85	7.05	10.75	(0.46)	(5.57)	(22.03)
Net worth	4,217	8,320	15,274	23,479	18,820	14,597	(4,965)
Net block	5,623	7,516	14,149	72,821	92,023	86,963	80,020

*18 Months

Key Ratios (%)

	12M ended 31st Mar'14	12M ended 31st Mar'13	18M ended 31st Mar'12	12M ended 30th Sep'10
EBITDA/Total income	8.51%	15.01%	15.66%	15.87%
PBT/Total income	-14.46%	-4.71%	-0.54%	11.32%
PAT/Total income	-12.73%	-3.59%	-0.25%	9.11%

Financial Highlights

(₹ in Million)

	12M ended 31st Mar'14	12M ended 31st Mar'13
Net sales	116,116	104,158
Operating EBIDTA	9,881	15,635
% Margin	8.51%	15.01%
Foreign exchange gain/(loss)	(6,319)	(2,987)
Net Profit	(14,780)	(3,740)
% Margin	-12.73%	-3.59%
Basic EPS (₹)	(22.03)	(5.57)
Diluted EPS (₹)	(22.03)	(5.57)

Segmental Operational Performance (India)

Particulars	12M ended 31st Mar'14	12M ended 31st Mar'13	Season 2012/13	Season 2011/12	Season 2010/11
(I) Sugar Mills					
Sugarcane Crushed (MT)	4,521,461	4,923,127	4,817,465	4,903,810	5,226,242
Recovery (weighted average)	11.56%	10.91%	10.85%	12.02%	11.60%
Sugar produced from Cane (MT) (A)	522,475	537,117	522,510	586,980	605,833
(II) Refining					
Raw Sugar Processed (MT)	1,124,423	1,032,367	1,502,127	480,602	379,182
Sugar produced from Raw Sugar (MT) (B)	1,098,936	1,004,715	1,468,033	467,457	359,041
Total Sugar produced (MT) (A + B)	1,621,411	1,541,832	1,990,543	1,054,437	964,874
(III) Cogeneration Plant					
Generation of Power (Million KWH)	676	682	750	528	609
Captive Consumption (Million KWH)	304	322	303	256	237
Power Exported (Million KWH)	372	359	447	272	372
(IV) Ethanol Plant					
Ethanol Produced (Million Litres)	80	98	84	101	111

Sugar Season from October to September



*The interest cost as a percentage of total revenues decreased to **4.8%** for the current financial year from **5.7%** in the previous year*

► Financial Review (Standalone)

Production (FY wise)

A total of 4.52 Million MT of cane was crushed in the FY 2013-14 compared to 4.92 Million MT in FY 2012-13. Sugar produced from sugarcane in the FY 2013-14 stood at 522,475 MT compared to 537,117 MT in the FY 2012-13. Sugar recovery per tonne of cane increased to 11.56% in the FY 2013-14 from 10.91% in the FY 2012-13. Total sugar produced in the refineries from raw sugar increased to 1,098,936 MT in the period Apr' 13 – Mar' 14 from 1,004,715 MT in the same period last year.

Total power generation and ethanol production stood at 676 Million KWH and 80 Million Litres in FY 2013-14 compared to 682 Million KWH and 98 Million Litres in FY 2012-13.

The closing sugar stock was recorded at 269,576 MT (including 259,925 MT of white sugar and 9,651 MT of raw sugar) as on 31st March, 2014. Inventory of ethanol and molasses was 36,651 KL and 81,837 MT, respectively.

Financials

Revenues

At SRSL, our total turnover (including total revenues net of excise duty and including other income) stood at ₹ 65,771 million for the financial year, compared to ₹ 64,104 million in FY13. The increase was as a result of the following:

- i. Revenues of sugar segment stood at ₹ 55,659 million in the current year from ₹ 50,105 million in the previous year
- ii. Trading segment contributed ₹ 6,729 million to revenues in the current year compared to ₹ 10,798 million in the previous year
- iii. Revenues from cogeneration stood at ₹ 4,474 million vis-à-vis ₹ 4,094 million in the previous year
- iv. Ethanol segment reported revenues of ₹ 3,457 million in the current year compared to ₹ 2,350 million in the previous year

The segment sales of manufactured sugar increased to 1,772,982 MT from 1,550,377 MT in the previous year, with an average net realisation of ₹ 29,998 per MT for the year, compared to ₹ 31,673 per MT in the previous year.

Co-generation sales volumes and realisation increased by 3.6% and 6.3% to 372 million units and ₹ 4.86 per unit respectively.

Sales from Ethanol division during the year stood at 92,174 KL against 78,454 KL in the previous year. The average realisation improved to ₹ 37,504 per KL vis-à-vis ₹ 29,960 per KL in the previous year.

Expenditure

The total expenditure (excluding provisions for tax, interest and depreciation) stood at ₹ 63,824 million for the financial year vis-à-vis ₹ 58,006 million in the previous year.

Raw materials

Cumulative raw material consumption touched ₹ 58,837 million for the financial year vis-à-vis previous year's ₹ 53,103 million. Raw material cost as a percentage to sales was 89.5% vs. 82.8% previous year.

Interest

The interest cost as a percentage of total revenues decreased to 4.8% for the current financial year from 5.7% in the previous year. The interest cost declined to ₹ 3,182 million from ₹ 3,671 million in the previous year.

Profit before tax

Loss before tax stood at ₹ 6,208 million for the current financial year against profit before tax of ₹ 758 million in the previous year.

Profit after Tax

The Company recorded net loss of ₹ 4,661 million for the year ending 31st March 2014, as against a profit of ₹ 518 million in the

previous year due to changes in various revenue and cost items discussed above.

Internal Controls

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

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

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

Audit Committee

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

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

Risks & Concerns

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

The Company has adopted a 'Risk Management Policy' which is reviewed on a periodic basis in order to recognise and

reduce exposure to risks wherever possible. The Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

Few of the risks associated with our businesses are enumerated below:

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

Human Resources

The importance of human resource as a means of ensuring sustained growth for any organisation cannot be undermined, since it is the fundamental strength on which all strategies are based in the contemporary business world.

Shree Renuka Sugars believes that a focussed human resource administration is the best way to ensure that personnel needs are well integrated and amalgamated into organisational goals, resulting in a mutually rewarding experience.

Our talented pool of leadership teams playing multi-dimensional roles propel the growth of our business and have played an axiomatic role in enhancing efficiency, setting up systems and enabled the evolution of the organisation over the years. Our employees are the torch bearers of the core values that reflect the foundational ideologies of the company and are in many ways, the very reason for the corporation's existence and cannot be underrated in today's transient business world. In fact, it is the commitment and conviction of our talented people across functions and their responsible attitude to work that is the beacon of our inspiration in excelling at all times.

In terms of employee relations, the 12-month period ended 31st March, 2014 continued to be one of industrial and employee harmony and peace. As on 31st March, 2014, there were 2,247 employees on the Company's rolls in India and 9,296 in Brazil.

Directors' Report



Dear Members,

The Board of Directors is pleased to present the Eighteenth Annual Report of your Company together with the audited financial statements for the year ended March 31, 2014.

FINANCIAL RESULTS:

(Rs. in Million)

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Revenues	65,771	64,104
Profit before financial expenses and depreciation	1,947	6,098
Financial expenses	3,182	3,671
Depreciation	1,656	1,592
Profit before provision for tax and Exceptional Items	(2,891)	835
Exceptional Items	3,317	77
Provision for taxation :		
- Current	174	13
- Deferred Tax	(1,721)	227
Net Profit/Loss	(4,661)	518
Profit brought forward from the previous year	2,442	2,841
Profit available for appropriation	(2,219)	3,359
Transfer to General Reserves	-	52
Transfer to Debenture Redemption Reserve	(611)	473
Proposed Dividend on equity shares	-	335
Dividend tax	(57)	57
Retained in the Profit & Loss Account	(1,551)	2,442

OPERATING HIGHLIGHTS:

The Company achieved a turnover of Rs. 65,771 Million for the year ended March 31, 2014 as against Rs. 64,104 Million for the previous year. The EBITDA for the year under review stood at Rs. 1,947 Million as compared to Rs. 6,098 Million for the previous year, while the Net Loss stood at Rs. (4,661) Million as compared to Net Profit of Rs. 518 Million for the previous year. Analysis of operating performance is covered under "Management Discussion and Analysis" which forms part of this Report.

DIVIDEND:

As the Company has incurred loss during the year under review, your directors have not recommended any dividend for the financial year ended March 31, 2014.

TRANSFER TO RESERVES:

Debenture Redemption Reserve is created to the extent of 25% of the Non Convertible Debentures (privately placed) equally over the period till maturity of the debentures, as prescribed by the

department of Companies Affairs (now Ministry of Corporate Affairs) vide its general circular 9/2002 dated 18th April, 2002. During the year the company has reversed Debenture Redemption Reserve created in the earlier years of Rs. 791.41 Million on redemption of Rs. 3,500 Million Non Convertible Debentures and created Rs. 180 Million of debenture redemption reserve on outstanding amount of Non Convertible Debentures.

FIXED DEPOSITS:

Your Company has not accepted any deposits from public / shareholders in accordance with the Section 58A of the Companies Act, 1956 (corresponding Section 73 and 74 of the Companies Act, 2013).

DEBENTURES:

The Company has not raised long term funds through issuance of Non Convertible Debentures (NCDs) during the period under review, while NCDs aggregating to Rs. 3,500 Million were redeemed.

CREDIT RATING

India Ratings & Research Private Limited has revised the rating for the Company's Long Term Debt and Non Convertible Debentures from 'IND A+' to 'IND A'.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS:

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

Ministry of Corporate Affairs vide its General Circular No. 2/2011 dated 8th February, 2011, granted a general exemption to holding companies from complying with the provisions of Section 212 of the Companies Act 1956, subject to certain conditions being fulfilled. Accordingly, the Company having fulfilled the specified conditions, has not attached the said documents of the subsidiary companies to the financial statements of the Company.

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

During the year under review, the company divested its stake in Nandur Sugars Limited (NSL) (formerly known as SRSL Ethanol Ltd.), for a consideration of Rs 1.5 million and consequent to this divestment, NSL ceased to be a subsidiary of the Company.

The Company has dropped the proposal relating to amalgamation of its wholly owned subsidiary, Renuka Commodities DMCC, into the Company to focus on growing the Company's business efficiently and profitably and keep the trading subsidiary as a separate profit centre.



PREFERENTIAL ALLOTMENT OF SHARES:

Consequent to the members approval, the Board at its meeting held on May 27, 2014 allotted 257,491,592 equity shares to M/s. Wilmar Sugar Holdings Pte. Ltd., (WSH) a wholly owned subsidiary of Wilmar

International Ltd., (WIL), part of the Wilmar Group, on preferential basis @ Rs. 20.08 per share. Pursuant to SEBI (ICDR) Regulations, 185,762,248 equity shares are locked-in for a period of 3 years i.e. upto June 17, 2017 and the balance 71,729,344 equity shares are locked-in for a period of 1 year i.e. upto June 17, 2015, from the date of receipt of trading approval from BSE and NSE.

The investment resulted in the trigger of the Takeover Regulations and accordingly, Wilmar & the existing promoters (Murkumbi Family) made an open offer to the existing shareholders of the Company. Post completion of the Open Offer, Wilmar & Murkumbi Family holds 27.72% each of the Company's paid up capital who are in joint control of the Company. Consequent to the above allotment, the paid up capital of the Company has increased from Rs. 671 million to Rs. 929 Million.

Wilmar Group, one of Asia's leading agribusiness groups, headquartered in Singapore, its business activities include palm oil cultivation, oilseeds crushing, edible oils refining, sugar milling and refining, specialty fats, oleochemicals, biodiesel and fertilizer manufacturing and grains processing.

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 Companies Act, 2013, 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 Annual Report.

DIRECTORS:

In accordance with the provisions of the Section 152 of the Companies Act, 2013, Mrs. Vidya Murkumbi, Director of the Company, retire by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting.

The Board at its meeting re-appointed Mrs. Vidya Murkumbi and Mr. Vijendra Singh as Whole-time Directors of the Company for a period of 3 years commencing from April 01, 2014 and May 10, 2014, respectively, subject to members approval.

Pursuant to the provisions of Section 149, 152 & other applicable provisions of the Companies Act, 2013 & the revised listing agreement, it is proposed to appoint Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor as non-retiring Independent Directors of the Company, to hold office as per their tenure of appointment mentioned in the Notice of the Annual General Meeting of the Company. The Company has received requisite notices from members proposing their appointment as Independent Directors of the Company and declarations from all Independent Directors confirming that they satisfy the criteria of independence as prescribed under Section 149(6) of the Companies Act, 1956.

The Board recommends the appointment of the aforesaid Directors for members approval.

Mr. Nandan Yalgi and Mr. S. M. Kaluti ceased to be Directors of the Company consequent to their resignation effective February 20, 2014. The Board records its sincere appreciation for the valuable contribution made by them during their tenure with the Company.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) in preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures from the same, if any;
- b) the accounting policies selected have been applied consistently and judgment made and estimates given are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as on March 31, 2014 and the Profit/Loss of the Company for the year ended on that date;
- c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) the annual accounts have been prepared on a "going concern" basis.

AUDITORS AND AUDITORS' REPORT:

M/s. Ashok Kumar, Prabhashankar and Co., Chartered Accountants, Bangalore, Statutory Auditors (Registration No. 0049825) of the Company hold office until the conclusion of the ensuing Annual General Meeting and are recommended by the Board of Directors for re-appointment. Certificate from the said Auditors has been obtained to the effect that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Companies Act, 1956 (corresponding Section 139 read with Section 141 of the Companies Act, 2013).

The Auditors' Report to the Members on the Accounts of the Company for the year ended March 31, 2014 does not contain any qualification.

COST AUDITORS :

The Board has appointed M/s. B. M. Sharma & Co., Cost Accountants as Cost Auditors of the Company to conduct cost audit for the financial year 2013-14, the Cost Audit Report for which will be submitted to the Central Government before the due date i.e. September 30, 2014.

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

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

CORPORATE GOVERNANCE:

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

CEO/CFO CERTIFICATION:

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

PARTICULARS OF EMPLOYEES:

Information as required under Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, as amended, are given in an Annexure forming part of this Report. However, having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all Members of the Company.

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

EMPLOYEE STOCK OPTION PLAN:

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

HUMAN RESOURCES (HR):

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

APPRECIATION & ACKNOWLEDGEMENTS:

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

For and on behalf of the Board,

Mumbai
August 13, 2014

Vidya Murkumbi
Executive Chairperson

Annexure To Directors' Report

A. CONSERVATION OF ENERGY:

a) Energy conservation measures taken:

- **Panchaganga** – Installed 4750 M2 FFE evaporator in floating arrangement and up gradation of flash steam recovery system.
- Conversion from High head to Low head Pans for "A" massecuite boiling.
- **Munoli** – Installation of 2 X 2300 SK to maximise the vapour generation to 2nd effect.
- **Havalga** – Replacement of Air Pre-heaters in 40 TPH boiler

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

c) Impact of the measures taken:

Process steam reduction achieved in Panchaganga – 2.8%

Process steam reduction achieved in Munoli – 0.46%

Steam raising and boiler efficiency increased from 1.85 to 2 and 62 to 65% respectively in 40 TPH Boiler at Havalga

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

FORM A

Disclosure of Particulars with respect to Conservation of Energy

Particulars	Apr 2013 to Mar 2014	Apr 2012 to Mar 2013
A. POWER AND FUEL CONSUMPTION		
ELECTRICITY		
Purchased units (Kwh)	2,53,79,171	2,26,95,570
Total Amount (Rs.)	25,63,57,457	25,84,80,852
Own Generation		
i) Through Diesel Generator (Units in Kwh)	3,22,253	5,91,443
Units per liter of diesel (Kwh/liter)	3.50	3.50
ii) Through steam turbine generation	65,06,33,472	66,00,11,148
KG of Bagasse/Coal (Average) required for one KWH power	2.77	3.02
iii) Total units generated	65,09,55,724	66,06,02,591
Total/ cost in Rs. /Units	4.17	2.59
B. CONSUMPTION PER UNIT OF SUGAR PRODUCTION		
Total generation of electricity Kwh	65,09,55,724	66,06,02,591
Purchase of Electricity KWH	2,53,79,171	2,26,95,570
Total Power Available	67,63,34,895	68,32,98,161
Less: Consumption of cogen plant Kwh	10,99,34,979	11,32,60,666
Less: Consumption of distillery plant Kwh	2,74,18,900	3,60,68,056
Less: Consumption of BioFerl Plant Kwh	3,94,702	3,16,498
Less: Export to grid Kwh	37,07,88,206	35,89,34,230
Consumption for sugar plant Kwh	16,77,98,108	17,47,18,711
Electricity-Kwh/MT of Sugar	107	117

B. TECHNOLOGY ABSORPTION:

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

FORM B

Disclosure of Particulars with respect to Technology Absorption

Research & Development (R&D):

In view of the National Ethanol Blending program which has intensified further, there will be a huge requirement of ethanol. To meet this demand will require looking beyond the existing feed stocks available for ethanol production. Sugar beet is one such feedstock that could be used for the ethanol production however, being a new crop to India, it is necessary to establish the conditions that are required for the effective and efficient beet cultivation. SRSI has taken up extensive trials for beet cultivation over the last 4 years and taking further this sugar beet cultivation programme, the company undertook further trials for cultivation on Kharif and Rabi concept with different cropping patterns namely inter cropping and sole cropping. About 2300 acres was cultivated in the last year with sowing done in June (Kharif Season). About 55% was intercrop mainly with sugar cane & maize and the balance sole cropping in normal and saline soils. Two varieties of seeds were used for these trials. The beet was harvested after 5 ½ to 6 months in November to process the beet with sugarcane.

Benefits derived as a result of above R&D:

The above trials imparted the following learning-

- Well drained farms are best suited for sugar beet cultivation.
- Crop is sensitive and needs close monitoring.
- To follow intercropping pattern, then selection of the inter crop should be done properly.
- Sowing in Kharif season may not be the best period for sugar beet.

Expenditure Incurred

1. Capital – Nil
2. Recurring – Rs. 51.50 Million

Future Plan of Action

The results of the trials conducted as stated above were not as expected and hence the company plans to conduct trials in 1 acre farms for different period of sowing at an interval of 15 days and monitor these plots for germination, yield, sucrose content, seed variety, pest and disease management. From these trials we would be able to conclude the ideal time for sowing, duration of the crop, harvesting time, the suitable variety for conditions prevailing around our area of operation.

Technology absorption, adaptation & innovation:

Drip Irrigation System for Sugarcane Crop

1. Drip Irrigation scheme implemented to provide sufficient water to the crop with efficient use of water and reduction of labour usage and energy costs.
2. Long life (up to 10 years) of Drip Irrigation System from period of installation with relatively easy and economical maintenance.
3. Low water pressure sufficient to run the system effectively.

Benefits derived from adapting of the above technology:

1. Water use efficiency up to 90-95% due to negligible soil evaporation percolation & run-off as against water use efficiency of 30-35% in flood irrigation.
2. Saving of up to 30% in fertiliser usage besides saving in time and labour costs.
3. Saving on energy cost due to operation at low pressure.
4. Supports mechanisation of inter crop operations and cane harvesting without damaging the irrigation network.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

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

- b) **Foreign exchange earnings and outgo:**

Foreign Exchange earnings: Rs. 31,105.92 Million

Foreign Exchange outgo: Rs. 16,124.49 Million

The applicable disclosures as stipulated under the SEBI Guidelines as at March 31, 2014, pertaining to ESOP are as under:

Sr. No.	Particulars	ESOP 2006	ESOP 2011
a)	Options granted	4,760,000	5,000,000
b)	Pricing formula	The options granted to eligible employees are granted at the closing price of the Equity Shares of the Company at NSE prior to the date of the meeting of the Board of Directors in which options are granted	The options granted to eligible employees are granted at the closing price of the Equity Shares of the Company at NSE prior to the date of the meeting of the Board of Directors in which options are granted.
c)	Options vested	4,760,000	2,500,000
d)	Options exercised	1,519,650	-
e)	Total number of shares arisen as a result of exercise of options	1,519,650	-
f)	Options lapsed	1,814,350	-
g)	Variation in terms of options	-	-
h)	Money realised by exercise of options (in Rs.)	44,905,658	-
i)	Total number of Options in force	1,426,000	5,000,000
j)	Employee wise details of options granted to		
	1) Senior management personnel	-	-
	2) Any other employee who received a grant in any one year of option amounting to 5% or more of options granted during that year.	-	-
	3) Identified employees who were granted options, during any one year, equal to or exceeding 1% or more of the issued Equity Capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	-	-
k)	Diluted Earnings Per Share (EPS) pursuant to issue of equity shares on exercise of options calculated in accordance Accounting Standard 20 'Earnings Per Share'	(6.95)	(6.95)
l)	In case the employee compensation cost is calculated using intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options and the impact of this difference on the profits and on the earnings per share of our Company for the Financial Year.	N.A.	N.A.
m)	Weighted average exercise price of options granted during the year	-	-
n)	Weighted average exercise price of options granted till date (In Rs.)	29.55	37.15
o)	Method and significant assumptions used to estimate the fair value of options granted during the year	-	-
p)	Risk free interest rate	8.803%	8.803%
q)	Expected life	1 year	3 Years
r)	Expected volatility	53.0648%	53.0648%
s)	Expected dividend yield	-	-
t)	Price of underlying shares in market at the time of grant of options (In Rs.)	29.55	37.15

Note: 1

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

Note: 2

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

*After adjusting for split/bonus shares.

Corporate Governance Report



1. COMPANY PHILOSOPHY:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Shree Renuka Sugars Ltd is committed to good governance practices that create long term sustainable shareholder value. The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with its shareholders, employees, the Government and the lenders. The Company believes in adopting the 'best practices' that are followed in the area of corporate governance across various geographies. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the Stock Exchanges with regard to corporate governance.

2. BOARD OF DIRECTORS:

- i. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Company's Board has a strength of 7 (Seven) Directors, comprising of 3 (Three) Executive Directors and 4 (Four) Non-Executive Independent Directors. The Chairperson of the Board is an Executive Director.

The Composition of Board of Directors, attendance at the Board Meetings during the year and at the last Annual General Meeting (AGM), as also number of other Directorships and membership of Committees of the Board as on March 31, 2014 are as follows:

Name of Director	Nature of Directorship	Board Meetings		Whether attended last AGM	Number of other Directorships ¹ in other companies	Number of Committee ² positions held in other Public Companies	
		Held	Attended			Member	Chairman
Mrs. Vidya Murkumbi (Executive Chairperson) DIN: 00007588	Executive Director	7	7	Yes	-	-	-
Mr. Narendra Murkumbi (Vice Chairman & Managing Director) DIN: 00009164	Executive Director	7	6	Yes	4	-	-
Mr. Vijendra Singh (President-Sugar Mills) DIN: 03537522	Executive Director	7	5	No	1	-	-
Mr. Sanjay K. Asher DIN: 00008221	Independent, Non-Executive Director	7	7	Yes	14	6	2
Mr. S. K. Tuteja DIN: 00594076	Independent, Non-Executive Director	7	5	No	12	4	4
Mr. Hrishikesh Parandekar DIN: 01224244	Independent, Non-Executive Director	7	7	No	2	-	-

Name of Director	Nature of Directorship	Board Meetings		Whether attended last AGM	Number of other Directorships ¹ in other companies	Number of Committee ² positions held in other Public Companies	
		Held	Attended			Member	Chairman
Mr. Robert Taylor DIN: 00010681	Independent, Non-Executive Director	7	7	No	-	-	-
Mr. J J Bhagat® DIN : 00007743	Independent, Non-Executive Director	7	1	No	1	-	-
Mr. Nandan Yalgi# (Director-Commercial) DIN : 00225833	Executive Director	7	6	Yes	2	-	-
Mr. S M Kaluti# DIN : 00017933	Non-Executive Director	7	3	Yes	1	-	-

@ Mr. J. J. Bhagat ceased to be the Director of the Company w.e.f. August 28, 2013;

Mr. Nandan Yalgi and Mr. S.M. Kaluti ceased to be the Directors of the Company w.e.f. February 20, 2014.

1. Other directorships do not include alternate directorships, directorships of private limited companies, section 8 companies and of companies incorporated outside India.
 2. Chairmanships/Memberships of Board Committees include only Audit and Stakeholders' Relationship Committees.
- ii. None of the Directors on the Board is a Member of more than ten Committees or Chairman of more than five Committees across all the public companies in which they are Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2014, have been made by the Directors.
- iii. Seven Board Meetings were held during the year and the gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:
May 29, 2013; August 14, 2013; September 25, 2013; November 13, 2013; February 14, 2014; February 20, 2014 and February 27, 2014.

3. BOARD COMMITTEES:

Currently, the Board has five Committees, the Audit Committee, the Nomination and Remuneration/Compensation Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee. The Board is responsible for constituting, assigning, co-opting for Committee Members to various Committees.

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

A. Audit Committee

- i. The Audit Committee of the Company is constituted in line with the provisions of revised clause 49 of the Listing Agreements entered into with the Stock Exchanges read with Section 177) of the Companies Act, 2013.
- ii. The terms of reference setting out scope, roles & responsibilities and Powers of the Audit Committee are broadly as under:

Roles & Responsibilities

 - 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;
 - 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 I 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 emateriali 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) 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.

Powers

- a) Investigate any activity within its terms of reference as above or as may be referred to it by the Board, from time to time;
 - b) Seek information from any employee of the Company;
 - c) Obtain outside legal or other professional advice, if necessary;
 - d) Secure attendance of outsiders with relevant expertise, if it considers necessary.
- 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 acts as the Secretary to the Audit Committee.
- iv. The previous Annual General Meeting (AGM) of the Company was held on August 28, 2013 and was attended by Mr. Sanjay Asher, 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	
		Held	Attended
Mr. Sanjay K. Asher (Chairman)	Independent, Non-Executive Director	4	4
Mr. Robert Taylor	Independent, Non-Executive Director	4	4
Mr. Hrishikesh Parandekar	Independent, Non-Executive Director	4	4

Four Meetings of the Audit Committee were held during the year. The dates on which the said Meetings were held are as follows: May 29, 2013; August 14, 2013; November 13, 2013 and February 14, 2014.

B. The Nomination and Remuneration/Compensation Committee.

- i. The Board has constituted a Nomination and Remuneration/Compensation Committee (previously known as Remuneration/Compensation Committee) under Section 178 of the Companies Act, 2013, comprising of three Independent Directors.
- ii. The broad terms of reference of the Remuneration 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 evaluation of every director's performance;
 - 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 long-term 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) To undertake specific duties as may be prescribed by the Companies Act, 2013, Listing Agreement and or as may be prescribed by the Board of Directors of the Company, from time to time;
- g) To obtain outside legal or other professional advice to assist in connection with its functions, if necessary;
- h) The Committee also monitors and administers the implementation of Employees' Stock Option Schemes.
- i) Terms of reference for 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;
- iii. The composition of the Committee and the details of meetings attended by its members are given below:

Name	Category	No. of meetings	
		Held	Attended
Mr. S.K. Tuteja (Chairman)	Independent, Non-Executive Director	1	1
Mr. Sanjay Asher	Independent, Non-Executive Director	1	1
Mr. Hrishikesh Parandekar	Independent, Non-Executive Director	1	1

One meeting of the Remuneration Committee was held during the year on February 14, 2014.

- iv. Details of remuneration to the Directors for the year ended 31st March, 2014:

								(Rs. in Million)	
Name of the Directors	Salary / Perquisites (Rs.)	Retire-ment Benefits	Bonus/ Ex Gra-tia	Com-mis-sion	Perfor-mance Incentive	Sitting Fees	Total	Service Contract/ Stock options granted/ Notice period/Severance Fees	
Mrs. Vidya Murkumbi (Executive Director)	13.48	1.51	-	-	-	-	14.99	Term of office valid up to 31.03.2017 subject to reappointment by Shareholders of the Company. No Stock Options were granted to Mrs. Murkumbi and no notice period and severance fees are applicable to her.	
Mr. Narendra Murkumbi (Executive Director)	18.83	1.44	-	-	-	-	20.27	Term of office valid up to 19.09.2017. No Stock Options were granted to Mr. Narendra Murkumbi and no notice period and severance fees are applicable to him.	
Mr. Sanjay Asher (Independent Director)	-	-	-	-	-	0.34	0.34	Retire by rotation No Stock Options were granted to Mr. Asher	
Mr. Robert Taylor (Independent Director)	-	-	-	-	-	0.28	0.28	Retire by rotation 4,00,000 Stock Options were granted to Mr. Taylor	

Name of the Directors	Salary / Perquisites (Rs.)	Retirement Benefits	Bonus/ Ex Gratia	Commission	Performance Incentive	Sitting Fees	Total	Service Contract/ Stock options granted/ Notice period/Severance Fees
Mr. S. K. Tuteja (Independent Director)	-	-	-	-	-	0.18	0.18	Retire by rotation 4,00,000 Stock Options were granted to Mr. Tuteja
Mr. Hrishikesh Parandekar (Independent Director)	-	-	-	-	-	0.26	0.26	Retire by rotation 4,00,000 Stock Options were granted to Mr. Parandekar
Mr. Sidram Kaluti (Non-Executive Director)	-	-	-	-	-	-	-	Ceased to be a Director of the Company w.e.f 20.02.2014. No Stock Options were granted to Mr. Kaluti and no notice period and severance fees are applicable to him.
Mr. Jeewan Jyoti Bhagat (Independent Director)	-	-	-	-	-	0.02	0.02	Ceased to be a Director of the Company w.e.f 28.08.2013. No Stock Options were granted to Mr. Bhagat.
Mr. Nandan Yalgi (Executive Director)	7.62	0.63	0.44	-	-	-	8.69	Ceased to be a Director of the Company w.e.f 20.02.2014. 4,00,000 Stock Options were granted to Mr. Yalgi and no notice period and severance fees are applicable to him.
Mr. Vijendra Singh (Executive Director)	11.02	0.55	0.38	-	2.00	-	13.96	Term of office valid up to 09.05.2017 subject to reappointment by Shareholders of the Company. 2,00,000 Stock Options were granted to Mr. Singh. 3 months Notice period and severance fees equal to 3 months remuneration in case the Company waives the notice period of Mr. Singh

C. Stakeholders' Relationship Committee.

i. The Company has constituted a Stakeholders' Relationship Committee (previously known as shareholders/Investors Grievance Committee) under Section 178 of the Companies Act, 2013, of the Directors 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 for 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, ematerialization/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

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

Name	Category	No. of meetings	
		Held	Attended
Mr. Sanjay K Asher (Chairman)	Independent, Non-Executive Director	4	4
Mr. S. K. Tuteja	Independent, Non-Executive Director	4	3
Mrs. Vidya M. Murkumbi	Executive Director	4	4
Mr. Narendra M. Murkumbi	Executive Director	4	4

iv. The Committee met 4 times during the year on May 29, 2013, August 14, 2013, November 13, 2013 and February 14, 2014.

v. Chief Financial Officer and Company Secretary are the invitees of the Committee.



vi. Details of investor complaints received and redressed during the year 2013-14 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	162	161	1*

* Complaint was pending and redressed subsequently on May 19, 2014.

D. Risk Management Committee

- The Company has constituted a Risk Management Committee according to Clause 49 of the Listing Agreement.
- The Committee met 2 times during the year on June 21, 2013 and September 30, 2013.
- The Composition of the Committee and the details of the meetings attended by its members are given below:

Name	Category	No. of meetings	
		Held	Attended
Mr. Robert Taylor (Chairman)	Independent, Non-Executive Director	2	2
Mr. Nandan Yalgi*	Executive Director	2	2
Mr. Narendra M. Murkumbi	Executive Director	2	2

* ceased to be a Director w.e.f February 20, 2014.

E. Corporate Social Responsibility Committee

- In terms of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board at its meeting held on May 23, 2014 constituted a Corporate Social Responsibility Committee.
- The Committee consists of Mr. S. K. Tuteja (Chairman), Mr. Narendra M. Murkumbi and Mrs. Vidya M. Murkumbi as members.
- The terms of reference of the Committee:
 - Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act, 2013.
 - To recommend the amount of expenditure incurred on CSR activities as indicated in the CSR Policy.
 - To monitor the CSR Policy of the Company from time to time.
 - To institute a transparent monitoring mechanism for implementation of CSR projects or programs or activities undertaken by the Company and
 - To perform any other function or duty as stipulated by the Companies Act, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority or under any applicable laws, as may be prescribed from time to time.

4. General Body Meeting

A. General Meeting

i. Annual General Meeting ("AGM"):

Financial Year	Location	Date & Time	Special Resolutions Passed
2009-2010	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	March 29, 2011 9.30 am	Two Special Resolutions were passed at the 15 th AGM for the approval of the following items: <ol style="list-style-type: none"> Approving offer and issue of options to the employees of the company pursuant to SRS Employees Stock Option Plan-2011. Approving offer and issue of options to the employees of the subsidiary companies pursuant to SRS Employees Stock Option Plan-2011.

Financial Year	Location	Date & Time	Special Resolutions Passed
2010-2012 (18 Months)	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	July 27, 2012 9.30 am	Two Special Resolutions were passed at the 16 th AGM for the approval of the following items : i. Insertion of clause pertaining to surrender of Options by eligible employees who have been granted options under Shree Renuka Sugars Employees Stock Option Scheme – 2006, pursuant to the provisions contained in the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. ii. Alteration of Articles of Association of the Company by insertion of Article 112A relating to appointment of Nominee Director, in accordance with the provisions of Section 31 of the Companies Act, 1956.
2012-2013	Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006.	August 28, 2013 10.30 am	No Special Resolutions were passed at the 17 th AGM.

ii. Extra-ordinary General Meeting:

An Extra-ordinary General Meeting was held on March 21, 2014 at 11.00 am at The Theosophical Society Belgaum Lodge, Gogte Rangmandir Hall (School of Culture) 185, Ramghat Road, Camp, Belgaum – 590 001 to transact the following Special Business:

- Preferential Allotment of Equity Shares to Wilmar Sugar Holdings Pte. Ltd.;
- Adoption of new set of Articles of Association of the Company; and
- Increasing the Authorised Share Capital and consequent Alteration of Memorandum of Association of the Company.

B. Postal Ballot

Date of Notice of Postal Ballot	Description	% of votes in favour of the Special Resolution	Date of Declaration of Result	Scrutinizer for conducting the Postal Ballot
February 20, 2014	Alteration of the Main Objects Clause of Memorandum of Association of the Company	99.96%	April 07, 2014	Mr. Gururaj Mutalik, Advocate
	Approval of payment of remuneration to Mrs. Vidya Murkumbi, Executive Chairperson	94.25%		
	Approval of payment of remuneration to Mr. Narendra Murkumbi, Vice Chairman and Managing Director	94.25%		
	Approval of payment of remuneration to Mr. Nandan Yalgi, Whole-Time Director	94.24%		
	Approval of payment of remuneration to Mr. Vijendra Singh, Whole-Time Director	94.26%		

5. SHARES HELD BY NON EXECUTIVE DIRECTORS:

Sr. No.	Name of the Director	No. of Shares held
1	Mr. Sanjay K. Asher	1,010,000
2	Mr. Robert Taylor	55,450
3	Mr. S. K. Tuteja	60,000
4	Mr. Hrishikesh Parandekar	Nil

6. OTHER DISCLOSURES:

- i. During the year there were no materially significant related party transactions of the Company which have potential conflict with the interests of the Company at large.
- ii. There were no instances of non-compliance by us 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.
- iii. 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.

Code of conduct for prevention of Insider Trading Practices:

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has formulated, adopted and implemented "Shree Renuka Sugars Code of Conduct for prevention of Insider Trading" in the shares of the Company.

Proceeds From public issues:

The Company has not raised any funds from public issue, right issue, preferential issues, etc. and there are no unutilised issue proceeds during the year under review.

7. Compliance Officer:

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

8. Means of Communication

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

9. General Shareholder Information:

- | | |
|--|---|
| i. Annual General Meeting (AGM) | Date : September 26, 2014
Time : 11.30 a.m
Venue : Maratha Mandir Hall (Near Railway Over Bridge),
Khanapur Road, Belgaum – 590 006. |
| ii. Financial Year | The Financial Year of the Company is from 1st April to 31st March. |
| iii. Tentative Financial Calendar 2014-15 | |
| 1 st Quarterly results | were declared on August 13, 2014 |
| 2 nd Quarterly results | on or before November 14, 2014 |
| 3 rd Quarterly results | on or before February 14, 2015 |
| 4 th Quarterly results | before end of May, 2015 |
| iv. Date of Book Closure | Monday, September 22, 2014 to Friday, September 26, 2014
(both days inclusive). |
| v. Dividend Payment Date | No Dividend has been recommended by the Board for the year ended
March 31, 2014 |
| vi. Corporate Identification No. | L01542KA1995PLC019046 |

vii. Unclaimed Shares

In accordance with the requirement of clause 5A(l) of the Listing Agreements entered into with the Stock Exchanges, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Sr. No.	Particulars	Number of Shareholders	Number of Shares
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year April 1, 2013 ;	4	2,080
2	Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	--	--
3	Number of shareholders to whom shares were transferred from suspense account during the year;	--	--
4	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year, March 31, 2014 ;	4	2,080

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

viii. Listing on Stock Exchanges

The Company's Shares are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid the listing fees for the year 2014-15.

ix. Stock Code

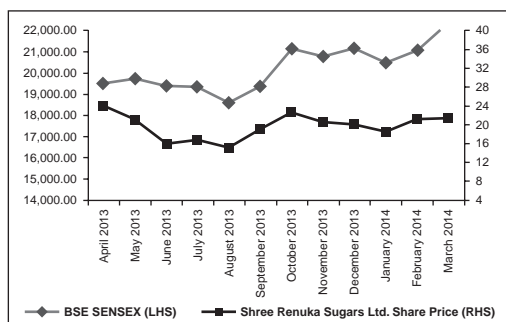
BSE - 532670
NSE - RENUKA

x. Market Price Data :

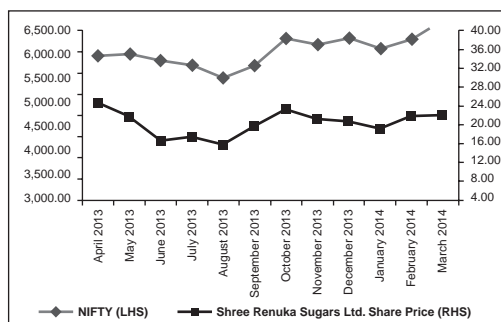
Month	NSE			BSE		
	High (₹)	Low (₹)	Closing (₹)	High (₹)	Low (₹)	Closing (₹)
April, 2013	28.75	22.10	24.10	28.35	22.15	24.15
May, 2013	25.70	21.20	21.30	25.75	21.20	21.30
June, 2013	22.15	14.80	16.05	22.15	14.85	16.05
July, 2013	20.60	15.80	16.90	20.60	15.85	16.90
August, 2013	17.60	14.65	15.30	17.50	14.50	15.30
September, 2013	19.55	15.20	19.10	19.50	15.30	19.05
October, 2013	24.50	18.65	22.45	24.50	18.60	22.65
November, 2013	23.95	19.35	20.55	23.90	19.35	20.55
December, 2013	22.80	19.60	20.00	22.80	19.60	20.10
January, 2014	22.45	18.25	18.55	22.45	18.15	18.50
February, 2014	22.90	18.50	21.25	22.90	18.50	21.25
March, 2014	22.35	20.80	21.55	22.40	21.00	21.50

xi. Performance Comparison :

SRLS v/s BSE SENSEX



SRLS v/s NIFTY



xii. Registrar & Transfer Agents

Karvy Computershare Pvt. Ltd

Unit: Shree Renuka Sugars Limited
Plot No. 17-24, Vittal Rao Nagar, Madhapur,
Hyderabad - 500 081
Tel. No. 91 40 4465 5000
Fax No. +91 40 2342 0814
e-mail: einward.ris@karvy.com

xiii. 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.

xiv. Distribution of Shareholding (as on March 31, 2014):

Category	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 – 5000	196,298	97.14	88,794,128	88,794,128	13.22
5001 – 10000	3,328	1.65	26,690,839	26,690,839	3.98
10001 – 20000	1,279	0.63	18,712,799	18,712,799	2.79
20001 – 30000	377	0.19	9,432,359	9,432,359	1.41
30001 – 40000	160	0.08	5,632,002	5,632,002	0.84
40001 – 50000	147	0.07	6,918,571	6,918,571	1.03
50001 – 100000	238	0.12	16,798,349	16,798,349	2.50
100001 & Above	246	0.12	498,340,603	498,340,603	74.23
Total	202,073	100	671,319,650	671,319,650	100

xv. Categories of shares as on March 31, 2014:

Category	Shareholding	Percentage
Promoters	257,491,592	38.36
Mutual Funds	34,155,916	5.09
Financial Institutions / Banks	21,500,950	3.20
Foreign Institutional Investors	86,886,587	12.94
Private Corporate Bodies	50,251,687	7.49
NRIs	14,040,464	2.09
Trusts	26,571,047	3.96
Indian Public	180,421,407	26.87
Total	671,319,650	100

xvi. Dematerialization of shares and Liquidity

As on March 31, 2014, 7,957,151 equity shares of the Company (1.19% of the total issued capital) were held in physical form and 663,362,499 equity shares (98.81% of the total issued capital) were held in dematerialized form. Registrar and Transfer Agents are appointed for transfer of shares in dematerialization mode and in physical mode.

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

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

xviii. Address for Correspondence

A) Shareholders correspondence for transfer/ Dematerialization of shares, payment of dividend and any other query should be directed to :

Karvy Computershare Pvt. Ltd
Unit: Shree Renuka Sugars Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel. No. +91 40 4465 5000
Fax No. +91 40 2342 0814
e-mail: einward.ris@karvy.com

- B) All other queries on Annual Report should be directed to :

Shree Renuka Sugars Limited

B C 105, Havelock Road, Camp, Belgaum 590001

Tel No. 0831 2404000

Fax No. 0831 2404961

E-mail: iyer.dv@renukasugars.com

xix. Debt Securities

Listing

The Wholesale Debt Market (WDM) Segment of BSE and NSE

Debenture Trustees -

Axis Trustee Services Ltd.

2nd Floor – E, Axis Bank Tower, Bombay Dyeing Mills Compound,
Pandurang Budhkar Marg, Worli, Mumbai – 400025

IDBI Trusteeship Services Ltd.

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

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement):

NAME OF THE DIRECTOR	Mr. Robert Taylor	Mr. S. K. Tuteja	Mr. Hrishikesh Parandekar	Mr. Vijendra Singh	Mrs. Vidya Murkumbi	Mr. Sanjay Asher
DATE OF BIRTH	9th January, 1971	15th June, 1945	19th July, 1972	1st February, 1960	5th January, 1948	November 26, 1964
DATE OF APPOINTMENT	9th May, 2005	25th January, 2007	13th November, 2006	10th May, 2011	25th October, 1995	August 05, 1999
QUALIFICATION	<ol style="list-style-type: none"> Bachelor's degree in Science (Economics) from London School of Economics and Master's degree in Science (Agricultural Economics) from Oxford University 	<ol style="list-style-type: none"> IAS (Retired), Bachelor and Master's degree in Commerce and Fellow member of the Institute of Company Secretaries of India 	B.Com, MBA – IIM (Ahmedabad), awarded the President's Gold Medal for graduating ranked number one in his Class.	<ol style="list-style-type: none"> B.Sc from Meerut University in 1979. Post Graduation in Sugar Technology from National Sugar Institute in 1981. 	<ol style="list-style-type: none"> B. Sc. Doctorate by Karnataka State Bijapur Woman's University. 	ACA, LLB (Solicitor)
EXPERTISE IN SPECIFIC FUNCTIONAL AREA	Mr. Robert Taylor was market analyst E D & F Man Sugar and later the head of Market Research and Analyst for Tate and Lyle International. He is having rich knowledge and experience in sugar industry especially world markets.	Retired from IAS as Secretary, Food & Public Distribution, Government of India. He is having rich experience in diverse fields which includes District Administration, Education, Sugar Industry, Trade, Commerce, Finance and Company Law matters.	He is the Chief Executive Officer and Group Head - Broking, Wealth Management and Asset Management for the Karvy Group. He is a key member of the Karvy Group leadership team. Mr. Parandekar manages the Karvy Stock Broking, Karvy Private Wealth, Karvy Real Estate, Karvy Capital, Karvy Middle East and Fixed Income businesses. Prior to joining Karvy, Mr. Parandekar was a Managing Director with Morgan Stanley in New York managing Latin American business. Prior to that, he was a Senior Consultant with McKinsey and specialized in serving investment houses, banks, and insurers, on issues related to strategy, investments and product management.	He has rich experience in agro processing industry for over 30 years. He began his career from Sugar Company – DCM Shriram Industries Ltd, as a Management Trainee and then gradually reached to the position of Senior General Manager and thereafter has held various senior positions in the top sugar companies of the country. During his stint with these companies, he has efficiently handled activities like production, Commercial, expansion, modernization, construction of Co-generation plant and other related activities. Under his leadership, the overall efficiencies of the plants improved, productivities increased and operation streamlined. He is associated with our Company since September 2010 designated as President (Sugar Mills).	She is a graduate in Chemistry and spent 23 years in the trading business. She was initially involved in trading and distribution of various TATA and Parle products. Subsequently, she moved into manufacturing and marketing business by venturing into agro processing and chemical formulation business. She is the Promoter Director of the Company. She was conferred with Doctorate by Karnataka State Bijapur Woman's University.	He is fellow member of Institute of Chartered Accountants of India and Bar Council of Maharashtra and Goa. Mr. Asher is a senior partner of Crawford Bayley & Co., a renowned Law Firm and having rich knowledge in legal, finance and Corporate law matters.

DIRECTORSHIP HELD IN OTHER PUBLIC COMPANIES	Nil	<ol style="list-style-type: none"> 1. SML Isuzu Ltd., 2. Trident Limited 3. A2Z Maintenance & Engineering Services Ltd 4. Axis Private Equity Ltd., 5. Adani Logistics Limited 6. Havells India Ltd. 7. Intas Pharmaceuticals Ltd., 8. Daawat Foods Limited 9. Adani Enterprises Ltd 10. Gujarat Foils Ltd 11. PTC India Financial Services Ltd. 12. LT Foods Ltd 	<ol style="list-style-type: none"> 1. Karvy Capital Limited 2. Karvy Realty (India) Limited 	Gokak Sugars Limited	Nil	<ol style="list-style-type: none"> 1. Finolex Cables Limited 2. Repro India Limited 3. Bajaj Allianz General Insurance Company Limited 4. Bajaj Allianz Life Insurance Company Limited 5. Kryfs Power Components Limited 6. Mandhana Industries Limited 7. Sharp India Limited 8. Sudarshan Chemical Industries Limited 9. Balkrishna Industries Limited 10. Tribhovandas Bhimji Zaveri Limited 11. Ashok Leyland Limited 12. Sanghvi Movers Limited 13. Innoventive Industries Limited 14. Finolex Industries Limited
MEMBERSHIP / CHAIRMAN OF THE COMMITTEES OF THE BOARD OF OTHER PUBLIC LIMITED COMPANIES IN WHICH HE / SHE IS A DIRECTOR AS ON 31ST MARCH, 2014 (INCLUDES ONLY AUDIT & STAKEHOLDERS' RELATIONSHIP COMMITTEE)	Nil	<ol style="list-style-type: none"> 1. SML Isuzu Ltd. – Share Transfer & Stakeholders' Relationship Committee) - Chairman, 2. A2Z Maintenance & Engineering Services Ltd. - Audit Committee – Chairman. 3. Trident Corporation Limited - Audit Committee - Member 4. Adani Enterprises Limited – Audit Committee - Chairman 5. Gujrat Foils Limited - Audit Committee - Chairman 6. Intas Pharmaceuticals Limited - Audit Committee - Member 7. Axis Private Equity Limited- Audit Committee – Member 	Nil	Nil	Nil	<ol style="list-style-type: none"> 1. Finolex Cables Limited – Audit Committee - Member, Stakeholders' Relationship Committee - Member; 2. Repro India Limited – Audit Committee- Member; 3. Ashok Leyland Limited – Audit Committee- Member 4. Sharp India Limited – Audit – Member; Stakeholders' Relationship Committee- Chairman; 5. Mandhana Industries Limited- Audit Committee- Member;
NUMBER OF SHARES HELD IN THE COMPANY AS ON 31ST MARCH, 2014	55,450	60,000	Nil	Nil	1,228,800	1,010,000

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
SHREE RENUKA SUGARS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shree Renuka Sugars Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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

For Ashok Kumar, Prabhashankar & Co.
Chartered Accountants
Firm Regn. No. 0049825

K.N.Prabhashankar
Partner
Membership No. 19575

Place : Mumbai
Dated: August 13, 2014

CEO/CFO Certification

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

- (A) We have reviewed the financial statements and cash flow statements for the year ended at March 31, 2014, and that based on our knowledge and belief :-
- (i) these statements do not contain any materially untrue statements or omit to state any material fact or contain statements that might be misleading; and
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) Based on our knowledge and information, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- (C) We along with Company's other certifying officers accept responsibility for establishing and maintaining internal controls and that we have:-
- (i) evaluated the effectiveness of the internal control systems of the Company; and
 - (ii) disclosed to the auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We along with Company's other certifying officers, have indicated to the auditors and the Audit Committee of the Company, the following:-
- (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place: Mumbai
Date: August 13, 2014

Narendra Murkumbi
Vice Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

DECLARATION OF MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF CONDUCT

This is to certify that all the members of the Board of Directors and Senior Management Personnel have confirmed compliance with the Company's Code of Conduct for the year ended at March 31, 2014.

For Shree Renuka Sugars Limited

Narendra Murkumbi
Vice Chairman & Managing Director

Place: Mumbai
Date: August 13, 2014

Independent Auditors' Report

To the Members of
SHREE RENUKA SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **SHREE RENUKA SUGARS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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

- (a) In the case of the Balance sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

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

Emphasis of Matter

We draw attention to Note 5 to the financial statements in respect of the provision of Deferred Tax Asset on unabsorbed business losses wherein the Company represents that there is virtual certainty of future taxable profits that will be available for setting off such unabsorbed business losses. We have relied on such representation and our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the **Annexure** a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report is in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

for Ashok Kumar, Prabhashankar & Co.

Chartered Accountants
Firm Regn No. 0049825

K. N. Prabhashankar

Partner

Membership No. 19575

Camp: Mumbai
Date: May 23, 2014

Annexure To The Auditors' Report

The Annexure referred to in our report to the members of **Shree Renuka Sugars Limited** for the year ended March 31, 2014. We report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, all fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a. As explained to us, inventories have been physically verified by the management at regular intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management is reasonable and is adequate in relation to the size of the Company and nature of its business .
- c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured granted or taken by the company to / from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
 - a. The company has not taken any loans during the year.
 - b. The Company has given loans to Ten Subsidiary companies. In respect of the said loan, the maximum amount outstanding at any time during the year was Rs.2,557.92 Millions and the year end balance is Rs.1,228.21 Millions.
 - c. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions, are not prima facie prejudicial to the interest of the company.
 - d. The principal amount is repayable on demand and there is no repayment schedule. The company is regular in receipt of interest from these subsidiaries except one wholly owned Subsidiary.
 - e. In respect of the said loans, the same is repayable on demand and therefore the question of overdue amount does not arise. In respect of interest, there is no overdue amount except in case of one wholly owned Subsidiary whose Overdue Interest is Rs. 69.92 Million.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
5. a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance contracts or arrangements, that needed to be entered in the register, maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us where such transaction is in excess of Rs.5 lacs, the transaction has been made at prices which is prima facie reasonable having regard to the prevailing market prices at the relevant time and they are not prejudicial in the interest of the Company.
6. According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Hence clause (vi) of the order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 for some products of the company. We have broadly reviewed these records of the company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of such records.
9. a. According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including ESI, Provident Fund, Income-tax, Sales tax/Value Added Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Investor Education and Protection Fund and any other statutory dues with the appropriate authorities and there are no such dues which are outstanding for a period in excess of six months as on March 31, 2014.

- b. The disputed statutory dues aggregating to Rs.656.40 Million that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (Rs. in Mn)	Period to which the amount relates	Forum where Dispute is pending
Karnataka Sales Tax Act, 1957	Purchase Tax	8.28	2006-07 & 2007-08	Sales Tax Tribunal
		9.88	2006-07 & 2007-08	High Court
Central Excise Act, 1944	Excise Duty and Service Tax	335.63	Various Years (2004-2012)	Central Excise and Service Tax Appellate Tribunal
		2.59	2005-2009	Commissioner of Central Excise
Customs Act, 1962	Customs Duty	249.03	2004	Supreme Court
Income Tax Act, 1961	Income Tax	50.99	2008-09	Income Tax Appellate Tribunal
Total		656.40		

10. The Company has accumulated losses and has also incurred cash losses during the financial year covered by our audit but has not incurred cash losses in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks or debentureholders.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
14. The Company is trading in shares, securities and other investments. In our opinion, proper records have been maintained of the transactions and contracts entered by the Company and timely entries have been made therein. These investments are held by the Company in its own name.
15. The Company has given guarantees for loans taken by others from banks or financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interests of the company.
16. The term loans borrowed during the year have been utilised for the purposes for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that there are no funds raised on short-term basis that have been used for long-term investment.
18. a. The Company has not made preferential allotment of shares to companies/parties covered in the register maintained under section 301 of the Companies Act, 1956.
b. As the Company has not made any preferential allotment of shares, the question of commenting of the terms of such issue does not arise.
19. During the year covered by our Audit Report, the Company has not issued Redeemable Non-Convertible Debentures.
20. The company has not raised any money by way of public issues during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

for Ashok Kumar, Prabhashankar & Co.

Chartered Accountants
Firm Regn No. 0049825

K. N. Prabhashankar

Partner

Membership No. 19575

Camp: Mumbai
Date: May 23, 2014

Balance Sheet

as at 31st March, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Notes	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	671.32	671.32
(b) Reserves and Surplus	3	12,685.58	17,258.64
(2) Share Application money pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	4	11,867.61	11,957.66
(b) Deferred Tax Liabilities (Net)	5	710.10	2,430.87
(c) Other Long-Term Liabilities	6	-	6.71
(d) Long-Term Provisions	7	32.63	24.94
(4) Current Liabilities			
(a) Short-Term Borrowings	8	21,889.44	7,908.54
(b) Trade Payables	9	10,864.21	30,860.24
(c) Other Current Liabilities	10	7,847.59	8,309.10
(d) Short-Term Provisions	11	2.67	406.14
		66,571.15	79,834.16
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12A	26,895.79	27,273.62
(ii) Intangible Assets	12B	62.59	77.33
(iii) Capital Work-in-Progress-Tangible		243.70	270.41
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	13	20,139.59	20,128.87
(c) Deferred tax assets (net)		-	-
(d) Long-Term Loans and Advances	14	3,873.55	3,971.47
(e) Other Non-Current Assets	15	2.64	12.08
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories	16	10,033.93	20,588.38
(c) Trade Receivables	17	2,481.28	1,735.05
(d) Cash and Cash Equivalents	18	709.69	914.72
(e) Short-Term Loans and Advances	19	2,115.43	4,837.55
(f) Other Current Assets	20	12.96	24.68
		66,571.15	79,834.16

Accompanying Notes 1 to 33 form part of the financial statements

To be read with our report of even date
For **Ashok Kumar, Prabhaskar & Co.,**
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board

K. N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

Statement of Profit & Loss for the Year ended 31st March, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Notes	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Revenue from Operations	21	66,396.32	64,834.58
Less: Excise Duty		1,172.51	880.28
		65,223.81	63,954.30
Other Income	22	547.31	150.00
Total Revenue		65,771.12	64,104.30
EXPENDITURE			
Cost of Materials Consumed	23	43,969.55	44,384.54
Purchase of Stock-in-Trade	24	6,599.34	10,351.35
Changes in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade	25	8,268.02	(1,633.01)
Employee Benefit Expenses	26	1,218.93	1,290.37
Finance Cost	27	3,182.04	3,670.98
Depreciation and Amortization Expense	28	1,656.36	1,592.02
Other Expenses	29	3,768.07	3,612.41
Total Expenses		68,662.32	63,268.66
Profit/(Loss) before exceptional and extraordinary items and tax		(2,891.19)	835.64
Exceptional Items	30	(3,316.84)	(77.12)
Profit/(Loss) before extraordinary items and tax		(6,208.03)	758.52
Extraordinary Items		-	-
Profit/(Loss) Before Tax		(6,208.03)	758.52
Current Tax	31	173.63	13.11
Deferred tax		(1,720.77)	226.99
Profit / (Loss) for the Year		(4,660.89)	518.42
Earnings per Share			
Basic	32	(6.94)	0.77
Diluted		(6.94)	0.77
Nominal value of shares Re. 1/- each			

Accompanying Notes 1 to 33 form part of the financial statements

To be read with our report of even date
For **Ashok Kumar, Prabhaskar & Co.,**
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board

K. N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before Tax	(6,208.03)	758.52
Adjustments to reconcile profit/(Loss) before tax to net cash provided by operating activities:		
Depreciation	1,656.36	1,592.02
Finance Cost	3,182.04	3,670.98
Loss/(Profit) on Sale of Fixed Assets	2.65	(11.98)
Dividend Income	(346.03)	(8.86)
Loss from Sale of Investments	0.05	2.83
Exchange Fluctuations (net)	3,316.84	77.12
Amortisation of Expenses	25.56	25.20
Operating profit before working capital changes	1,629.44	6,105.83
Changes in operating assets and liabilities:		
Trade Receivables	(746.23)	30.07
Other Receivables	2,268.30	(631.15)
Inventory	10,554.45	(3,396.77)
Trade and Other Payables	(19,482.67)	20,779.79
Cash generated from operations	(5,776.71)	22,887.77
Income Tax (net)	126.33	(60.42)
Net cash flow from operating activities	(5,650.38)	22,827.35
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(529.97)	(779.49)
Proceeds from Sale of Fixed Assets	25.32	86.92
Proceeds from Sale of Investments	2.00	3.30
Purchase of Investments	(12.77)	(0.10)
Dividend Income	346.03	8.86
Net cash flow from investing activities	(169.39)	(680.51)
CASH FLOW FROM FINANCING ACTIVITIES:		
Exchange Fluctuations (net)	(3,439.39)	(9.71)
Dividend Paid	(334.09)	(0.41)
Proceeds from Long-Term Borrowings	4,447.16	1,328.15
Repayment of Long-Term Borrowings	(6,101.06)	(4,609.49)
Net Increase/(Decrease) in Working Capital Borrowings	13,980.90	(14,390.25)
Repayment of Deferred Purchase Tax	(52.13)	(52.13)
Finance Cost	(3,138.39)	(3,598.99)
Net cash flow from financing activities	5,363.00	(21,332.83)
Net increase in cash and cash equivalents	(456.77)	814.01
Opening Cash and Cash Equivalents	881.49	67.48
Closing Cash and Cash Equivalents	424.72	881.49

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on Cash Flow Statement notified under the Companies (Accounting Standards) Rules, 2006.
- 2) Additions to fixed assets include movement of Capital work-in-progress during the year.
- 3) Proceeds/(repayment) of Short-term borrowings have been shown on net basis.
- 4) Cash and Cash Equivalents do not include any amount which is not available to the company for its use .
- 5) Figure in brackets represents cash outflow from respective activities .
- 6) As amount of Cash and cash equivalents is also available in Note No.18 , reconciliation of amount of Cash and cash equivalents as per Cash Flow Statement with the equivalent amount reported in the Balance Sheet is not required and hence not provided .

To be read with our report of even date

For **Ashok Kumar, Prabhaskar & Co.,**

Chartered Accountants

Firm Regn.No : 004982S

K.N. Prabhaskar

Partner

Membership No.19575

Place: Mumbai

Date : May 23, 2014

For and on behalf of the Board

Vidya M. Murkumbi

Executive Chairperson

K. K. Kumbhat

Chief Financial Officer

Narendra M. Murkumbi

Vice-Chairman & Managing Director

D. V. Iyer

Company Secretary

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1: Significant Accounting Policies:

All amounts in million Indian Rupees, unless otherwise stated.

a. Basis of presentation:

The accompanying financial statements have been presented for the year ended 31st March, 2014 along with comparative information for the year ended 31st March, 2013. The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP") and the relevant provisions prescribed in the Companies Act 1956, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. Use of estimates:

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

c. Fixed assets:

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

d. Borrowing costs:

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

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

e. Depreciation:

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

f. Leases:

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

B. Lease Income: Lease income is recognized on accrual basis.

g. Investments:

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

h. Amalgamation:

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

i. Inventories:

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out ('FIFO') basis.

Finished goods

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

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

Work-in-process

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

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

By-products

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

j. Revenue recognition:

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

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

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

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

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

k. Foreign currency transactions:

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

l. Employee benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

m. Income tax:

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

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

n. Miscellaneous expenditure:

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

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

o. Government grants:

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

p. Financial derivatives and commodity futures:

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

q. Provisions, contingent liabilities and contingent assets:

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

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

Contingent Liability is disclosed in the case of

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

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

Contingent Assets are neither recognised nor disclosed.

r. Earnings per share:

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

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

s. Segment reporting:

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

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- (ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.
- (iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

t. Impairment of assets:

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

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognised in previous periods.

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

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

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

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	As at 31st March, 2014	As at 31st March, 2013
Note 2: Share Capital		
a) Authorised		
25,000,000 Preference Shares of Rs.10/- each	250.00	250.00
1,600,000,000 Equity Shares of Re.1/- each (Previous year 800,000,000 Equity Shares of Re.1/- each)	1,600.00	800.00
	1,850.00	1,050.00
b) Issued, Subscribed and Paid up		
671,319,650 Equity Shares of Re. 1/- each fully paid	671.32	671.32
	671.32	671.32
c) Reconciliation of number of shares and Equity Shares outstanding :		
At the beginning of the year	671,319,650	671,319,650
Addition/deletion during the year	-	-
At the end of the year	671,319,650	671,319,650

d) The Company has only one class of equity shares . The company declares and pays dividend in Indian rupees . The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share .

e) 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 dues . The distribution will be in proportion to the number of equity shares held by the shareholders .

f) **Details of Shareholders holding more than 5% shares in the Equity Share Capital of the company:**

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	% to Equity	No. of Shares	% to Equity
Murkumbi Investments Private Limited	121,414,000	18.09	121,414,000	18.09
Khandepar Investments Private Limited	75,400,000	11.23	75,400,000	11.23
Agri Venture Trading And Investment Private Limited	37,522,295	5.59	37,522,295	5.59

g) The aggregate number of Equity Shares allotted as fully paid up by way of Bonus Shares -334,900,000 equity shares in the ratio of 1:1 were issued on March 18, 2010 .

h) The Company has reserved the Equity share capital of the Company against Options for eligible employees of the Company under Employee Stock Option Scheme/ plan. Options which are vested can be exercised at any point of time. Option which are yet to be vested can be exercised after the vesting date. Details are given in the below table

Particulars	ESOP 2006	ESOP 2011
Option already vested	1,426,000	2,500,000
Option to be vested on 15th May, 2014	-	2,500,000
Par Value Per share Re.	1	1
Premium per Share	28.55	36.15

i) During the year ended 31st March, 2014, the amount of dividend per share recognised as distribution to Equity Shareholders is Nil (Previous Year: Re.0.50) per share.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	As at 31st March, 2014	As at 3 1st March, 2013
Note 3: Reserves and Surplus		
Capital Reserve		
a) i) Subsidy received towards Co-Generation As per last Balance Sheet	18.75	18.75
ii) Others As per last Balance Sheet	0.26	0.26
Closing Balance	19.01	19.01
b) Securities Premium		
As per last Balance Sheet	10,574.05	10,574.05
Addition during the year	-	-
Closing Balance	10,574.05	10,574.05
c) General Reserve		
As per last Balance Sheet	3,166.02	3,114.02
Add : Transfer from Statement of Profit and Loss	-	52.00
Closing Balance	3,166.02	3,166.02
d) Debenture Redemption Reserve		
As per last Balance Sheet	1,136.41	663.33
Add : Transfer from/(to) Statement of Profit and Loss	(611.41)	473.08
Closing Balance	525.00	1,136.41
e) Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(78.69)	(77.90)
Add : (Addition)/Reduction during the year	30.82	(0.79)
Closing Balance	(47.87)	(78.69)
f) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	2,441.84	2,841.21
Profit/(Loss) for the year	(4,660.89)	518.42
Less: Appropriation		
Dividend on Equity Shares	-	335.66
Corporate Dividend Tax	(57.01)	57.05
Transfer (from)/to Debenture Redemption Reserve	(611.41)	473.08
Transfer to General Reserve	-	52.00
Net Surplus/(Deficit) in Statement of Profit and Loss	(1,550.63)	2,441.84
Total	12,685.58	17,258.64
i) General reserve is primarily created to comply with the requirements of section 205(2A) of the Companies Act, 1956 . This is a free reserve and can be utilised for any general purpose like issue of bonus shares , payment of dividend , buy back of shares etc.		
ii) Capital Reserve consist of Subsidy received from Government of Karnataka for commissioning of Co-Generation plant located at Munoli Unit, for supply of excess power to the State grid.		
iii) Foreign Currency Monetary Item Translation Difference Account represents unamortised foreign currency fluctuation loss on External commercial borrowings of US \$20 Mn utilised for purchase of shares of overseas subsidiary. The company has exercised the option available in AS11 para 46A (which was inserted by Ministry of corporate affairs vide its notification dated 29th Dec, 2011).		
iv) Debenture Redemption Reserve is created to the extent of 25% of the Non Convertible Debentures (privately placed) equally over the period till maturity of the debentures, as prescribed by the department of Companies Affairs (now Ministry of Corporate Affairs) vide its general circular 9/2002 dated 18th April, 2002. During the year the company has reversed Debenture Redemption Reserve created in the earlier years of Rs.791.41 Mn on redemption of Rs.3500 Mn Non Convertible Debentures and created Rs.180 Mn of debenture redemption reserve on outstanding amount of Non Convertible Debentures.		

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
NON-CURRENT LIABILITIES		
Note 4: Long-Term Borrowings		
1) Secured:		
a) Non-Convertible Debentures		
i) 600 Redeemable Non-Convertible Debentures (11.95%) of Rs.1,000,000 each	600.00	600.00
ii) Nil (Previous year 1,100) Redeemable Non-Convertible Debentures (11.50%) of Rs.1,000,000 each	-	1,100.00
iii) 500 (Previous year 2,900) Redeemable Non-Convertible Debentures (Floating Rate) of Rs.1,000,000 each	500.00	2,900.00
iv) 1,500 Redeemable Non-Convertible Debentures (11.70%) of Rs.1,000,000 each	1,500.00	1,500.00
v) 1,000 Redeemable Non-Convertible Debentures (11.30%) of Rs.1,000,000 each	1,000.00	1,000.00
b) Term Loans		
From Banks and Financial Institutions	12,040.53	9,710.73
From others :		
From Sugar Development Fund (SDF)	1,320.84	1,222.84
Interest Accrued but not due	109.32	104.92
2) Unsecured :		
Deferred Purchase Tax	16.08	68.21
	17,086.77	18,206.70
Less: Current Maturity of Long-Term Borrowings transferred to Other Current Liabilities (Refer Note 10)	5,219.16	6,249.04
	11,867.61	11,957.66

Nature of Security

a) Non-Convertible Debentures:

- i) 600 Redeemable Non-Convertible Debentures (11.95%) of Rs.1,000,000 each , secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on August 03, 2014
- (i i) 500 (Previous year 4,000) Redeemable Non-Convertible Debentures of Rs.1,000,000 each , secured by first pari-passu charge on & movable and immovable assets of the company and are redeemable in equal installments at par .
- (iii)
- (iv) 1,500 Redeemable Non-Convertible Debentures of Rs.1,000,000 each, secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on April 02, 2017.
- (v) 1,000 Redeemable Non-Convertible Debentures of Rs.1,000,000 each , secured by first pari-passu charge on movable and immovable assets of the company and are redeemable at par on Dec 24, 2017.

b) Term-Loans

Rupee Term Loan availed from Indian Renewable Energy Development Agency Ltd. (IREDA) are secured by first and exclusive charge on the movable and immovable assets of the company's Co-Generation units located at Panchganga and Ajinkyatara.

Term Loan from Other Banks and financial Institutions are secured by first pari-passu charge on movable and immovable assets of the company.

From Others:

SDF Loans amounting to Rs. 1,008.02 Mn @ 4% p.a., are secured by exclusive second charge on movable and immovable assets of the company.

SDF Loan amounting to Rs. 312.82 Mn @ 7% p.a., is secured by first pari passu charge on movable and immovable assets of the company.

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

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Terms of Repayment		All amounts in million Indian Rupees, unless otherwise stated			
		Amount O/s as on		Date of Maturity	Amt of Each Installment
		31st March, 2014			
Particulars	Current	Non Current		Rs in Million	
Non-Convertible Debentures:					
i) Non-Convertible Debentures (Rs.600 Mn)	600.00	-	August 03, 2014	600.00	
ii) Non-Convertible Debentures (Rs.500 Mn)	500.00	-	October 07, 2014	250.00	
iii) Non-Convertible Debentures (Rs.1500 Mn)	-	1,500.00	April 02, 2017	1,500.00	
iv) Non-Convertible Debentures (Rs.1000 Mn)	-	1,000.00	Dec 24, 2017	1,000.00	
Term-Loans from Banks/Financial Institutions:					
A) Rupee Term-Loans:					
i) IDBI Bank Ltd.	500.00	800.00	March 31, 2017	125.00	
ii) EXIM Bank	260.87	978.26	Dec 31, 2018	65.22	
iii) IREDA					
Loan I	80.50	462.88	Dec 31, 2020	20.12	
Loan II	65.60	459.44	Sept 30, 2017	16.40	
iv) State Bank of India	-	1,689.00	June 30, 2018	150.00	
v) ICICI Bank Ltd.	-	1,650.00	June 14, 2020	49.50	
B) Foreign Currency Loans:					
ICICI Canada (CAD Loan)	606.45	1,591.94	Feb 22, 2016	303.00	
ANZ Singapore (USD Loan)					
Tranch I	1,197.80	-	June 30, 2014	1,197.80	
Tranch II	1,197.80	-	June 13, 2014	1,197.80	
C) SEFASU Loan:					
IDBI Bank	-	500.00	January 1, 2019	41.67	
Term-Loan from Others-Sugar Development Fund :					
i) Havalga Co-Generation	63.30	189.89	March 31, 2018	31.65	
ii) Athani Sugar	-	216.75	March 31, 2021	43.35	
iii) Athani Co-Generation	-	312.82	October 3, 2021	31.28	
iv) Havalga Sugar	-	267.08	March 31, 2021	53.41	
v) Havalga Distillery	35.54	17.77	Sept 30, 2015	17.77	
vi) Munoli Sugar	57.17	114.35	March 31, 2017	57.17	
vii) Havalga Sugar	23.08	23.08	March 31, 2016	23.08	
Deferred Purchase Tax	16.08	-	March 31, 2015	16.08	
Interest Accrued but not due on loans	14.97	94.36			
Total Long Term Borrowings:	5,219.16	11,867.61			

Note 5 : Deferred Tax Liabilities (Net)

	As at 31st March, 2014	As at 31st March, 2013
Deferred Tax Liabilities		
Depreciation	4,022.62	3,595.04
Lease Rentals claimed on payment basis	118.69	-
Gross Deferred Tax Liabilities	4,141.31	3,595.04
Deferred Tax Assets		
Leave Encashment	12.00	12.45
Sugar Cane Purchase Tax	2.28	2.17
Unabsorbed Business Losses	3,416.93	1,149.55
Gross Deferred Tax Assets	3,431.21	1,164.17
Deferred Tax Liabilities (Net)	710.10	2,430.87

Considering improved business outlook unabsorbed business losses have been recognised as deferred tax asset as there is virtual certainty that such deferred tax assets can be realised against taxable profits in the coming financial years.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
Note 6 : Other Long-Term Liabilities		
Purchase Tax Payable	361.83	378.67
Less: Payable within one year (transferred to other current liabilities, Refer Note No 10)	361.83	371.96
	-	6.71
Note 7: Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Leave Encashment (Refer Note 33 (xiv))	35.30	38.37
Less: Short-Term (transferred to short-term provisions, Refer Note No 11)	2.67	13.43
	32.63	24.94
CURRENT LIABILITIES		
Note 8 : Short-Term Borrowings		
Secured		
Working Capital from Banks:		
Rupee Borrowings	8,845.28	3,710.44
Foreign Currency Borrowings	11,619.91	3,698.10
Unsecured		
Working Capital from Banks:		
Rupee Borrowings	226.45	-
Foreign Currency Borrowings	1,197.80	-
Commercial Papers	-	500.00
	21,889.44	7,908.54
Nature of Security :		
i) Working Capital facilities from banks are secured by hypothecation of stocks , book debts and other current assets and third charge on movable and immovable fixed assets of the company .		
Note 9: Trade Payables		
For Goods and Services *	10,864.21	30,860.24
Others	-	-
	10,864.21	30,860.24
* There is no principal amount and interest overdue to the Micro and Small Enterprises. During the year no interest has been paid to such parties. This information have been determined to the extent such parties have been identified on the basis of information available with the company.		
Note 10: Other Current Liabilities		
Current maturity of Long-Term Borrowings (Refer note 4)	5,219.16	6,249.04
Interest accrued but not due on Borrowings	518.28	474.63
Advance from Customers	1,334.23	749.78
Purchase Tax Payable (Refer Note 6)	361.83	371.96
Unclaimed Dividend	13.94	12.37
Salary Payable	81.19	103.28
Statutory Dues Payable	76.41	72.14
Other Payables	242.55	275.90
	7,847.59	8,309.10
Note 11: Short Term Provisions		
Provision for Leave Encashment (Refer note 7)	2.67	13.43
Provision for Equity Dividend	-	335.66
Provision for Dividend Tax	-	57.05
	2.67	406.14

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

FIXED ASSETS SCHEDULE

12 A. Tangible Assets

All amounts in million Indian Rupees, unless otherwise stated

PARTICULARS	1st April, 2013	Additions	Disposal	Effects of Foreign Currency Exchange Difference	31st March, 2014
Gross Carrying Value					
Lease Hold Land	136.58	47.66	–	–	184.24
Free Hold Land	425.82	4.06	0.76	–	429.12
Buildings	5,467.16	24.04	11.91	–	5,479.29
Plant & Equipment	26,157.67	451.96	8.23	735.08	27,336.48
Furniture & Fixtures	277.49	21.64	0.75	–	298.38
Vehicles	127.61	5.40	16.25	–	116.76
Total	32,592.33	554.77	37.89	735.08	33,844.27
<i>Previous Year</i>	<i>30,528.06</i>	<i>1,671.57</i>	<i>80.83</i>	<i>473.54</i>	<i>32,592.33</i>
Accumulated Depreciation					
Lease Hold Land	–	1.67	–	–	1.67
Free Hold Land	–	–	–	–	–
Buildings	593.42	186.40	0.13	–	779.69
Plant & Equipment	4,563.94	1,413.85	1.13	–	5,976.66
Furniture & Fixtures	116.02	25.36	0.31	–	141.07
Vehicles	45.33	12.42	8.36	–	49.39
Total	5,318.71	1,639.70	9.93	–	6,948.48
<i>Previous Year</i>	<i>3,744.51</i>	<i>1,580.08</i>	<i>5.88</i>	<i>–</i>	<i>5,318.71</i>
Net Carrying Value					
Lease Hold Land	136.58	–	–	–	182.57
Free Hold Land	425.82	–	–	–	429.12
Buildings	4,873.74	–	–	–	4,699.60
Plant & Equipment	21,593.73	–	–	–	21,359.82
Furniture & Fixtures	161.47	–	–	–	157.31
Vehicles	82.29	–	–	–	67.37
Total	27,273.62	–	–	–	26,895.79
<i>Previous Year</i>	<i>26,783.55</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>27,273.62</i>
Capital Work-in-progress	270.41	–	–	–	243.70

12 B. Intangible Assets

PARTICULARS	1st April, 2013	Additions	Disposal	Effects of Foreign Currency Exchange Difference	31st March, 2014
Gross Carrying Value					
Computer Software	104.77	1.92	–	–	106.69
Total	104.77	1.92	–	–	106.69
<i>Previous Year</i>	<i>62.47</i>	<i>42.30</i>	<i>–</i>	<i>–</i>	<i>104.77</i>
Accumulated Depreciation					
Computer Software	27.44	16.66	–	–	44.10
Total	27.44	16.66	–	–	44.10
<i>Previous Year</i>	<i>15.50</i>	<i>11.94</i>	<i>–</i>	<i>–</i>	<i>27.44</i>
Net Carrying Value					
Computer Software	77.33	–	–	–	62.59
Total	77.33	–	–	–	62.59
<i>Previous Year</i>	<i>46.97</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>77.33</i>

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 13: Non-Current Investments

	Currency	Face Value/ Per Share	As at 31st March, 2014		As at 31st March, 2013	
			Nos	₹ Mn	Nos	₹ Mn
Trade Investments						
Investment in Equity Instruments						
In Subsidiary Companies :						
Un-Quoted:						
Renuka Commodities DMCC, Dubai	AED	10000	40	4.97	40	4.97
Parana Global Trading (FZE)	AED	15000	6	11.18	1	1.67
Shree Renuka Agri Ventures Ltd.	INR	10	250,000	2.50	250,000	2.50
KBK Chem-Engineering Pvt Ltd.	INR	100	169,143	547.92	169,143	547.92
Nandur Sugars Ltd	INR	10	0	-	150,000	1.50
Gokak Sugars Ltd.	INR	10	32,937,140	187.26	32,937,140	187.26
Monica Realators & Investments Pvt. Ltd	INR	10	10,000	171.52	10,000	171.52
Shree Renuka Global Ventures Ltd.	USD	1	395,259,975	18,219.00	395,199,975	18,215.74
Shree Renuka East Africa Agriventures PLC	Birr	180	9,999	5.19	9,999	5.19
Shree Renuka Tunaport Pvt. Ltd.	INR	10	10,000	0.10	10,000	0.10
Other Investments:						
Equity shares (Unquoted):						
Esugar India Clearing Corporation Ltd.	INR	10	-	-	5,000	0.05
Pachhapur Urban Co-op Bank Ltd., Pachhapur	INR	100	10	-	10	-
Belgaum DCC Bank Ltd., Belgaum	INR	5000	-	-	100	0.50
National Commodity & Derivatives Exchange Ltd. (NCDEX) (Refer Note 2 below)	INR	10	6,336,000	895.19	6,336,000	895.19
Government Securities:						
National Savings Certificate	INR			0.05		0.05
				20,044.88		20,034.16
Equity shares (Quoted):						
Ugar Sugar works Ltd.	INR	1	5,001,000	94.71	5,001,000	94.71
				94.71		94.71
				20,139.59		20,128.87

Notes

- Market value of the quoted investments* 53.01 50.36
* (The Diminution in the value of Quoted Investments is not permanent in nature, hence no provision has been considered .)
- 18,36,000 Shares of NCDEX Ltd. are under lock-in period till Dec-2015.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
NON-CURRENT ASSETS		
Note 14 : Long-Term Loans and Advances		
Unsecured & Considered good:		
Capital Advances	10.23	143.91
Advances to Subsidiary Companies	1,023.89	830.04
Deposits	1,563.67	1,789.73
Others:		
Export Incentives Receivable	209.62	205.54
MAT Credit Entitlement	574.09	693.78
Amount paid under protest to Government Authorities	448.64	265.06
Other Advances	43.41	43.41
	3,873.55	3,971.47
Note 15 : Other Non-Current Assets		
Miscellaneous Expenditure to the extent not written off:		
Deferred Revenue Expenditure	10.41	31.74
Goodwill on Amalgamation	1.67	5.01
Expenditure on increase of Authorised Share Capital	3.52	-
	15.60	36.75
Less: To be amortised within one year (transferred to other Current Assets-Refer Note 20)	12.96	24.67
	2.64	12.08
CURRENT ASSETS		
Note 16: Inventories		
Raw materials and components	768.65	1,637.91
Stores and spares	734.35	667.67
Intermediate products	175.08	189.97
Finished goods:		
Manufactured	8,118.22	16,371.36
Trading	237.63	1,721.47
	10,033.93	20,588.38
Note 17: Trade Receivables		
Unsecured & Considered good:		
Debts over six months	236.06	226.68
Others	2,245.22	1,508.37
	2,481.28	1,735.05
Note 18: Cash and Cash Equivalents		
Cash and Cash Equivalents:		
Cash on hand	3.99	3.29
Balances with banks:		
In current accounts	420.73	878.20
	424.72	881.49
Other Bank Balances:		
Earmarked balances		
Unpaid dividend accounts	13.94	12.37
Fixed Deposits pledged/Deposited with Banks & Government Authorities	271.03	20.86
	284.97	33.23
	709.69	914.72

Balances with banks in deposit accounts include amounts that have been provided as margin money or those that have been deposited with government authorities towards guarantees, etc.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
Note 19: Short-Term Loans and Advances		
Unsecured and considered good:		
Loans and Advances to related parties:		
Advances to Subsidiary Companies	205.52	1,123.29
Advance to Associate Companies	137.53	-
Others:		
Interest Accrued	13.47	14.16
Interest Receivable from Govt. of India	90.47	114.99
Prepaid Expenses	75.37	349.58
Deposits	124.96	124.96
Balances with Customs, Excise, etc.	680.20	1,245.84
Income Tax Refund Due (Net)	227.93	408.25
Other Advances*	559.98	1,456.48
	2,115.43	4,837.55

* Other Advances include Rs.1.30 Mn due from an officer of the company, maximum outstanding Rs.1.5 Mn during the year.

Note 20 : Other Current Assets		
Miscellaneous Expenditure to be amortised within one year:		
Deferred Revenue Expenditure (Refer Note-15)	10.41	21.34
Goodwill on Amalgamation (Refer Note-15)	1.67	3.34
Expenditure on increase of Authorised Share Capital	0.88	-
	12.96	24.68

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Note 21 : Revenue from Operations		
Sale of Products (Gross)		
Sale of Manufactured Sugar	53,794.46	49,554.27
Sale of Traded Sugar and Ethanol	6,729.53	10,799.41
Sale of Power	1,805.41	1,639.20
Sale of Ethanol and Allied Products	3,740.74	2,544.90
Sale of By-products and Others	326.18	296.80
	66,396.32	64,834.58
Less : Excise Duty	1,172.51	880.28
	65,223.81	63,954.30

Note 22: Other Income		
Dividend	346.03	8.86
Profit on Sale of Assets	0.98	14.15
Income from Professional Services	128.86	40.01
Others	71.44	86.98
	547.31	150.00

Note 23 : Cost of Materials Consumed		
Sugar-Cane	11,967.93	12,447.48
Raw-Sugar	29,302.18	29,489.44
Bagasse	73.71	221.44
Coal	1,514.23	1,270.06
Molasses	499.25	705.69
Denatured Alcohol	320.69	133.98
Rectified Spirit	58.59	-
MG Alcohol	72.99	33.60
Others	159.98	82.85
	43,969.55	44,384.54

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Note 24: Purchase of Stock-in-trade		
Raw-Sugar	6,503.36	8,889.47
White Sugar	54.27	1,414.42
MG Alcohol	18.78	8.96
Molasses	15.91	23.80
Coal	7.02	14.70
	6,599.34	10,351.35
Note 25: Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade		
Opening Stock	16,561.33	14,928.32
Less: Closing Stock	8,293.31	16,561.33
Net (Increase)/Decrease in stock	8,268.02	(1,633.01)
Note 26: Employee Benefit Expenses		
Salaries, Wages and Bonus	1,098.52	1,167.41
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits	73.10	73.68
Staff Welfare Expenses	47.31	49.28
	1,218.93	1,290.37
Note 27: Finance Cost		
Interest:		
On Term Loans	1,194.44	1,121.32
On Working Capital	1,049.88	1,594.11
On Debentures	511.43	804.89
Bank Charges and Other Borrowing Costs	426.29	150.66
	3,182.04	3,670.98
Note 28: Depreciation and Amortisation Expenses		
Depreciation and amortisation of Tangible assets*	1,639.70	1,580.08
Depreciation and amortisation of Intangible assets*	16.66	11.94
	1,656.36	1,592.02
* Refer note no.12A and 12B		
Note 29 : Other Expenses		
A. Manufacturing Expenses		
Consumption of Stores and Spares	355.30	462.57
Consumption of Chemicals, Consumables, Oil and Lubricants	346.26	350.95
Sugar House Loading, Un-loading and Handling charges	187.56	184.55
Packing Materials	755.32	709.40
Power and Fuel	260.41	269.19
Lease Rentals	125.71	125.35
Repairs and Maintenance:		
Plant and Machinery	126.54	162.45
Buildings	2.06	1.75
Other Manufacturing Expenses	107.66	111.76
	2,266.82	2,377.97

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
B. Administrative expenses		
Rent, Rates and Taxes	186.85	68.21
Insurance	54.43	44.90
Travelling and Conveyance	54.04	55.06
Printing and Stationery	6.67	9.64
Communication Expenses	19.71	21.01
Legal and Professional Fees	122.99	146.22
Directors' Sitting Fees	1.08	1.04
Auditor's Remuneration	5.68	6.46
Safety and Security Expenses	51.56	52.76
Donations and Contributions	2.04	1.69
Loss on Sale of Fixed Assets	3.63	2.17
Loss on Sale of Long-Term Investments	0.05	2.83
Books, Periodicals, Subscription and Membership Expenses	14.89	9.01
Sundry Balances Written Off	4.39	3.21
Research and Development	0.81	0.27
Repairs and Maintenance - Others	57.76	64.24
Prior Period Expenses	-	4.34
Others	22.34	24.17
	608.92	517.23
C. Selling and Distribution Expenses		
Freight and Forwarding Charges	700.17	573.45
Advertisement and Sales Promotion	125.70	70.42
Warehousing Expenses	-	7.61
Brokerage, Commission and Discounts	40.90	40.53
	866.77	692.01
D. Miscellaneous Expenditure Written Off		
Deferred Revenue Expenditure	21.34	21.86
Goodwill on Amalgamation	3.34	3.34
Expenditure on increase of Authorised Share Capital	0.88	-
	25.56	25.20
	3,768.07	3,612.41
Note 30: Exceptional Items		
Gain/(Loss) on foreign currency transactions	(3,316.84)	(77.12)
	(3,316.84)	(77.12)
Note 31: Current Tax		
Provision for Tax		
Current year- Tax on Dividend from overseas subsidiary u/s 115 BBD of the Income Tax Act	57.01	151.08
Short Provision of Income Tax of Earlier Years (Net)	116.62	-
MAT Credit Entitlement	-	(137.97)
	173.63	13.11
Note 32: Earnings per Share		
The calculation of Earnings per share (basic and diluted) are based on the Earnings and number of shares as computed below.		
Reconciliation of earnings		
Profit/(Loss) for the year ended 31st March, 2014	(4,660.89)	518.42
Net profit attributable to equity shareholders	(4,660.89)	518.42
Reconciliation of number of shares	Shares	Shares
Shares outstanding at the beginning of the Year	671,319,650	671,319,650
Shares outstanding at the end of the Year	671,319,650	671,319,650
Weighted average number of equity shares	671,319,650	671,319,650
Basic and Diluted Earnings Per Share (in rupees)	(6.94)	0.77
[Nominal value of shares Re. 1/- each]		

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

33. Notes to the Financial Statements:

All amounts in million Indian Rupees, unless otherwise stated.

i. Leases Payable

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

S.No	Lease Payable	As at 31st March, 2014	As at 31st March, 2013
a	Within a period of one year	124.96	124.96
b	One year to five years	499.82	499.82
c	five years and above	1,690.04	1814.99
d	Lease rent charged to Statement of profit and loss	125.71	125.35

ii. Leases Receivable

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

S.No	Leases Receivable	As at 31st March, 2014	As at 31st March, 2013
a	Within a period of one year	Nil	10.02
b	One year to five years	Nil	Nil
c	five years and above	Nil	Nil
d	Lease rent charged to Statement of profit and loss	17.67	5.01

iii. Outstanding Commitments

As at 31st March, 2014, the Company had the following outstanding commitments:

S.N.	Outstanding Commitments	As at 31st March, 2014	As at 31st March, 2013
a	Bank Guarantee	4,163.18	2,480.85
b	Corporate Guarantee	18,475.66	16,682.00
c	Estimated amount of contract pending for execution	42.24	55.16

iv. Contingent Liabilities

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March, 2014	As at 31st March, 2013
Income Tax Demands	50.99	5.64
Excise and Service Tax Demands	450.93	464.95
Sales Tax/VAT Demands	36.32	36.32
Customs Demand	465.12	465.12
Total:	1,003.36	972.03

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

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

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

vii. Value of Direct imports (CIF Value)

	As at 31st March, 2014	As at 31st March, 2013
a Raw Materials	9,575.21	23,800.92
b Cost of traded goods	5,745.52	5,319.92
c Components, stores and spares	121.33	72.61
d Capital Goods	Nil	Nil
Total	15,442.06	29,193.45

viii. Consumption of Raw Material, Stores and Spares

Particulars	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
	Rs in million	% of total consumption	Rs in million	% of total consumption
Raw material				
Imported	27,061	62%	27,017	61%
Domestic	16,908	38%	17,368	39%
Total	43,969	100%	44,385	100%
Stores & Spares				
Imported	17	5%	23	5%
Domestic	338	95%	440	95%
Total	355	100%	463	100%

ix. Expenditure in Foreign Currency

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
b) Interest	579.88	714.34
c) Travelling expenses	43.87	15.23
d) Others	58.68	9.86
Total:	682.43	739.43

x. Dividends remitted in Foreign Currency

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Dividends remitted in Foreign Currency	0.60	
Year to which dividend relates	2012-13	
Number of non-resident shareholders	1	Nil
Number of shares held by them	1,200,000	
Face value of the share	Re.1	

xi. Earnings in Foreign Currency

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
FOB Value of Exports	30,641.60	36,268.84
Sale of Services	128.86	40.01
Dividend from foreign company	335.46	-
Total	31,105.92	36,308.85

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

xii. Auditors Remuneration

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
a Audit Fee	4.00	4.60
b Certification charges	0.60	0.75
c Tax audit services	0.60	0.60
d Reimbursement of expenses	0.48	0.51

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

xiv. Defined Benefit plans

S.No	Particulars	Gratuity Benefits		Compensated Absences	
		31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
1	Components of Employer Expenses				
	Current Service cost	8.51	10.38	4.56	6.92
	Interest Cost	4.32	3.33	2.89	1.77
	Expected return on plan assets	-5.73	-4.76	0.00	0.00
	Actuarial Losses / (Gain)	-10.40	3.23	-5.15	17.46
	Total Expenses recognised in Statement of P&L	-3.30	12.19	2.30	26.15
2	Actual Contribution and benefits paid during the year				
	Actual Benefits paid	2.90	2.96	5.37	16.01
	Actual Contribution	11.60	6.16	0.00	0.00
3	Net Assets/(Liability) recognised in the balance sheet as on 31.03.2014				
	Present Value of Defined Benefit Obligation (DBO)	-54.26	-54.73	-35.30	-38.37
	Fair Value of Plan Asset	73.79	59.36	0.00	0.00
	Net Assets/(Liability) recognised in the balance sheet	19.53	4.63	-35.30	-38.37
4	Change in DBO during the year ended 31st March 2014				
	Present value of DBO at beginning of the year	54.73	40.69	38.37	28.24
	Current Service Cost	8.51	10.38	4.56	6.92
	Interest Cost	4.32	3.33	2.89	1.77
	Actuarial Losses/(Gains)	-10.40	3.29	-5.15	17.46
	Benefit paid	-2.90	-2.96	-5.37	-16.01
	Present value of DBO at end of the year	54.26	54.73	35.30	38.37
5	Change in Fair Value of Assets during the year ended 31.03.2014				
	Plan Assets at beginning of the year	59.36	51.34	0.00	0.00
	Actual return on plan Assets	5.73	4.76	0.00	0.00
	Actual Company contribution	11.60	6.16	0.00	0.00
	Actuarial (Losses)/Gains	-0.05	0.06	0.00	0.00
	Benefits paid	-2.90	-2.96	0.00	0.00
	Plan Assets at end of the year	73.74	59.36	0.00	0.00
6	Actuarial Assumptions				
	Discount Rate	9.10%	8.10%	9.10%	8.10%
	Expected Return on Plan Assets	9.00%	9.00%	NA	NA
	Salary Escalation	5.00%	5.00%	5.00%	5.00%

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

xv. Related Party Disclosures

Related parties

(a) Subsidiary Companies

- i. Renuka Commodities DMCC, Dubai (UAE)
- ii. Parana Global Trading (FZE), Sharjah (UAE)
- iii. Shree Renuka Agri Ventures Limited
- iv. KBK Chem-Engineering Private Limited
- v. Gokak Sugars Limited
- vi. Nandur Sugars Limited (Ceased to be subsidiary w.e.f. from 09th Dec, 2013)
- vii. Shree Renuka Global Ventures Limited, Mauritius
- viii. Lanka Sugar Refinery Company (Private) Limited, Srilanka.
- ix. Monica Trading Private Limited (formerly Monica Realtors & Investments Private Limited)
- x. Shree Renuka East Africa Agriventures PLC, Ethiopia.
- xi. Shree Renuka Tunaport Pvt. Ltd.

(b) Associate Companies

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

(c) Key Managerial Persons

- i. Mrs. Vidya Murkumbi
- ii. Mr. Narendra Murkumbi
- iii. Mr. Nandan Yalgi (Ceased to be a director w.e.f from 20th Feb, 2014)
- iv. Mr. Vijendra Singh

All amounts in million Indian Rupees, unless otherwise stated

A	April to March 2014	April to March 2013
Transactions with Subsidiary Companies		
i) Renuka Commodities DMCC, Dubai		
1 Nature of transaction	Advances Paid	Advances Paid
Volume of transactions during the period	38.02	716.18
Interest Income on advances	6.43	9.45
Outstanding as at the end of the period	56.55	12.10
2 Nature of transaction	Dividend Received	Dividend Received
Volume of transactions during the period	335.46	-
Outstanding as at the end of the period	-	-
3 Nature of transaction	Investment	Investment
Volume of transactions during the period	-	-
Outstanding as at the end of the period	4.97	4.97
ii) Parana Global Trading (FZE)		
1 Nature of transaction	Advances paid	Advances paid
Volume of transactions during the period	(23.31)	-
Outstanding as at the end of the period	-	23.31
2 Nature of transaction	Investment	Investment
Volume of transactions during the period	9.51	-
Investment in subsidiary	11.18	1.67

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	April to March 2014	April to March 2013
iii) Shree Renuka Agri Ventures Ltd		
1 Nature of transaction	Purchase/Sale	Purchase/Sale
Advance for Purchases	10,652.21	2,670.15
Purchases	(11,496.35)	2,668.86
Sales	-	964.67
Rent	18.09	5.13
Interest Income on advances	2.49	-
Outstanding as at the end of the period	147.53	971.09
2 Nature of transaction	Investment	Investment
Volume of transactions during the period	-	-
Investment in subsidiary	2.50	2.50
iv) KBK Chem Engineering Pvt. Ltd		
1 Nature of transaction	Advance paid	Advance paid
Volume of transactions during the period	160.96	250.22
Interest Income on advances	69.92	32.71
Outstanding as at the end of the period	773.20	542.32
2 Nature of transaction	Purchase and sale	Purchase and sale
Purchase of Plant & machinery	(22.77)	21.62
Advance for purchase	21.95	-
Outstanding as at the end of the period	(0.23)	0.59
3 Nature of transaction	Investment	Investment
Volume of transactions during the period	-	-
Investment in subsidiary	547.92	547.92
v) Gokak Sugars Ltd.		
1 Nature of transaction	Investment	Investment
Volume of transactions during the period	-	-
Investment in subsidiary	187.26	187.26
2 Nature of transaction	Purchase/Sales	Purchase/Sales
Advance paid/(refunded) during the period	(1,014.59)	732.30
Interest Income on advances	72.01	89.34
Purchases of By products of Sugar	(128.26)	187.77
Purchase of Sugar	(45.00)	-
Purchase of Stores and Spares	(20.93)	8.32
Sales and others	2.15	2.85
Sale of Services	50.00	49.50
Outstanding as at the end of the period	-	1,084.63
vi) Nandur Sugars Ltd. (Ceased to be Subsidiary from 09/12/2013)		
1 Nature of transaction	Investment	Investment
Volume of transactions during the period	(1.50)	-
Investment in subsidiary	-	1.50
vii) Shree Renuka Global Ventures Ltd. , Mauritius		
1 Nature of transaction	Investment	Investment
Volume of transactions during the period	3.26	-
Investment in subsidiary	18,219.00	18,215.74
2 Nature of transaction	Advances Paid	Advances Paid
Volume of transactions during the period	(3.26)	3.26
Outstanding as at the end of the period	-	3.26

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

		April to March 2014	April to March 2013
viii)	Monica Trading Pvt. Ltd. (formerly Monica Realators and Investments Private Limited)		
	1 Nature of transaction	Investment	Investment
	Volume of transactions during the period	-	-
	Investment in subsidiary	171.52	171.52
	2 Nature of transaction	Inter Corporate Deposit	Inter Corporate Deposit
	Volume of transactions during the period	(64.13)	13.50
	Interest Income on advances	30.06	32.85
	Outstanding as at the end of the period	245.23	279.30
	3 Nature of transaction	Advances Refund	Advances Refund
	Volume of transactions during the period	(13.05)	13.40
	Outstanding as at the end of the period	-	13.05
	4 Nature of transaction	Rent Paid	Rent Paid
	Volume of transactions during the period	21.57	21.57
	Outstanding as at the end of the period	-	-
ix)	Shree Renuka East Africa Agriventures PLC		
	1 Nature of transaction	Investment	Investment
	Volume of transactions during the period	-	-
	Investment in subsidiary	0.59	0.59
	2 Nature of transaction	Advances Paid	Advances Paid
	Volume of transactions during the period	0.01	-
	Outstanding as at the end of the period	0.04	0.03
x)	Lanka Sugar Refinery Company (Private) Limited, Sri Lanka		
	1 Nature of transaction	Advances Paid	Advances Paid
	Volume of transactions during the period	0.88	0.31
	Outstanding as at the end of the period	1.19	0.31
xi)	Shree Renuka Tunaport Private Limited		
	1 Nature of transaction	Investment	Investment
	Volume of transactions during the period	-	0.10
	Investment in subsidiary	0.10	0.10
	2 Nature of transaction	Advances Paid	Advances Paid
	Volume of transactions during the period	0.60	4.32
	Interest Income on advances	0.51	-
	Outstanding as at the end of the period	5.43	4.32
xii)	Shree Renuka International PTE, Singapore		
	1 Nature of transaction	Advances Paid	Advances Paid
	Volume of transactions during the period	0.25	-
	Outstanding as at the end of the period	0.25	-

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	April to March 2014	April to March 2013
B) Transactions with Associate Companies		
i) Renuka Energy Resource Holding (FZE)		
1 Nature of transaction	Purchases	Purchases
Advance paid	123.89	168.29
Purchase of Coal	(123.73)	1.95
Outstanding as at the end of the period	0.16	-
ii) Shree Renuka Energy Ltd		
1 Nature of transaction	Purchases	Purchases
Advance paid	5.38	144.99
Purchase of Coal	(5.44)	145.00
Outstanding at the end of the period	0.07	0.01
Sale of Sugar	Sales 867.55	Sales 826.55
iii) Vantamuri Trading And Investments Limited		
1 Nature of transaction	Purchases	Purchases
Advance for purchases	633.02	-
Purchase of Coal	(510.98)	369.60
Interest Income on advances	15.49	-
Outstanding as at the end of the period	137.53	-
Sale of Investments	Sales 1.50	Sales -
C Transactions with key Management Personnel		
Particulars	Amount	Amount
Remuneration including contributions to PF	40.16	59.62
Outstanding remuneration payable	0.12	0.12
Outstanding Commission payable	-	15.17
Nature of transaction	Rent Paid	Rent Paid
Volume of transactions during the year	2.16	2.35
Outstanding as at the end of the year	0.71	-

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	SUGAR		TRADING		CO-GENERATION		ETHANOL		OTHER		ELIMINATIONS		TOTAL
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2012-13
REVENUE													
External sales	53,186.16	49,104.71	6,729.53	10,798.20	1,806.33	1,640.83	3,456.93	2,350.50	44.86	60.06	-	-	65,223.81
Inter-segment sales	2,472.42	999.81	-	-	2,667.31	2,453.36	-	-	-	-	(5,139.74)	(3,453.17)	-
Total Revenue	55,658.58	50,104.52	6,729.53	10,798.20	4,473.64	4,094.19	3,456.93	2,350.50	44.86	60.06	(5,139.74)	(3,453.17)	65,223.81
Results	(483.39)	3,010.00	(79.82)	323.15	283.20	1,112.56	707.34	597.92	(3.03)	13.96	-	-	424.30
Unallocated corporate expenses													5,057.59
Operating profit													680.76
Financial expenses													(256.46)
Other income													3,182.04
Profit from ordinary activities													547.31
Exceptional items													150.00
Net Profit													(2,891.19)
													(3,316.84)
													(6,208.03)
													758.52
OTHER INFORMATION													
Segment assets	29,023.47	39,360.59	648.42	2,738.93	8,331.26	8,288.04	4,152.72	4,698.68	157.59	125.60	-	-	42,313.46
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	55,211.84
Total Assets	29,023.47	39,360.59	648.42	2,738.93	8,331.26	8,288.04	4,152.72	4,698.68	157.59	125.60	-	-	24,257.69
Segment liabilities	12,225.06	28,752.00	8.71	3,033.23	459.66	344.58	134.06	199.45	13.45	5.63	-	-	12,840.95
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	32,334.89
Total Liabilities	12,225.06	28,752.00	8.71	3,033.23	459.66	344.58	134.06	199.45	13.45	5.63	-	-	40,373.30
Capital expenditure	238.09	478.68	-	-	116.82	206.82	(10.07)	35.50	29.37	3.74	-	-	724.74
Unallocated corporate capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	155.76
Total Capital Expenditure	238.09	478.68	-	-	116.82	206.82	(10.07)	35.50	29.37	3.74	-	-	779.49
Depreciation	958.25	883.52	-	-	502.64	521.19	155.21	153.20	5.16	5.00	-	-	1,562.91
Unallocated corporate depreciation	-	-	-	-	-	-	-	-	-	-	-	-	35.10
Total Depreciation	958.25	883.52	-	-	502.64	521.19	155.21	153.20	5.16	5.00	-	-	1,656.36
Total													1,592.02

Primary Segment Information (by business segments)

Composition of Business Segment

Segment	White Sugar, Molasses, Bagasse	Trading of White and Raw Sugar, Coal, Molasses, MG Alcohol	Electricity, Steam, Coal ash, Bagasse ash	De-natured Ethanol, Rectified Spirit, De-natured Spirit, Extra-nature Alcohol, Ethanol, Bio-Compost, Press Mud.
(a) Sugar				
(b) Trading				
(c) Co-Generation				
(d) Ethanol				
(e) Other				

Secondary Segment Information:

1. Segment Revenue by geographical locations

Particulars	Amt (Mn)
Domestic Sales: India	34,582.21
Export Sales:	
Asia Continent	18,020.87
Africa Continent	12,612.32
Europe	8.42
Total :	65,223.81

2. Company has its operation based in India only, hence all the assets are situated in India.

3. Additions to the Assets are for asset in India.

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

xvii. Disclosure under clause 32 of the Listing Agreement:

Loan given to Subsidiary Companies :

Name of the company	Amount Outstanding as on		Maximum amount outstanding at any time during the year ended	
	31st March, 2014	31st March, 2013	31st March, 2014	31st March, 2013
Renuka Commodities DMCC, Dubai	56.55	12.10	227.96	920.62
Shree Renuka Agri Ventures Ltd.	147.53	-	147.53	153.49
KBK Chem Engineering Pvt. Ltd.	773.20	533.34	773.20	533.34
Gokak Sugars Ltd.	-	1,084.63	1,254.63	1,164.79
Shree Renuka Global Ventures Ltd , Mauritius	-	3.26	3.26	3.26
Parana Global Trading (FZE)	-	23.31	23.31	23.31
Shree Renuka East Africa Agriventures PLC	0.03	0.03	0.03	0.03
Monica Trading Pvt. Ltd.	245.23	292.35	298.75	286.02
Shree Renuka Tunaport Private Limited	5.43	4.32	5.43	4.32
Shree Renuka International PTE, Singapore	0.25	-	0.25	-

xviii. The profit for the year, as defined u/s 198 of the Companies Act, 1956 is insufficient to pay the contractual managerial remuneration to the whole time directors of the company. In view of the above the Company has obtained Shareholders' approval by way of postal ballot and the permission from the Central Government in this regard is awaited.

xix. Derivative instruments and Unhedged foreign currency exposure

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

- For Hedging currency and interest rate risks:

Sr No.	Particulars	Rs. In Mn	
		31st March, 2014	31st March, 2013
1	Forwards	2,587	54
2	Currency Swaps	3,617	3,553
3	Currency Options	2,198	12,001
4	Interest Rate Swaps	3,396	2,681
TOTAL		11,798	18,289

- For Hedging commodity risks

Particulars	Quantity in MT	
	31st March, 2014	31st March, 2013
For White Sugar Sales	Nil	138,300
For Raw Sugars Sales	-	-

(b) Unhedged foreign currency exposures is as under:

Particulars	Rs. In Mn	
	31st March, 2014	31st March, 2013
Payables	17,187	24,577
Receivables	4,058	2,764

To be read with our report of even date
For **Ashok Kumar, Prabhaskar & Co.,**
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board

K.N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Information of Subsidiary Companies
For the year ended March 31, 2014 disclosed as per the terms of exemption Under Section 212(8) of the Companies Act 1956 granted by the Central Government.

Sl No.	Name of the Subsidiary	Reporting Currency	Capital	Reserves	Total Assets*	Total Liabilities**	Investment other than investment in subsidiary	Turnover (including other income)	Profit/(Loss) Before Taxation	Provision for Taxation	Profit/(Loss) After Taxation	Proposed Dividend
1	Renuka Commodities DMCC, Dubai	AED	4.97	7,615.25	22,780.48	15,160.26	-	20,527.14	94.44	-	-	94.44
2	Parana Global Trading (FZE) (Formerly Shree Renuka Biofuels Holdings (FZE)), Shajjah	AED	11.18	(7.49)	3.77	0.08	-	-	(5.90)	-	-	(5.90)
3	Shree Renuka Global Ventures Ltd., Mauritius	USD	22,638.29	79.18	22,726.24	8.77	-	-	(2.28)	-	-	(2.28)
4	Shree Renuka East Africa Agriventures PLC, Ethiopia	USD	5.19	1.12	7.01	0.70	-	-	-	-	-	-
5	Lanka Sugar Refinery Company (Private) Limited	LKR	3.09	(3.51)	3.51	3.93	-	-	(1.30)	-	-	(1.30)
6	Golak Sugars Ltd.	INR	351.75	(60.84)	1,498.68	1,207.76	-	2,779.08	(234.97)	80.59	-	(154.38)
7	Shree Renuka Agriventures Ltd.	INR	2.50	(163.97)	3.32	164.79	-	11,496.35	(179.54)	-	-	(179.54)
8	Monica Trading Private Limited (Formerly Monica Realtors & Investments Private Limited)	INR	0.10	(23.58)	222.71	246.19	-	81.08	(11.84)	1.13	-	(10.71)
9	Shree Renuka Tunaport Pvt. Ltd.	INR	0.10	-	5.62	5.52	-	-	-	-	-	-
10	KBK Chem Engineering Pvt Ltd.	INR	16.91	(198.29)	1,023.54	1,204.92	-	45.45	(169.41)	(10.75)	-	(180.16)
11	Shree Renuka do Brasil Participações Ltda.	BRL	21,700	(8,680)	16,557	3,537	-	-	(58)	-	-	(58)
12	Shree Renuka São Paulo Participações Ltda.	BRL	16,507	(4,906)	16,230	4,628	-	-	(1)	-	-	(1)
13	Renuka do Brasil S/A	BRL	32,873	(45,455)	35,955	48,536	-	21,438	(8,638)	545	-	(8,092)
14	Revati S.A.- Acucar e Alcool	BRL	8,074	(1,599)	20,617	14,142	-	11,211	675	(120)	-	555
15	Renuka Geradora de Energia Elétrica Ltda	BRL	758	(677)	2,468	2,387	-	837	(481)	(56)	-	(537)
16	Renuka Cogeração Ltda	BRL	3,338	(4)	3,336	1	-	-	(1)	-	-	(1)
17	Revati Geradora de Energia Elétrica Ltda	BRL	5,851	651	8,269	1,767	-	2,170	(99)	(88)	-	(186)
18	Revati Agropecuária Ltda.	BRL	14,566	(14,291)	16,840	16,566	0.08	4,705	(5,340)	-	-	(5,340)
19	Apoena Logística E Comercio De Productos Agrícolas Ltda	BRL	0.3	(7)	0.2	7	-	-	(2)	-	-	(2)
20	Renuka Vale do IVAI S/A	BRL	4,615	(3,198)	14,325	12,908	649	6,695	(3,026)	383	-	(2,643)
21	Ivaicana Agropecuária Ltda.	BRL	1,357	(2,146)	4,770	5,559	3	1,287	(1,833)	-	-	(1,833)
22	Biovale Comercio de Leveduras Ltda.	BRL	369	294	716	52	-	16	(28)	(0)	-	(28)
23	Renuka Trading Ltd.	BRL	-	-	-	-	-	-	-	-	-	-
24	Ivai Logística Ltda.	BRL	0.79	(8.87)	0.19	8.27	-	-	(0.05)	-	-	(0.05)

For and on behalf of the Board

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

Place: Mumbai
Date : May 23, 2014

Independent Auditors' Report

To the Board of Directors of

SHREE RENUKA SUGARS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **SHREE RENUKA SUGARS LIMITED** ("the Company") and **its subsidiaries**, which comprise the consolidated Balance Sheet as at March 31, 2014 and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Opinion

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

- a) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 5 to the Consolidated financial statements in respect of the provision of Deferred Tax Asset on unabsorbed business losses wherein the Company represents that there is virtual certainty of future taxable profits that will be available for setting off Unabsorbed Business Losses. We have relied on such representation and our Opinion is not qualified in respect of this matter.

Other Matters

1. a) The accounts include total assets of Rs.69,331.44 millions and total revenue of Rs.80,173.09 millions and cash flow amounting to Rs.(463.24) millions relating to Seven Subsidiary Companies which have been audited by us and consolidated on the basis of audited accounts.
- b) We did not audit the financial statements of Six Subsidiary Companies which reflect total assets of Rs.124,004.21 millions as at March 31, 2014, total revenue of Rs.55,808.19 millions and cash flow amounting to Rs.(1,382.61) millions for the year ended as on that date. These financials have been audited by other auditors whose reports have been furnished to us. Our opinion is based solely on the reports of the Other Auditors.

Our opinion is not qualified in respect of Other Matters.

For Ashok Kumar, Prabhashankar & Co.

Chartered Accountants
Firm Regn No.004982S

K. N. Prabhashankar

Partner
Membership No. 19575

Camp: Mumbai
Date: May 23, 2014

Consolidated Balance Sheet

as at 31st March, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	As at 31st March, 2014	As at 31st March, 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2	671.32	671.32
(b) Reserves and Surplus	3	(5,636.05)	13,925.90
(2) Share Application Money pending allotment			
(3) Minority Interest			
		22.76	32.58
(4) Non-Current Liabilities			
(a) Long-Term Borrowings	4	50,197.05	51,208.29
(b) Deferred Tax Liabilities (Net)	5	-	272.25
(c) Other Long-Term Liabilities	6	3,356.75	2,487.87
(d) Long-Term Provisions	7	812.04	1,033.37
(5) Current Liabilities			
(a) Short-Term Borrowings	8	28,694.42	14,261.51
(b) Trade Payables	9	26,200.25	45,721.38
(c) Other Current Liabilities	10	25,180.29	26,075.32
(d) Short-Term Provisions	11	7.03	411.52
		129,505.86	156,101.31
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12A	69,876.96	74,665.14
(ii) Intangible Assets	12B	9,823.70	10,047.84
(iii) Capital Work-in-Progress-Tangible		318.92	2,250.59
(iv) Intangible assets under development		-	-
(b) Non-Current Investments	13	1,641.73	2,270.03
(c) Deferred Tax Assets (net)	5	1,862.43	-
(d) Long-Term Loans and Advances	14	6,956.53	7,768.58
(e) Other Non-Current Assets	15	1,095.46	437.05
(2) Current Assets			
(a) Current Investments	16	27.70	83.66
(b) Inventories	17	22,775.10	40,820.20
(c) Trade Receivables	18	6,442.75	2,590.14
(d) Cash and Cash Equivalents	19	1,614.85	3,208.96
(e) Short-Term Loans and Advances	20	6,995.31	11,886.95
(f) Other Current Assets	21	74.42	72.17
		129,505.86	156,101.31

Accompanying notes 1 to 34 form part of the financial Statements

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

For and on behalf of the Board

K. N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

Consolidated Statement of Profit & Loss

for the Year ended 31st March, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	Notes	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Revenue from Operations	22	119,018.57	106,358.25
Less: Excise Duty		3,554.27	2,782.08
		115,464.30	103,576.17
Other Income	23	651.60	582.45
Total Revenue		116,115.90	104,158.62
EXPENDITURE			
Cost of Material Consumed	24	57,450.97	64,032.47
Purchase of Stock-in-trade	25	29,725.09	16,069.60
Changes in Inventory of Finished Goods, Work-in-Progress & Stock-in-Trade	26	9,415.99	(1,907.84)
Employee Benefit Expenses	27	2,452.00	2,664.63
Financial Costs	28	9,590.75	8,682.67
Depreciation and Amortisation Expense	29	10,760.75	8,868.30
Other Expenses	30	7,191.34	7,664.68
Total Expenses		126,586.89	106,074.51
Profit/(Loss) before exceptional and extraordinary items and tax		(10,470.99)	(1,915.89)
Exceptional Items			
Forex Gain /(Loss)	31	(6,318.53)	(2,987.44)
Profit / (Loss) before Extraordinary items and tax		(16,789.52)	(4,903.33)
Extraordinary items			
Profit / (Loss) Before tax		(16,789.52)	(4,903.33)
Current Tax	32	185.67	159.28
Deferred Tax		(2,185.56)	(1,319.04)
Profit / (Loss) after tax but before minority interest		(14,789.63)	(3,743.57)
Profit/(Loss) attributable to Minority Shareholders		(9.82)	(3.24)
Profit/(Loss) for the year		(14,779.81)	(3,740.33)
Earnings per Share			
Basic	33	(22.02)	(5.57)
Diluted		(22.02)	(5.57)
[Nominal value of shares Re. 1/- each]			

Accompanying notes 1 to 34 form part of the financial Statements

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

For and on behalf of the Board

K. N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2014

All amounts in million Indian Rupees, unless otherwise stated.

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	(16,789.52)	(4,903.33)
Adjustments to reconcile profit/(Loss) before tax to net cash provided by operating activities:		
Depreciation and Amortisation including preoperative	10,760.75	8,868.30
Financial expenses	9,590.75	8,682.67
Loss/(Profit) on sale of fixed assets	(71.03)	141.75
Dividend Income	(10.88)	(23.60)
Loss from sale of investments	(19.47)	(17.70)
Exchange Fluctuations (net)	6,318.53	2,987.44
Opening Reserves of subsidiaries ceased to exist transferred	3.83	-
Foreign Currency Translation Reserve	(3,443.51)	1,046.98
Amortisation of Expenses	26.38	26.93
Operating profit before working capital changes	6,365.83	16,809.44
Changes in operating assets and liabilities:		
Trade receivables	(4,517.72)	282.83
Other receivables	4,996.53	3,927.10
Inventory	14,910.48	(7,827.17)
Trade and other payables	(19,766.39)	23,689.78
Cash generated from operations	1,988.73	36,881.98
Income Tax (net)	250.06	(157.41)
Net Cash Flow From Operating Activities	2,238.79	36,724.57
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including goodwill)	(3,027.65)	(3,675.39)
Proceeds from sale of fixed assets	2,310.07	284.56
Purchase of Investments (net)	703.73	(400.98)
Dividend Income	10.88	23.60
Net Cash Flow From Investing Activities	(2.97)	(3,768.21)
CASH FLOW FROM FINANCING ACTIVITIES:		
Exchange Fluctuations (net)	(6,318.53)	(2,987.44)
Dividend paid	(334.09)	(0.41)
Proceeds/(Repayment) from long-term borrowings(net)	(4,394.16)	(3,781.62)
Net Increase/(Decrease) in Working Capital Borrowings	14,432.91	(15,038.00)
Repayment of Deferred Purchase Tax	(52.13)	(52.13)
Finance Cost	(7,415.13)	(8,652.86)
Net Cash Flow From Financing Activities	(4,081.13)	(30,512.46)
Net increase in cash and cash equivalents	(1,845.31)	2,443.90
Opening cash and cash equivalents	3,174.44	730.55
Closing cash and cash equivalents	1,329.13	3,174.44

To be read with our report of even date
For **Ashok Kumar, Prabhaskar & Co.,**
Chartered Accountants
Firm Regn.No : 0049825

For and on behalf of the Board

K. N. Prabhaskar
Partner
Membership No.19575

Vidya M. Murkumbi
Executive Chairperson

Narendra M. Murkumbi
Vice-Chairman & Managing Director

Place: Mumbai
Date : May 23, 2014

K. K. Kumbhat
Chief Financial Officer

D. V. Iyer
Company Secretary

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 1 : Significant Accounting Policies:

All amounts in million Indian Rupees, unless otherwise stated.

a. **Basis of presentation:**

The accompanying financial statements have been presented for the year ended 31st March, 2014 along with comparative information for the year ended 31st March, 2013. The accompanying financial statements have been prepared on going concern basis under the historical cost convention on the accrual basis of accounting in conformity with accounting principles generally accepted in India ("Indian GAAP") and the relevant provisions prescribed in the Companies Act 1956, besides the pronouncements/guidelines of the Institute of Chartered Accountants of India and of the Securities and Exchange Board of India. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, except as stated hereunder.

b. **Consolidation:**

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

c. **Use of estimates:**

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

d. **Fixed assets:**

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

e. **Borrowing costs:**

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

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

f. **Depreciation:**

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

g. **Leases:**

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

h. **Investments:**

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

i. **Amalgamation:**

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

j. **Inventories:**

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out ('FIFO') basis.

Finished goods

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

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

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Work-in-process

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

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

By-products

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

k. Revenue recognition:

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

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

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

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

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

l. Foreign currency transactions:

Initial Recognition

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

Conversion

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

Exchange Differences

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

m. Employee benefits:

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the related service is rendered.

The eligible employees of the Company are entitled to receive benefits under the Provident Fund, a defined contribution plan in which both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to "The Regional Provident Fund Commissioner and the Central Provident Fund under the Pension Scheme". The Company recognises such contributions as expense of the year in which the liability is incurred.

The Company has an obligation towards Gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The plan is managed by a trust and the fund is invested with Life Insurance Corporation of India under its Group Gratuity Scheme. The Company makes annual contributions to Gratuity Fund and the Company recognises the liability for Gratuity benefits payable in future based on an independent actuarial valuation.

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave for availment as well as encashment subject to the rules. As per the regular past practice followed by the employees, it is not expected that the entire accumulated leave shall be encashed or availed by the employees during the next twelve months and accordingly the benefit is treated as long-term defined benefit. The liability is provided for based on the number of days of unutilised leave at the Balance Sheet date on the basis of an independent actuarial valuation.

n. Income tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternate tax (MAT) credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said

CONSOLIDATED NOTES TO ACCOUNTS

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asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date.

o. Miscellaneous expenditure:

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

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

p. Government grants:

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

q. Financial derivatives and commodity futures:

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

r. Provisions, contingent liabilities and contingent assets:

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

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

Contingent Liability is disclosed in the case of

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

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

Contingent Assets are neither recognised nor disclosed.

s. Earnings per share:

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

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

t. Segment reporting:

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

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market led.
- (ii) Revenue, Expenses, Assets and Liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.
- (iii) Gains/losses from transactions in commodity futures, which are ultimately settled net, with/without taking delivery, are recorded as 'Other revenues' under the Sugar segment.
- (iv) Revenue, Expenses, Assets and Liabilities, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated".

u. Impairment of assets:

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

- a. The provision for impairment loss, if any, required or
- b. The reversal, if any, required of impairment loss recognised in previous periods.

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

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

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

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All amounts in million Indian Rupees, unless otherwise stated.

	As at 31st March, 2014	As at 31st March, 2013
Note 2: Share Capital		
a) Authorised		
25,000,000 Preference Shares of Rs.10/- each	250.00	250.00
1600,000,000 Equity Shares of Re.1/- each (Previous year 800,000,000 Equity Shares of Re.1/- each)	1,600.00	800.00
	1,850.00	1,050.00
b) Issued, Subscribed and Paid up		
671,319,650 Equity Shares of Re. 1/- each fully paid	671.32	671.32
	671.32	671.32
Note 3: Reserves and Surplus		
a) Capital Reserve		
i) Subsidy received towards Co-Generation As per last Balance Sheet	18.75	18.75
ii) Others As per last Balance Sheet	0.26	0.26
Closing Balance	19.01	19.01
b) Securities Premium		
As per last Balance Sheet	10,574.05	10,574.05
Addition during the year	-	-
Closing Balance	10,574.05	10,574.05
c) General Reserve		
As per last Balance Sheet	3,166.02	3,114.02
Add : Transfer from Statement of Profit and Loss	-	52.00
Closing Balance	3,166.02	3,166.02
d) Debenture Redemption Reserve		
As per last Balance Sheet	1,136.41	663.33
Add :Transfer from/(to) Statement of Profit and Loss	(611.41)	473.08
Closing Balance	525.00	1,136.41
e) Reserves on Consolidation		
As per last Balance Sheet	366.87	366.87
Add : Transfer from Statemen of Profit and Loss	-	-
Closing Balance	366.87	366.87
f) Foreign Currency Translation Reserve		
Balance As Per Last Financial Statement	1,475.82	428.84
Add: Addition/(Reduction) during the year	(3,443.51)	1,046.98
Closing Balance	(1,967.69)	1,475.82
g) Foreign Currency Monetary Item Translation Difference Account		
As per last Balance Sheet	(4,087.72)	(2,950.66)
Add: (Addition)/Reduction during the year	(1,399.48)	(1,137.06)
Closing Balance	(5,487.20)	(4,087.72)
h) Surplus /(Deficit) in the Statement of Profit and Loss		
Balance as per Last Financial Statement	1,275.45	5,933.56
Profit/(Loss) for the year	(14,779.81)	(3,740.32)
Less: Appropriation		
Opening Reserves of subsidiaries ceased to exist transferred	(3.83)	-
Dividend on equity shares	-	335.66
Corporate Dividend Tax	(57.01)	57.05
Transfer (from)/ to Debenture Redemption Reserve	(611.41)	473.08
Transfer to General Reserve	-	52.00
Net Surplus/(Deficit) in Statement of Profit and Loss	(12,832.11)	1,275.45
Total	(5,636.05)	13,925.90

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All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
NON-CURRENT LIABILITIES		
Note 4: Long-Term Borrowings		
1) Secured:		
a) Non-Convertible Debentures		
i) 600 Redeemable Non-Convertible Debentures (11.95%) of Rs.1,000,000 each	600.00	600.00
ii) Nil (Previous year 1,100) Redeemable Non-Convertible Debentures (11.50%) of Rs.1,000,000 each	-	1,100.00
iii) 500 (Previous year 2,900) Redeemable Non-Convertible Debentures (Floating Rate) of Rs.1,000,000 each	500.00	2,900.00
iv) 1500 Redeemable Non-Convertible Debentures (11.70%) of Rs.1,000,000 each	1,500.00	1,500.00
v) 1000 Redeemable Non-Convertible Debentures (11.30%) of Rs.1,000,000 each	1,000.00	1,000.00
b) Term-Loans		
From Banks and Financial Institutions	61,855.98	62,011.21
From others :		
Sugar Development Fund (SDF)	1,320.84	1,222.84
Interest Accrued but not due	109.32	104.92
2) Unsecured :		
Deferred Purchase Tax	16.08	68.21
	66,902.22	70,507.18
Less: Current Maturity of Long term borrowings transferred to Other Current Liabilities (Refer Note 10)	16,705.17	19,298.89
	50,197.05	51,208.29
Note 5: Deferred Tax Liabilities/(Assets) (Net)		
Deferred Tax Liability		
Depreciation	4,506.95	4,014.15
Lease Rentals/Others	596.75	1,037.56
Gross Deferred Tax Liability	5,103.70	5,051.71
Deferred Tax Asset		
Leave Encashment/Gratuity/Sugarcane Purchase tax	14.45	15.14
Unabsorbed Business Loss	3,677.43	3,066.74
Others	3,274.25	1,697.59
Gross Deferred Tax Asset	6,966.13	4,779.46
Deferred Tax Liabilities/(Assets) (Net)	(1,862.43)	272.25
Note 6: Other Long-Term Liabilities		
Others:		
Advance from Customers	1,316.96	11.46
Trade Payables	671.79	1,008.38
Other Liabilities	1,368.00	1,461.32
Purchase Tax Payable	361.83	378.67
Less: Payable within one year (transferred to Other current liabilities, Refer Note No 10)	361.83	371.96
	3,356.75	2,487.87
Note 7: Long-Term Provisions		
Provision for Employee Benefits:		
Provision for Gratuity	9.56	1.04
Provision for Leave Encashment	37.65	43.19
Less: Short Term (transferred to Short-term provisions, Refer Note No 11)	7.02	13.43
Other Provisions	771.85	1,002.57
	812.04	1,033.37

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All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
CURRENT LIABILITIES		
Note 8: Short-Term Borrowings		
Secured		
Working Capital from Banks:		
Rupee Borrowings	9,232.29	4,096.12
Foreign Currency Borrowings	18,037.22	9,665.39
Unsecured		
Foreign Currency Borrowings	1,197.80	-
Working Capital Borrowings	227.11	-
Commercial Papers	-	500.00
	28,694.42	14,261.51
Note 9: Trade Payables		
For Goods and Services	26,200.25	45,721.38
Others	-	-
	26,200.25	45,721.38
Note 10: Other Current Liabilities		
Current maturity of Long-Term Borrowings (Refer note 4)	16,705.17	19,298.89
Interest accrued but not due on Borrowings	2,686.20	510.58
Advance from Customers	2,272.19	3,530.00
Purchase Tax Payable (Refer Note 6)	361.83	371.96
Unclaimed Dividend	13.94	12.37
Salary Payables	88.03	105.38
Statutory Dues payables	92.31	77.91
Other Payables	2,960.62	2,168.23
	25,180.29	26,075.32
Note 11: Short-Term Provisions		
Provision for Gratuity	3.19	3.40
Provision for Leave Encashment (Refer note 7)	3.84	15.41
Provision for Equity Dividend	-	335.66
Provision for Corporate Dividend Tax	-	57.05
	7.03	411.52

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

12A. Tangible Assets

(Amount Rs. In million)

PARTICULARS	1st April, 2013	Additions	Disposal/ Adjustment	Effects of Foreign Currency Exchange Difference	31st March, 2014
GROSS CARRYING VALUE					
Lease Hold Land	136.58	47.66	-	-	184.24
Free Hold Land	1,601.28	4.06	365.03	-14.26	1,226.05
Buildings	10,446.21	56.38	65.41	-90.71	10,346.47
Sugarcane Plantation Cost	-	-	-	-	-
Plant & Equipment	81,472.92	4,798.25	998.30	-397.81	84,875.06
Furniture & Fixtures	578.46	32.24	29.09	-5.14	576.47
Vehicles	3,418.51	9.38	1,089.55	-57.60	2,280.74
Total	97,653.96	4,947.97	2,547.38	-565.52	99,489.03
<i>Previous Year</i>	<i>95,844.20</i>	<i>5,030.78</i>	<i>112.27</i>	<i>-3,108.74</i>	<i>97,653.96</i>
Accumulated Depreciation					
Lease Hold Land	-	1.67	-	-	1.67
Free Hold Land	-	-	-	-	-
Buildings	1,241.83	340.08	0.13	-12.86	1,568.92
Sugarcane Plantation Cost	-	-	-	-	-
Plant & Equipment	20,410.43	6,727.17	200.45	-416.18	26,520.97
Furniture & Fixtures	297.37	58.84	6.88	-3.58	345.75
Vehicles	1,039.19	451.30	283.91	-31.82	1,174.76
Total	22,988.82	7,579.05	491.37	-464.43	29,612.07
Less: Pre-operative Depreciation					
Depreciation charged to Profit & Loss		7,579.05			
<i>Previous Year</i>	<i>18,056.56</i>	<i>6,204.24</i>	<i>225.32</i>	<i>-1,046.65</i>	<i>22,988.82</i>
NET CARRYING VALUE					
Lease Hold Land	136.58				182.57
Free Hold Land	1,601.28				1,226.05
Buildings	9,204.38				8,777.55
Sugarcane Plantation Cost	-				-
Plant & Equipment	61,062.49				58,354.09
Furniture & Fixtures	281.09				230.72
Vehicles	2,379.32				1,105.98
Total	74,665.14				69,876.96
<i>Previous Year</i>	<i>77,787.64</i>				<i>74,665.14</i>
CWIP	2,250.59				318.92

CONSOLIDATED NOTES TO ACCOUNTS

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12B. Intangible Assets

All amounts in million Indian Rupees, unless otherwise stated

PARTICULARS	1st April, 2013	Additions	Disposal/ Adjustment	Effects of Foreign Currency Exchange Difference	31st March, 2014
GROSS CARRYING VALUE					
Goodwill on Consolidation	9,650.55	-	183.03	-	9,467.52
Transmission Rights	372.40	-	-	-7.37	365.03
Computer Software	229.06	11.36	-	-	240.42
Total	10,252.01	11.36	183.03	-7.37	10,072.97
<i>Previous Year</i>	<i>10,762.14</i>	<i>50.30</i>	<i>560.42</i>	<i>-</i>	<i>10,252.01</i>
Accumulated Depreciation					
Goodwill on Consolidation	-	-	-	-	-
Transmission Rights	72.42	24.80	-	-1.99	95.23
Computer Software	131.76	22.28	-	-	154.04
Total	204.18	47.09	-	-1.99	249.27
Less: Pre-operative Depreciation					
Depreciation charged to Profit & Loss		47.09			
<i>Previous Year</i>	<i>173.86</i>	<i>47.95</i>	<i>17.63</i>	<i>-</i>	<i>204.18</i>
NET CARRYING VALUE					
Goodwill on Consolidation	9,650.55				9,467.52
Transmission Rights	299.98				269.80
Computer Software	97.31				86.38
Total	10,047.84				9,823.70
<i>Previous Year</i>	<i>10,588.28</i>				<i>10,047.84</i>

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
Note 13 : NON-CURRENT INVESTMENTS		
Other Investments (At cost):		
In Equity Shares (Unquoted)	895.19	895.75
In Equity Shares (Quoted)	94.71	94.71
Investment in Associates Companies (Unquoted)	651.78	1,279.52
Government Securities	0.05	0.05
	1,641.73	2,270.03
Note 14 : Long-Term Loans and Advances		
Unsecured & Considered good:		
Capital Advances	32.75	165.79
Deposits	1,888.60	2,088.36
Prepaid Expenses	475.57	597.54
Others:		
Export Incentives Receivable	209.62	205.54
Balances with Customs, Excise, etc.	1,776.05	2,100.53
MAT Credit Entitlement	590.27	709.54
Amount paid under protest to Government Authorities	448.64	265.06
Other Advances	1,535.03	1,636.22
	6,956.53	7,768.58

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All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
Note 15 : Other Non-Current Assets		
Long Term Trade Receivable	1,083.76	418.65
Less: provision for Doubtful Debts	-	-
Miscellaneous Expenditure to the extent not written off:		
Deferred Revenue Expenditure	20.28	38.99
Goodwill on Amalgamation	1.67	5.01
Expenditure on increase of Authorised Share Capital	3.52	-
	1,109.23	462.65
Less: to be amortised within one year (transferred to Other Current Assets- Refer Note 21)	13.77	25.60
	1,095.46	437.05
CURRENT ASSETS		
Note 16: Current Investments		
Banco DO Brazil	27.70	83.66
	27.70	83.66
Note 17: Inventories		
Raw Materials and Components	1,026.85	1,796.87
Biological Assets	11,304.81	15,000.18
Work-in-Progress	95.78	89.97
Stores and Spares	1,270.98	1,206.75
Intermediate Products	254.31	241.22
Finished Goods:		
Manufactured	8,565.18	17,913.33
Trading	257.19	4,571.88
	22,775.10	40,820.20
Note 18: Trade Receivables		
Unsecured & Considered good:		
Debts over six months	1,799.70	340.17
Others	4,643.05	2,249.97
	6,442.75	2,590.14
Note 19: Cash and Cash Equivalents		
Cash and Cash Equivalents:		
Cash on hand	13.59	13.05
Balances with Banks:		
In Current Accounts	1,315.54	3,161.39
	1,329.13	3,174.44
Other Bank Balances:		
Earmarked balances		
Unpaid dividend accounts	13.94	12.37
Fixed Deposit pledged with bank/deposited with Government authorities	271.78	22.15
	285.72	34.52
	1,614.85	3,208.96

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	As at 31st March, 2014	As at 31st March, 2013
Note 20: Short-Term Loans and Advances		
Unsecured and Considered Good:		
Loans and Advances to Related parties:		
Advance to Associate Companies	137.53	-
Others:		
Interest Accrued	13.47	14.16
Interest Receivable from Govt. of India	90.47	114.99
Prepaid Expenses	278.95	520.19
Deposit	125.61	125.65
Balances with Customs, Excise, etc.	2,317.96	2,292.04
Income Tax Refund Due (Net)	248.05	564.48
Other Advances	3,783.27	8,255.44
	6,995.31	11,886.95
Note 21 : Other Current Assets		
Miscellaneous Expenditure to be amortised within one year:		
Deferred Revenue Expenditure (Refer Note-15)	71.87	68.83
Goodwill on Amalgamation (Refer Note-15)	1.67	3.34
Expenditure on increase of Authorised Share Capital	0.88	-
	74.42	72.17

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Note 22 : Revenue from Operations		
Sale of Products (Gross)		
Sale of Manufactured Sugar	62,463.99	69,281.69
Sale of Traded Sugar and Ethanol	27,252.76	18,256.83
Sale of Power	5,267.10	4,798.27
Sale of Ethanol and Allied products	21,665.86	12,624.94
Sale from Engineering Division	47.37	177.73
Sale of By-products and Others	2,321.49	1,218.79
	119,018.57	106,358.25
Less : Excise Duty	3,554.27	2,782.08
	115,464.30	103,576.17
Note 23: Other Income		
Dividend on Investments	10.88	23.60
Profit on Sale of Investments	19.52	20.52
Profit on Sale of Assets	87.84	22.66
Income from professional Services	128.86	40.01
Others	404.50	475.66
	651.60	582.45

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All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Note 24 : Cost of Materials Consumed		
Sugar-Cane	37,035.34	32,070.19
Raw-Sugar	17,805.83	29,489.44
Bagasse	40.12	57.01
Coal	1,514.23	1,270.06
Molasses	422.15	705.69
Denatured Alcohol	320.69	133.98
Rectified Spirit	58.59	-
MG Alcohol	72.99	33.60
Others	158.08	82.85
Engineering Division	22.95	189.65
	57,450.97	64,032.47
Note 25: Purchase of Stock in Trade		
Raw-Sugar	29,629.11	14,605.31
White Sugar	54.27	1,414.42
Distillery	18.78	8.96
Molasses	15.91	23.80
Coal	7.02	14.70
Others	-	2.40
	29,725.09	16,069.60
Note 26: Changes in Inventory of Finished Goods, Work-in-progress & Stock-in-trade		
Opening Stock		
Work in progress	95.80	39.42
Finished goods and intermediate products	18,225.95	16,374.49
	A	18,321.75
Less: Closing stock		
Work in progress	102.96	89.97
Finished goods and intermediate products	8,802.80	18,231.78
	B	18,321.75
	(A-B)	(1,907.84)
Note 27: Employee Benefit Expenses		
Salaries, Wages and Bonus	2,263.11	2,402.07
Contribution to Provident Fund, Gratuity Fund and Other Employee Benefits	81.74	79.25
Staff Welfare Expenses	107.15	183.31
	2,452.00	2,664.63
Note 28: Finance Costs		
Interest:		
On Term-Loans	6,988.28	5,351.12
On Working Capital	1,388.45	1,604.23
On Debentures	511.43	1,305.68
Others:		
Bank Charges and Other Borrowing Costs	702.59	421.64
	9,590.75	8,682.67

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FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
Note 29: Depreciation and Amortisation Expenses		
Depreciation and amortisation of Tangible assets*	10,713.67	8,820.35
Depreciation and amortisation of intangible assets*	47.09	47.95
	10,760.76	8,868.30
* Refer Note No. 12A & 12B		
Note 30 : Other Expenses		
A. Manufacturing Expenses		
Consumption of Stores and Spares	375.15	489.32
Consumption of Chemicals, Consumables, Oil and Lubricants	358.20	364.41
Sugar House Loading, Un-loading and Handling Charges	194.33	189.16
Packing Materials	778.24	734.20
Direct Expenses (Engineering)	7.53	33.52
Power and Fuel	286.78	301.10
Lease Rentals	173.70	168.89
Repairs and Maintenance:		
Plant and Machinery	178.13	206.48
Buildings	3.03	3.08
Other Manufacturing Expenses	127.88	132.05
	A	2,482.97
B. Administrative Expenses		
Rent, Rates and Taxes	783.45	888.84
Insurance	159.41	144.72
Travelling and Conveyance	108.05	132.75
Printing and Stationery	7.36	10.26
Communication Expenses	76.30	82.98
Legal and Professional Fees	444.70	645.90
Directors' Sitting Fees	1.08	3.91
Auditor's Remuneration	22.09	25.14
Safety and Security Expenses	59.60	60.38
Donations and Contributions	8.66	10.07
Loss on Sale of Fixed Assets	16.81	164.41
Loss on Sale of Long-Term Investments	0.05	2.83
Books, Periodicals, Subscription and Membership Expenses	24.83	12.96
Sundry Balances Written Off	4.39	3.21
Research and Development	2.85	1.73
Repairs and Maintenance-Others	66.69	69.42
Prior Period Expenses	-	4.34
Others	269.31	111.71
	B	2,055.63
C. Selling and Distribution Expenses		
Freight and Forwarding Charges	2,439.51	2,533.54
Advertising and Sales Promotion	129.00	73.66
Warehousing Expenses	1.35	7.63
Brokerage and Discounts	15.51	3.47
Commission and Market Development Expenses	40.99	21.68
	C	2,626.36

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

All amounts in million Indian Rupees, unless otherwise stated

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
D. Miscellaneous Expenditure-Written Off		
Pre-Operative Expenses	22.16	23.59
Goodwill On Amalgamation	3.34	3.34
Expenditure on increase of Authorised Share Capital	0.88	-
D	26.38	26.93
A+B+C+D	7,191.34	7,664.68
Note 31 : Exceptional Items		
Gain/(Loss) on foreign currency transactions	(6,318.53)	(2,987.44)
	(6,318.53)	(2,987.44)
Note 32: Current Tax		
Current Tax	57.01	297.25
Short Provision of Income Tax of Earlier Years - Net	128.66	-
Mat Credit Entitlement	-	(137.97)
	185.67	159.28
Note 33: Earnings per Share		
The calculations of earnings per share (basic and diluted) are based on the earnings and number of shares as computed below.		
Reconciliation of earnings		
Profit/(Loss) for the year ended 31st March,2014	(14,779.81)	(3,740.33)
Net profit/(Loss) attributable to equity shareholders	(14,779.81)	(3,740.33)
Reconciliation of number of shares	Shares	Shares
Shares outstanding at the beginning of the Year	671,319,650	671,319,650
Shares outstanding at the end of the Year	671,319,650	671,319,650
Weighted average number of equity shares	671,319,650	671,319,650
Basic and Diluted Earnings Per Share (in rupees)	(22.02)	(5.57)
[Nominal value of shares Re. 1/- each]		

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note 34: Other Notes to the Financial Statements:

All amounts in million Indian Rupees, unless otherwise stated.

i. Leases Payable

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

S.No	Lease Payable	As at 31st March, 2014	As at 31st March, 2013
a	Within a period of one year	651.59	641.38
b	One year to five years	1,509.00	1,930.70
c	five years and above	1,690.04	1,814.99
d	Lease rent charged to Statement of profit and loss	642.58	216.28

ii. Outstanding Commitments

S.No	Outstanding Commitments	As at 31st March, 2014	As at 31st March, 2013
a	Bank Guarantee	1,767.58	2,480.85
b	Corporate Guarantee	147.40	163.00
c	Estimated amount of contract pending for execution	48.37	64.74

iii. Contingent Liabilities (Rs. in millions)

Liabilities classified and considered contingent due to contested claims and legal disputes	As at 31st March, 2014	As at 31st March, 2013
Income Tax Demands	50.99	5.64
Excise and Service Tax Demands	711.22	720.79
Sales Tax/VAT Demands	52.17	42.96
Customs Demand	465.12	465.12
Brazilian Taxes	1,047.06	803.17
Other Matters	1,062.25	793.16
Total:	3,388.81	2,830.84

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

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

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

CONSOLIDATED NOTES TO ACCOUNTS

NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

vii. Segment Reporting for the year ended 31st March, 2014

Particulars	(Rs. in Million)																
	SUGAR		TRADING		CO-GENERATION		ETHANOL		ENGINEERING		OTHER		ELIMINATIONS		TOTAL		
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
REVENUE																	
External sales	88,326.76	79,582.88	19,372.29	18,055.57	4,161.82	3,358.01	3,456.93	2,350.50	43.53	169.15	102.97	60.06	-	-	115,464.30	103,576.17	
Inter-segment sales	2,687.31	1,065.15	-	-	2,820.52	2,564.30	-	-	-	-	-	-	(5,507.84)	(3,629.45)	-	-	
Total Revenue	91,014.07	80,648.03	19,372.29	18,055.57	6,982.34	5,922.31	3,456.93	2,350.50	43.53			102.97	60.06	(5,507.84)	(3,629.45)	115,464.30	103,576.17
Results	11,103.94	15,774.38	714.92	1,784.42	(76.28)	880.88	707.34	770.08	(54.52)	(171.22)	14.75	23.44	-	-	12,410.14	19,061.98	
Unallocated corporate expenses																	
															13,942.00	12,877.66	
Operating profit																(1,531.86)	6,184.32
Financial expenses															9,590.75	8,682.67	
Other income															651.60	582.45	
Profit from ordinary activities																(10,471.01)	(1,915.90)
Exceptional items															(6,318.53)	(2,987.44)	
Net Profit																(16,789.54)	(4,903.33)
OTHER INFORMATION																	
Segment assets	60,223.97	73,648.56	23,220.68	27,759.42	12,933.69	20,075.83	4,152.72	4,698.68	(86.42)	96.78	157.59	5,565.00	-	-	100,602.21	131,844.27	
Unallocated corporate assets																	
															28,903.65	24,257.04	
Total Assets	60,223.97	73,648.56	23,220.68	27,759.42	12,933.69	20,075.83	4,152.72	4,698.68	(86.42)	96.78	157.59	5,565.00	-	-	129,505.86	156,101.31	
Segment liabilities	71,612.06	30,975.85	15,129.69	14,486.60	2,983.70	4,144.88	134.06	199.45	418.04	421.09	13.45	5,893.96	-	-	90,291.00	56,121.85	
Unallocated corporate liabilities																	
															44,156.83	85,349.66	
Total Liabilities	71,612.06	30,975.85	15,129.69	14,486.60	2,983.70	4,144.88	134.06	199.45	418.04	421.09	13.45	5,893.96	-	-	134,447.83	141,471.50	
Capital expenditure	2,744.89	3,364.68	3.74	0.41	116.82	206.94	(10.07)	35.50	0.30	2.89	29.37	3.74	-	-	2,885.05	3,614.15	
Unallocated corporate capital expenditure																	
															142.61	61.24	
Total Capital Expenditure	2,744.89	3,364.68	3.74	0.41	116.82	206.94	(10.07)	35.50	0.30		29.37	3.74	-	-	3,027.65	3,675.39	
Depreciation	9,422.09	7,806.33	5.63	4.87	1,130.02	862.18	155.21	153.20	6.81	7.17	5.16	5.00	-	-	10,724.91	8,838.76	
Unallocated corporate depreciation																	
															35.84	29.54	
Total Depreciation	9,422.09	7,806.33	5.63	4.87	1,130.02	862.18	155.21	153.20	6.81	7.17	5.16	5.00	-	-	10,760.75	8,868.30	

viii. Related Party Disclosures

Related parties

(A) Associate Companies

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

(B) Key Managerial Persons

- i. Mrs. Vidya Murkumbi
- ii. Mr. Narendra Murkumbi
- iii. Mr. Nandan Yalgi (Ceased to be a director w.e.f from 20th Feb, 2014)
- iv. Mr. Vijendra Singh

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

		Rs. in Mn	
		April to March 2014	April to March 2013
A)	Transactions with associate Companies		
	i) Renuka Energy Resource Holding (FZE)		
		2013-14	2012-13
		Purchases	Purchases
1	Nature of transaction		
	Advance paid	123.89	168.29
	Purchase of Coal	(123.73)	1.95
	Outstanding as at the end of the period	0.16	-
	ii) Shree Renuka Energy Ltd		
		Purchases	Purchases
1	Nature of transaction		
	Advance paid	5.38	144.09
	Purchase of Coal	(5.44)	145.00
		0.07	(0.01)
	Outstanding at the end of the period	Sales	Sales
	Sale of Sugar	867.55	826.55
	iii) Vantamuri Trading And Investments Limited		
		Purchases	Purchases
1	Nature of transaction		
	Advance for purchases	633.02	-
	Purchase of Coal	(510.98)	369.60
	Interest Income on advances	15.49	-
		137.53	
	Outstanding as at the end of the period	Sales	Sales
	Sale of Investments	1.50	-
B)	Transactions with key Management Personnel		
	Particulars	Amount	Amount
	Remuneration including contributions to PF	40.16	59.62
	Outstanding remuneration payable	0.12	0.12
	Outstanding Commission payable	-	15.17
		Rent Paid	Rent Paid
	Nature of transaction		
	Volume of transactions during the year	2.16	2.35
	Outstanding as at the end of the year	0.71	-

CONSOLIDATED NOTES TO ACCOUNTS

FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

- a) Category wise nominal value of derivatives instruments outstanding is as under :
 • For Hedging currency and interest rate risks:

Particulars		(Rs. in millions)	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
1	Forwards	2,587	54
2	Currency Swaps	3,617	3,553
3	Currency Options	2,318	13,467
4	Interest Rate Swaps	3,396	2,681
Total		11,918	19,755

- For Hedging commodity risks:

Particulars		(Qty. in MT)	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
1	For White Sugar Sales	64,800	162,500
2	For Raw Sugar Sales	166,421	473,558

- b) Unhedged foreign currency exposures is as under :

Particulars		(Rs. in millions)	
		Year Ended 31st March, 2014	Year Ended 31st March, 2013
1	Payables	44,743	53,917
2	Receivables	3,760	2,863

To be read with our report of even date

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

For and on behalf of the Board

K. N. Prabhashankar
 Partner
 Membership No.19575

Vidya M. Murkumbi
 Executive Chairperson

Narendra M. Murkumbi
 Vice-Chairman & Managing Director

K. K. Kumbhat
 Chief Financial Officer

D. V. Iyer
 Company Secretary

Date: May 23, 2014

Place: Mumbai

Notice

NOTICE is hereby given that the Eighteenth Annual General Meeting of Shree Renuka Sugars Limited will be held on Friday, September 26, 2014 at Maratha Mandir Hall, Near Railway Over Bridge, Khanapur Road, Belgaum – 590 006 at 11:30 a.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Vidya Murkumbi (holding DIN 00007588), who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Ashok Kumar, Prabhashankar & Co., Chartered Accountants (Firm Registration No. 0049825), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjay Asher (holding DIN 00008221), Director in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019, and whose office shall not be liable to retire by rotation"

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. S. K. Tuteja (holding DIN 00594076), Director in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019, and whose office shall not be liable to retire by rotation"

6. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mr. Hrishikesh Parandekar (holding DIN 01224244), Director in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from April 01, 2014 upto March 31, 2019, and whose office shall not be liable to retire by rotation"

7. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Robert Taylor (holding DIN 00010681), Director in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 1 year from April 01, 2014 upto March 31, 2015, and whose office shall not be liable to retire by rotation"

8. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Central Government and all such other approvals as may be required, consent of the members be and is hereby accorded to the re-appointment of Mrs. Vidya Murkumbi (holding DIN 00007588) as Whole-time Director designated as 'Executive Chairperson' of the Company for a further period of 3 years with effect from April 01, 2014, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration/Compensation Committee of the Board) to revise, amend, alter and vary the terms and conditions of re-appointment and / or remuneration in such manner as may be permitted in accordance with the provisions of the Act and Schedule V or any statutory modification(s) or re-enactment(s) thereof and as may be agreed to by and between the Board and Mrs. Vidya Murkumbi.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial

year during the term of office of Mrs. Vidya Murkumbi as Executive Chairperson, she shall be paid remuneration as set out in the Explanatory Statement referred to above as the Minimum Remuneration subject to the approval of the Central Government.

RESOLVED FURTHER THAT in the event of the Central Government providing its approval subject to any modification(s) / alteration(s), the remuneration of Mrs. Vidya Murkumbi shall be such as may be approved by the Central Government. However, in the event of the Central Government not providing its approval, Mrs. Murkumbi shall be entitled to receive such amount as minimum remuneration as is permissible under Section II of Part II of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors 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."

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to the approval of the Central Government and all such other approvals as may be required, consent of the members be and is hereby accorded to the re-appointment of Mr. Vijendra Singh (holding DIN 03537522) as Whole-time Director designated as 'President - Sugar Mills' of the Company for a further period of 3 years with effect from May 10, 2014, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting with the liberty to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include Nomination and Remuneration/Compensation Committee of the Board) to revise, amend, alter and vary the terms and conditions of re-appointment and / or remuneration in such manner as may be permitted in accordance with the provisions of the Act and Schedule V or any statutory modification(s) or re-enactment(s) thereof and as may be agreed to by and between the Board and Mr. Vijendra Singh.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits of the Company in any financial year during the term of office of Mr. Vijendra Singh as Whole-time Director, he shall be paid remuneration as set out in the Explanatory Statement referred to above as the Minimum Remuneration subject to the approval of the Central Government.

RESOLVED FURTHER THAT in the event of the Central Government providing its approval subject to any modification(s) / alteration(s), the remuneration of Mr. Vijendra Singh shall be such as may be approved by the Central Government. However, in the event of the Central Government not providing its approval, Mr. Singh shall be entitled to receive such amount as minimum remuneration as is permissible under Section II of Part II of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors 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."

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed at the 14th Annual General Meeting of the members of the Company held on March 04, 2010, and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act")(corresponding to Section 293(1)(d) of the Companies Act, 1956) and all other applicable provisions, if any, of the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) for borrowing, on behalf of the Company, any sum or sums of money, from time to time, as they may consider fit, in any manner, and without prejudice to the generality thereof, by way of loans, advances, credits, acceptance of deposits or otherwise in Indian rupees or any other foreign currency, from any bank or banks, or any financial Institutions, other person or persons, and whether the same may be secured or unsecured, and if secured, whether domestic or international, whether by way of mortgage, charge, hypothecation, pledge or otherwise in any way whatsoever, over or in any respect of all, or any of the Company's assets and effects or properties including uncalled capital, stock in trade (including raw materials, stores, spares and components in stock or stock in transit), notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose so however that the total amount upto which money may be borrowed by the Board under this resolution, outstanding at any one time shall not exceed, in the aggregate, the sum of Rs. 4,800 Crores (Rupees Four Thousand Eight Hundred Crores Only) and/or in equivalent foreign currency.

RESOLVED FURTHER THAT the Board be and is hereby authorised, to do all such acts, deeds, matters and things as may be necessary, expedient and usual to implement this resolution"

11. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to all such approvals as may be required, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee thereof), to make offer(s), invitation(s) to subscribe and issue Redeemable Non-Convertible Debentures (NCDs), Bonds, Commercial Papers or any other Debt Securities in one or more series/tranches, aggregating up to Rs. 800 Crores (Rupees Eight Hundred Crores only), during the period

commencing from the date of this meeting upto September 25, 2015, to the Qualified Institutional Buyers, Foreign Institutional Investors, Banks, Financial Institutions, Mutual funds, Provident and Gratuity funds, Body Corporates and such other entities/persons eligible to subscribe the securities on private placement, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said NCDs or other debt securities be issued, rate of interest to be charged, tenure and security cover to be given, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such deeds documents instruments and writing as it may in its sole and absolute discretion deem necessary in relation thereto.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any director(s) and / or officer(s) of the Company, to give effect to the resolution."

12. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and pursuant to Revised Clause 49(VII) of the Equity Listing Agreement and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) to enter into related party transaction(s) including material related party transactions of purchase and / or sale of sugar and / or coal and to renew these transactions, from time to time, at any time in future, as per details given below:

Sr. No.	Name of Related Party/ Entity	Nature of Relationship	Nature and Particulars of Contract	Estimated amount per annum (Rs. in Million)
1)	Adani Wilmar Limited	Entity & Company are joint ventures of the same third party, Wilmar Group	Purchase/sale of sugar/coal	17,000
2)	Wilmar Sugar Pte. Ltd.	Entity & Company is subsidiary/ joint venture of the same third party, Wilmar Group	Purchase/sale of sugar	21,500

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things and to execute or authorize any person to execute all such documents, instruments and writings as may be considered necessary, relevant, usual, customary, proper and / or

expedient for giving effect to this resolution."

13. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and 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 Rs. 4,00,000/- (Rupees Four Lakhs only) (plus service 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 April 01, 2014 to March 31, 2015, 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**

Place: **Mumbai**
Date: **August 13, 2014**

D V Iyer
Company Secretary

Regd. Office:
B.C. 105, Havelock Road,
Camp, Belgaum – 590 001

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
The proxy form duly completed and signed, should be lodged with the Company, at its Registered Office at least 48 hours before the time of the meeting.
- Corporate members intending to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- The relative Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the special business under item Nos. 4 to 13 are annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 22, 2014 to Friday, September 26, 2014 (both days inclusive).
- Members/proxies are requested to hand over the duly filled in and signed Attendance Slip, at the entrance of the Hall while attending the meeting.

6. 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.
7. As required under Clause 49 IV(G) of the Listing Agreement, the relevant information in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting is provided in the Report on Corporate Governance forming part of the Annual Report.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants ("DPs") with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agents of the Company viz. Karvy Computershare Pvt. Ltd. ("KARVY").
9. All relevant documents referred to in the accompanying Notice are open for inspection by members at the Registered Office of the Company on all working days except Saturdays, Sundays and public holidays, between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting.
10. Members holding shares in physical mode are requested to advise about change of address to KARVY and members holding shares in electronic mode are requested to intimate their respective DPs about any change of address or Bank mandate and NOT to the Company or KARVY.
11. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956 as amended and rules thereof, dividend which remains unpaid or unclaimed for a period of 7(seven) years should be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company has transferred the unpaid/ unclaimed dividend for the financial year 2005-06 to IEPF. Members who have not encashed their dividend warrant(s) for earlier years are requested to make their claim by specifying their Folio No./DP ID and Client ID to the Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Madhapur, Hyderabad-500 081, e-mail: einward.ris@karvy.com.
Unpaid/ Unclaimed dividend for the financial year 2006-07, must be claimed on or before February 09, 2015, as amount remaining unclaimed after the said date, would be transferred to IEPF within a period of 30 days from thereof.
12. Members who have not registered their e-mail addresses so far are requested to register/ update their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars etc. in respect of shares held in demat mode, e-mail addresses can be registered with the depository and members who hold shares in physical form are requested to register their e-mail addresses with KARVY.
13. **E-Voting**
The Company is pleased to provide e-voting facility to the shareholders of the Company to enable them to cast their votes electronically on the items mentioned in the Notice.
The Company has appointed Mr. Gururaj Mutalik, Advocate as the Scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The E-voting rights of the shareholders/beneficiary owners shall be reckoned on the equity shares held by them as on August 22, 2014, being the Cut-off date for the purpose. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the Cut-off date, may cast their vote electronically.
The instructions for E-Voting are as under:
 - i. Launch internet browser by typing the URL for e-voting: <https://evoting.karvy.com/>
 - ii. Enter the login credentials i.e. user id and password as communicated to you. In case you are receiving this Notice through email, then the details are as provided in the email. In case, you are receiving this Notice in physical form, then the details are provided as part of the Postal Ballot Form.
 - iii. After entering the details appropriately, click on LOGIN.
 - iv. You will reach the Password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the EVENT i.e., Shree Renuka Sugars Limited.
 - vii. On the voting page, the number of shares as held by the shareholder as on the Cut-off Date will appear. If you desire to cast all the votes assenting/dissenting to the Resolution then enter all shares and click "FOR" / "AGAINST" as the case may be. You are not required to cast all your votes in the same manner. You may also choose the option ABSTAIN in case you wish to abstain from voting.
 - viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folios / demat accounts.
 - ix. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, shareholders can login any number of times till they have voted on the resolution.
 - x. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail to gururajmutalik@gmail.com.
 - xi. Once you have cast your vote on a resolution you will not be allowed to modify it subsequently.
 - xii. The Portal will remain open for voting from 10.00 a.m. on September 20, 2014 to 6.00 p.m. on September 22, 2014 (both days inclusive).
 - xiii. In case you wish to vote by way of physical Postal Ballot Form (instead of E-voting), please download the Postal Ballot Form from the link <https://evoting.karvy.com/> or from the website of the Company www.renukasugars.com or you may request for the same from Company's Registrar & Share Transfer Agents viz. Karvy Computershare Private Limited.
 - xiv. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the 'Download'

section of <https://evoting.karvy.com> or contact Mr. Varghese P A of Karvy Computershare Pvt Ltd at 040- 44655000 or at 1800 345 4001 (toll free).

- v. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
 - vi. The results of the e-voting will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
14. In terms of Clause 35B of the Listing Agreement, those shareholders, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent along with this AGM Notice so as to reach the Scrutinizer at the address, Mr. Gururaj Mutalik, C/o. Shree Renuka Sugars Limited, BC 105, Havelock Road, Camp, Belgaum 590 001 on or before September 22, 2014. Any Ballot Form received after this date will be treated as if the reply from the shareholder has not been received.

EXPLANATORY STATEMENT (Pursuant to Section 102 of the Companies Act, 2013)

The following explanatory statement sets out all material facts relating to the business under items 4 to 13 mentioned in the accompanying notice of the Eighteenth Annual General Meeting ("AGM") to be held on Friday, September 26, 2014.

Item Nos. 4 to 7

The Company had appointed Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor as Non-Executive Directors and were considered as Independent Directors pursuant to Clause 49 of the Listing Agreement.

As per the provisions of Section 149(4) of the Companies Act, 2013 ("the Act"), which came into force with effect from April 01, 2014, every listed company is required to have at least one-third of the total number of directors as Independent Directors. However, pursuant to Clause 49 of the Listing Agreement, a Company having a Chairperson as Executive Director, shall have at least half of the Board as Independent Directors, which is more stringent than Section 149(4) of the Act. The Company is already in compliance with the more stringent requirements. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to 5 consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

It is proposed to appoint Mr. Sanjay Asher, Mr. S. K. Tuteja and Mr. Hrishikesh Parandekar, to hold office for a period of 5 (five) consecutive years from April 01, 2014 upto March 31, 2019, and Mr. Robert Taylor to hold office for a period for 1 (one) year from April 01, 2014 upto March 31, 2015, as Independent Directors of the Company. Further, Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from the members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor for the office of Directors of the Company. The Company has also received declarations from Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor that they meet with the criteria of independence as prescribed both under sub-section (6) of Section

149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement and are also independent of the management.

Brief resume of Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Board considers that their continued association with the Company to be of immense benefit and it is desirable to continue to avail their expertise and services as Independent Directors.

Copy of the draft letters for respective appointments of Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor are interested in the resolutions set out respectively at Item Nos. 4 to 7 of the Notice with regard to their respective appointments.

The relatives of Mr. Sanjay Asher, Mr. S. K. Tuteja, Mr. Hrishikesh Parandekar and Mr. Robert Taylor may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, "financially or otherwise", in these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 4 to 7 of the Notice for approval by the shareholders.

Item No. 8

The members of the Company had at the 14th Annual General Meeting (AGM) held on March 04, 2010 approved reappointment of Mrs. Vidya Murkumbi as Whole-time Director designated as Executive Chairperson of the Company for a period of five years w.e.f. April 01, 2009 including the terms of remuneration. However, due to inadequacy of profits during Financial Year 2013-14, the remuneration payable to Mrs. Vidya Murkumbi was in excess of the limits prescribed under erstwhile Schedule XIII read with relevant provisions of Companies Act, 1956. Accordingly, the shareholders approval was sought for the payment of existing/same remuneration to Mrs. Vidya Murkumbi as per the terms and conditions approved by the members at the 14th AGM of the Company as minimum remuneration for the period from April 1, 2013 till completion of her term on March 31, 2014, by way of passing special resolution through Postal Ballot on April 07, 2014 and subsequently the Company had applied to the Central Government for the approval of the said remuneration.

Considering the adverse business conditions, performance, increased role and responsibilities, experience, rich knowledge, leadership capabilities and entrepreneurship skills of Mrs. Vidya Murkumbi,

the Board of Directors of the Company upon the recommendation of Nomination and Remuneration/Compensation Committee have, subject to the approval of shareholders and Central Government, re-appointed Mrs. Vidya Murkumbi as Whole-time Director designated as 'Executive Chairperson' for a further period of three years with effect from April 01, 2014 on the following terms and conditions including remuneration:

Term of Office:

Three years with effect from April 1, 2014

Salary, Perquisites and Allowances:

A. Salary:

Rs. 10,50,000/- (Rupees Ten Lakhs Fifty Thousand only) per month with such accelerated increments as may be decided from time to time by the Board of Directors / Nomination and Remuneration/Compensation Committee of the Company at its absolute discretion but not exceeding Rs 15,50,000/- (Rupees Fifteen Lakhs Fifty Thousand only) per month during the period of office. However, she shall not be paid sitting fees for attending the meetings of the Board or Committees thereof.

B. Commission:

Payable for each financial year up to 1% of net profits of the Company for that financial year as may be decided by the Board of Directors / Nomination and Remuneration /Compensation Committee from time to time. The amount of Commission shall be payable after the annual accounts are approved by the Board of Directors and adopted by the shareholders.

C. Perquisites:

- i. House Rent Allowance or furnished residential accommodation in lieu thereof, Conveyance & Medical Insurance as per the rules of the Company.
- ii. Contribution to Provident Fund to the extent this is not taxable under the Income Tax Act, 1961.
- iii. Gratuity payable at the rate not exceeding half month's salary for each completed year of service.
- iv. Leave with full pay or encashment thereof as per the rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure.
- v. Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalization, nursing home and surgical charges for herself and immediate family and in case any medical treatment abroad the traveling boarding and lodging expenses for patient and attendant is also payable.
- vi. Reimbursement of actual traveling expenses for proceeding on leave from Belgaum / Mumbai to any place in India / abroad and return therefrom once in a year in respect of herself and family.
- vii. Free furnished residential accommodation with gas, electricity, water and furnishings and other amenities.
- viii. Reimbursement of entertainment expenses incurred in the course of business of the Company.
- ix. Fees for upto two clubs membership for corporate purposes including joining fees and lifetime fees.

- x. Personal accident insurance policy in accordance with the scheme applicable to senior employees of the Company.
- xi. Free use of Company's car for Company's work as well as for personal purposes along with driver.
- xii. Free Telephone, telex and other communication facilities at the residence including Mobile to be used for the business of the Company.
- xiii. Other Perquisites: Subject to the ceiling on remuneration as mentioned herein below, Mrs. Murkumbi may be given such other allowance, perquisite, benefits as the Board or Nomination and Remuneration/Compensation Committee thereof may determine from time to time. The nomenclature of allowance/reimbursement and corresponding amount thereof can be revised as per the rules of the Company.

D. Evaluation of perquisites:

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in absence of any such rule perquisites shall be evaluated at actual cost.

E. Minimum Remuneration:

In the event of absence or inadequacy of profits of the Company in any financial year, the remuneration as mentioned herein above shall not be reduced but shall be payable subject to the approval of the Central Government. In the event of the Central Government providing its approval subject to any modification(s)/alteration(s), the remuneration of Mrs. Vidya Murkumbi shall be such as may be approved by the Central Government. However, in the event of the Central Government not providing its approval, Mrs. Murkumbi shall be entitled to receive such amount as minimum remuneration as is permissible under Section II of Part II of Schedule V to the Companies Act, 2013 ("the Act").

General terms and conditions:

The Executive Chairperson shall be reimbursed all expenses including travelling, communication and entertainment incurred by her in connection with the Company's business.

The Executive Chairperson re-appointed as a Director immediately on retirement by rotation shall continue to hold her office of Executive Chairperson and such re-appointment as such shall not be deemed to constitute a break in her appointment as Executive Chairperson.

Mrs. Vidya Murkumbi, being eligible, offers herself for re-appointment.

Further, the Company during the 1st quarter ended June 30, 2014, has incurred a net loss of Rs. 806 Million and accordingly, the payment of remuneration to Mrs. Vidya Murkumbi is subject to the approval of the shareholders by way of passing special resolution and subject to the approval of the Central Government, as required pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the of the Act, for a period not exceeding 3 years. The statement as required under Section II of Part II of the Schedule V to the Act with reference to Special Resolution at Item No.8 is annexed hereto as Annexure.

In compliance with the provisions of Section 196, 197 and other applicable provisions, if any, read with Schedule V to the Companies Act, 2013 and subject to the approval of the Central Government, the re-appointment and terms of remuneration of Mrs. Vidya Murkumbi as Whole-time Director designated as 'Executive Chairperson' as specified above are now being placed before the Members for their

approval.

The Board recommends the Resolution at Item No.8 of the Notice for approval of the Members by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, "financially or otherwise", in the resolution set out at Item No. 8 other than Mrs. Vidya Murkumbi and Mr. Narendra Murkumbi and their relatives.

Item No. 9

The members of the Company had at the 16th Annual General Meeting (AGM) held on July 27, 2012 approved appointment of Mr. Vijendra Singh as Whole-time Director designated as 'President (Sugar Mills)' of the Company for a period of three years with effect from May 10, 2011 including the terms of remuneration. However, due to inadequacy of profits during Financial Year 2013-14, the remuneration payable to Mr. Vijendra Singh was in excess of the limits prescribed under erstwhile Schedule XIII read with relevant provisions of Companies Act, 1956. Accordingly, the shareholders approval was sought for the payment of existing/same remuneration to Mr. Vijendra Singh as per the terms and conditions approved by the members at the 16th AGM of the Company as minimum remuneration for the period from April 01, 2013 till completion of his term on May 9, 2014, by way of passing special resolution through Postal Ballot on April 07, 2014.

Considering the adverse business conditions, performance, increased role and responsibilities, experience, rich knowledge and leadership capabilities of Mr. Vijendra Singh, the Board of Directors of the Company upon the recommendation of Nomination and Remuneration/Compensation Committee have, subject to the approval of shareholders and Central Government, re-appointed Mr. Vijendra Singh as Whole-time Director designated as 'President (Sugar Mills)' for a further period of three years with effect from May 10, 2014 on the following terms and conditions including remuneration:

Term of Office:

Three years with effect from May 10, 2014

Salary, Perquisites and Allowances:

A. Salary:

Rs. 4,32,044/- (Rupees Four Lakhs Thirty Two Thousand Forty Four only) per month with such accelerated increments as may be decided from time to time by the Board of Directors / Nomination and Remuneration/Compensation Committee of the Company at its absolute discretion but not exceeding Rs. 6,60,000/- (Rupees Six Lakhs Sixty Thousand only) per month during the period of office. He shall not be paid any sitting fees for attending the meetings of the Board or Committees thereof.

B. Special Allowance:

Rs. 3,51,585/- (Rupees Three Lakhs Fifty One Thousand Five Hundred and Eighty Five Only) per month with such accelerated increments as may be decided from time to time by the Board of Directors / Nomination and Remuneration /Compensation Committee of the Company at its absolute discretion but not exceeding Rs. 5,40,000/- (Rupees Five Lakhs Forty Thousand only) per month during the period of office.

C. Perquisites:

- i) House Rent Allowance or furnished residential accommodation in lieu thereof, Conveyance, Leave Travel Allowance, Medical Allowance & Medical Insurance as per the rules of the Company.
- ii) Contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961.
- iii) Gratuity at the rate of half a month's salary for each completed year of service.
- iv) Leave with full pay or encashment thereof as per the Rules of the Company. Encashment of the unavailed leave being allowed at the end of the tenure.
- v) Free use of Company's car for Company's work as well as for personal purposes along with driver.
- vi) Free Telephone, Telefax and other communication facilities at residence including Mobile to be used for the business of the Company.
- vii) Reimbursement of actual traveling expenses for proceeding on leave from Mumbai to any place in India and return therefrom once in a year in respect of himself and family.
- viii) Performance based incentive not exceeding Rs. 20,00,000/- (Rupees Twenty Lakhs only) per annum.
- ix) Other Perquisites: Subject to the ceiling on remuneration as mentioned herein below, Mr. Vijendra Singh may be given such other allowance, perquisite, benefits as the Board or Nomination and Remuneration/Compensation Committee thereof may determine from time to time. The nomenclature of allowance/reimbursement and corresponding amount thereof can be revised as per the rules of the Company.

D. Evaluation of perquisites:

Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, perquisites shall be evaluated at actual cost.

E. Minimum Remuneration:

In the event of absence or inadequacy of profits of the Company in any financial year, the remuneration as mentioned herein above shall not be reduced but shall be payable subject to the approval of the Central Government. In the event of the Central Government providing its approval subject to any modification(s)/alteration(s), the remuneration of Mr. Vijendra Singh shall be such as may be approved by the Central Government. However, in the event of the Central Government not providing its approval, Mr. Singh shall be entitled to receive such amount as minimum remuneration as is permissible under Section II of Part II of Schedule V to the Companies Act, 2013 ("the Act").

General terms and conditions:

The Whole-time Director shall be reimbursed all expenses including traveling, communication and entertainment incurred by him in connection with the Company's business.

The Whole-time Director re-appointed as a Director immediately on retirement by rotation shall continue to hold his office of Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Whole-time Director, notwithstanding anything to the contrary contained herein or in any offer deed, documents or writings, the Whole-time Director shall ipso facto and immediately cease to be the Whole-time Director if he ceases to hold office of Director for any cause and in that event he shall not be entitled to any compensation for loss of office.

The Whole-time Director ceases to be Director of the Company, he also ceases to be the Whole-time Director irrespective of the approval if any to his appointment as Whole-time Director by the Central Government.

Mr. Vijendra Singh, being eligible, offers himself for re-appointment.

Further, the Company during the 1st quarter ended June 30, 2014, has incurred a net loss of Rs. 806 Million and accordingly, the payment of remuneration to Mr. Vijendra Singh is subject to the approval of the shareholders by way of passing special resolution and subject to the approval of the Central Government, as required pursuant to the provisions of Section 197 read with Schedule V and all other applicable provisions, if any, of the Act, for a period not exceeding 3 years. The statement as required under Section II of Part II of the Schedule V to the Act with reference to Special Resolution at Item No.9 is annexed hereto as Annexure.

In compliance with the provisions of Section 196, 197 and other applicable provisions, if any, read with Schedule V to the Act and subject to the approval of the Central Government, the re-appointment and terms of remuneration of Mr. Vijendra Singh as Whole-time Director designated as 'President – Sugar Mills' as specified above are now being placed before the Members for their approval.

The Board recommends the Resolution at Item No.9 of the Notice for approval of the Members by way of a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, "financially or otherwise", in the resolution set out at Item No. 9 other than Mr. Vijendra Singh.

Item No. 10

The Members of the Company, at their 14th Annual General Meeting held on March 04, 2010 approved by way of an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956, borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs. 4,800 Crores (Rupees Four Thousand Eight Hundred Crores).

However, after the applicability of the provisions of Section 180(1)(c) of the Companies Act, 2013 ("the Act") with effect from September 12, 2013, a company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of Members of the Company by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions, if any, of the Act, as set out at Item No. 10 of the Notice, to enable the Board

of Directors to borrow money upto Rs. 4,800 Crores (Rupees Four Thousand Eight Hundred Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is concerned or interested, "financially or otherwise", in the resolution set out at Item No. 10.

The Board recommends the Resolution at Item No.10 of the Notice for approval of the Members by way of a Special Resolution.

Item No. 11

Pursuant to the provision of Section 42 and any other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe securities has been previously approved by the shareholders of the company by a Special Resolution for each of the offers or invitations. Further, the sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long term resources for financing, *inter alia*, the capital expenditure and for general corporate purposes, the Company may offer or invite subscription for secured / unsecured redeemable non-convertible debentures, bonds, commercial papers or any other Debt securities in one or more series / tranches on private placement, issuable / redeemable at par.

Accordingly, the consent of the members is sought for passing a Special Resolution as set out at Item No. 11 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 resolution set out at Item No. 11 of the Notice.

The Board recommends the Resolution set out at Item No. 11 of the Notice for approval of the members by way of a Special Resolution.

Item No. 12

Section 188 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 states that no company shall enter into transactions with a Related Party as defined under Section 2(76) of the Act and Revised Clause 49 (VII) of the Equity Listing Agreement, except with the consent of the Board and Members of the Company, where such transactions are either not (a) in Ordinary Course of Business or (b) on arm's length basis.

The transactions with the related parties as per resolution no. 12 are at arm's length and in the ordinary course of business of the Company. The Ministry of Corporate Affairs has vide its General Circular No. 30/2014 dated July 17, 2014 clarified that contracts entered into by companies, after making necessary compliances under Section 297 of the Companies Act, 1956, which already came into effect before the commencement of Section 188 of the Act, i.e. April 01, 2014, will not require fresh approval under Section 188 till the expiry of the original term of such contracts, except where any modification in such contract is made on or before April 01, 2014. However, as per the Securities and Exchange Board of India (SEBI) circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 vide Revised Clause 49(VII) of the Equity Listing Agreement, effective October 01, 2014,

SEBI has prescribed that all related party transactions shall require prior approval of the Audit Committee and all material transactions with related party shall require approval of the Members of the Company through special resolution and the related parties shall abstain from voting on such resolutions. "Material Transaction" means any transaction entered either individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company, as per the last audited financial statements of the company, whichever is higher.

The Company proposes to enter into transaction with related parties as provided in Resolution at Item No. 12, from time to time, at the agreed terms of the transactions between the parties and the Audit Committee has approved the said related party transactions which were placed before it in its meeting and has noted that these transactions are in the ordinary course of business and are at arm's length. Further, the management also believes that transactions under these contracts are on an arm's length basis. Members' approval is sought under the relevant provisions of the Act as an abundant caution. Further, the said transactions may qualify as material transactions under Revised Clause 49 of the Equity Listing Agreement. Accordingly, the members' approval is sought for the same.

Information required to be provided under Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 is as under:

1. Name of the Related Party and relationship : As mentioned in the resolution
2. Name of the Directors / Key Managerial Personnel who is related, if any : Except to the extent of their shareholding interest, if any, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, "financially or otherwise", in this resolution.
3. Monetary Value : As mentioned in the resolution
4. Nature, material terms and particulars of the arrangement :
 - The price of the sugar contract will be as per AAs (Against Actuals) / SEOs (Seller Executable Orders), which are posted on the Euronext LIFFE Exchange (futures contract no. 407) on a particular day at a particular price (which has to be within the range of the exchange price between the date of contract and date of pricing, but usually it is within the range of the exchange price on the day of pricing);

- For export and import contracts, the price shall be in USD Per Metric Ton. For the ex-mill contracts with Adani Wilmar, the USD: INR exchange rate is determined as per the hedged rate between both the parties;
 - As of now, all our export contracts are on FOB basis. Hence, physical premium as per the contract is added to the above determined exchange price. In case of ex-mill purchase contracts, the logistics and handling costs are added to the INR equivalent of the CFR (Cost and Freight) price;
 - Commercial terms are usually as per standard contracts. From contract to contract, the terms that change are shipment period, price, packing (in case 25 kg or 1 MT options provided), quantity, delivery (break-bulk / containers) and quality (usually white refined sugar, but can also be white crystal sugar). All other terms are as per the standard agreed format between the respective buyers.
5. Any other information relevant or important for the Members to make a decision on the proposed transaction : None

The Directors recommend the Resolution as stated at Item No. 12 of the Notice for approval of the Members by way of a Special Resolution.

Item No. 13

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and payment of remuneration of Rs. 4,00,000/- (Rupees Four Lakhs only) (plus service tax and out-of-pocket expenses, if any,) to M/s B. M. Sharma & Co., Cost Accountants as Cost Auditors subject to the approval of Members to conduct the audit of the cost records of the Company for the financial year April 01, 2014 to March 31, 2015.

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. 13 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 resolution set out at Item No. 13 of the Notice. The Board of Directors recommends passing of the Resolution as set out in Item No.13 of the accompanying Notice.

Annexure

STATEMENT PURSUANT TO THE PROVISIONS OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 WITH REFERENCE TO THE RESOLUTIONS AT ITEM NOS. 8 & 9 OF THE NOTICE FOR THE AGM OF SHREE RENUKA SUGARS LIMITED IS AS UNDER:

General Information:

1. Nature of Industry: Manufacturing, producing of Sugar, Power and Ethanol.
2. Date of commencement of commercial activities: Crushing season 1998-99.
3. In case of new companies expected date of commencement of activities as per Project approved by Financial Institutions appearing in the Prospectus: Not applicable.
4. Financial performance based on given indicators:

Rs. in million

Sr. No.	Particulars	Un-audited figures for 3 months period ended 30.06.2014	Audited figures for the year ended 31.03.2014	Audited figures for the year ended 31.03.2013	Audited figures for 18 months period ended 31.03.2012
1.	Total Revenue	11,600	65,771	64,104	63,632
2.	Profit/(Loss) before tax	(1,222)	(6,208)	759	1,350
3.	Net Profit/(Loss)	(806)	(4,661)	518	841
4.	Paid up share capital	929	671	671	671
5.	Reserves & Surplus	16,647	12,686	17,259	17,134

5. Foreign Investments or Collaborations, if any: Investments in Overseas Companies as on June 30, 2014 is Rs. 18,240.34 Million. There is no foreign Collaborations

Information about the appointee:

➤ **Mrs. Vidya Murkumbi**

1. Background details: Mrs. Vidya Murkumbi is a graduate in Chemistry and spent 24 years in the trading business. She was initially involved in trading and distribution of various TATA and Parle products. Subsequently, she moved into manufacturing and marketing business by venturing into agro processing and chemical formulation business. She is the Promoter Director of the Company.
2. Past Remuneration: Basic Salary Rs. 10,50,000/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: Conferred with Doctorate Degree by Karnataka State Bijapur Women's University.
4. Job Profile and her Suitability: The Executive Chairperson is in-charge of overall operations of the Company with substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Act or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company. Mrs. Vidya Murkumbi is also in-charge of all the plants of the Company located at different states of the country. She looks after efficient running of all the plants, planning, control, expansion, sugarcane development activities, timely completion of the project and general administration of the factory, including labour and other related issues. Under her leadership, the Company has grown from being a local player to become one of the largest sugar companies in the world. Payment of above mentioned remuneration to Mrs. Vidya Murkumbi is considered suitable, considering her qualifications, expert knowledge and her rich experience in the sugar industry.
5. Remuneration proposed: As detailed in the Explanatory Statement.
6. Comparative remuneration profile: Remuneration is proposed taking into account trend in the industry, appointee's qualification, experience, past assignments and past remuneration.
7. Pecuniary Relationship: Mrs. Vidya Murkumbi is a Promoter Director, holding 1,228,800 equity shares of Re.1/- each representing 0.13% of the paid-up capital of the Company. She receives lease rent in connection with the properties situated at BC 105 and BC 109, Belgaum given on lease basis to the Company where the Company's Registered Office and Project office are situated. Apart from receiving remuneration and lease rent as mentioned hereinabove and dividend on the shares held, she does not receive any other benefits from the Company. The appointee is related to Mr. Narendra Murkumbi, Vice Chairman and Managing Director and promoter of the Company.

➤ **Mr. Vijendra Singh**

1. Background details: Mr. Vijendra Singh is a Bachelor of Science from Meerut University and has done his Post Graduation in Sugar Technology from the National Sugar Institute. He has rich and varied experience in agro processing industry and his area of expertise includes Planning System Development, Process Simplification, Quality Assurance Management, Project Cycle Management, Cost Control Strategies, Workflow Planning and Manpower Management.

2. Past Remuneration: Basic Salary Rs. 3,51,585/- per month and perquisites, reimbursements and allowances as per the terms of appointment and rules of the Company.
3. Recognition or awards: NIL.
4. Job Profile and his Suitability: Mr. Vijendra Singh is responsible and is in-charge of all the plants and units of the Company located at different parts of the country. He is also responsible for the Power and Ethanol Sales business of the Company. He played key roles in the implementation of various projects in India as well as outside India. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.
He is having substantial powers of management and general conduct, except in the matters which may be specifically required to be done by the Board either by the Act or by the Articles of Association of the Company and shall also exercise and perform such powers and duties as the Board of Directors of the Company may from time to time determine and perform all other acts and things which in the ordinary course of business may be considered necessary or proper or in the interest of the Company.
5. Remuneration proposed: As detailed in the Explanatory Statement.
6. Comparative remuneration profile: Taking into consideration the size and past performance of the Company and the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to Mr. Vijendra Singh is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
7. Pecuniary Relationship: Except remuneration as mentioned above, Mr. Vijendra Singh does not have any pecuniary relationship directly or indirectly with the Company or any relationship with the managerial personnel of the Company.

Other Information:

1. Reasons for loss or inadequate profits: During the 3 months period ended June 30, 2014 the Company has incurred net loss of Rs. 806 Million due to surplus availability of sugar, lower realisations coupled with relatively lower sugar recoveries and higher cane prices which severely impacted the sugar margins of the Company.
2. Steps taken or proposed to be taken for improvement: The Company has issued and allotted 257,491,592 equity shares to M/s. Wilmar Sugar Holdings Pte. Ltd., a wholly owned subsidiary of Wilmar International Ltd., situated at Singapore, on preferential basis @ Rs. 20.08 aggregating to Rs. 5170.43 Million and further, the Company is also in the process of issuing shares on right basis to existing shareholders of the Company. This will help and enable the Company to repay its existing debt and strengthen its financial position and provide a strong platform for its growth.
3. Expected increase in productivity and profits in measurable terms: The Company is planning to make full utilization of the installed capacities for increasing its productivity. It has also taken active steps to reduce the cost of production and financial expenses and to increase the recovery on sugar in the coming year thereby increasing the profits of the Company. However, no estimates have been made by the Company in this regard.

Disclosures:

The following disclosures mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company:

1. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
2. Details of fixed component and performance linked incentives along with the performance criteria;
3. Service contracts, notice period, severance fees;
4. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

By Order of the Board of Directors
for **Shree Renuka Sugars Limited**

Place: Mumbai
Date: August 13, 2014

D V Iyer
Company Secretary

Regd. Office:
B.C. 105, Havelock Road,
Camp, Belgaum – 590 001



Shree Renuka Sugars Limited

Registered Office : BC 105, Havelock Road, Camp, Belgaum - 590 001.
Tel: 0831-2404000 | **Fax:** 0831-2404961 | **website:** www.renukasugars.com
Corporate Identification No.: L01542KA1995PLC019046

Ballot Form

(To be returned to the Scrutinizer appointed by the Company)

1. Name and Registered Address of the sole / first named Shareholder :
3. Name(s) of the Joint Shareholder(s) if any :
3. Registered Folio Number/ DP ID No. /Client ID No. :
4. Number of Share(s) held :

I/We hereby exercise my/our vote in respect of the following resolution(s) to be passed at the Eighteenth Annual General Meeting of the Members of the Company, to be held on Friday, 26th September, 2014 at 11.30 a.m. at Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006 in respect of the businesses as stated in the Notice dated 13th August, 2014 by conveying my/our assent or dissent to the said resolutions by placing the tick mark () at the appropriate column below:

Resolution No.	Resolution	No. of Equity Shares Held	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
Ordinary Business:				
1.	Consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.			
2.	Re-appointment of Mrs. Vidya M Murkumbi, who retires by rotation and, being eligible, offers herself for re-appointment.			
3.	Re-appointment of M/s Ashok Kumar, Prabhaskar & Co., Chartered Accountants, as Statutory Auditors of the Company.			
Special Business:				
4.	Appointment of Mr. Sanjay Asher as an Independent Director of the Company.			
5.	Appointment of Mr. S. K. Tuteja as an Independent Director of the Company.			
6.	Appointment of Mr. Hrishikesh Parandekar as an Independent Director of the Company.			
7.	Appointment of Mr. Robert Taylor as an Independent Director of the Company.			
8.	Re-appointment of Mrs. Vidya Murkumbi as a Whole-time Director of the Company.			
9.	Re-appointment of Mr. Vijendra Singh as a Whole-time Director of the Company.			
10.	Approval of borrowing limits of the Company.			
11.	Approval of offer or invitation to subscribe to Non-Convertible Debentures and/or other debt securities on a private placement basis.			
12.	Approval of Related Party Transactions.			
13.	Ratification of the remuneration payable to M/s. B M Sharma & Co, Cost Auditors of the Company for the financial year ending 31st March, 2015.			

Place:

Date:

E-mail address: _____

(To be provided by the Member(s) holding equity shares in physical form.)

Signature of the Member

Note: Please read the instructions given overleaf and the Notes to the Notice dated 13th August, 2014, carefully before you exercise your vote.

INSTRUCTIONS FOR FILLING BALLOT FORM

- i) A member desiring to exercise vote by ballot may complete this Ballot Form and send it to the Scrutinizer in an envelope on the following address: Shree Renuka Sugars Limited, BC 105, Havelock Road, Camp, Belgaum – 590001. Postage charges will be at the expense of the Member desiring to vote by Ballot Form process.
- ii) This Form should be completed and signed by the member (as per the specimen signature registered with the Company / Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence, by the next named member.
- iii) Duly completed Ballot Form should reach the Scrutinizer on or before the close of working hours on 22nd September, 2014. All Ballot Forms received after this date will be strictly treated as if reply from such Member(s) has not been received.
- iv) There will be only one Ballot Form for every folio irrespective of the number of joint holder(s). Ballot cannot be exercised by a proxy.
- v) In case of shares held by companies, trusts, societies etc. the duly completed Ballot Form should be accompanied by a relevant Board Resolution / Authority Letter duly certified/attested by authorized signatory (ies).
- vi) Members are requested not to send any other paper along with the Ballot Form in the envelope, as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company would not be liable to acknowledge or act on the same.
- vii) A shareholder need not use all the votes nor needs to cast all the votes in the same way. The voting rights of the members shall be in proportion to their shares in the total paid-up equity share capital of the Company as on 22nd August, 2014.
- viii) Incomplete, Unsigned Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Ballot will be final and binding on the concerned member and the Company.
- ix) The Company is also offering e-voting facility as an alternate, for all its members to enable them to cast their votes electronically instead of using the Ballot Form. The detailed procedure for e-voting has been enumerated in the Notes to the Notice dated 13th August, 2014 convening the Eighteenth Annual General Meeting of the Members of the company.
- x) **This Ballot Form is provided for the benefit of members who do not have access to e-voting facility, to enable them to send their assent or dissent by post.**
- xi) **A member can opt for only one mode of voting, i.e. either by post or through e-voting. If a Member casts votes by both modes, then voting done through e-voting shall prevail and voting done by Post will be treated as invalid.**



Shree Renuka Sugars Limited

Registered Office: BC 105, Havelock Road, Cantonment, Belgaum - 590 001.
Tel: 0831-2404000 | **Fax:** 0831-2404961 | **website:** www.renukasugars.com
Corporate Identification No.: L01542KA1995PLC019046

ATTENDANCE SLIP

DP Id No. : _____ Regd. Folio : _____

Client Id No : _____ No. of Shares : _____

Name of the Shareholder _____ holding _____ shares of the Company, hereby record my / our presence at the 18th Annual General Meeting of the Company held at Maratha Mandir Hall (Near Railway Over Bridge), Khanapur Road , Belgaum – 590 006 on Friday, the 26th September, 2014 at 11.30 a.m.

Proxy's Full Name: _____

Signature of the Shareholder/Proxy

Note:

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



Shree Renuka Sugars Limited

Registered Office: BC 105, Havelock Road, Cantonment, Belgaum - 590 001.
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Corporate Identification No.: L01542KA1995PLC019046

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member(s)	
Registered Address	
E-mail Id	
Folio No. / Client Id	
DP ID	

I/We, being the member(s) of shares of Shree Renuka Sugars Limited, hereby appoint:

1. Name: _____ Address: _____

E-mail Id: _____ or failing him/ her

2. Name: _____ Address: _____

E-mail Id: _____ or failing him/ her

3. Name: _____ Address: _____

E-mail Id: _____ or failing him/ her



and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **18th Annual General Meeting** of the Company, to be held on September 26, 2014 at 11.30 a.m. at Maratha Mandir Hall (Near Railway Over Bridge) Khanapur Road, Belgaum 590006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolu- tion No.	Resolutions
Ordinary Business:	
1.	Consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors' and Auditors' thereon.
2.	Re-appointment of Mrs. Vidya M Murkumbi, who retires by rotation and, being eligible, offers herself for re-appointment.
3.	Re-appointment of M/s Ashok Kumar, Prabhashankar & Co., Chartered Accountants, as Statutory Auditors of the Company.
Special Business:	
4.	Appointment of Mr. Sanjay Asher as an Independent Director of the Company.
5.	Appointment of Mr. S. K. Tuteja as an Independent Director of the Company.
6.	Appointment of Mr. Hrishikesh Parandekar as an Independent Director of the Company.
7.	Appointment of Mr. Robert Taylor as an Independent Director of the Company.
8.	Re-appointment of Mrs. Vidya Murkumbi as a Whole-time Director of the Company.
9.	Re-appointment of Mr. Vijendra Singh as a Whole-time Director of the Company.
10.	Approval of borrowing limits of the Company.
11.	Approval of offer or invitation to subscribe to Non-Convertible Debentures and/or other debt securities on a private placement basis.
12.	Approval of Related Party Transactions.
13.	Ratification of the remuneration payable to M/s. B M Sharma & Co, Cost Auditors of the Company for the financial year ending 31st March, 2015.

Signed this _____ day of September, 2014

Signature of member

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





Shree Renuka Sugars Limited

Registered Office :

BC 105, Havelock Road, Camp, Belgaum - 590 001.

Tel.: 91-831-2404000/2424961 | Fax: 91-831-2469891

www.renukasugars.com

Design, Concept & Copy :
WYATI (info@wyati.co.in)

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